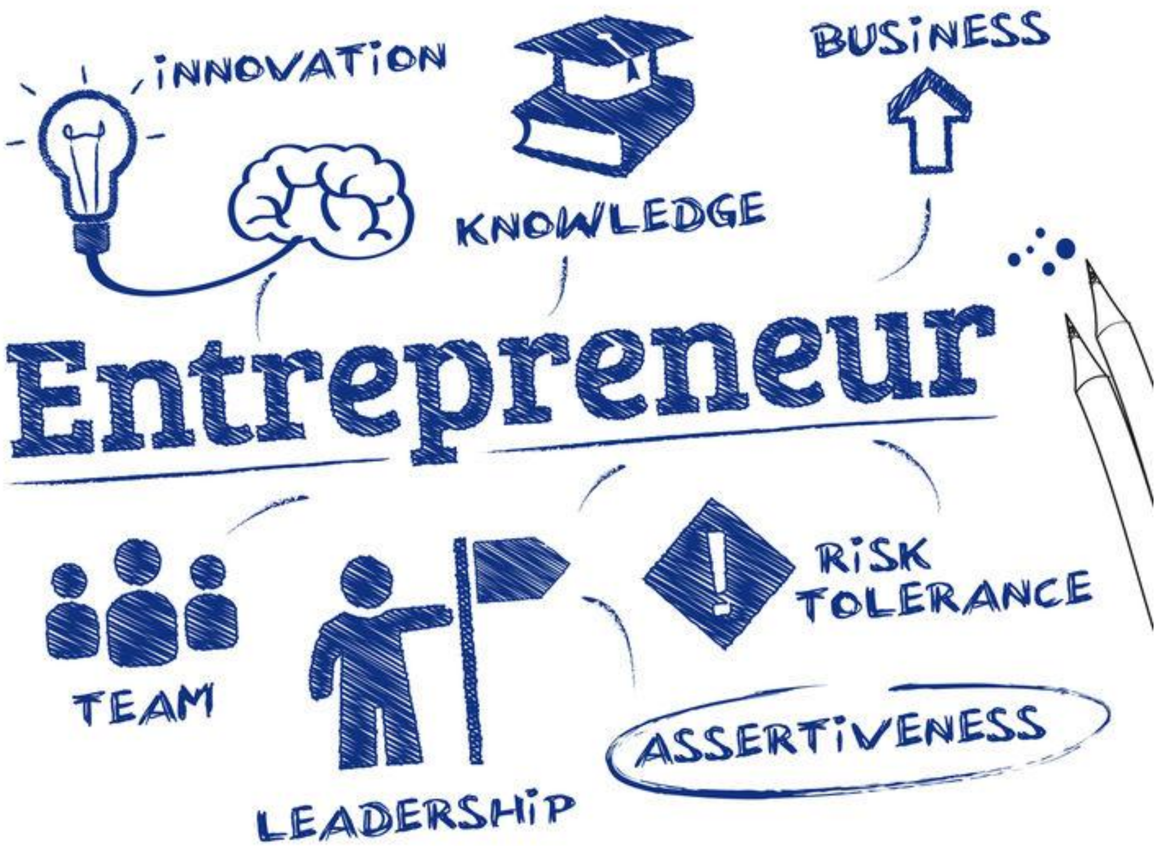
SREENIVASA INSTITUTE of TECHNOLOGY and MANAGEMENT STUDIES (AUTONOMOUS)

22 MBA241 : ENTREPRENEURSHIP DEVELOPMENT

Lecture Notes

II MBA / II - SEMESTER REGULATION: R22



BY

FACULTY INCHARGE : DR.K.SUDARSAN, PROFESSOR

DEPARTMENT : MASTER OF BUSINESS ADMINISTRATION

UNIT - I : NATURE OF ENTREPRENEURSHIP

Meaning of Entrepreneur

The word “entrepreneur” is derived from the French verb Enterprendre, which means 'to undertake'. This refers to those who “undertake” the risk of new enterprises. An enterprise is created by an entrepreneur. The process of creation is called “entrepreneurship”.

An entrepreneur is an individual who, rather than working as an employee, runs a small business and assumes all the risks and rewards of a given business venture, idea, or good or service offered for sale. The entrepreneur is commonly seen as a business leader and innovator of new ideas and business processes.

Entrepreneurs play a key role in any economy. These are the people who have the skills and initiative necessary to take good new ideas to market and to make the right decisions that lead to profitability. The reward for taking the risk is the potential economic profits the entrepreneur could earn. Entrepreneurs commonly face many obstacles when building a business. Three common obstacles that many of them cite as the most challenging are: overcoming bureaucracy, hiring talent and acquiring financing.

The entrepreneur is commonly seen as a business leader and innovator of new ideas and business processes." Entrepreneurs tend to be good at perceiving new business opportunities and they often exhibit positive biases in their perception (i.e., a bias towards finding new possibilities and seeing unmet market needs) and a pro-risk-taking attitude that makes them more likely to exploit the opportunity.

Definitions:

- "Entrepreneur as a person who only provides capital without taking active part is the leading role is the enterprise"

  -Adam Smith

- “A person who is able to look at the environment, identify opportunities to improve the environment, mar shall resources, and implement action to maximize those opportunities”.

  -Prof. Robert Nelson

- According to economist Joseph Alois Schumpeter (1883-1950), entrepreneurs are not necessarily motivated by profit but regard it as a standard for measuring achievement or success.

Meaning of Entrepreneurship:

Entrepreneurship is a process of actions of an entrepreneur who is a person always in search of something new and exploits such ideas into gainful opportunities by accepting the risk and uncertainty with the enterprise.

Entrepreneurship has traditionally been defined as the process of designing, launching and running a new business, which typically begins as a small business, such as a startup company, offering a product, process or service for sale or hire, and the people who do so are called 'entrepreneurs'. It has been defined as the "capacity and willingness to develop, organize, and manage a business venture along with any of its risks in order to make a profit.”

Definition:

- According to Heggins " Entrepreneurship is meant that function of seeking investment and production opportunity organizing and enterprise to undertake a new production process, raising capital, having labor, arranging the supply of raw materials, finding site and selecting to managers of day-to-day operations.

Concepts of Entrepreneurship:

1. Economic and dynamic activity:

Entrepreneurship is an economic activity because it involves the creation and operation of an enterprise with a view to creating value or wealth by ensuring optimum utilisation of scarce resources. Since this value creation activity is performed continuously in the midst of uncertain business environment, therefore, entrepreneurship is regarded as a dynamic force.

2. Related to innovation:

Entrepreneurship involves a continuous search for new ideas. Entrepreneurship compels an individual to continuously evaluate the existing modes of business operations so that more efficient and effective systems can be evolved and adopted. In other words, entrepreneurship is a continuous effort for synergy (optimization of performance) in organizations.

3. Profit potential:

“Profit potential is the likely level of return or compensation to the entrepreneur for taking on the risk of developing an idea into an actual business venture.” Without profit potential, the efforts of entrepreneurs would remain only an abstract and a theoretical leisure activity.

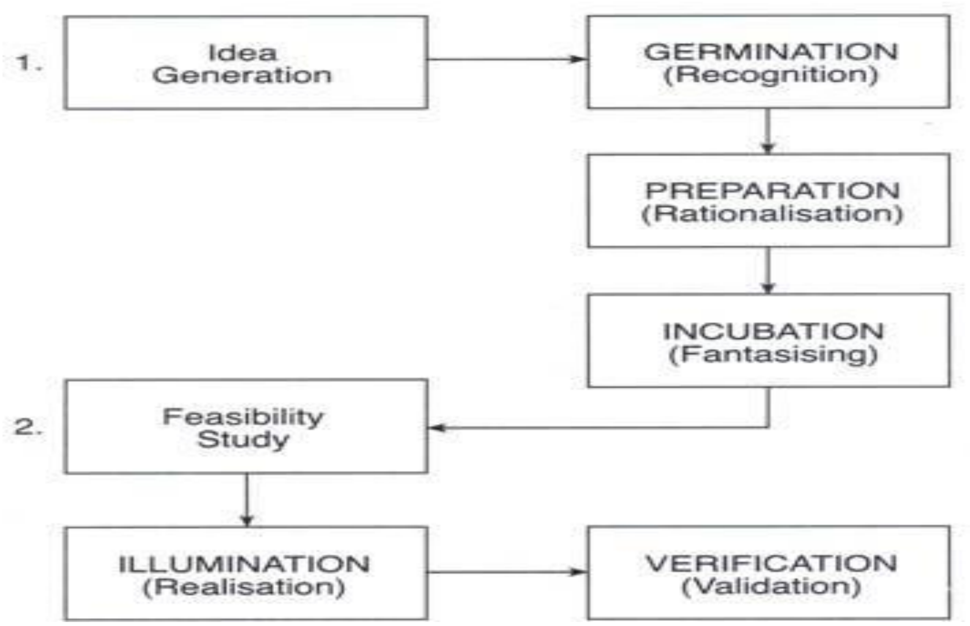
4. Risk bearing:

The essence of entrepreneurship is the ‘willingness to assume risk’ arising out of the creation and implementation of new ideas. New ideas are always tentative and their results may not be instantaneous and positive.

Entrepreneurial Process:

Entrepreneurship is a process, a journey, not the destination; a means, not an end. All the successful entrepreneurs like Bill Gates (Microsoft), Warren Buffet (Hathaway), Gordon Moore (Intel) Steve Jobs (Apple Computers), Jack Welch (GE) GD Birla, Jamshedji Tata and others all went through this process.

To establish and run an enterprise it is divided into three parts – the entrepreneurial job, the promotion, and the operation. Entrepreneurial job is restricted to two steps, i.e., generation of an idea and preparation of feasibility report. In this article, we shall restrict ourselves to only these two aspects of entrepreneurial process.



1. Idea Generation:

To generate an idea, the entrepreneurial process has to pass through three stages:

a. Germination:

This is like seeding process, not like planting seed. It is more like the natural seeding. Most creative ideas can be linked to an individual's interest or curiosity about a specific problem or area of study.

b. Preparation:

Once the seed of interest curiosity has taken the shape of a focused idea, creative people start a search for answers to the problems. Inventors will go on for setting up laboratories; designers will think of engineering new product ideas and marketers will study consumer buying habits.

c. Incubation:

This is a stage where the entrepreneurial process enters the subconscious intellectualization. The sub-conscious mind joins the unrelated ideas so as to find a resolution.

2. Feasibility study:

Feasibility study is done to see if the idea can be commercially viable.

It passes through two steps:

a. Illumination:

After the generation of idea, this is the stage when the idea is thought of as a realistic creation. The stage of idea blossoming is critical because ideas by themselves have no meaning.

b. Verification:

This is the last thing to verify the idea as realistic and useful for application. Verification is concerned about practicality to implement an idea and explore its usefulness to the society and the entrepreneur.

Importance of Entrepreneurship:

1. Development of managerial capabilities:

The biggest significance of entrepreneurship lies in the fact that it helps in identifying and developing managerial capabilities of entrepreneurs. An entrepreneur studies a problem, identifies its alternatives, compares the alternatives in terms of cost and benefits implications, and finally chooses the best alternative.

2. Creation of organisations:

Entrepreneurship results into creation of organisations when entrepreneurs assemble and coordinate physical, human and financial resources and direct them towards achievement of objectives through managerial skills.

3. Improving standards of living:

By creating productive organisations, entrepreneurship helps in making a wide variety of goods and services available to the society which results into higher standards of living for the people. Possession of luxury cars, computers, mobile phones, rapid growth of shopping malls, etc. are pointers to the rising living standards of people, and all this is due to the efforts of entrepreneurs.

4. Means of economic development:

Entrepreneurship involves creation and use of innovative ideas, maximisation of output from given resources, development of managerial skills, etc., and all these factors are so essential for the economic development of a country.

Entrepreneurial Competency

The business operation is considered to be very complex in a competitive business environment, which is constantly changing with fast technological advancements. An entrepreneur is expected to interact with these environmental forces which require him to be highly competent in different dimensions like intellectual, attitudinal, behavioural, technical, and managerial aspects. Entrepreneurs are therefore permanently challenged to deploy a set of competencies to succeed in their entrepreneurial endeavours. Entrepreneurial competencies are defined as underlying characteristics possessed by a person, which result in new venture creation. These characteristics include generic and specific knowledge, motives, traits, self-images, social roles, and skills that may or may not be known to the person. That is, these characteristics may be even unconscious attributes of an individual. Some of these competencies are innate while others are acquired in the process of learning and training and development.

Definition

"Entrepreneurial competencies can be defined as underlying characteristics such as generic and specific knowledge, motives, traits, self-images, social roles, and skills that result in venture birth, survival, and/or growth."

– Bird (1995)

"Total ability the entrepreneur to perform this role successfully. Several studies have found positive relationship between existences of competencies and venture performance".

– Man, Lau& Chan

Types of Competencies

The competencies may be classified into following categories:

1.Personal entrepreneurial competencies

2.Venture initiation and success competencies

a) Enterprise launching competencies

b) Enterprise management competencies

1. Personal Entrepreneurial competencies

It is the personal characteristics of an individual who possess to perform the task effectively and efficiently. Personal entrepreneurial competencies include the following:

a) Initiative

The entrepreneur should be able to take actions that go beyond his job requirements and to act faster. He is always ahead of others and able to become a leader in the field of business. He Does things before being asked or compelled by the situation and acts to extend the business into new areas, products or services.

b) Sees and acts on opportunities

An entrepreneur always looks for and takes action on opportunities. He Sees and acts on new business opportunities and Seizes unusual opportunities to obtain financing, equipment, land, work space or assistance.

c) Persistence

An entrepreneur is able to make repeated efforts or to take different actions to overcome an obstacle that get in the way of reaching goals. An entrepreneur takes repeated or different actions to overcome an obstacle and Takes action in the face of a significant obstacle.

d) Information Seeking

An entrepreneur is able to take action on how to seek information to help achieve business objectives or clarify business problems. They do personal research on how to provide a product or service. They seek information or ask questions to clarify what is wanted or needed. They personally undertake research and use contacts or information networks to obtain useful information.

e) Concern for High Quality of Work

An entrepreneur acts to do things that meet certain standards of excellence that gives him greater satisfaction. An entrepreneur states a desire to produce or sell a top or better quality product or service. They compare own work or own company's work favourably to that of others.

f) Commitment to Work Contract

An entrepreneur places the highest priority on getting a job completed. They make a personal sacrifice or take extraordinary effort to complete a job. They accept full responsibility for problems in completing a job for others and express concern for satisfying the customer.

g) Efficiency Orientation

A successful entrepreneur always finds ways to do things faster or with fewer resources or at a lower cost. They look for or finds ways to do things faster or at less cost. An entrepreneur uses information or business tools to improve efficiency. He expresses concern about costs vs. benefits of some improvement, change, or course of action.

h) Systematic Planning

An entrepreneur develops and uses logical, step-by-step plans to reach goals. They plan by breaking a large task into subtask and develop plans, then anticipate obstacles and evaluate alternatives. They take a logical and systematic approach to activities.

i) Problem Solving

Entrepreneurs identify new and potentially unique ideas to achieve his goals. They generate new ideas or innovative solutions to solve problems and they take alternative strategies to solve the problems.

j) Self-Confidence

Entrepreneur with this competency will have a strong belief in self and own abilities. They express confidence in their own ability to complete a task or meet a challenge. They stick to their own judgment while taking decision.

k) Assertiveness

An entrepreneur confronts problems and issues with others directly. Entrepreneur with this competency vindicate the claim to asset their own rights on others. They demand recognition and disciplines those failing to perform as expected. They asset own competence, reliability or other personal or company's qualities. They also assert strong confidence in own company's or organization's products or service.

l) Persuasion

Entrepreneurs with this competency successfully pursue others to perform the activities effectively and efficiently. An entrepreneur can persuade or influence others for mobilizing resources, obtaining inputs, organizing productions and selling his products or services.

m) Use of Influence Strategies

An entrepreneur is able to make use of influential people to reach his business goals. Entrepreneurs with this competency influence the environment (Individuals/Institution) for mobilizing resources organizing production and selling goods and services to develop business contacts.

n) Monitoring

Entrepreneurs with this competency normally monitor or surprise all the activities of the concern to ensure that the work is completed by maintaining good quality.

o) Concern for Employee Welfare

Entrepreneurs with this competency take action to improve the welfare of employees and take positive action in response of employee's personal concerns.

Venture initiation and success competencies

In addition to personal competencies the entrepreneur must also possess the competencies required to launch the enterprise and for its growth and survival. It is further divided into two categories of competencies. These are

1. **Enterprise launching competencies**
   - Competency to understand the nature of business
   - Competency to determine the potential as an entrepreneur.
   - Competency to develop a business plan
   - Competency to obtain technical assistance
   - Competency to choose the type of ownership
   - Competency to plan the market strategy
   - Competency to locate the business

- Competency to finance the business
- Competency to deal with the business
- Competency to comply with government regulations.

Enterprise management competencies

- Competency to manage the business
- Competency to manage human resources
- Competency to promote the business
- Competency to manage sales efforts
- Competency to keep business records
- Competency to manage the finance
- Competency to manage customer
- Competency to manage credit and collection
- Competency to protect the business.

Entrepreneurs Attitudes

No entrepreneur succeeds in every business venture. Every successful entrepreneur fails at least once, if not twice. How entrepreneurs learn from and utilize their failures, however, is what matters, because in entrepreneurship, attitude is everything.

Here are five key attitudes every entrepreneur must conquer in order to run a prosperous business venture:

1. **Passion**

Entrepreneurs should be passionate about their ideas, goals and, of course, their companies. This passion is what drives them to do what they do. Some entrepreneurs love the adventure and excitement of creating something new, and once it is established they lose interest and move on to something else.

Other entrepreneurs feel passionately about the product they are constructing or the sense of accomplishment they feel because they know they are helping other people, helping animals or helping the planet. Whatever drives an individual to try to succeed is where his/her passion lies, and that passion is integral to entrepreneurial life.

2. **Bravery**

Entrepreneurs, like everyone else, feel fear. They are fearful that they won’t succeed or fearful a well-conceived idea cannot be executed. They do not, however, let these fears of failure define them. They are brave. They learn from failure. They utilize their fear of failing to push themselves to work harder and to strive to correct the mistakes that may have caused them to fail.

Many entrepreneurs need multiple attempts to create a successful company. It is bravery that drives them to pursue success.

3. **Flexibility**

Entrepreneurs experience setbacks. There are hurdles to overcome on any journey. Not everyone handles change or disappointment well. However, entrepreneurs must possess flexible mindsets so they can alter a course that seems to be headed toward failure.

Flexible entrepreneurs should be aware that they may have to modify the route toward their established goal, or even perhaps tweak that established goal, in order to reach it successfully.

4. **Strong Work Ethic**

   It is not easy to start from the ground up and become a successful business owner. Many hours of hard work, frustration, creativity and supervision are poured into a new venture. If you are not willing to get up and work hard every day, probably seven days a week, then how can you expect success? No successful business is created quickly, easily or without strife.

   Entrepreneurs do not work a standard 9-5 day, nor do they log 40-hour work weeks. They are always working—establishing new ideas, creating new products, designing new processes, hiring smart and talented people. Entrepreneurs motivate themselves and continually look forward.

5. **Integrity**

   Entrepreneurs must be able to show others they are truthful and honest. Regardless of the type of business they hope to establish, colleagues, vendors, customers and investors must trust them. There is no way around this—entrepreneurs must be trusted, and trust must be earned.

   The best business idea in the world will likely fail if an untrustworthy person is at the helm. Suppliers need to know that payments for goods they have shipped will arrive on time. Customers need to know that whatever product or service they have ordered will be delivered as promised. Colleagues need to know that they are a valued part of the company's success. Investors need to know that the company has to potential to grow.

   Attitude is everything in entrepreneurial life.

Entrepreneurs Qualities

Successful business people have many traits in common with one another. They are confident and optimistic. They are disciplined self starters. They are open to any new ideas which cross their path (Side note: Rich 20 Something is a great book about this, it covers the mindset of millennial entrepreneurs). Here are ten traits of the successful entrepreneur.

1. Disciplined

These individuals are focused on making their businesses work, and eliminate any hindrances or distractions to their goals. They have overarching strategies and outline the tactics to accomplish them. Successful entrepreneurs are disciplined enough to take steps every day toward the achievement of their objectives.

2. Confidence

The entrepreneur does not ask questions about whether they can succeed or whether they are worthy of success. They are confident with the knowledge that they will make their businesses succeed. They exude that confidence in everything they do.

3. Open Minded

Entrepreneurs realize that every event and situation is a business opportunity. Ideas are constantly being generated about workflows and efficiency, people skills and potential new businesses. They have the ability to look at everything around them and focus it toward their goals.

4. Self Starter

Entrepreneurs know that if something needs to be done, they should start it themselves. They set the parameters and make sure that projects follow that path. They are proactive, not waiting for someone to give them permission.

5. Competitive

Many companies are formed because an entrepreneur knows that they can do a job better than another. They need to win at the sports they play and need to win at the businesses that they create. An entrepreneur will highlight their own company's track record of success.

6. Creativity

One facet of creativity is being able to make connections between seemingly unrelated events or situations. Entrepreneurs often come up with solutions which are the synthesis of other items. They will repurpose products to market them to new industries.

7. Determination

Entrepreneurs are not thwarted by their defeats. They look at defeat as an opportunity for success. They are determined to make all of their endeavors succeed, so will try and try again until it does. Successful entrepreneurs do not believe that something cannot be done.

8. Strong people skills

The entrepreneur has strong communication skills to sell the product and motivate employees. Most successful entrepreneurs know how to motivate their employees so the business grows overall. They are very good at highlighting the benefits of any situation and coaching others to their success.

9. Strong work ethic

The successful entrepreneur will often be the first person to arrive at the office and the last one to leave. They will come in on their days off to make sure that an outcome meets their expectations. Their mind is constantly on their work, whether they are in or out of the workplace.

10. Passion

Passion is the most important trait of the successful entrepreneur. They genuinely love their work. They are willing to put in those extra hours to make the business succeed because there is a joy their business gives which goes beyond the money. The successful entrepreneur will always be reading and researching ways to make the business better.

Successful entrepreneurs want to see what the view is like at the top of the business mountain. Once they see it, they want to go further. They know how to talk to their employees, and their businesses soar as a result.

Function of Entrepreneurs

Entrepreneurs and entrepreneurship are essential to the development of strong industries, economies and communities. Innovation is essential to the development of new products and services, and can often have an enormous impact locally. Without entrepreneurs in an area, there is a risk of cultural, industrial and economic stagnation.

Characteristics of Entrepreneurship and Entrepreneurs

Not everybody wants to be an entrepreneur. In fact, many people may lack the personality and skills necessary for successful entrepreneurship. There are some general characteristics and skills that many successful entrepreneurs have:

Problem-solving: Entrepreneurs often start their businesses after identifying a problem and then coming up with a way to address it. Entrepreneurs are also able to figure out how to solve problems that will occur during the development of the business.

Innovation: Entrepreneurs are innovators, and are often engaged continuously in the process of conceiving new products and services, renewing and improving current offerings, and developing new business processes.

Risk-taking: Entrepreneurs are not risk-averse. They are willing to risk their time, money and even their reputation to get the business started and take their products or services to market. Entrepreneurs are also willing to take risks even after they establish a business, developing new products and approaches that can grow their businesses.

Contrariness: Entrepreneurs are often people who are eager to question why and how things are being done – even if these processes are clearly "industry-standard." This doesn't mean an entrepreneur should ignore industry best practices, but the entrepreneur is also willing to challenge these practices if she believes that there is a better way to do them.

Persistence: Entrepreneurs are persistent. They aren't easily discouraged and are willing to work through discouragement and challenges. Entrepreneurs are willing to attend trade shows, meet with bankers, call on clients and do what it takes to get the business started, and then to make it successful.

Leadership: Successful entrepreneurs are strong leaders. Leadership is an essential entrepreneurial skill, as the entrepreneur will need to be able to cultivate trust and support from the people who join his business as managers and workers. Many new businesses are cash-poor and experience significant challenges – but a good leader can inspire loyalty in workers who may not yet be receiving high wages, as well as in employees who are facing roadblocks in their efforts to build the company.

Types of Entrepreneurship

Classic entrepreneurs: The so-called "classic" entrepreneur is someone who observes a gap in the market or takes note of a business or consumer need, and develops a company that addresses the deficit or the need. In some cases, the entrepreneur may also be an inventor, although some classic entrepreneurs will team up with someone who has invented a product. In many cases, the classic entrepreneur starts the business and continues to own and manage it for many years.

Serial entrepreneurs: A serial entrepreneur enjoys getting businesses started, and then sells the business to another person or company. This type of entrepreneur is typically somebody who is excited about starting something new and taking risks. Once the business is doing well, however, this entrepreneur wants to move on to another new and different challenge.

Social entrepreneurs: Social entrepreneurs incorporate social conscience with business. While their businesses may still be for-profit, there is typically a strong mission statement connecting the business with a social cause. For example, a social entrepreneur may import fair trade goods for resale while also educating the public about the importance of activism in the area of sustainably and responsibly sourcing products.

Pitfalls and Challenges of Entrepreneurship

While entrepreneurship is necessary for economic growth and cultural progress, entrepreneurs and entrepreneurial businesses face a number of challenges and pitfalls:

Business management needs: Many entrepreneurs have good ideas and a lot of energy for implementing them. However, the day-to-day management of a business requires strong administration skills, something that some entrepreneurs may not possess. Entrepreneurs need to be able to delegate authority to competent managers and administrators so that a business can flourish.

Market timing: Entrepreneurs are often forward thinking people. Sometimes an entrepreneur may have a great idea, but it may be too soon for its implementation. There were several businesses in the early dot-com era – such as grocery, snack and entertainment delivery services – that were simply before their time. While the market now boasts several such businesses, it took more than a decade for consumers to become used to the idea of ordering things online and having them delivered within a few days or hours.

Undercapitalization: A major issue for many entrepreneurs is having enough money to operate. Businesses that don't have cash reserves and cannot maintain a steady cash flow run the risk of failure, even if they are offering a good product or service and have a competent management team. Entrepreneurs need to be able to raise the cash necessary to keep their business going while it is still in its launch phase.

Entrepreneur boredom: Because entrepreneurs are innovators, many are at risk of getting bored quickly. In some cases, this can mean that an entrepreneur may lose interest in her business, even if it is successful, and either neglect her responsibilities or become complacent. Entrepreneurs who get bored easily may want to consider selling the business or developing strategies for staying continuously engaged.

Other Considerations

Entrepreneurs who do not have a business background may want to take steps to ensure that they have the knowledge necessary to operate a company. While the needs of a small, startup company may be relatively few, rapid growth creates complex legal and liability considerations that a new entrepreneur may not be familiar with. Some business schools offer certificate and degree programs in entrepreneurship, and local Chambers of Commerce also provide training and mentoring services to aspiring business owners. Working with an attorney who is experienced in business startups can also be helpful in developing a corporate structure that protects the entrepreneur's interests.

Types of Entrepreneurs

There are several ways to categorize entrepreneurs based on their approach, characteristics, goals, and business models. Here are some common classifications based on different factors:

1. Based on the Nature of Business:

- **Business Entrepreneurs**
  Focus on establishing and running a business with the aim of earning profits. They identify opportunities, gather resources, and manage the operations.
- **Trading Entrepreneurs**
  They specialize in buying and selling goods, acting as intermediaries in the market.
- **Industrial Entrepreneurs**
  Focus on setting up manufacturing units and industrial operations, transforming raw materials into finished products.

2. Based on the Source of Innovation:

- **Innovative Entrepreneurs**
  These entrepreneurs create entirely new products, services, or business models that are groundbreaking or revolutionary.

- **Imitative Entrepreneurs**
  They follow proven business models and ideas, often by replicating successful businesses in new locations or markets.
- **Fabian Entrepreneurs**
  These entrepreneurs are skeptical and hesitant about adopting new ideas or innovations, only doing so when absolutely necessary or when they feel it's safe.

3. Based on Risk Tolerance:

- **Risk-taking Entrepreneurs**
  They are willing to take on significant risks to achieve high rewards. They invest in businesses with uncertain outcomes, sometimes without much guarantee of success.
- **Risk-averse Entrepreneurs**
  These entrepreneurs tend to avoid high-risk ventures and prefer safer, more predictable business opportunities.
- **Calculative Entrepreneurs**
  They assess risks carefully before making decisions. While they are open to taking calculated risks, they prefer to minimize uncertainties and avoid taking excessive gambles.

4. Based on Growth and Vision:

- **Scalable Start-up Entrepreneurs**
  These entrepreneurs build businesses with the intention of scaling them quickly. They often seek venture capital or external investment to grow rapidly and expand nationally or internationally.
- **Small Business Entrepreneurs**
  They build and manage small businesses that aim to serve local markets with a stable, consistent income rather than seeking rapid growth.
- **Growth Entrepreneurs**
  These entrepreneurs focus on increasing the size, output, or revenue of their business over time, though not necessarily at the level of a scalable start-up.
- **Lifestyle Entrepreneurs**
  Prioritize work-life balance and may not be overly focused on growing the business beyond a certain point. They are motivated by personal freedom, flexibility, and passion over large-scale profits.

5. Based on the Level of Control:

- **Solo Entrepreneurs**
  These entrepreneurs run their businesses independently, often as the sole decision-maker and operator, with little outside involvement.
- **Team Entrepreneurs**
  These entrepreneurs work with a team of individuals to run the business, delegating tasks and responsibilities to others.

6. Based on Motivation:

- **Need-based Entrepreneurs**
  Often start businesses out of necessity or due to a lack of other employment opportunities. These entrepreneurs may not have a strong passion for their business idea but are motivated by practical needs.

- **Opportunity-based Entrepreneurs**
  Driven by the potential to take advantage of opportunities in the market. They tend to be more proactive and forward-thinking, motivated by market needs and potential growth.

7. Based on Industry Focus:

- **Tech Entrepreneurs**
  Entrepreneurs who create and innovate in the technology industry. They may work in fields like software development, artificial intelligence, or other high-tech sectors.
- **Social Entrepreneurs**
  These entrepreneurs are motivated by creating positive social change rather than just making money. Their focus is on solving social, environmental, or community issues.
- **Agricultural Entrepreneurs**
  Entrepreneurs in the agriculture sector who may deal with farming, processing, and distribution of agricultural products.
- **Creative Entrepreneurs**
  These entrepreneurs operate in industries like fashion, entertainment, design, and media, often focusing on artistic expression or cultural trends.

8. Based on the Mode of Operation:

- **Home-based Entrepreneurs**
  Operate their businesses from home, utilizing digital tools and online platforms. Common in areas like freelancing, e-commerce, and consulting.
- **Online Entrepreneurs**
  Primarily operate online, leveraging digital platforms for selling products or services, offering digital marketing services, or running e-commerce stores.
- **Brick-and-Mortar Entrepreneurs**
  These entrepreneurs establish physical stores or offices and engage directly with customers in traditional business settings.

9. Based on the Stage of Venture:

- **Start-up Entrepreneurs**
  Entrepreneurs who are in the early stages of launching a business, often focused on developing their product or service and securing initial funding.
- **Growth Entrepreneurs**
  Focus on growing and expanding their businesses after the initial setup phase, often scaling the operations and targeting larger markets.
- **Mature Entrepreneurs**
  These entrepreneurs have businesses that are well-established and are often more focused on maintaining stability, managing large teams, and optimizing operations.

10. Based on Financial Backing:

- **Venture-backed Entrepreneurs**
  These entrepreneurs rely on venture capital or private equity investors to fund their businesses and often aim for fast growth and scalability.
- **Bootstrapped Entrepreneurs**
  Rely on their own savings or income to fund their business without external financial support, emphasizing self-sufficiency and control.

This classification can give a more detailed view of different types of entrepreneurs based on various characteristics and strategies they pursue. Each type brings unique advantages and challenges depending on their context and goals

Barriers to Entrepreneurship

In today's world, each one us dreams of being an entrepreneur and starting up something that we are passionate about. It's all about making a difference in the world of business and solving the pain areas of the target audience through our offerings of products and services.

Entrepreneurship requires a thorough thought process, radical thinking, market know-how, and a strategic plan that is clear and crisp. Also, the vision and mission need to be divided as per the short term and long term goals and objectives.

However, easy and simple it may sound on a piece of paper or the powerpoint presentation slides, there are various Barriers to Entrepreneurship that each of the entrepreneurs taking the risk has to face and get through.

1. Finances

We are all bustling with ideas that are unique and can make for an amazing business start-up. But no matter how good your idea is, you will always need stable finances and funding from the investors to begin the process and take the first step towards your journey of entrepreneurship.

And getting a sound financial investment or funding can be one of the biggest Barriers to Entrepreneurship as many of banks, private investors, angel investors, and organizations find it quite difficult to believe in the start-up ideas owing to the risk of failure and losing their money.

2. Fear of not to be a success

We all go through the fear of failure. And if the fear is associated with the risks and stakes taken in the stream of business and entrepreneurship, the level of fear elevates.

There is a fear if we are on the right track, is the idea worthwhile, will there be profit, will I find investors, and various such fears and tensions act as the Barriers to Entrepreneurship.

3. No strategic plan in place

Lack of proper planning and strategy in place is one of the most common Barriers to Entrepreneurship. Many of us think to build a business out of a hobby without having any sort of long term and short term vision and plan in mind.

Running a fully-fledged business or being an entrepreneur requires a huge amount of skill set, passion for excelling, strategic vision, the mission to accomplish the goals, market research, and a lot more.

Right from the target market, finances, human resources, to a proper strategic plan is required to build a successful business or a brand in the market.

4. Human resource issues

Entrepreneurs cannot handle and run a business alone by themselves. We require the support of human resource to carve a niche in the market.

Employees with the required knowledge, expertise, and experience are needed for the efficiency of the business processes and high levels of productivity.

First of all, it is quite difficult to find the employees that share the same vision and wavelength of the business. Plus paying a hefty annual or even a monthly retainer income is a problem of the start up's as the finances at hand are always limited, and the overheads and expenses are also to be taken care of.

And secondly, it is also difficult to manage human resources as each of us work with a different mindset and perspective. Hence, human resources and employees can be as one of the Barriers to Entrepreneurship.

5. Stringent rules and regulations of the market

It is not very easy for entrepreneurs to enter the new market as there are quite many rules and regulations imposed by the government authorities.

Plus there are various laws and compliances to be adhered to such as taxation, environmental regulations, licenses, property rights, and much more than act as the Barriers to Entrepreneurship.

Some of the countries have many corrupt officials that act as a hindrance for the new entrepreneurs and start-up brands to start or expand their business in the new market. And if the brand is planning to expand its business operations in any of the foreign countries, it gets even more difficult.

6. Fewer opportunities

Even though there is a lot of talent pool in the market with the aspiring entrepreneurs buzzing with the ideas, but the opportunities presented to them are quite less and fewer.

Reasons such as nepotism and corruption act as the Barriers to Entrepreneurship with not many vital and lucrative opportunities.

7. Lack of capacity

Even if there are opportunities presented to the aspiring entrepreneurs, there is a lack of capacity in some them to embrace the opportunities with open arms. The reasons can vary from lack of knowledge, lack of education, lack of willingness, lack of strategic knowledge, and cultural hindrances amongst others; but the factor of motivation and zeal gets missing.

To start a new business venture amidst all the risks and market-related issues, it requires a lot of hard work, passion, and high capacity to handle all of it.

8. Less market experience

The experts always mention that one should never rush in setting up a business. It is quite necessary to gain a relative amount of work experience by working in the industry domain or sector of choice and as per the education levels. It also helps to sharpen the required expertise and find the ground in the career graph.

Once the person is ready to take risks and have a relative amount of market exposure, he is ready to take the entrepreneurial plunge.

9. Lack of risk-taking capacity

It is always said that entrepreneurs never sail in safe waters and are never confined to their comfort zones. Lack of risk-taking capacity is the psychological mindset and perspective towards the business and acts as one of the major Barriers to Entrepreneurship.

The budding entrepreneur has to have a structured and organized approach towards the various business elements and should risks rather than averting them.

10. Corrupt business situations

As mentioned earlier, if the business situations and the environment are not very supportive and corrupt for the young and aspiring entrepreneurs, it acts as one of the top Barriers to Entrepreneurship.

Bribing, rampant corruption, unfriendly ties of government with other nations, inconsistent laws, stringent compliances, and enforcing regulations that are unhealthy and negative in their approach hamper the growth of businesses in the country.

Russia is one of the examples of having an unhealthy and unsupportive business environment.

11. Inadequate training

With no proper education, development, training, entrepreneurial skills, and technical know-how acts as the Barriers to Entrepreneurship.

12. Lack of practical knowledge

Having a strong educational background is just not enough to pursue business as it requires practical knowledge as well to stay relevant amidst the various market cycles. And many entrepreneurs lack practical knowledge.

Entrepreneurial Scenario in India

India has witnessed significant changes in its entrepreneurial ecosystem over the past few decades. The entrepreneurial landscape is evolving rapidly, driven by various factors such as technological advancements, government initiatives, and a growing consumer market. Here's an overview of the entrepreneurial scenario in India:

1. Growth in Startups:

India has emerged as one of the largest startup ecosystems in the world, with an increasing number of young entrepreneurs launching new ventures. The startup culture has gained significant traction, especially in cities like Bengaluru, Delhi, Mumbai, and Hyderabad, which are known as India's startup hubs.

- **Key Statistics**: As of recent years, India has produced over 60 unicorns (startups valued at over $1 billion), and the number is growing steadily.
- **Focus Areas**: Technology, FinTech, EdTech, HealthTech, and E-commerce are some of the most prominent sectors attracting entrepreneurial activity.

2. Government Support:

The Indian government has implemented several initiatives to foster entrepreneurship and make it easier to do business in India. Key initiatives include:

- **Startup India Scheme**: Launched to promote and support startups by providing funding, tax incentives, and a simplified regulatory environment.
- **Make in India**: Encourages manufacturing and job creation within the country, which has spurred entrepreneurial activity in various sectors.
- **Atal Innovation Mission**: Aims to promote innovation and entrepreneurship among students and young professionals through initiatives like Atal Tinkering Labs.

3. Access to Funding:

Access to funding has improved significantly in India, thanks to the rise of venture capital (VC) firms, angel investors, and government schemes. Platforms such as **angel investment networks**, **crowdfunding** platforms, and **venture capital funds** have made it easier for entrepreneurs to secure capital.

- **Venture Capital (VC)**: Bengaluru, Hyderabad, and Delhi NCR have seen significant investments from VCs in startups, especially in technology and internet-based businesses.

4. Challenges for Entrepreneurs in India:

Despite the growth in entrepreneurship, several challenges remain:

- **Regulatory Complexity**: The legal and regulatory environment can be complex, and the process of starting and running a business can be bureaucratic.
- **Access to Skilled Talent**: While India has a large pool of talent, there's often a mismatch between the skills available and what the startups require, especially in cutting-edge technologies.
- **Infrastructure Issues**: Limited infrastructure, poor internet connectivity in some regions, and logistical inefficiencies can slow down entrepreneurial ventures.
- **Cultural Barriers**: Failure is often stigmatized in India, which can deter risk-taking and experimentation among potential entrepreneurs.

5. Emerging Trends:

- **Digital Transformation**: There's a significant shift toward digital entrepreneurship, with businesses focusing on online platforms, SaaS (Software as a Service), and digital services.
- **Social Entrepreneurship**: There's an increase in businesses focused on solving societal issues like health, education, sanitation, and sustainable development.

Entrepreneurial Scenario Abroad

The global entrepreneurial ecosystem is diverse and varies depending on the region, with different factors driving growth and innovation. Here's a broad look at the entrepreneurial scenario abroad:

1. Developed Markets:

Countries like the **United States**, **Canada**, and **Western Europe** have long been known for their robust entrepreneurial ecosystems, backed by a well-developed legal framework, abundant venture capital, and a strong culture of innovation.

- **United States**: Silicon Valley remains the epicenter of entrepreneurship globally, attracting tech startups in sectors like AI, software development, biotech, and more. Other startup hubs include New York, Austin, and Boston.
  - **Venture Capital**: The U.S. has a highly developed venture capital ecosystem with numerous funds and angel investors. The **Silicon Valley** venture capital market continues to lead globally in terms of investment size and innovation.
  - **Government Support**: Programs like **Small Business Administration (SBA)** loans, tax incentives, and support for innovation through agencies like the **National Science Foundation (NSF)** help entrepreneurs in the U.S.
- **Europe**: Countries like **Germany**, **UK**, **France**, and **Sweden** have seen significant growth in startups, particularly in **FinTech**, **BioTech**, **CleanTech**, and **eCommerce**.
  - **EU Support**: The **European Union** has various initiatives like **Horizon 2020**, which aims to promote research and innovation in Europe. Additionally, there's an emphasis on creating a single digital market that enhances the entrepreneurial landscape.

2. Emerging Markets:

Countries in **Africa**, **Latin America**, and **Southeast Asia** are rapidly developing their entrepreneurial ecosystems, often due to untapped market potential and growing middle-class populations.

- **Africa**: Entrepreneurship in Africa is fueled by necessity, but also by innovation, with many entrepreneurs addressing local challenges like healthcare, education, and financial inclusion.
    - **Key Focus Areas**: AgriTech, FinTech, Renewable energy, and Healthcare.
    - **Challenges**: Limited infrastructure, access to financing, and political instability in some regions pose challenges for entrepreneurs.
- **Latin America**: Countries like **Brazil**, **Mexico**, and **Argentina** have seen growing startup ecosystems, with increasing attention on **FinTech**, **eCommerce**, and **logistics**.
    - **Brazil** has a growing venture capital market, and **Mexico** is becoming an emerging hub for tech startups, particularly in cities like Mexico City and Guadalajara.
- **Southeast Asia**: Nations like **Singapore**, **Indonesia**, and **Vietnam** are rapidly emerging as hotbeds of entrepreneurship, especially in **eCommerce**, **FinTech**, and **HealthTech**.
    - **Singapore** has been a leader in promoting entrepreneurship, with low taxes and a highly supportive government for startups. **Indonesia** and **Vietnam** benefit from large populations and growing consumer markets, offering new opportunities for entrepreneurs.

3. Government and Policy Support:

Globally, many governments have introduced policies to support entrepreneurship:

- **U.S.**: Numerous tax incentives, small business loans, and grants help entrepreneurs.
- **Europe**: Countries like the UK offer programs like **Innovate UK** for supporting innovative startups.
- **Singapore**: The government supports entrepreneurship through schemes like **Startup SG**, which offers funding, mentorship, and co-working spaces for startups.

4. Challenges for Entrepreneurs Abroad:

Entrepreneurs in developed and emerging markets alike face challenges, including:

- **Access to Capital**: While venture capital is abundant in some developed regions, it can be scarce in emerging markets.
- **Talent Acquisition**: Finding skilled labor, particularly in tech, is a common challenge globally.
- **Regulations**: Some regions have complex or unclear regulations that can hinder the growth of new businesses.

5. Key Trends Globally:

- **Technological Entrepreneurship**: The rise of AI, blockchain, IoT (Internet of Things), and AR/VR (Augmented Reality/Virtual Reality) is driving a wave of innovation worldwide.
- **Social Entrepreneurship**: More entrepreneurs are focusing on solving global challenges, such as climate change, healthcare, and education.
- **Sustainability**: Entrepreneurs are increasingly adopting green and sustainable business practices, whether through eco-friendly products or innovations in clean energy.

Forms of Entrepreneurship

Entrepreneurship can take various forms depending on the goals, scale, nature of the business, and approach of the entrepreneur. Below are some of the key forms of entrepreneurship:

1. Small Business Entrepreneurship

- **Description**: Small business entrepreneurship involves starting and running small-scale businesses that generally operate locally. These businesses typically serve a limited market and have modest goals, such as providing a stable income for the entrepreneur and their employees.
- **Examples**: Local grocery stores, family-owned restaurants, small retail shops, or service businesses like salons and auto repair shops.
- **Characteristics**: Low risk, limited growth potential, local focus, and a smaller workforce.

2. Scalable Startup Entrepreneurship

- **Description**: This form focuses on businesses designed for rapid growth and expansion, often with the aim of reaching national or international markets. Scalable startups often seek venture capital funding to support their growth trajectory.
- **Examples**: Technology startups, SaaS companies, and online platforms like Uber, Airbnb, and Facebook.
- **Characteristics**: High growth potential, focus on innovation, venture capital backing, and scalability through digital platforms or technology.

3. Large Company Entrepreneurship (Corporate Entrepreneurship)

- **Description**: Large company entrepreneurship, also known as **intrapreneurship**, involves employees within an established company who act as entrepreneurs. They innovate and create new products, services, or processes within the company's existing framework.
- **Examples**: The development of new products or business lines within established companies like Google, Apple, or General Electric.
- **Characteristics**: Innovation within an existing organization, focused on growth and competitive advantage, usually supported by significant resources and infrastructure.

4. Social Entrepreneurship

- **Description**: Social entrepreneurs focus on addressing societal, environmental, or cultural issues. Their primary goal is not to generate profit but to create a positive social impact, often in areas like education, healthcare, or environmental sustainability.
- **Examples**: Grameen Bank (microfinance), TOMS Shoes (One for One program), and various non-profit or hybrid business models that tackle global challenges.
- **Characteristics**: Mission-driven, social impact-oriented, often reinvesting profits to further social causes, and frequently working in underserved or marginalized communities.

5. Innovative Entrepreneurship

- **Description**: Innovative entrepreneurship involves creating entirely new products or services that disrupt existing markets or create new ones. This form of entrepreneurship is focused on innovation, originality, and solving problems in unique ways.
- **Examples**: Tesla's electric cars, the creation of the iPhone, and breakthrough health technologies.
- **Characteristics**: Focus on new technologies or ideas, often high risk but with the potential for high rewards, and a market-disrupting approach.

6. Imitative Entrepreneurship

- **Description**: Imitative entrepreneurs replicate existing business models or products but may introduce slight modifications or improvements. They often enter markets where the demand is already proven and the risk is lower.
- **Examples**: Franchises like McDonald's, or businesses that introduce slightly better versions of existing products like smartphones or clothing brands.
- **Characteristics**: Lower risk compared to innovative entrepreneurship, focuses on improving existing models, and often targets existing demand.

7. Scalable Social Entrepreneurship

- **Description**: This is a hybrid between scalable startups and social entrepreneurship. These ventures focus on growing rapidly while addressing social, environmental, or cultural issues. They aim to make a significant impact while ensuring sustainability and profit.
- **Examples**: Companies like **Warby Parker** (affordable eyewear with a social mission), or **Patagonia** (environmentally focused apparel brand).
- **Characteristics**: Profit-driven with social goals, scalable business models, and sustainable practices.

8. Family Business Entrepreneurship

- **Description**: Family businesses are owned and operated by family members and often pass down from one generation to the next. These businesses may vary in size from small businesses to larger, more established firms.
- **Examples**: Tata Group in India, Walmart, and Ford Motor Company.
- **Characteristics**: Often focused on stability, long-term growth, and generational wealth. There is a strong family influence on decision-making and governance.

9. Serial Entrepreneurship

- **Description**: Serial entrepreneurs are individuals who start multiple businesses over their careers. Once they establish a successful business, they move on to start another venture. They thrive on creating businesses from scratch and enjoy the entrepreneurial journey.
- **Examples**: Richard Branson (Virgin Group), Elon Musk (SpaceX, Tesla, and other ventures).
- **Characteristics**: High risk tolerance, love for innovation and novelty, and a history of starting and growing multiple businesses.

10. Lifestyle Entrepreneurship

- **Description**: Lifestyle entrepreneurs create businesses around their passions or lifestyle goals. They are less focused on large-scale growth or maximizing profits and more interested in maintaining a work-life balance, pursuing personal interests, or enjoying a specific lifestyle.
- **Examples**: Freelancers, travel bloggers, small online stores, and consultants who prioritize personal satisfaction over business expansion.
- **Characteristics**: Low risk, focus on maintaining a specific lifestyle, small-scale operations, and balancing work with personal life.

11. Technological Entrepreneurship

- **Description**: Technological entrepreneurship involves using technology as the core of a business. Entrepreneurs in this field create products, services, or platforms that rely heavily on technological innovation to solve problems or fulfill market needs.
- **Examples**: Companies like **Google**, **Microsoft**, **Apple**, and **Nvidia**.
- **Characteristics**: Focus on technology-driven solutions, highly scalable, and often requiring specialized knowledge and expertise in tech.

12. Green Entrepreneurship

- **Description**: Green entrepreneurship, also known as environmental entrepreneurship, focuses on creating businesses that are environmentally sustainable or aim to reduce environmental harm.
- **Examples**: Solar energy companies, electric vehicle startups, and waste management businesses.
- **Characteristics**: Eco-friendly products or services, sustainability focus, and addressing environmental issues like pollution or climate change.

13. Cottage or Micro-Entrepreneurship

- **Description**: This form involves small-scale, home-based businesses, often involving low capital investment. These businesses tend to serve local communities and often produce handmade or craft-based products.
- **Examples**: Homemade jewelry businesses, handicrafts, small-scale local bakeries, or tailoring services.
- **Characteristics**: Small-scale, low-cost operations, often run from home, and focused on local markets.

14. Corporate Entrepreneurship (Intrapreneurship)

- **Description**: Intrapreneurship refers to employees who act as entrepreneurs within a large corporation. These individuals are responsible for developing new ideas, products, or services, and bringing them to market while operating under the umbrella of a larger organization.
- **Examples**: Google's **Gmail** (developed internally by Google employees), or Apple's internal innovation teams that create new products like the iPhone.
- **Characteristics**: Innovation within established corporations, backed by corporate resources, and a focus on growth within the corporate structure.

Small Business

A **small business** is a privately owned company with a limited number of employees and revenue, typically operating on a smaller scale than large corporations. The exact definition varies by country and industry, but generally, small businesses have:

- **Fewer employees** (e.g., under 500 in the U.S., under 50 in the EU)
- **Lower revenue** compared to large companies
- **Independent ownership and operation**

Small businesses can be anything from local retail shops and restaurants to online stores, freelancers, and service providers. They play a crucial role in the economy by creating jobs and fostering innovation.

Types of ownership

There are several types of business ownership, each with different legal, financial, and operational implications. Here are the main types:

1. Sole Proprietorship

- **Owned and operated by one person**
- **Simple and inexpensive** to start
- **Owner has full control** but also **personal liability** for debts
- **Example:** A freelance designer or a small bakery

2. Partnership

- **Owned by two or more people**
- Profits and responsibilities are **shared**
- **Two common types:**
  - **General Partnership (GP):** All partners share liability
  - **Limited Partnership (LP):** Some partners have limited liability
- **Example:** A law firm or a family-run business

3. Limited Liability Company (LLC)

- **Combines benefits** of sole proprietorship/partnership with **limited liability**
- Owners (called **members**) are protected from personal liability
- **More flexibility** in management and taxes
- **Example:** A small IT consulting firm

4. Corporation (C Corp & S Corp)

- **Separate legal entity** from its owners
- **Owners (shareholders) have limited liability**
- More regulations and tax obligations
- **Types:**
  - **C Corporation:** Pays corporate taxes separately from owners
  - **S Corporation:** Passes income to owners for taxation (avoids double taxation)
- **Example:** A growing tech startup

5. Cooperative (Co-op)

- **Owned and operated by members** (customers, employees, or suppliers)
- **Profits shared** among members
- **Example:** A community grocery store or credit union

Each type has its **own advantages and disadvantages** based on liability, taxation, and management style.

Role of Government in the promotion of Entrepreneur in India

The Government of India has been actively promoting entrepreneurship through various initiatives, policies, and programs. Here are some of the key roles played by the government in promoting entrepreneurship in India:

Initiatives and Policies

1. Startup India Initiative: Launched in 2016, this initiative aims to promote entrepreneurship and startup culture in India.

2. Make in India: This initiative aims to promote manufacturing and entrepreneurship in India.

3. Digital India: This initiative aims to promote digital entrepreneurship and innovation in India.

4. National Policy on Skill Development and Entrepreneurship: This policy aims to promote skill development and entrepreneurship in India.

Funding and Support

1. Fund of Funds for Startups (FFS): This fund provides funding to startups and entrepreneurs.

2. Small Industries Development Bank of India (SIDBI): SIDBI provides funding and support to small and medium-sized enterprises (SMEs) and entrepreneurs.

3. National Small Industries Corporation (NSIC): NSIC provides funding and support to SMEs and entrepreneurs.

4. Indian Angel Network (IAN): IAN provides funding and mentorship to startups and entrepreneurs.

Incubators and Accelerators

1. Atal Incubation Centres (AICs): AICs provide incubation and acceleration support to startups and entrepreneurs.

2. Technology Business Incubators (TBIs): TBIs provide incubation and acceleration support to startups and entrepreneurs.

3. National Initiative for Developing and Harnessing Innovations (NIDHI): NIDHI provides incubation and acceleration support to startups and entrepreneurs.

Tax Incentives and Benefits

1. Tax Exemption: Startups and entrepreneurs can avail tax exemption under Section 80-IAC of the Income Tax Act.

2. Deduction of Expenditure: Startups and entrepreneurs can claim deduction of expenditure under Section 35(2AB) of the Income Tax Act.

3. Reduced GST Rate: Startups and entrepreneurs can avail reduced GST rate of 5% on certain services.

Skill Development and Training

1. National Skill Development Mission: This mission aims to promote skill development and entrepreneurship in India.

2. Pradhan Mantri Kaushal Vikas Yojana (PMKVY): PMKVY provides skill development and training to entrepreneurs and startups.

3. Entrepreneurship Development Programmes (EDPs): EDPs provide training and support to entrepreneurs and startups.

Other Initiatives

1. Startup India Hub: This hub provides a platform for startups and entrepreneurs to connect with investors, mentors, and other stakeholders.

2. National Entrepreneurship Awards: These awards recognize and reward entrepreneurs and startups for their innovative and entrepreneurial spirit.

3. State-specific Initiatives: Many state governments in India have launched their own initiatives and policies to promote entrepreneurship and startup ecosystem in their respective states.

UNIT – 2 : INSTITUTIONS SUPPORTING BUSINESS ENTERPRISES

Central Level Institutions

The National Board for Micro, Small, and Medium Enterprises (NBMSME) in India was established on June 29, 2006. It was set up under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. The MSMED Act aims to promote and develop micro, small, and medium-sized enterprises (MSMEs) in India by providing various support measures, including credit facilities, infrastructure development, technology upgradation, and market access. The NBMSME plays a crucial role in advising the government on policies and programs for MSME development and facilitating coordination among different stakeholders involved in promoting MSMEs' growth and sustainability.

NBMSME stands for "National Board for Micro, Small, and Medium Enterprises." This board typically refers to a government body or agency responsible for the development and promotion of micro, small, and medium-sized enterprises (MSMEs) within a country. MSMEs play a crucial role in economic development, often serving as engines of innovation, employment generation, and poverty alleviation. The National Board for MSMEs may provide support in various forms, including policy formulation, financial assistance, capacity building, and advocacy for MSMEs at the national level.

NBMSME support for Business Enterprises

The National Board for Micro, Small, and Medium Enterprises (NBMSME) often provides various forms of support for business enterprises within its jurisdiction. Some common ways in which NBMSME supports business enterprises include:

1. **Policy Advocacy:** NBMSME may advocate for policies that are favorable to micro, small, and medium-sized enterprises (MSMEs) at the national level. This could involve lobbying for regulatory reforms, tax incentives, and other measures aimed at creating a conducive business environment.
2. **Access to Finance:** NBMSME may facilitate access to finance for MSMEs by partnering with financial institutions to provide loans, credit guarantees, or other forms of financial assistance. This support can help MSMEs overcome financial barriers and expand their operations.
3. **Capacity Building:** NBMSME often organizes training programs, workshops, and seminars to enhance the managerial, technical, and entrepreneurial skills of MSME owners and employees. These capacity-building initiatives help MSMEs improve their competitiveness and sustainability.
4. **Market Development:** NBMSME may support MSMEs in accessing domestic and international markets through trade promotion activities, participation in trade fairs and exhibitions, and export assistance programs. This support helps MSMEs expand their customer base and increase their sales.
5. **Technology Adoption:** NBMSME may promote the adoption of technology and innovation among MSMEs by providing information, guidance, and financial support for

technology upgrading and modernization initiatives. This enables MSMEs to improve their productivity, quality, and competitiveness.

6. **Networking and Collaboration:** NBMSME may facilitate networking opportunities and collaboration among MSMEs, industry associations, government agencies, academia, and other stakeholders. This fosters knowledge sharing, best practice exchange, and business partnerships that benefit MSMEs.

Overall, NBMSME plays a crucial role in supporting the growth and development of business enterprises, particularly MSMEs, by addressing various challenges and facilitating opportunities for their success.

KVIC

KVIC stands for the "Khadi and Village Industries Commission." It is a statutory body established by the Government of India under the Khadi and Village Industries Commission Act of 1956. KVIC is tasked with the planning, promotion, organization, and implementation of programs for the development of khadi and other village industries in rural areas.

Khadi refers to handspun and handwoven cloth, often made from cotton, silk, or wool. Village industries encompass a wide range of small-scale manufacturing and processing activities, including agro-processing, handicrafts, sericulture, beekeeping, pottery, and more.

The objectives of KVIC include:

1. Promoting the production and sale of khadi and village industries products.
2. Providing employment opportunities in rural areas.
3. Generating income for artisans, craftsmen, and other rural entrepreneurs.
4. Preserving and promoting traditional crafts and skills.
5. Ensuring the equitable distribution of benefits among rural communities.

KVIC implements various schemes and programs to achieve these objectives, including financial assistance, training, marketing support, technology upgradation, and infrastructure development. It also collaborates with state governments, financial institutions, non-governmental organizations, and other stakeholders to facilitate the growth and sustainability of khadi and village industries.

Overall, KVIC plays a significant role in empowering rural communities, promoting sustainable livelihoods, and preserving India's cultural heritage through the promotion of khadi and village industries.

KVIC support for Business Enterprises

The Khadi and Village Industries Commission (KVIC) provides substantial support for business enterprises, particularly those involved in khadi and village industries in rural areas. Here are some ways in which KVIC supports these enterprises:

1. **Financial Assistance:** KVIC offers financial assistance to entrepreneurs in the form of loans, subsidies, and grants to establish or expand their khadi and village industry units. These funds can be used for purchasing machinery, raw materials, infrastructure development, and working capital requirements.
2. **Skill Development and Training:** KVIC conducts various training programs and workshops to enhance the skills of artisans and entrepreneurs involved in khadi and village industries. These programs cover technical skills, product development, marketing strategies, and managerial capabilities, empowering them to run their businesses more effectively.
3. **Technology Upgradation:** KVIC facilitates technology upgradation by providing support for the adoption of modern machinery, equipment, and production techniques. This helps improve the productivity, efficiency, and quality of products manufactured by khadi and village industry units, making them more competitive in the market.
4. **Market Promotion and Marketing Assistance:** KVIC assists business enterprises by promoting khadi and village industry products through exhibitions, trade fairs, marketing campaigns, and e-commerce platforms. It also helps in branding, packaging, and creating market linkages, enabling entrepreneurs to reach a wider customer base and increase sales.
5. **Infrastructure Development:** KVIC supports the development of infrastructure such as common facilities centers, production clusters, industrial estates, and marketing outlets in rural areas. These infrastructure facilities provide shared resources and amenities to business enterprises, reducing their operational costs and improving efficiency.
6. **Policy Advocacy:** KVIC advocates for policies and measures that promote the growth and sustainability of khadi and village industries. It liaises with government agencies, policymakers, and other stakeholders to address regulatory hurdles, access to credit, taxation issues, and other challenges faced by business enterprises in the sector.

Overall, KVIC plays a crucial role in providing comprehensive support to business enterprises involved in khadi and village industries, empowering them to thrive, create employment opportunities, and contribute to the socio-economic development of rural areas in India.

The Coir Board

The Coir Board is a statutory body established by the Government of India under the Coir Industry Act, 1953. It functions under the Ministry of Micro, Small & Medium Enterprises (MSME). The primary objective of the Coir Board is to promote the development of the coir industry in India, which includes the manufacturing of products from coconut husks.

Here are some of the key functions and support provided by the Coir Board for business enterprises in the coir industry:

1. **Research and Development (R&D):** The Coir Board conducts research and development activities aimed at improving coir extraction techniques, product innovation, quality enhancement, and process optimization. This R&D support helps businesses in the coir sector stay competitive and meet market demands.

2. **Skill Development and Training:** The Coir Board organizes training programs, workshops, and skill development initiatives to enhance the skills of coir artisans and workers. These programs cover various aspects of coir processing, product design, quality control, and marketing, empowering entrepreneurs to run their businesses more effectively.
3. **Financial Assistance:** The Coir Board provides financial assistance to coir-based enterprises through schemes such as subsidies, grants, and loans. This support can be utilized for setting up coir processing units, purchasing machinery and equipment, infrastructure development, and working capital requirements.
4. **Market Promotion and Marketing Assistance:** The Coir Board undertakes promotional activities to create awareness about coir products and increase their market demand. It participates in trade fairs, exhibitions, and events to showcase coir products domestically and internationally. Additionally, it offers marketing assistance by facilitating market linkages, branding, packaging, and market research.
5. **Technology Upgradation:** The Coir Board supports technology upgradation in the coir industry by promoting the adoption of modern machinery, equipment, and processing techniques. This helps improve productivity, efficiency, and quality standards, making coir products more competitive in the market.
6. **Quality Certification:** The Coir Board establishes and maintains quality standards for coir products through certification schemes. Businesses can obtain quality certifications for their products, which enhances consumer confidence, opens up export opportunities, and ensures compliance with regulatory requirements.

Overall, the Coir Board plays a crucial role in providing various forms of support to business enterprises in the coir industry, contributing to the growth, competitiveness, and sustainability of the sector in India.

NSIC

NSIC stands for the "National Small Industries Corporation Limited." It is a Government of India enterprise under the Ministry of Micro, Small and Medium Enterprises (MSME). NSIC was established in 1955 with the primary objective of promoting, aiding, and fostering the growth of micro, small, and medium enterprises (MSMEs) in India.

NSIC offers a wide range of services and support to MSMEs to enhance their competitiveness and facilitate their sustainable growth. Some key functions and services provided by NSIC include:

1. **Single Point Registration Scheme (SPRS):** NSIC operates the SPRS, which provides a unified registration to MSMEs for participating in government tenders and procurement processes. This simplifies the procurement process for MSMEs and enhances their access to government contracts.
2. **Marketing Support:** NSIC provides marketing support to MSMEs through various initiatives such as participation in domestic and international trade fairs and exhibitions, organizing buyer-seller meets, and facilitating export promotion activities. This helps MSMEs showcase their products, explore new markets, and expand their customer base.

3. **Financial Assistance:** NSIC offers financial assistance to MSMEs through schemes like the Raw Material Assistance Scheme, Marketing Assistance Scheme, and Credit Support Scheme. These schemes provide financial support for procurement of raw materials, marketing expenses, and working capital requirements, thereby addressing the funding needs of MSMEs.
4. **Technology Support:** NSIC assists MSMEs in adopting modern technologies and upgrading their production processes through technology support schemes. This includes technology upgradation, modernization, and capacity building initiatives aimed at enhancing the competitiveness and productivity of MSMEs.
5. **Skill Development:** NSIC organizes skill development programs, workshops, and training sessions for MSME entrepreneurs and workers to upgrade their technical and managerial skills. These programs aim to enhance the capabilities of MSMEs and improve their overall performance.
6. **Incubation Support:** NSIC provides incubation support to aspiring entrepreneurs by offering infrastructure facilities, mentoring, and networking opportunities through its incubation centers. This helps in nurturing new business ideas and fostering entrepreneurship among MSMEs.
7. **Export Promotion:** NSIC supports MSMEs in exploring export opportunities by providing assistance in export documentation, market research, participation in international trade fairs, and obtaining certifications. NSIC helps MSMEs enter new export markets and expand their export businesses.

Overall, NSIC plays a crucial role in providing comprehensive support to MSMEs across various aspects such as marketing, finance, technology, skill development, and incubation, thereby contributing to the growth and development of the MSME sector in India.

NSTEDB

The National Science & Technology Entrepreneurship Development Board (NSTEDB) was established in 1982. It operates under the Department of Science and Technology (DST) of the Government of India. The primary objective of NSTEDB is to promote and support entrepreneurship and innovation-driven startups in the field of science and technology across India. It provides various programs, schemes, and initiatives aimed at fostering a culture of entrepreneurship, encouraging technology-based startups, and facilitating their growth and success. Through its efforts, NSTEDB plays a vital role in nurturing a vibrant ecosystem for innovation and entrepreneurship in India.

NSTEDB stands for the "National Science & Technology Entrepreneurship Development Board." It is a board under the Department of Science and Technology (DST), Government of India. NSTEDB is primarily responsible for fostering entrepreneurship among the youth, especially in the field of science and technology.

Here are some ways NSTEDB supports business enterprises:

1. **Startup Support:** NSTEDB provides support to startups through various initiatives aimed at fostering innovation and entrepreneurship in the science and technology sector. This includes funding support, mentoring, access to networks, and assistance in business development. Startups benefit from NSTEDB's programs to accelerate their growth and commercialization of innovative technologies.
2. **Technology Business Incubators (TBIs):** NSTEDB supports the establishment and operation of Technology Business Incubators (TBIs) across the country. These TBIs provide infrastructure, mentorship, and other support services to startups and early-stage enterprises in the science and technology domain. Through TBIs, NSTEDB indirectly supports the growth and success of technology-driven businesses.
3. **Seed Funding:** NSTEDB offers seed funding to technology-based startups to help them develop and commercialize their innovative ideas. This funding support helps startups bridge the gap between ideation and product development, enabling them to bring new technologies to market and establish viable business ventures.
4. **Entrepreneurship Development Programs (EDPs):** NSTEDB conducts entrepreneurship development programs targeted at aspiring entrepreneurs, including those interested in starting businesses in the science and technology sector. These programs provide training, guidance, and mentorship to individuals looking to launch their own ventures, indirectly contributing to the creation of new business enterprises.
5. **International Collaborations:** NSTEDB facilitates international collaborations and partnerships in the field of science, technology, and innovation. Through these collaborations, businesses and startups gain access to global markets, technology transfer opportunities, and potential investors or partners, enhancing their competitiveness and growth prospects.
6. **Policy Advocacy:** NSTEDB engages in policy advocacy and initiatives aimed at creating a conducive environment for entrepreneurship and innovation in India. By advocating for supportive policies, regulations, and incentives, NSTEDB indirectly supports the growth and development of business enterprises, particularly those operating in the science and technology domain.

Overall, while NSTEDB's primary focus is on fostering entrepreneurship and innovation, its programs and initiatives indirectly support business enterprises, particularly startups and early-stage ventures, by providing them with the necessary resources, support, and ecosystem to thrive in the dynamic landscape of science and technology entrepreneurship.

NPC

The National Productivity Council (NPC) was established in 1958 as an autonomous organization under the Ministry of Commerce and Industry, Government of India. Its establishment was aimed at promoting productivity culture in India across various sectors of the economy. NPC works to enhance productivity and competitiveness in businesses and industries through research, consultancy, training, and dissemination of best practices in productivity improvement. Over the years, NPC has been instrumental in supporting economic development efforts by fostering a culture of efficiency, innovation, and continuous improvement in organizations across India.

While NPC primarily focuses on enhancing productivity, it indirectly supports business enterprises through several initiatives:

1. **Training and Capacity Building:** NPC conducts training programs, workshops, seminars, and skill development initiatives to enhance the skills and knowledge of employees and entrepreneurs. These programs cover various aspects such as productivity improvement techniques, quality management systems, innovation, and best practices in different sectors. By improving the capabilities of employees and entrepreneurs, NPC indirectly contributes to the growth and competitiveness of business enterprises.
2. **Consultancy Services:** NPC offers consultancy services to business enterprises to help them identify areas for productivity improvement, cost reduction, and quality enhancement. Through diagnostic studies, productivity audits, and advisory services, NPC assists businesses in optimizing their processes, systems, and resources to improve overall performance and efficiency.
3. **Benchmarking and Best Practices:** NPC facilitates benchmarking studies and promotes the adoption of best practices among business enterprises. By studying industry benchmarks and identifying best practices, NPC helps businesses benchmark their performance against industry standards and learn from successful organizations. This enables businesses to identify areas for improvement and implement strategies to enhance productivity and competitiveness.
4. **Productivity Awards and Recognition:** NPC recognizes and rewards organizations that have demonstrated excellence in productivity and quality performance through its National Productivity Awards scheme. By showcasing exemplary organizations and sharing their success stories, NPC inspires other businesses to strive for excellence and adopt productivity-enhancing practices.
5. **Research and Development:** NPC conducts research and studies on productivity-related issues, trends, and challenges affecting various sectors. By generating insights and knowledge, NPC provides valuable information and recommendations to businesses, policymakers, and other stakeholders to support informed decision-making and strategic planning.
6. **Policy Advocacy:** NPC engages in policy advocacy and collaborates with government agencies, industry associations, and other stakeholders to promote policies and initiatives that foster productivity and competitiveness in business enterprises. By advocating for supportive policies, regulations, and incentives, NPC creates an enabling environment for business growth and development.

Overall, while NPC's primary mandate is to promote productivity improvement, its initiatives indirectly support business enterprises by enhancing their capabilities, facilitating continuous improvement, and fostering a culture of productivity and quality consciousness across various sectors.

EDII

The Entrepreneurship Development Institute of India (EDII) was established in 1983. Located in Ahmedabad, Gujarat, EDII is an autonomous organization and a national resource institute for entrepreneurship education, research, training, and institution building. It is sponsored by the Government of India's Ministry of Skill Development and Entrepreneurship.

EDII's primary objective is to foster entrepreneurship and promote innovation by providing various programs and support services to aspiring entrepreneurs, startups, and existing businesses. These initiatives include entrepreneurship development programs, skill development courses, management training, consultancy services, research projects, and policy advocacy.

Since its inception, EDII has played a significant role in nurturing and supporting entrepreneurship in India, contributing to the growth and success of countless entrepreneurs and enterprises across various sectors of the economy.

Here are some ways in which EDII supports business enterprises:

1. **Entrepreneurship Development Programs (EDPs):** EDII conducts entrepreneurship development programs aimed at aspiring and existing entrepreneurs. These programs provide essential knowledge, skills, and tools required for starting and managing successful businesses. EDPs cover topics such as business planning, marketing strategies, financial management, legal compliance, and innovation.
2. **Skill Development and Training:** EDII offers skill development and training programs tailored to the needs of entrepreneurs and business enterprises. These programs focus on enhancing technical, managerial, and entrepreneurial skills, empowering individuals to succeed in their ventures and contribute to economic growth.
3. **Incubation Support:** EDII operates business incubators and entrepreneurship development centers that provide infrastructure, mentoring, networking, and support services to startups and early-stage enterprises. Incubatees receive guidance and assistance in various aspects of business development, including idea validation, product development, market research, and fund raising.
4. **Consultancy and Advisory Services:** EDII offers consultancy and advisory services to businesses seeking assistance in areas such as business planning, market research, feasibility studies, project evaluation, and strategy formulation. Experienced professionals and experts provide customized solutions to address the specific needs and challenges faced by enterprises.
5. **Research and Policy Advocacy:** EDII conducts research and studies on entrepreneurship, innovation, and economic development. It generates insights, knowledge, and policy recommendations to support evidence-based decision-making and policy formulation aimed at promoting entrepreneurship and fostering a conducive business environment.
6. **Networking and Collaboration:** EDII facilitates networking opportunities and collaboration among entrepreneurs, industry associations, government agencies, academia, and other stakeholders. By creating platforms for interaction and knowledge exchange, EDII fosters partnerships, alliances, and synergies that benefit business enterprises and contribute to their growth and sustainability.

Overall, EDII plays a crucial role in supporting business enterprises by providing entrepreneurship education, training, incubation, consultancy, research, and advocacy services.

Through its holistic approach to entrepreneurship development, EDII aims to nurture a vibrant ecosystem of innovation, creativity, and entrepreneurship that drives economic development and prosperity.

NEDIs

National Entrepreneurship Development Institutes (NEDIs) are institutions established with the objective of promoting entrepreneurship and supporting the growth of business enterprises. While specific initiatives and support mechanisms may vary depending on the country and the organization managing the NEDI, here are some common ways in which NEDIs typically support business enterprises:

1. **Entrepreneurship Education and Training:** NEDIs offer entrepreneurship development programs, workshops, and training sessions aimed at equipping aspiring entrepreneurs with the knowledge, skills, and tools needed to start and manage successful businesses. These programs cover various aspects of entrepreneurship, including business planning, marketing strategies, financial management, and legal compliance.
2. **Incubation Support:** Many NEDIs operate business incubators and entrepreneurship development centers that provide infrastructure, mentoring, networking, and support services to startups and early-stage enterprises. Incubatees receive guidance and assistance in areas such as idea validation, product development, market research, and access to funding.
3. **Access to Finance:** NEDIs facilitate access to finance for entrepreneurs and business enterprises through partnerships with financial institutions, venture capitalists, angel investors, and government funding schemes. They provide assistance in preparing business plans, investment pitches, and accessing various sources of funding, such as loans, grants, and equity financing.
4. **Technology and Innovation Support:** NEDIs promote technology transfer, innovation, and research commercialization by facilitating collaborations between entrepreneurs, academic institutions, research organizations, and industry partners. They provide support for technology commercialization, intellectual property protection, and innovation management to help businesses leverage technology for competitive advantage.
5. **Market Access and Networking:** NEDIs offer opportunities for entrepreneurs to showcase their products and services, explore new markets, and establish business connections through networking events, trade fairs, exhibitions, and business matchmaking activities. They facilitate partnerships, alliances, and collaborations that enable businesses to expand their market reach and grow their customer base.
6. **Policy Advocacy and Regulatory Support:** NEDIs advocate for policies and regulatory reforms that support entrepreneurship development and create a conducive business environment. They engage with policymakers, government agencies, industry associations, and other stakeholders to address barriers to entrepreneurship and promote an enabling ecosystem for business growth.

Overall, NEDIs play a vital role in fostering entrepreneurship, supporting the growth of business enterprises, and driving economic development by providing a range of services, resources, and opportunities tailored to the needs of entrepreneurs and startups.

State Level Institutions

State Directorate of Industries & Commerce

The State Directorate of Industries & Commerce is a governmental body responsible for promoting and regulating industrial development within a specific state or region. Its primary objective is to facilitate the growth of industries, enhance industrial competitiveness, attract investments, and create employment opportunities.

State Directorate of Industries & Commerce support for business enterprises

The State Directorate of Industries & Commerce typically plays a crucial role in supporting business enterprises within its jurisdiction. Here are some common ways in which such directorates might offer support:

1. **Regulatory Compliance Assistance**: They provide guidance and support to businesses in adhering to various regulatory requirements, such as licenses, permits, and compliance with labor laws, environmental regulations, etc.
2. **Industrial Infrastructure Development**: They may facilitate the development of industrial parks, estates, and infrastructure, including land allocation, provision of utilities, and other amenities required for industrial operations.
3. **Financial Assistance and Incentives**: Many directorates offer financial assistance, subsidies, grants, and tax incentives to promote industrial growth and investment. These incentives could include tax breaks, subsidies for land acquisition, capital investment, technology upgradation, etc.
4. **Skill Development and Training**: They often organize or facilitate skill development programs, workshops, and training sessions to enhance the capabilities of the local workforce and to align their skills with the requirements of industries.
5. **Promotion of Entrepreneurship**: Directorates may run programs to encourage entrepreneurship and startup ventures by providing mentorship, guidance, and support in accessing finance, market linkages, and other resources.
6. **Facilitating Market Access**: They may assist businesses in accessing domestic and international markets through trade fairs, exhibitions, buyer-seller meets, and by providing market intelligence and export promotion services.
7. **Technology Support and Innovation**: They may facilitate technology transfer, collaboration between industries and research institutions, and promote innovation through grants, incentives, and support for R&D activities.
8. **Cluster Development**: Directorates often promote the development of industry clusters to foster collaboration, resource sharing, and collective growth among businesses operating in similar sectors.
9. **Policy Advocacy**: They represent the interests of industries and businesses in policy formulation and implementation, advocating for reforms and initiatives that support industrial growth and competitiveness.
10. **Investor Facilitation**: Directorates serve as a single point of contact for investors, offering assistance in obtaining necessary approvals, clearances, and addressing any issues or challenges faced by businesses in setting up or expanding their operations.

Overall, the State Directorate of Industries & Commerce plays a pivotal role in creating an enabling environment for business enterprises to thrive, contribute to economic development, and generate employment opportunities within the state.

DIC

"DIC" typically stands for "District Industries Centre." District Industries Centre is a governmental organization at the district level, tasked with promoting and facilitating industrial development within the district.

The primary functions of DIC include:

1. **Entrepreneurship Support**: Providing assistance and guidance to aspiring entrepreneurs in setting up micro, small, and medium-sized enterprises (MSMEs). This support may include training, counseling, and facilitating access to finance.
2. **Registration and Licensing**: Facilitating the registration and licensing processes for new businesses, including obtaining necessary permits and clearances from various government departments.
3. **Industrial Infrastructure Development**: Identifying suitable land parcels for industrial development, establishing industrial estates, parks, and clusters, and providing infrastructure facilities such as power, water, and roads.
4. **Financial Assistance**: Administering various financial assistance schemes offered by the government to support MSMEs, such as subsidies, grants, loans, and incentives for technology upgradation and modernization.
5. **Skill Development**: Organizing skill development programs and workshops to enhance the technical and managerial capabilities of entrepreneurs and workers in MSMEs.
6. **Market Access and Promotion**: Assisting MSMEs in accessing markets, both domestic and international, by providing marketing support, participation in trade fairs and exhibitions, and facilitating linkages with buyers and suppliers.
7. **Technology Support**: Facilitating technology adoption and innovation among MSMEs by providing information about new technologies, organizing technology demonstration programs, and facilitating technology tie-ups and collaborations.
8. **Policy Advocacy**: Representing the interests of MSMEs at the district level and advocating for policy reforms and incentives to promote their growth and competitiveness.

District Industries Centre plays a crucial role in the promotion of entrepreneurship and industrial development at the grassroots level, contributing to economic growth, employment generation, and overall socio-economic development of the district and the region.

SFC

If "SFC" refers to a State Financial Corporation, then its support for business enterprises typically involves providing financial assistance and services to promote the growth and development of small and medium-sized enterprises (SMEs). Here's how an SFC may support business enterprises:

1. **Long-Term Financing**: SFCs offer long-term loans to SMEs for various purposes such as setting up new businesses, expanding existing operations, purchasing machinery and equipment, and acquiring land or property.
2. **Working Capital Loans**: They provide working capital finance to SMEs to meet their day-to-day operational expenses, including purchasing raw materials, paying salaries, and covering overhead costs.
3. **Term Loans**: SFCs offer term loans with flexible repayment terms suited to the cash flow requirements of SMEs. These loans may be used for capital expenditure, infrastructure development, or technology upgrades.
4. **Project Finance**: SFCs may finance specific projects undertaken by SMEs, including infrastructure projects, industrial projects, and expansion initiatives.
5. **Financial Advisory Services**: SFCs often provide financial advisory services to SMEs, helping them with financial planning, investment decisions, and risk management strategies.
6. **Credit Guarantee Schemes**: Some SFCs administer credit guarantee schemes to enhance SMEs' access to finance by providing guarantees to lenders against default risks, thereby encouraging banks and financial institutions to lend to SMEs.
7. **Subsidized Interest Rates**: SFCs may offer loans at subsidized interest rates or provide interest rate concessions to SMEs to make financing more affordable and accessible.
8. **Capacity Building**: SFCs may organize workshops, training programs, and seminars to enhance the financial literacy and managerial skills of SME entrepreneurs, enabling them to better manage their businesses and make informed financial decisions.
9. **Promotion of Entrepreneurship**: SFCs may collaborate with government agencies, industry associations, and educational institutions to promote entrepreneurship and foster a culture of innovation and enterprise development.
10. **Industry-specific Initiatives**: SFCs may tailor their financing programs to cater to specific industries or sectors, recognizing the unique needs and challenges faced by SMEs operating in different sectors.

Overall, State Financial Corporations play a crucial role in providing financial support and services to SMEs, thereby contributing to economic growth, job creation, and industrial development within their respective states or regions.

SIDC

SIDC typically stands for State Industrial Development Corporation, which is a government-owned organization established to promote industrial development within a state or region. Here's how SIDCs typically support business enterprises:

1. **Financial Assistance**: SIDCs provide financial assistance to business enterprises in the form of loans, equity participation, and other financial instruments. These funds may be used for setting up new ventures, expanding existing businesses, modernizing technology, or diversifying operations.
2. **Infrastructure Development**: SIDCs play a key role in developing industrial infrastructure such as industrial parks, estates, and special economic zones (SEZs). They

provide land, utilities, and other amenities necessary for industrial operations, thereby attracting investment and fostering industrial growth.

3. **Promotion of SMEs**: SIDCs focus on supporting small and medium-sized enterprises (SMEs) by providing targeted financial assistance, technical support, and capacity-building programs. This helps SMEs overcome challenges and capitalize on opportunities for growth and expansion.
4. **Equity Participation**: SIDCs may take equity stakes in promising business ventures to support their growth and development. By becoming shareholders, SIDCs provide not only financial support but also strategic guidance and expertise to help businesses succeed.
5. **Technology Upgradation**: SIDCs facilitate technology upgradation and innovation by providing support for research and development activities, technology transfer initiatives, and collaborations between industries and academic institutions.
6. **Market Development**: SIDCs assist business enterprises in accessing domestic and international markets by providing market intelligence, export promotion services, participation in trade fairs and exhibitions, and facilitating business-to-business linkages.
7. **Skill Development**: SIDCs organize skill development programs, training workshops, and entrepreneurship development initiatives to enhance the capabilities of the local workforce and equip them with the skills needed for employment in industrial sectors.
8. **Policy Advocacy**: SIDCs represent the interests of business enterprises at the state level and advocate for policies and reforms that promote industrial growth, enhance competitiveness, and create a favorable business environment.
9. **Cluster Development**: SIDCs promote the development of industry clusters by fostering collaboration, networking, and resource sharing among businesses operating in related sectors. Clusters facilitate economies of scale, innovation, and specialization, leading to increased productivity and competitiveness.

Overall, State Industrial Development Corporations play a crucial role in supporting business enterprises, driving industrial growth, and contributing to economic development within their respective states or regions.

Other Institutions

NABARD

The National Bank for Agriculture and Rural Development (NABARD) was established on July 12, 1982. It was set up by the Government of India as an apex development financial institution focusing on rural and agricultural development. NABARD operates under the overall supervision of the Reserve Bank of India (RBI) and the Ministry of Finance, Government of India.

NABARD's primary objective is to promote sustainable and equitable agriculture and rural development across India. It provides financial and developmental support to various stakeholders in rural areas, including farmers, rural entrepreneurs, cooperatives, self-help groups, and rural financial institutions.

NABARD plays a crucial role in extending credit facilities, promoting rural infrastructure development, supporting agricultural and rural livelihoods, and fostering inclusive growth in rural India. Through its diverse range of financial and developmental initiatives, NABARD contributes significantly to improving the socio-economic conditions of rural communities and enhancing agricultural productivity and sustainability.

Here's how NABARD supports business enterprises:

1. **Credit Facilities**: NABARD provides credit facilities to various types of business enterprises involved in agriculture, agribusiness, and rural industries. This includes financing for agricultural production, food processing units, rural artisanal activities, and other allied businesses.
2. **Refinancing**: NABARD refinances commercial banks, cooperative banks, and regional rural banks for loans provided to business enterprises in rural areas. This helps these financial institutions extend credit to rural businesses at affordable rates.
3. **Venture Capital Assistance**: NABARD offers venture capital assistance to promote innovative and technology-driven business ventures in agriculture and rural areas. This support helps in fostering entrepreneurship and innovation in rural sectors.
4. **Microfinance Institutions (MFIs)**: NABARD supports MFIs that provide financial services to micro and small enterprises (MSEs) in rural areas. These MFIs offer credit, savings, and insurance products to small businesses and entrepreneurs, thereby promoting rural entrepreneurship.
5. **Capacity Building and Training**: NABARD conducts capacity-building programs, training workshops, and skill development initiatives for entrepreneurs and business owners in rural areas. This helps in enhancing their managerial and technical skills, improving business practices, and promoting sustainable growth.
6. **Promotion of Producer Organizations**: NABARD promotes the formation and strengthening of producer organizations such as farmer producer companies (FPCs) and self-help groups (SHGs). These organizations play a crucial role in aggregating produce, accessing markets, and providing various support services to rural enterprises.
7. **Technology Adoption and Innovation**: NABARD supports technology adoption and innovation in agriculture and rural industries by providing financial assistance for the adoption of modern technologies, machinery, and equipment. This helps in enhancing productivity, efficiency, and competitiveness of rural businesses.
8. **Value Chain Financing**: NABARD promotes value chain financing initiatives that focus on providing financial support to various stakeholders involved in agricultural and rural value chains. This includes farmers, processors, traders, and other intermediaries engaged in value addition and marketing activities.

Overall, while NABARD's primary focus is on agricultural and rural development, its support extends to various business enterprises operating in rural areas, with a particular emphasis on promoting entrepreneurship, inclusive growth, and sustainable development.

HUDCO

The Housing and Urban Development Corporation Limited (HUDCO) was established on April 25, 1970. HUDCO is a public sector undertaking (PSU) under the Ministry of Housing and Urban Affairs, Government of India. It was set up to facilitate the development of housing and urban infrastructure projects across India.

The Housing and Urban Development Corporation Limited (HUDCO) is a public sector company in India that primarily focuses on financing projects related to housing and urban infrastructure development. While HUDCO's primary mandate is in the housing and urban sectors, it has also provided support for certain business enterprises, particularly those involved in infrastructure development and allied sectors. Here's how HUDCO supports business enterprises:

1. **Project Financing**: HUDCO provides financial assistance for various infrastructure projects, including those related to transportation, water supply, sanitation, energy, and industrial infrastructure. This support includes long-term loans, term finance, and project-specific funding.
2. **Term Loans**: HUDCO offers term loans to businesses for setting up or expanding infrastructure projects, industrial parks, special economic zones (SEZs), and other industrial ventures. These loans typically have favorable terms and long repayment periods.
3. **Refinancing**: HUDCO refinances loans provided by banks and financial institutions to infrastructure projects and businesses. By refinancing these loans, HUDCO helps lower borrowing costs for businesses and promotes investment in infrastructure development.
4. **Infrastructure Bonds**: HUDCO issues infrastructure bonds to raise funds for financing infrastructure projects. These bonds are typically tax-free and attract investors interested in supporting infrastructure development initiatives.
5. **Public-Private Partnerships (PPPs)**: HUDCO promotes PPP projects by providing financial assistance and advisory services to facilitate collaboration between the public and private sectors. This includes structuring project financing, risk-sharing arrangements, and ensuring project viability.
6. **Capacity Building**: HUDCO conducts capacity-building programs, workshops, and training sessions for entrepreneurs, project developers, and government officials involved in infrastructure development. These initiatives aim to enhance project management skills, promote best practices, and improve project implementation capabilities.
7. **Credit Enhancement**: HUDCO may provide credit enhancement facilities such as guarantees and credit enhancements to support infrastructure projects and attract private investment. This helps mitigate risks associated with project financing and encourages private sector participation.
8. **Technology Support**: HUDCO supports the adoption of innovative technologies and sustainable practices in infrastructure development projects. It provides assistance for technology transfer, pilot projects, and research and development initiatives aimed at improving project efficiency and sustainability.

Overall, while HUDCO's primary focus is on housing and urban development, its support extends to certain business enterprises involved in infrastructure development, industrial projects, and related sectors. Through its financial assistance, advisory services, and capacity-building efforts, HUDCO contributes to the promotion of sustainable economic growth and development in India.

APITCO

The Andhra Pradesh Industrial and Technical Consultancy Organization Limited (APITCO) was established in 1976. APITCO is a government-owned organization in the state of Andhra Pradesh, India. It was set up with the objective of providing consultancy services and technical assistance to industrial enterprises, entrepreneurs, and government agencies in Andhra Pradesh.

APITCO offers a range of services to support industrial development and entrepreneurship, including feasibility studies, project reports, market research, technology transfer, and capacity building programs. It plays a crucial role in facilitating investments, promoting industrial growth, and enhancing the competitiveness of businesses in Andhra Pradesh.

Here are some ways APITCO supports business enterprises:

1. **Consultancy Services**: APITCO offers consultancy services to assist businesses with various aspects of their operations, including project planning, feasibility studies, market research, technology selection, and business strategy development.
2. **Project Management**: APITCO provides project management services to help businesses effectively plan, implement, and monitor their projects. This includes project scheduling, resource allocation, risk management, and quality assurance.
3. **Technology Upgradation**: APITCO assists businesses in adopting and implementing new technologies to improve productivity, efficiency, and competitiveness. This includes technology audits, technology transfer, and assistance in accessing government incentives for technology upgradation.
4. **Quality Management**: APITCO helps businesses establish and maintain quality management systems to meet international standards and certifications. This includes assistance with ISO certification, quality assurance audits, and implementation of best practices.
5. **Market Development**: APITCO supports businesses in identifying and accessing new markets for their products and services. This includes market research, export promotion, participation in trade fairs and exhibitions, and development of marketing strategies.
6. **Financial Assistance**: APITCO assists businesses in accessing financial resources for their growth and expansion. This includes guidance on available government schemes, assistance in preparing project reports and loan applications, and facilitation of tie-ups with financial institutions.
7. **Training and Skill Development**: APITCO organizes training programs and workshops to enhance the skills and capabilities of entrepreneurs and employees. This includes technical training, management development programs, and entrepreneurship development initiatives.

8. **Policy Advocacy**: APITCO represents the interests of businesses at various forums and advocates for policy reforms and incentives to support industrial growth and development. This includes engagement with government agencies, industry associations, and other stakeholders.

Overall, APITCO plays a crucial role in providing support services to businesses in Andhra Pradesh, helping them overcome challenges, capitalize on opportunities, and contribute to the state's economic development.

SIDBI

The Small Industries Development Bank of India (SIDBI) was established on April 2, 1990. It was set up under an Act of the Indian Parliament as a wholly-owned subsidiary of the Industrial Development Bank of India (IDBI). SIDBI operates as the principal financial institution for the promotion, financing, and development of micro, small, and medium enterprises (MSMEs) in India. Here's how SIDBI supports business enterprises:

1. **Financial Assistance**: SIDBI provides financial assistance to SMEs through various loan products such as term loans, working capital finance, equipment financing, and bill discounting. These loans are tailored to meet the specific needs of SMEs at different stages of their business lifecycle.
2. **Refinancing Support**: SIDBI refinances loans provided by commercial banks, regional rural banks (RRBs), and other financial institutions to SMEs. This helps these lenders extend credit to SMEs at affordable rates and for longer tenures.
3. **Venture Capital Funding**: SIDBI offers venture capital funding to innovative startups and high-growth potential SMEs through its subsidiary, SIDBI Venture Capital Limited (SVCL). This funding supports entrepreneurship and promotes innovation across various sectors.
4. **Credit Guarantee Schemes**: SIDBI administers credit guarantee schemes such as Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). These schemes provide collateral-free credit to MSEs by guaranteeing a portion of the loan amount, thereby facilitating easier access to credit for small businesses.
5. **Microfinance Support**: SIDBI supports microfinance institutions (MFIs) that provide financial services to micro-enterprises and small entrepreneurs in rural and underserved areas. This includes funding support, capacity building, and promoting best practices in microfinance.
6. **Development Programs**: SIDBI conducts various development programs and initiatives aimed at enhancing the competitiveness and sustainability of SMEs. This includes skill development programs, entrepreneurship development programs, and capacity-building workshops.
7. **Technology Upgradation**: SIDBI facilitates technology upgradation and modernization in SMEs through financial assistance and support for adopting new technologies. This helps SMEs improve productivity, quality, and competitiveness in the market.
8. **Cluster Development**: SIDBI promotes the development of industry clusters and value chains by providing financial and technical assistance to SME clusters. This includes

cluster development funds, infrastructure development, and market linkages to strengthen SME clusters.
9. **Policy Advocacy**: SIDBI represents the interests of SMEs in policy formulation and advocacy initiatives. It works closely with the government and industry associations to address policy issues, promote reforms, and create a favorable business environment for SMEs.

Overall, SIDBI's support plays a crucial role in fostering the growth and development of SMEs, promoting entrepreneurship, and contributing to economic prosperity and job creation in India.

Business incubators

Business incubators provide various forms of support for business enterprises, particularly startups and early-stage companies, to help them grow and succeed. Here are some common ways in which business incubators support business enterprises:

1. **Workspace**: Incubators typically provide shared office space, including facilities such as desks, meeting rooms, internet connectivity, and utilities. This enables startups to have a professional work environment without the high overhead costs associated with leasing traditional office space.
2. **Networking Opportunities**: Incubators facilitate networking opportunities by bringing together entrepreneurs, mentors, investors, industry experts, and potential collaborators. Networking events, workshops, and seminars help startups expand their professional networks and access valuable resources and support.
3. **Mentorship and Guidance**: Experienced mentors and advisors affiliated with the incubator provide guidance and mentorship to startups. They offer insights, advice, and practical support on various aspects of business development, strategy, operations, marketing, finance, and technology.
4. **Access to Funding**: Incubators help startups access funding by connecting them with investors, venture capitalists, angel investors, and other sources of capital. They may also offer seed funding, grants, or access to investment programs to support startups in their early stages.
5. **Business Development Support**: Incubators assist startups in refining their business models, developing go-to-market strategies, and validating their ideas through market research and customer feedback. They offer support in product development, prototyping, and commercialization efforts.
6. **Access to Resources**: Incubators provide access to resources such as libraries, research facilities, laboratories, and prototyping equipment. Startups can leverage these resources to develop and test their products or services more efficiently and cost-effectively.
7. **Training and Workshops**: Incubators offer training programs, workshops, and seminars on various topics relevant to startups, including entrepreneurship, leadership, marketing, sales, finance, and legal matters. These educational initiatives help entrepreneurs acquire new skills and knowledge to grow their businesses.
8. **Legal and Administrative Support**: Incubators offer guidance and assistance with legal and administrative matters, including company registration, intellectual property protection, contracts, licenses, permits, and compliance with regulatory requirements.

9. **Market Access and Partnerships**: Incubators help startups access markets by providing introductions to potential customers, partners, distributors, and suppliers. They facilitate partnerships and collaborations that can accelerate the growth and expansion of startups into new markets.
10. **Community and Collaboration**: Incubators foster a supportive community of like-minded entrepreneurs who can share experiences, ideas, and resources. Collaboration among startups within the incubator ecosystem can lead to partnerships, knowledge sharing, and mutual support.

Overall, business incubators play a vital role in nurturing and supporting business enterprises during their early stages, providing them with the resources, guidance, and opportunities they need to succeed and thrive in the competitive marketplace.

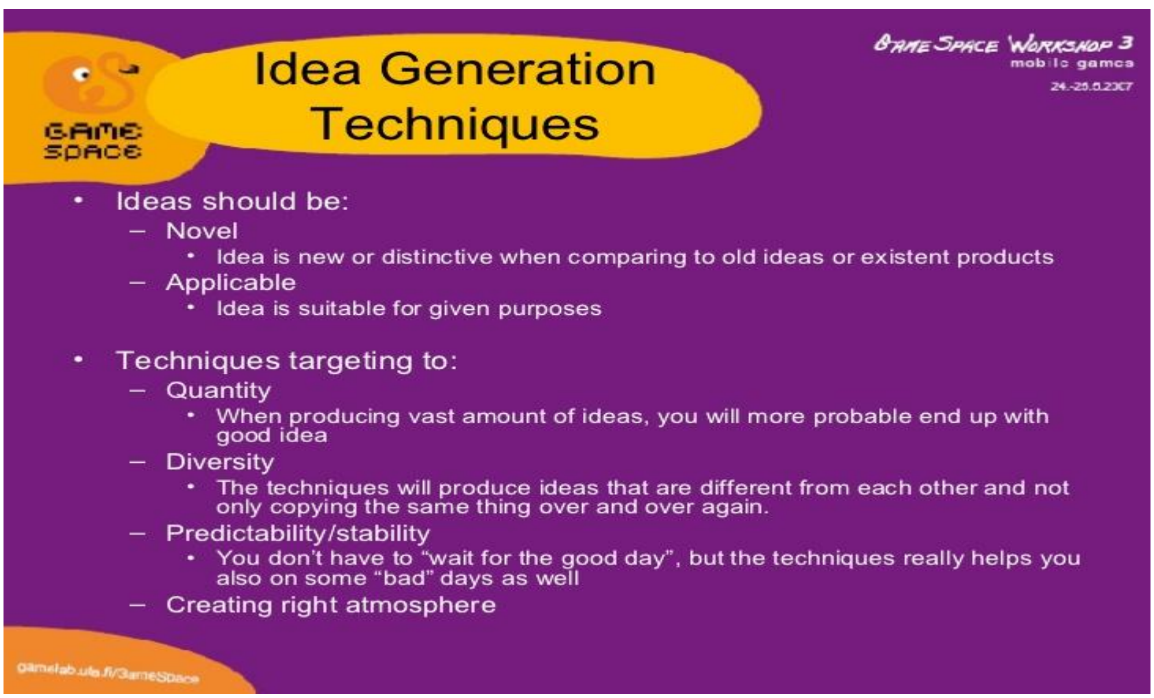
UNIT – III : PROJECT PLANNING AND FEASIBILITY STUDIES

Meaning of Idea Generation

Idea generation is the creative process or procedure that a company uses in order to figure out solutions to any number of difficult challenges. It involves coming up with many ideas in a group discussion, selecting the best idea or ideas, working to create a plan to implement the idea, and then actually taking that idea and putting it into practice. The idea can be tangible, something you can touch or see, or intangible, something symbolic or cultural.

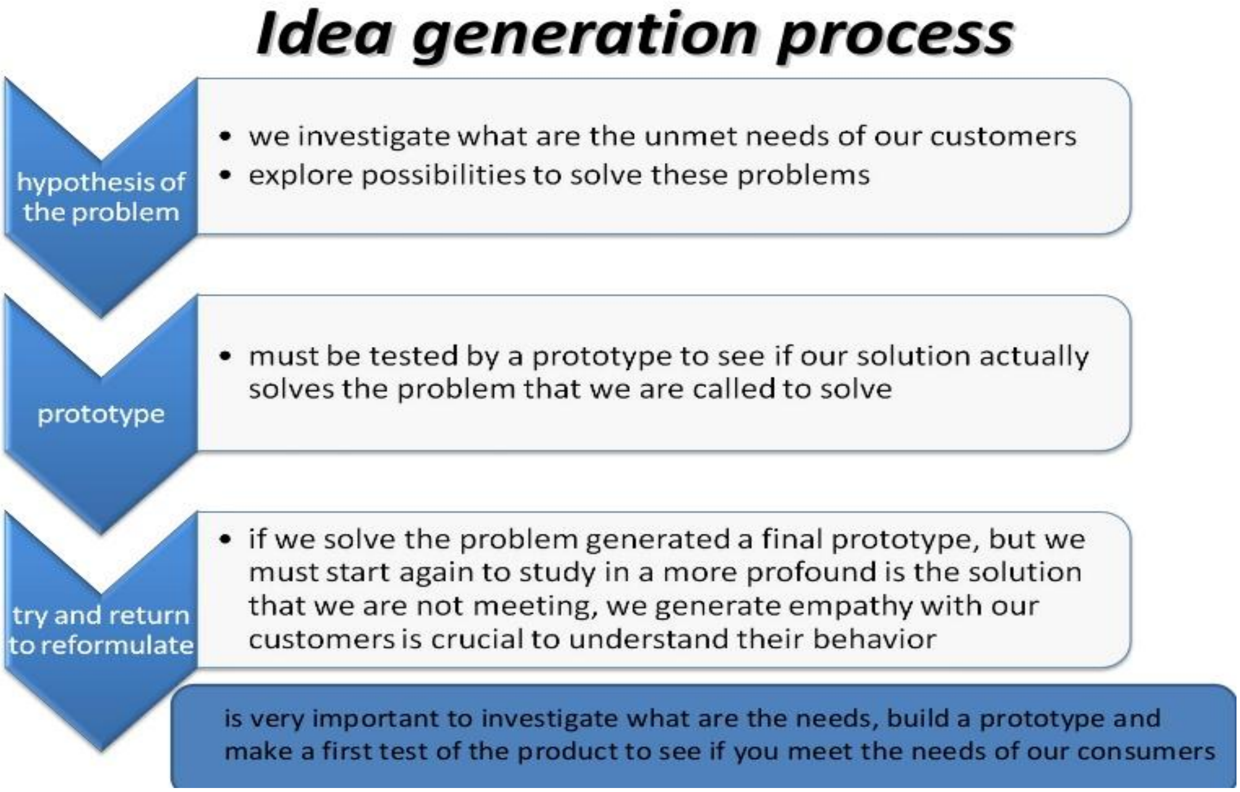
Idea Generation Techniques

	Intuitive	Systematic
Free Association	Brianstorming Brainwriting Checklists	Attribute listing
Forced Relationships	Analogies Random Stimuli	Morphological Matrix Morpological Analysis



Idea Generation Process:

idea generation. The process of creating, developing, and communicating ideas which are abstract, concrete, or visual. The process includes the process of constructing through the idea, innovating the concept, developing the process, and bringing the concept to reality.



Steps to follow from idea generation to implementation.

1. **Idea selection**: coming up with an idea that fits person's strengths, professional aspirations,related experience and resources to make it happen.At this stage, the idea is just a hypothesis and might be altered or changed later.
2. **Scrutiny of all aspects:** analytical evaluation of the opportunity from an investor's standpoint. Key aspects of this assessment are: target audience, size of the opportunity, a calculated risk or not, economic viability, etc. A brief business plan clarifies the covered points.
3. **Feedback:** obtaining opinions from people aware of the market, competitors, business model and similar business experience. Their practical expertise, and that of target customers, will help predict the likelihood of idea success. The real test is when the product is launched but this preliminary research gives a hint.
4. **Feedback reaction:** making necessary changes to product, strategy and business plan according to results from the meaningful feedback. Anticipating the needed capital; to reach set targets. Designing an implementation plan with the main objectives in the short term and who will execute them.
5. **A basic product**: rather than a complete product with a full set of features, a bare minimum offering shows target customers what the product basically is and how it works. A good idea is to build the basic product as quickly as possible and make it inexpensive.
6. **On the market:** Getting to the market a core product quickly and start examining customers` reactions. While one manufacturer waits and refines their product to make it ideal for the customers, a competitor sells successfully an acceptable similar product.

7. **Test drive:** testing elements like pricing, branding, customer experience and features gives a practical demonstration of how the product matches customers` needs. Marketing messages, sales pitches and promotions are also areas that can be tested.
8. **Corrections:** having an idea which aspects of the product and marketing are imperfect, fixing them enables the manufacturer to continuously improve their product and marketing strategies, used to market it.
9. **Growing plans:** updates on the product, business plan, marketing and financial strategies enable expansion. If it really proves to be a winning pitch, this is also a good time to gather resources and raise capital.
10. **Time to expand:** having a proven business strategy and the necessary resources, an ambitious expansion plan seems suitable. If the team shares common beliefs and understands company`s goals and core values, success is likely.

Project Life Cycle

The Project Life Cycle refers to the four-step process that is followed by nearly all project managers when moving through stages of project completion. This is the standard project life cycle most people are familiar with. The Project Life Cycle provides a framework for managing any type of project within a business. Leaders in project management have conducted research to determine the best process by which to run projects. It has been found that following a project life cycle is critical for any services organization.

The Project Life Cycle is the standard process by which teams achieve project success. Lesser known but growing in popularity, the Professional Services Life Cycle exists because the standard project life cycle does not fit everyone's needs. The standard project life cycle works for some project managers, but professional services need a more robust process. In professional services, unlike other businesses, their product is their people. That is, professional services lend their expertise to other companies in exchange for profit. Due to the constant involvement of clients, professional services require a unique project life cycle that involves a recurring feedback loop to ensure project success.

First, let's dig into the standard definition of a project life cycle and then we can see how the Professional Service Life Cycle compares to the standard.

"Standard" Project Life Cycle

According to the Project Management Institute, the project life cycle is critical for any managers hoping to deliver projects to clients successfully. Let's take a look at the steps involved.

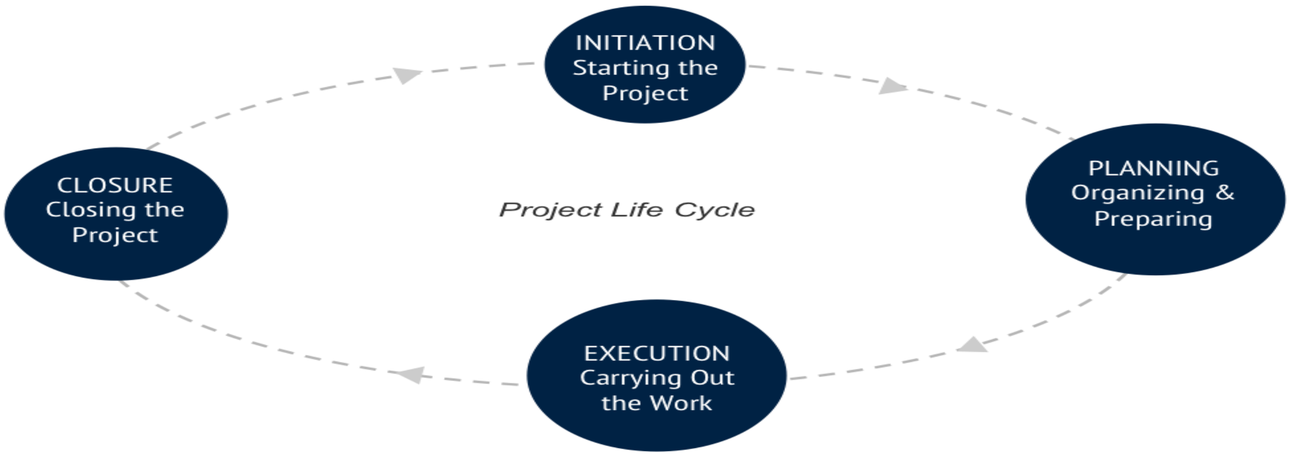
The Project Phases Involved:

Phase 1: The Conceptualization Phase

Phase 2: The Planning Phase

Phase 3: The Execution Phase

Phase 4: The Termination Phase



Phase #1: The Conceptualization Phase

This can also be referred to as the 'Initiation Phase' and is the starting point of any project or idea. For the Conceptualization Phase to begin, a strategic need for the project or service must be recognized by upper management.

Ask yourself the following questions during Conceptualization:

What is the problem?

Will the development of a project solve that problem?

What are the specific goals of the project?

Do we have enough resources to create and support the project?

The Conceptualization Phase typically involves:

Creation of the statement of work (SOW).

Presenting the business case.

Creation of a business contract.

Phase #2: The Planning Phase

The second phase of the project management life cycle is referred to as the Planning Phase. Once management has given the OK to launch a project, a more formal set of plans—outlining initial goals—is established.

Ask yourself the following questions during Planning:

What is the project purpose, vision, or mission?

Are there measurable objectives or success criteria?

Do you have a high level description of the project, requirements and risks?

Can you adequately schedule and budget high level milestones?

The Planning Phase typically involves:

Determining resource availability.

Creating a project budget.

Beginning to allocate tasks to certain resources.

Phase #3: The Execution Phase

The third phase is labeled Execution. This is when the actual work of the project is performed. Required materials, tools, and resources are transformed to reach the project goals. During this phase, performance is continually measured to ensure the project is successful.

Ask yourself the following questions during Execution:

Are all resources being tracked?

Is the project on budget and on time?

Can resource planning be optimized?

Are there major roadblocks that require change management?

The Execution Phase typically involves:

Strategic planning.

Implementation planning.

Phase #4: The Termination Phase

The fourth and final phase is called Termination Phase, also referred to as Project Closure. This phase begins once the project has been completed.

The Termination Phase typically involves:

The disbandment of the project team.

Personnel and tools are reassigned to new duties.

Resources released back to parent organization.

Project transferred to intended users.

Ask yourself the following questions during Termination:

Are the project's completion criteria met?

Is there a project closure report in progress?

Have all project artifacts been collected and archived?

Has a project postmortem been planned?

PROJECT PLANNING A STEP BY STEP GUIDE

The key to a successful project is in the planning. Creating a project plan is the first thing you should do when undertaking any project.

Often project planning is ignored in favour of getting on with the work. However, many people fail to realise the value of a project plan for saving time, money and many problems.

On completion of this, you should have a sound project planning approach that you can use for future projects.

Step 1: Project Goals

A project is successful when it has met the needs of the stakeholders. A stakeholder is anybody directly, or indirectly impacted by the project.

As a first step, it is important to identify the stakeholders in your project. It is not always easy to determine the stakeholders of a project, particularly those impacted indirectly. Examples of stakeholders are:

- The project sponsor
- The customer who receives the deliverables
- The users of the project output
- The project manager and project team

Once you understand who the stakeholders are, the next step is to find out their needs. The best way to do this is by conducting stakeholder interviews. Take time during the interviews to draw out the requirements that create real benefits. Sometimes stakeholders will talk about needs that aren't relevant and don't deliver benefits. These can be recorded and set as a low priority.

The next step, once you have conducted all the interviews and have a comprehensive list of needs is to prioritise them. From the prioritised list, create a set of easily measurable goals. A good technique for doing this is to review them against the SMART principle. This way, the achievement of the goal will be easy to identify.

Once you have established a clear set of goals, they should be recorded in the project plan. It can be useful also to include the needs and expectations of your stakeholders.

Now you have completed the most difficult part of the planning process; it's time to move on and look at the project deliverables.

Step 2: Project Deliverables

Using the goals you have defined in step 1, create a list of things the project needs to deliver to meet those goals. Specify when and how to deliver each item.

Add the deliverables to the project plan with an estimated delivery date. You will establish more accurate delivery dates during the scheduling phase, which is next.

Step 3: Project Schedule

Create a list of tasks that need to be carried out for each deliverable identified in step 2. For each task determine the following:

- The amount of effort (hours or days) required for completing the task
- The resource who will carry out the task

Once you have established the amount of effort for each task, you can work out the effort required for each deliverable, and an accurate delivery date. Update your deliverables section with the more precise delivery dates.

At this point in the planning, you could choose to use a software package such as Microsoft Project to create your project schedule. Alternatively, use one of the many free templates available. Input all of the deliverables, tasks, durations and the resources who will complete each task.

A common problem discovered at this point is when you have an imposed delivery deadline from the sponsor that is not realistic based on your estimates. If you discover this is the case, you must contact the sponsor immediately. The options you have in this situation are:

- Renegotiate the deadline (project delay)
- Employ additional resources (increased cost)
- Reduce the scope of the project (less delivered)

Use the project schedule to justify pursuing one of these options.

Step 4: Supporting Plans

This section deals with the plans you should create as part of the planning process. These can be included directly in the plan.

Human Resource Plan

Identify, by name, the individuals and organisations with a leading role in the project. For each, describe their roles and responsibilities on the project.

Next, specify the number and type of people needed to carry out the project. For each resource detail start dates, the estimated duration and the method you will use for obtaining them.

Create a single sheet containing this information.

Communications Plan

Create a document showing who is to be kept informed about the project and how they will receive the information. The most common mechanism is a weekly or monthly status report, describing how the project is performing, milestones achieved and the work you've planned for the next period.

Risk Management Plan

Risk management is an important part of project management. Although often overlooked, it is important to identify as many risks to your project as possible and be prepared if something bad happens.

Here are some examples of common project risks:

- Time and cost estimate too optimistic
- Customer review and feedback cycle too slow
- Unexpected budget cuts
- Unclear roles and responsibilities
- No stakeholder input obtained
- Not clearly understanding stakeholder needs
- Stakeholders changing requirements after the project has started
- Stakeholders adding new requirements after the project has started
- Poor communication resulting in misunderstandings, quality problems and rework
- Lack of resource commitment

Risks can be tracked using a simple risk log. Add each risk you have identified to your risk log; write down what you will do in the event it occurs, and what you will do to prevent it from happening. Review your risk log on a regular basis, adding new risks as they occur during the life of the project. Remember, if you ignore risks, they don't go away.

Project Planning

Project planning is the process of defining your objectives and scope, your goals and milestones (deliverables), and assigning tasks and budgetary resources for each step. A good plan is easily shareable with everyone involved, and it's most useful when it's revisited regularly. Simply outlining a plan and never discussing it with your team again is a good recipe for wasted time and effort.

You can do your project planning in a simple Google doc, or you can use project management software. The benefit of using project management software is that you're usually able to store all of your documents and deliverables in one place, and you can avoid losing important discussions and decisions to the email or Slack void. With a tool like Basecamp, for example, it's easy to track progress and keep track of conversations and items that require collaboration with a few different people.

If you're thinking about project management as an entrepreneur or within a fast-paced startup, it might seem like it all takes too much time at the outset. But, you'll actually save a lot of time and resources if you document your project plan right from the start and use it as a roadmap to keep you and your team on track.

Here are seven keys to successful project planning to help you get started.

1. Think of your plan as a roadmap for stakeholders

Every project needs a roadmap with clearly defined goals that should not change after the first phase of the project has been completed. All stakeholders benefiting from the outcome or involved in executing the project should be named and their needs stated during the initial project planning process.

These stakeholders might include:

- **The project manager** or the person ultimately responsible for completion
- **The "customer"** who receives the deliverables—this can be someone on your team (internal) or an actual paying customer.
- **The team,** or the people responsible for any tactic that's part of the plan.

Don't assume that you automatically understand each stakeholder's needs and goals. Before you get too far into documenting your project plan, talk to them to make sure you really understand the project and abilities and resources of everyone on the team.

2. Break the project into a list of deliverables

Develop a list of all deliverables. This list should break down the larger project into smaller tasks that can be assigned to specific team members, and you should include estimated deadlines associated with each deliverable or task.

Make sure that you understand and document the approval process for each deliverable. If your project is for an external customer, make sure you are clear on their internal approval process, so that you're not surprised by delays or slowed down with wading through competing opinions.

3. Talk to your team

Identify by name all individuals and/or organizations involved in each deliverable or task, and describe their responsibilities in detail. Otherwise, miscommunication can lead to delays and situations where team members may have to redo their work.

Hold a kickoff meeting to talk to your team about your intended plan of attack. Ask them to help you think about the best way to get the work done. Not only will this help you be more efficient, it will help you get their buy-in because they'll feel more ownership over the process. Using a project management tool like Basecamp can be helpful keeping everyone on track and storing documents and conversations all in one place.

If you use email to communicate about projects, consider using a team inbox email solution that will allow you to assign emails that need project-related attention to team members as appropriate, rather than endlessly forwarding huge conversation threads back and forth.

4. Identify risks

Determine the risks involved in your project. Think through what you'll do if something takes much longer than expected, or if costs end up being much more than you initially anticipated.

You don't have to have a specific course of action identified for every possible negative outcome, but you should spend some time with your team, thinking through what could go wrong. Then, you can do as much as you can to mitigate those risks from the outset, rather than being caught off guard later. Risk factors can also have some influence on how you budget.

5. Create a budget

Attached to your list of milestones and deliverables should be information about the project cost and estimated budget. Resist the urge to assign large dollar amounts to big projects without identifying exactly how the money is intended to be spent. This will help your team understand the resources they have to work with to get the job done. When you're setting your initial budget, these numbers might be ranges rather than absolutes.

For certain items, you might need to get quotes from a few different vendors. It can be helpful to document the agreed upon project scope briefly in your budget documentation, in case you end up needing to make changes to the larger project based on budgetary constraints, or if your vendor doesn't deliver exactly what you expected.

6. Add milestones

Use your list of deliverables as a framework for adding milestones and tasks that will need to be completed to accomplish the larger goal. Establish reasonable deadlines, taking into account project team members' productivity, availability, and efficiency.

Think about your milestones within the SMART framework. Your goals should be:

Specific: Clear, concise, and written in language anyone could understand.

Measurable: Use numbers or quantitative language when appropriate. Avoid vague descriptions that leave success up to personal, subjective interpretation.

Acceptable: Get buy-in from stakeholders on your goals, milestones, and deliverables.

Realistic: Stretch goals are one thing, but don't set goals that are impossible to achieve. It's frustrating for your team and for your stakeholders, and might ultimately delay your project because accomplishing the impossible usually costs more and takes longer.

Time-based: Set concrete deadlines. If you have to alter deadlines associated with your milestones, document when and why you made the change. Avoid stealth changes—or editing deadlines without notifying your team and relevant stakeholders.

7. Set progress reporting guidelines

These can be monthly, weekly, or daily reports. Ideally, a collaborative workspace should be set up for your project online or offline where all parties can monitor the progress. Make sure you have a communication plan—document how often you'll update stakeholders on progress and how you'll share information—like at a weekly meeting or daily email.

Use the framework you set up when you identified your milestones to guide your reports. Try not to recreate any wheels or waste time with generating new reports each time you need to communicate progress. Keep in mind that using a project management software like Basecamp can keep stakeholders in the loop without cluttering up your inbox, or losing conversations in long Slack chats.

The secret to effective project planning and management is staying organized and communicating well with your team and stakeholders. Whether you decide to use project management software or not, think about where and how you store all the materials and resources that relate to your project—keep everything in one place if you can.

Feasibility Study

An assessment of the practicality of a proposed plan or method. As the name implies, a feasibility study is an analysis of the viability of an idea. The feasibility study focuses on helping answer the essential question of "should we proceed with the proposed project idea?"

Feasibility studies can be used in many ways but primarily focus on proposed business ventures. Entrepreneurs with a business idea should conduct a feasibility study to determine the viability of their idea before proceeding with the development of a business. Determining early that a business idea will not work saves time and money.

A feasible business venture is one where the business will generate adequate cash-flow and profits, withstand the risks it will encounter, remain viable in the long-term and meet the goals of the founders. The venture can be either a start-up business, the purchase of an existing business, an expansion of current business operations or a new enterprise for an existing business. A feasibility study is only one step in the business idea assessment and business development process.

Definition of Feasibility Studies: A feasibility study looks at the viability of an idea with an emphasis on identifying potential problems and attempts to answer one main question: Will the idea work and should you proceed with it?

Before beginning, write the business plan, you need to identify how, where, and to whom you intend to sell a service or product.

Need to assess the competition and figure out how much money you need to start your business and keep it running until it is established.

Feasibility studies address things like where and how the business will operate. They provide in-depth details about the business to determine if and how it can succeed, and serve as a valuable tool for developing a winning business plan.

Reasons to Do a Feasibility Study

Conducting a feasibility study is a good business practice. If you examine successful businesses, you will find that they did not go into a new business venture without first thoroughly examining all of the issues and assessing the probability of business success.

Below are other reasons to conduct a feasibility study.

- Gives focus to the project and outline alternatives.
- Narrows business alternatives
- Identifies new opportunities through the investigative process.
- Identifies reasons not to proceed.
- Enhances the probability of success by addressing and mitigating factors early on that could affect the project.
- Provides quality information for decision making.
- Provides documentation that the business venture was thoroughly investigated.
- Helps in securing funding from lending institutions and other monetary sources.

Go/No-Go Decision

The go/no-go decision is one of the most critical in business development. It is the point of no return. Once you have definitely decided to pursue a business scenario, there is usually no turning back. The feasibility study will be a major information source in making this decision.

Why Are Feasibility Studies so Important?

The information you gather and present in your feasibility study will help you:

- List in detail all the things you need to make the business work;
- Identify logistical and other business-related problems and solutions;
- Develop marketing strategies to convince a bank or investor that your business is worth considering as an investment; and
- Serve as a solid foundation for developing your business plan.

Components of a Feasibility Study

- **Description of the Business:** The product or services to be offered and how they will be delivered.

- **Market Feasibility**: Includes a description of the industry, current market, anticipated future market potential, competition, sales projections, potential buyers, etc.
- **Technical Feasibility**: Details how you will deliver a product or service (i.e., materials, labor, transportation, where your business will be located, technology needed, etc.).
- **Financial Feasibility**: Projects how much start-up capital is needed, sources of capital, returns on investment, etc.
- **Organizational Feasibility**: Defines the legal and corporate structure of the business (may also include professional background information about the founders and what skills they can contribute to the business).

Project proposal

A project proposal is a type of business proposal that delineates the objection of a proposed endeavor together with the steps necessary to accomplish the objective. In addition to identifying an objective and tactics to accomplish the goal, a project proposal sets forth the benefits of pursuing the endeavor.

A project proposal contains milestones at which certain aspects of the project are to be completed. In addition, a comprehensive project proposal includes a list of the key participants in the endeavor, together with a summary of relevant biographical data. Finally, a project proposal contains a detailed budget that includes a summation of anticipated costs and a time frame for specific expenditure.

project proposal writing (converting the plan into a project document). Project design is a result of both project planning and the project proposal. Both steps are essential to forming a solid project design.

Steps in Project Proposal:

- Study the Request for Proposal (RFP) carefully.
- Investigate the client's needs.
- Use a formal title page.
- Introduce the problem that you are addressing.
- Put your proposal in context.
- Include definitions for key terms.
- Propose a detailed solution.
- Explain why your solution is the best
- Present your proposed task schedule.
- Provide a budget.
- Include key contract terms.(agreement between client and owner)
- Outline your relevant experience
- Identify others who will be working on the project.
- Provide references.

Preparing the Proposal: Stages

A. Define the project (establish a working title).

B. Identify the agency and obtain guidelines and deadlines.

C. Write preliminary material (preproposal).

D. Conduct literature search.

E. Write first draft of full proposal. Consider the following parts:

1. Introduction (Research history, pilot project, literature review, the institution — boiler plate) Max. 10% of full proposal.

2. Problem Statement

3. Objectives Min. 50%of full proposal

4. Methodology

5. Evaluation (Max. 10%, if required)

6. Dissemination (eg. where material might be submitted for publication)

7. Future Funding (if required by project)

8. Budget

9. Appendices

Report Writing:

A report is written for a clear purpose and to a particular audience. Specific information and evidence are presented, analysed and applied to a particular problem or issue. The information is presented in a clearly structured format making use of sections and headings so that the information is easy to locate and follow.

Definitions:

1. A document containing information organized in a narrative, graphic, or tabular form, prepared on ad hoc, periodic, recurring, regular, or as required basis. Reports may refer to specific periods, events, occurrences, or subjects, and may be communicated or presented in oral or written form.

2. To provide information.

3. It is creating an account or statement that describes in detail an event, situation or occurrence, usually as the result of observation or inquiry. The two most common forms of report writing are news report writing and academic report writing. Report writing is different from other forms of writing because it only includes facts, not the opinion or judgement of the writer.

Importance of Report Writing:

1. Report gives consolidated & updated information

A report provides consolidated, factual and an up-to-date information about a particular matter or subject. Information in the report is well organized and can be used for future planning and decision making.

2. Report as a means of internal communication

A report acts as an effective means of communication within the organization. It provides feedback to employees. It is prepared for the information and guidance of others connected with the matter / problem.

3. Report facilitates decision making and planning

Report provide reliable data which can be used in the planning and decision making process. It acts as a treasure house of reliable information for long term planning and decision making.

4. Report discloses unknown information

Reports provide information, which may not be known previously. The committee members collect data, draw conclusions and provide information which will be new to all concerned parties. Even new business opportunities are visible through unknown information available in the reports.

5. Report gives Information to employees

Reports are available to managers and departments for internal use. They are widely used by the departments for guidance. Report provide a feedback to employees and are useful for their self-improvement.

6. Report gives reliable permanent information

The information provided by a report is a permanent addition to the information available to the office. We have census reports (prepared since last 100 years) which are used even today for reference purpose.

7. Report facilitates framing of personnel policies

Certain reports relating to employees are useful while preparing personnel policies such as promotion policy, training policy and welfare facilities to employees.

8. Report gives information to shareholders

Some company reports are prepared every year for the benefit of shareholders. Annual report for example, is prepared and sent to all shareholders before the AGM. It gives information about the progress of the company.

9. Report gives information to the Registrar

Annual report and annual accounts are sent to the Registrar every year for information. Such reports enable the government to keep supervision on the companies.

10. Report solves current problems

Reports are useful to managers while dealing with current problems faced by the company. They provide guidance while dealing with complicated problems.

11. Report helps directors to take prompt decisions

Company reports relate to internal working of the company and are extremely useful to directors in decision making and policy framing. Reports give reliable, updated and useful information in a compact form.

Steps in Report Preparation:

All reports need to be clear, concise and well structured. The key to writing an effective report is to allocate time for planning and preparation. With careful planning, the writing of a report will be made much easier. The essential stages of successful report writing are described below. Consider how long each stage is likely to take and divide the time before the deadline between the different stages. Be sure to leave time for final proof reading and checking.

Stage One: Understanding the report brief

This first stage is the most important. You need to be confident that you understand the purpose of your report as described in your report brief or instructions. Consider who the report is for and why it is being written. Check that you understand all the instructions or requirements, and ask your tutor if anything is unclear.

Stage Two: Gathering and selecting information

Once you are clear about the purpose of your report, you need to begin to gather relevant information. Your information may come from a variety of sources, but how much information you will need will depend on how much detail is required in the report. You may want to begin by reading relevant literature to widen your understanding of the topic or issue before you go on to look at other forms of information such as questionnaires, surveys etc. As you read and gather information you need to assess its relevance to your report and select accordingly. Keep referring to your report brief to help you decide what is relevant information.

Stage Three: Organising your material

Once you have gathered information you need to decide what will be included and in what sequence it should be presented. Begin by grouping together points that are related. These may form sections or chapters. Remember to keep referring to the report brief and be prepared to cut any information that is not directly relevant to the report. Choose an order for your material that is logical and easy to follow.

Stage Four: Analysing your material

Before you begin to write your first draft of the report, take time to consider and make notes on the points you will make using the facts and evidence you have gathered. What conclusions can be drawn from the material? What are the limitations or flaws in the evidence? Do certain pieces of evidence conflict with one another? It is not enough to simply present the information you have gathered; you must relate it to the problem or issue described in the report brief.

Stage Five: Writing the report

Having organised your material into appropriate sections and headings you can begin to write the first draft of your report. You may find it easier to write the summary and contents page at the end when you know exactly what will be included. Aim for a writing style that is direct and precise. Avoid waffle and make your points clearly and concisely. Chapters, sections and even individual paragraphs should be written with a clear structure. The structure described below can be adapted and applied to chapters, sections and even paragraphs.

- Introduce the main idea of the chapter/section/paragraph
- Explain and expand the idea, defining any key terms.
- Present relevant evidence to support your point(s).
- Comment on each piece of evidence showing how it relates to your point(s).
- Conclude your chapter/section/paragraph by either showing its significance to the report as a whole or making a link to the next chapter/section/paragraph.

Stage Six: Reviewing and redrafting

Ideally, you should leave time to take a break before you review your first draft. Be prepared to rearrange or rewrite sections in the light of your review. Try to read the draft from the perspective of the reader. Is it easy to follow with a clear structure that makes sense? Are the points concisely but clearly explained and supported by relevant evidence? Writing on a word processor makes it easier to rewrite and rearrange sections or paragraphs in your first draft. If you write your first draft by hand, try writing each section on a separate piece of paper to make redrafting easier.

Stage Seven: Presentation

Once you are satisfied with the content and structure of your redrafted report, you can turn your attention to the presentation. Check that the wording of each chapter/section/subheading is clear and accurate. Check that you have adhered to the instructions in your report brief regarding format and presentation. Check for consistency in numbering of chapters, sections and appendices. Make sure that all your sources are acknowledged and correctly referenced. You will need to proof read your report for errors of spelling or grammar. If time allows, proof read more than once. Errors in presentation or expression create a poor impression and can make the report difficult to read.

Report Writing: Formatting the Report Elements

Here are the main sections of the standard report writing format:

- **Title Section -** If the report is short, the front cover can include any information that you feel is necessary including the author(s) and the date prepared. In a longer report, you may want to include a table of contents and a definitions of terms.
- **Summary -** There needs to be a summary of the major points, conclusions, and recommendations. It needs to be short as it is a general overview of the report. Some people will read the summary and only skim the report, so make sure you include all the relevant information. It would be best to write this last so you will include everything, even the points that might be added at the last minute.
- **Introduction -** The first page of the report needs to have an introduction. You will explain the problem and show the reader why the report is being made. You need to give a definition of terms if you did not include these in the title section, and explain how the details of the report are arranged.
- **Body -** This is the main section of the report. The previous sections needed to be written in plain English, but this section can include jargon from your industry. There needs to be several sections, with each having a subtitle. Information is usually arranged in order of importance with the most important information coming first. If you wish, a "Discussion" section can be included at the end of the Body to go over your findings and their significance.
- **Conclusion -** This is where everything comes together. Keep this section free of jargon as most people will read the Summary and Conclusion.
- **Recommendations -** This is what needs to be done. In plain English, explain your recommendations, putting them in order of priority.
- **Appendices -** This includes information that the experts in the field will read. It has all the technical details that support your conclusions.

Tips for Good Writing

Here are a few tips for good writing.

- Keep it simple. Do not try to impress, rather try to communicate. Keep the sentences short and to the point. Do not go into a lot of details unless it is needed. Make sure every word needs to be there, that it contributes to the purpose of the report.
- Use an active voice rather than passive. Active voice makes the writing move smoothly and easily. It also uses fewer words than the passive voice and gives impact to the writing by emphasizing the person or thing responsible for an action. Here is an example: Bad customer service decreases repeat business.
- Good grammar and punctuation is important. Having someone proofread is a good idea. Remember that the computer cannot catch all the mistakes, especially with words like "red, read" or "there, their."

UNIT – 4 : MICRO AND SMALL ENTERPRISES

Introduction

Worldwide, MSMEs have been accepted as the engine of economic growth and for promoting equitable development. They constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth. With low investment requirements, operational flexibility and the capacity to develop appropriate indigenous technology, SMEs have the power to propel India to new heights. Hence, it seems like there is a silent revolution happening in India powered by MSMEs.

Importance of MSMEs for Indian Economy

- **Employment:** It is the second largest employment generating sector after agriculture. It provides employment to around 120 million persons in India.
- **Contribution to GDP:** With around 36.1 million units throughout the geographical expanse of the country, MSMEs contribute around 6.11% of the manufacturing GDP and 24.63% of the GDP from service activities.
  - MSME ministry has set a target to up its contribution to GDP to 50% by 2025 as India becomes a $5 trillion economy.
- **Exports**: It contributes around 45% of the overall exports from India.
- **Inclusive growth:** MSMEs promote inclusive growth by providing employment opportunities in rural areas especially to people belonging to weaker sections of the society.
  - For example: Khadi and Village industries require low per capita investment and employs a large number of women in rural areas.
- **Financial inclusion:** Small industries and retail businesses in tier-II and tier-III cities create opportunities for people to use banking services and products.
- **Promote innovation:** It provides opportunity for budding entrepreneurs to build creative products boosting business competition and fuels growth.

Thus, Indian MSME sector is the backbone of the national economic structure and acts as a bulwark for Indian economy, providing resilience to ward off global economic shocks and adversities.

MSME redefined

- The Micro, Small and Medium Enterprises Development (Amendment) Bill, 2018 proposes to reclassify all MSMEs, whether they are manufacturing or service-providing enterprises, on the basis of their annual turnover.

Classification of enterprises as micro, small and medium enterprises (in Rs)

Type of Enterprise	2006 Act		2018 Bill
	Manufacturing	Services	All enterprises
	Investment in Plant and Machinery	Investment in Equipment	Annual Turnover
Micro	25 lakh	10 lakh	5 crore
Small	25 lakh to 5 crore	10 lakh to 2 crore	5 to 75 crore
Medium	5 to 10 crore	2 to 5 crore	75 to 250 crore

The bill was introduced in the Lok Sabha and further referred to the Standing Committee which tabled its report on 28 December 2018.

Benefits of proposed reclassification

- The new classification would eliminate the need for frequent inspections which was earlier required to check the investment in plant and machinery.
- It would be a non discriminatory, transparent and objective criterion.

Factors which led to growth of MSMEs

- **Campaigns** like Skill India, Startup India, Digital India and Make in India aim to provide MSME players with a level playing field and a definitive push towards enhanced productivity.
- **Digitization:** Increasing internet penetration, customer’s familiarization with digital payments fuelled by B2C ecommerce players facilitate MSME sector growth.
- Tie-ups with new-age **non-banking finance (FinTech) companies** allowed access to timely collateral free finance to MSMEs.
- **Changing employment patterns:** Younger generation shifting from agriculture towards entrepreneurial activities creating job prospects for others.

Issues faced by MSMEs and steps taken to improve their condition

Issues and Challenges	Steps Taken
Access to credit ▪ 90% of the MSMEs are dependent on informal sources for funding ▪ Lack of sufficient collateral and high working capital needs	▪ Launch of the **59 minute loan portal** to enable easy access to credit for MSMEs. ▪ 2 percent interest subvention for all GST registered MSMEs, on fresh or incremental loans. ▪ Trade Receivables e-Discounting System **(TReDS)** to **enable access to credit from banks,** based on their upcoming trade receivables from corporate and other buyers.
Access to Markets ▪ Low outreach and non availability of new markets. ▪ Lack of skilled manpower and ineffective marketing strategy. ▪ Difficult for MSMEs to sell products to government agencies. ▪ Competition from MNCs and other big industries.	▪ Union government announced to launch an e-commerce platform on the lines of **"Amazon and Alibaba"** to sell products from MSMEs and the Khadi and Village Industries Commission. ▪ Public sector companies now **compulsorily procure 25%,** instead of 20% of their total purchases, from MSMEs. ▪ More than 40,000 MSMEs registered on **Government e-Marketplace (GeM) portal.** It provides transparency in procurement and facilitates MSMEs to directly reach out to the buyers.
Technology Access ▪ Limited human resources and weak financial standing. ▪ MSMEs, particularly in the unorganised sector, show lower adaptability of new technology and innovation.	▪ 20 hubs and 100 spokes in the form of tool rooms will be established across the country. This will **facilitate product design** and easy access to latest technology to MSMEs. ▪ Financial assistance is provided for implementation of **lean manufacturing techniques** to enhance the manufacturing competitiveness of MSMEs.
Quality and Export Issues ▪ Low quality products impact export competitiveness. ▪ Inadequate access to quality raw materials. ▪ Use of traditional machines causes low productivity.	▪ Financial support to MSMEs in ZED (Zero Defect Zero Effect) certification to improve quality of products. ▪ Government provides subsidy towards the expenditure incurred by enterprises to obtain the product certification licenses from national and international bodies.
Ease of Doing Business ▪ Cumbersome government	• The return under 8 labour laws and 10 Union regulations must now be filed only once a year.

procedures and rules for establishing new units. ▪ Bureaucratic delays in getting clearances. ▪ Poor litigation system in the country.	• **Computerised random allotment** for inspector visits to the establishment. • Environmental Clearance under air pollution and water pollution laws, have been **merged into one.** Also, the return will be accepted through self-certification. • For minor violations under the Companies Act, the entrepreneur will no longer have to approach the courts, but can correct them through simple procedures. This signifies **simplification of government procedures** and instilling confidence among entrepreneurs.

Small Enterprises: Essentials, Features and Characteristics

"Small is beautiful" because of it following important essentials, features and characteristics

1. A small or micro enterprise is generally a one-man show. Even the small units which run by a partnership firm or company, the activities are mainly carried out by one of the partners or directors. In practice, the others are simply as sleeping partners or directors who mainly assist in providing funds.

2. In case of micro enterprises, the owner himself/herself is a manager also. Thus, these units are managed in a personalized fashion. The owner has firsthand knowledge of what is actually going on in the business. He takes effective participation in all matters of business decision taking.

3. Compared to large units, a micro industrial unit has a lesser gestation period, i.e. the period after which the return on investment starts.

4. The scope of operation of micro and small Industrial undertakings is generally localized catering to the local and regional demands.

5. Micro units use indigenous resources and, therefore, can be located anywhere subject to the availability of these resources like raw materials, labour etc.

6. Micro enterprises are fairly labour intensive with comparatively smaller capital investment than the larger units. Let the facts speak. According to P. C. Mahalnobis, small-scale units require very little capital. About six or seven hundred rupees would get an artisan family started. With any given investment, employment possibilities would be ten or fifteen or even twenty times greater in comparison with corresponding factory system.

7. Using local resources, micro enterprises are decentralised and dispersed to rural areas. Thus, the development of micro enterprises in rural areas promotes more balanced regional development, on the one hand, and prevents the influx of job seekers from rural areas to cities and urbanizing centers, on the other.

8. Last but not the least, compared to large-scale units, small-scale units are more change susceptible and highly reactive and receptive to socioeconomic conditions. They are more flexible to adapt changes like introduction of new products, new method of production, new materials, new markets, new forms of organisation, etc.

Relationship between Micro and Macro Enterprises

The relationship between the micro and macro enterprises can be seen in various respects. Yet, the following are the important ones:

1. Competitive:

Micro enterprises cannot compete with macro enterprises in certain circumstances and in selected products. Examples of such enterprises/ industries are bricks and tiles, fresh baked goods and perishable edibles, preserved fruits, goods requiring small engineering skill, items demanding craftsmanship and artistry.

2. Supplementary:

Micro enterprise can fill in the gaps between large scale production and standard outputs caused by macro enterprises. This is due to this supplementary role of micro enterprises, a small tricycle factory sustained and flourished alongside a large cycle factory in Chennai city.

3. Complementary:

Apart from supplementary relationship, micro enterprises have been a complementary to their macro counterparts. In the real world, many micro enterprises produce intermediate products for macro units. Such subcontracting relationship between the micro and macro was particularly marked in the economic history of today's industrially developed Japan.

As industrialisation proceeds, micro and small-size firms seem naturally to shift from activities that compete with macro and large firms to complementary ones. Similarly, China too continues to rely on Mao's aphorism of "walking on two legs"-one being micro and the other macro.

Under complementary relationship, micro units function under the tutelage of the macro units and enjoy the advantage of protected market for their products. Then, the flourishment of such micro units remains beyond doubt.

4. Initiative:

Attracted by the high profits of macro units, micro units can also take initiative to produce the particular product. If succeeds, the micro unit grows to macro over a period of time. Evidences are available to quote that many of the automobile factories started this way in the United States of America. In our country too, the electronic industry looks like following to this initiative pattern of development.

5. Servicing:

Micro enterprises do also install servicing and repairing shops for the products of macro units. In the case of India, such micro servicing units can be seen proliferating in respect of macro industries like refrigerators, radio and television sets, watches and clocks, cycles and motor vehicles.

Micro Enterprises: Scope and Objective of Micro Enterprises!

Scope of Micro and Small Enterprises::

In fact, the scope for micro and small enterprises is quite vast covering a wide range of activities requiring less sophisticated technology. In consonance with its distinct characteristics, the activities which are found particularly amenable to and can be successfully operated in micro and small sector are too many to mention.

Among them, the important ones are:

a. Manufacturing activities

b. Servicing/repairing activities

c. Retailing activities

d. Financial activities

e. Whole-sale business

f. Construction activities

g. Infrastructural activities like transportation, communication and other public utilities.

In order to strengthen the scope for micro enterprise development in the country, the Government of India has, along with its other assistance programmes, announced its reservation policy for small sector mainly consisting of micro enterprises in the country. The reservation policy was initiated in 1967 when only 47 items were reserved for exclusive manufacture in the small-scale sector. By 1983, the reserve list included 836 items for exclusive production in the small-scale sector.

Later, the Abid Hussain Committee de-reserved 12 items and, thus, there are still 824 items reserved for exclusive production in small sector. The main objective of the reservation policy has been to insulate the small sector, or say, micro and small enterprises from unequal competition of large- scale industrial establishments, so that the sector can grow through expansion of existing units and the entry of new firms.

The important industries reserved for exclusive development in the micro and small sector are:

Food and Allied Industries; Textile Products; Leather and Leather Products, including Foot-wears; Rubber Products; Plastic Products; Chemical and Chemical Products; Natural Essential Oils; Organic Chemicals and Chemical Products; Glass and Ceramics; Mechanical Engineering Transport Equipment; Metal Cabinets of all Types; Pressure Stove; Electrical Appliances; Electronic Equipment's and Components; Boats and Truck Body Buildings; Auto Parts Components; Ancillary and Garage Equipment; Bicycle Parts, Try-cycles and Perambulators; Miscellaneous Transport Equipment's; Mathematical and Survey Instruments; Sports Goods; Stationery items, Clocks and watches, etc.

Here, it seems pertinent to mention that the performance of reserved micro and small industries does not outshine that of non-reserved micro and small industries. Researchers attribute the poor performance of financially assisted units as well as those in the "reserved" industries to 'easy' entry into the micro and small enterprise sector, which has intensified competition within the sector, and resulted in excess supply and, thus, a fall in profitability.

They hold the view that the reservation policy is calculated to keep 'infant' industries in a permanent state of infancy. However, one may not find himself/herself in agreement with other. In fact, the noble intention of the reservation policy has been to insulate the micro and small enterprises from unequal competition of powerful large-scale industrial units (macro enterprises), so that the micro and small enterprises can go through expansion of existing units, on the one hand, and by the entry of new firms, on the other. Examples are galore to support the view.

Objectives of Micro and Small Enterprises:

The major objectives of developing micro enterprises are as follows:

1. To generate immediate and large scale employment opportunities with relatively low investment.

2. To eradicate unemployment problem from the country.

3. To encourage dispersal of industries to all over country covering small towns, villages and economically lagging regions.

4. To bring backward areas too in the mainstream of national development.

5. To promote balanced regional development in the whole country.

6. To ensure more equitable distribution of national income.

7. To encourage effective mobilisation of country's untapped resources.

8. To improve the level of living of people in the country.

Role of Micro Enterprises in Economic Development

We intend in this article to appreciate the important role played by micro and small enterprises in economic development of India. How do you define economic development? The commonest definition could be 'an increase in real per capita income of a person resulting in improvement in the levels of living'. The development of small-scale industries contributes to the increase in per capita income, i.e., economic development in various ways.

It generates immediate employment opportunities with relatively low capital/investment, promotes more equitable distribution of national income, makes effective mobilisation of untapped capital and human skills and leads to dispersal of manufacturing activities all over the country, leading to growth of villages, small towns and economically lagging regions. This promotes to balanced regional development as well.

Any discussion on the role of micro and small enterprises in economic development of a country will much better be facilitated if we examine it with relevant parameters. However, data classified into micro and small enterprises are so far not available.

We are, therefore, presenting the data under small- scale units which includes micro enterprises also. Obviously, increase in the number, production, employment and exports of small-scale enterprises over a period of time could be commonest parameters to adjudge the role played by these enterprises in the national economy. The Following Table 13.2 and 13.2A bears information on these parameters.

Table 13.2: Indicators of Growth in Micro and Small Sector

Year	Registered	No.of Units (in lakhs) Unregistered	Total	Production (₹ Crores) At Current Prices	At 1993-94 Prices	Employment (Lakhs)	Export (₹ Crores) At Current Prices
1994-95*	19.44	6.27	25.71	298,886	266,054	146.56	29,068
1994-95	11.61	67.99	79.60	122,210	109,116	191.40	29,068
1995-96	11.57	71.27	82.84	148,290	121,649	197.93	36,470
1996-97	11.99	74.22	86.21	168,413	135,380	205.86	39,248
1997-98	12.04	77.67	89.71	189,178	147,824	213.16	44,442
1998-99	12.00	81.36	93.36	212,901	159,407	220.05	48,979
1999-00	12.32	84.83	97.15	234,255	170,709	229.10	54,200
2000-01	13.10	88.00	101.10	161,289	184,428	239.09	67,797
2001-02	13.75	91.46	105.21	282,270	195,613	249.09	71,244
2002-03	14.68	95.42	110.10	311,993	210,636	261.38	86,013
2003-04	15.54	98.41	113.95	364,547	336,344	271.42	97,644
2004-05	16.57	102.02	118.59	429,796	372,938	282.57	1,24,417
2005-06	18.70	104.70	123.40	497,886	418,884	299.35	1,50,242
2006-07			128.44	585,112	471,663	312.52	1,77,600
2007-08			133.68	695,126	532,979	322.28	N. A.
			4.02			4.07	

Table 13.2A: Production, Employment and Exports in MSME Sector

Year	Number of Total Units (in Lakhs)	Production (₹ Crores) At Current Prices	At 1993-94 Price	Employment (in Lakhs)	Export (₹ in Crores) At Current Prices
2006-07	261.01	7,09,398	N.A.	594.61	1,82,536
2007-08	272.79	7,90,759	N.A.	626.34	2,02,017
2008-09	285.16	8,80,305	N.A.	659.35	N. A.

The micro and small-scale enterprises have registered phenomenal growth in their number, production, employment and exports over the years. Their numbers have phenomenally grown from 79.60 lakhs in 1994-95 to 133.68 lakhs in 2007-08 indicating an annual average growth rate of 4.1 per cent.

Production has increased (at 1993-94 prices) at an annual average growth of 8.8 per cent during the same period from Rs. 109,116 crores in 1994-95 to Rs. 532,979 crores in 2007-08. As a consequence of increase in the number of small enterprises, more especially in unregistered sector, employment increased from 191.4 lakhs in 1994-95 to 322.3 lakhs in 2007-08, thus, recording an average growth rate of 4.07 per cent per annum.

Growth in exports has been particularly commendable from mere Rs. 29,068 crores in 1994-95 to a mounting high figure of Rs. 177,600 crores in 2006-07 recording a growth rate of 16.26 per cent per annum. On the whole, it can be stated that during 1994-95 to 2007-08, the SSI sector registered an annual average growth rate of production by 13.6 per cent (at current prices), of employment by 4.07 per cent, and of exports by 16.26 per cent. This is in no less measure a credible achievement. One way, the most plausible way of viewing at the role of small enterprises in economic development is to see its relative position in terms of country's total production, employment and exports.

It is encouraging to mention that the small-scale enterprises account for 35% of the gross value of the output in the manufacturing sector, about 80% of the total industrial employment and about 40% of the total exports of the country.

Major problems faced by micro and small enterprises are as follows:

1. Problem of Raw Material:

A major problem that the micro and small enterprises have to contend with is the procurement of raw material. The problem of raw material has assumed the shape of:

(i) An absolute scarcity,
(ii) A poor quality of raw materials, and
(iii) A high cost.

The majority of micro and small enterprises mostly produced items dependent on local raw material. Then, there was no severe problem in obtaining the required raw materials. But, ever since the emergence of modem small-scale industries manufacturing a lot of sophisticated items, the problem of raw material has emerged as a serious problem on their production efforts.

The small units that use imported raw material face raw material problem with more severity mainly due to difficulty in obtaining this raw material either on account of the foreign exchange crisis or some of other reasons.

Even the micro and small enterprises that depend on local resources for raw material requirements face the problem of other type. An example of this type is handloom industry that depends for its requirement of cotton on local traders.

These traders often supply their cotton to the weavers on the conditions that they would sell their ready clothes to these traders only. Then, what happens that the traders sell cotton to them at fairly high prices. This becomes a clearest example of how the poor weavers are subjected to double exploitation at the hands of traders.

Keeping in view the raw material problem of micro and small enterprises, the Government makes provisions for making raw material available to these units. Nonetheless, micro and small enterprises with no special staff to liaise with the official agencies, these units are left with inadequate supplies of raw material. As a result, they have to resort to open market purchases at very high prices. This, in turn, increases their cost of production, and, thus, puts them in an adverse position vis-a-vis their larger rivals.

2. Problem of Finance:

An important problem faced by micro and small enterprises in the country is that of finance. The problem of finance in micro and small sector is mainly due to two reasons. Firstly, it is partly due to scarcity of capital in the country as a whole.

Secondly, it is partly due to weak credit worthiness of micro and small enterprises in the country. Due to their weak economic base, they find it difficult to take financial assistance from the commercial banks and financial institutions.

As such, they are bound to obtain credit from the money lenders on a very high rate of interest and are, thus, exploitative in character. It is a happy augury that ever since the nationalisation of banks in 1969, the credit situation has improved still further.

The positive change in attitude of banks would be clear from the fact that whereas the amount of credit outstanding (of public sector banks) to small-scale industries stood at only Rs. 251 crores in June 1969, it rose to a staggering figure of Rs. 15,105 crores in March 1990.

From the above figures, it appears that the availability of institutional credit to micro and small enterprises is certainly increasing. Nevertheless, the fact remains that the criterion of ‘credit worthiness’ still weights heavily with the nationalised commercial banks. This would be clear from this fact that of the units assisted by commercial banks up to June 1976, about 69 per cent of the total credit was availed of by 11 per cent of the (bigger) units in the small-scale industries sector, which accounted for 55 per cent of the total production. This underlines the need to change the outlook of the banks towards MSEs. For this, it is necessary to further liberalise the rules and practices of banking in the country.

3. Problem of Marketing:

One of the main problems faced by the micro and small enterprises is in the field of marketing. These units often do not possess any marketing organisation. In consequence, their products compare unfavourably with the quality of the products of the large-scale industries. Therefore, they suffer from competitive disadvantages vis-a-vis large-scale units.

In order to protect micro and small enterprises from this competitive disadvantage, the Government of India has reserved certain items for the small- scale sector. The list of reserved items has continuously expanded over the period and at present stands at 824 items.

Besides, the Trade Fair Authority of India and the State Trading Corporation (STC) help the small-scale industries in organising their sales. The National Small Industries Corporation (NSIC) set up in 1955 is also helping the small units in obtaining the government orders and locating export markets.

Ancillary units face the problems of their own types like delayed payment by parent units, inadequacy of technological support extended by parent units, non- adherence to quality and delivery schedules, thus, disturbing the programmes of the parent units and absence of a well-defined pricing system and regulatory laws.

4. Problem of Under-Utilization of Capacity:

There are studies that clearly bring out the gross under-utilization of installed capacities in micro and small enterprises. According to Arun Ghosh, on the basis of All India Census of Small-Scale Industries, 1972, the percentage utilization of capacity was only 47 in mechanical engineering industries, 50 in electrical equipment, 58 in automobile ancillary industries, 55 in leather products and only 29 in plastic products. On an average, we can safely say that 50 to 40 per cent of capacity were not utilized in micro and small enterprises.

The very integral to the problems of under-utilization of capacity is power problem faced by micro and small enterprises. In short, there are two aspects to the problem: One, power supply is not always available to the small units on the mere asking, and whenever it is available, it rationed out, limited to a few hours in a day.

Second, unlike large-scale industries, the micro and small enterprises cannot afford to go in for alternatives; like installing own thermal units, because these involve heavy costs. Since micro and small units are weak in economic front, they have to manage as best as it can within their available meager means.

5. Other Problems:

In addition to the problems enumerated above, the micro and small enterprises have been constrained by a number of other problems also. According to the Seventh Five Year Plan (GOI 1985: 98), these include technological obsolescence, inadequate and irregular supply of raw materials, lack of organised market channels, imperfect knowledge of market conditions, unorganised nature of operations, inadequate availability of credit facility, constraint of infrastructure facilities including power, and deficient managerial and technical skills.

There has been lack of effective co-ordination among the various support organisations set up over the period for the promotion and development of these industries. Quality consciousness has not been generated to the desired level despite various measures taken in this regard.

Some of the fiscal policies pursued have resulted in unintended splitting up of these capacities into uneconomic operations and have inhibited their smooth transfer to the medium sector. All these constraints have resulted in a skewed cost structure placing this sector at a disadvantage vis-a-vis the large industries, both in the domestic and export markets.

Government schemes to promote MSMEs

- ***Udyami Mitra Portal* :** launched by SIDBI to improve accessibility of credit and handholding services to MSMEs.
- ***MSME Sambandh* :** To monitor the implementation of the public procurement from MSMEs by Central Public Sector Enterprises.
- ***MSME Samadhaan*** -MSME Delayed Payment Portal — will empower Micro and Small entrepreneurs across the country to directly register their cases relating to delayed payments by Central Ministries/Departments/CPSEs/State Governments.
- ***Digital MSME Scheme* :** It involves usage of Cloud Computing where MSMEs use the internet to access common as well as tailor-made IT infrastructure
- ***Prime Minister Employment Generation Programme*** : It is a credit linked subsidy program under Ministry of MSME.
- ***Revamped Scheme of Fund for Regeneration of Traditional Industries (SFURTI)*** : organizes traditional industries and artisans into clusters and make them competitive by enhancing their marketability & equipping them with improved skills.
- ***A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE)*** : creates new jobs & reduce unemployment, promotes entrepreneurship culture, facilitates innovative business solution etc.
- ***National Manufacturing Competitiveness Programme (NMCP)*** : to develop global competitiveness among Indian MSMEs by improving their processes, designs, technology and market access.
- ***Micro & Small Enterprises Cluster Development Programme (MSE-CDP)*** - adopts cluster development approach for enhancing the productivity and competitiveness as well as capacity building of MSEs.

- ***Credit Linked Capital Subsidy Scheme (CLCSS***) is operational for upgradation of technology for MSMEs.

Other recent initiatives to promote MSMEs

- In June 2019, **RBI committee** headed by former **SEBI Chairman UK Sinha** suggested a **Rs. 5,000 crore stressed asset fund** for the MSME sector to provide relief to small businesses hurt by **demonetisation, GST,** and an ongoing **liquidity crisis.**

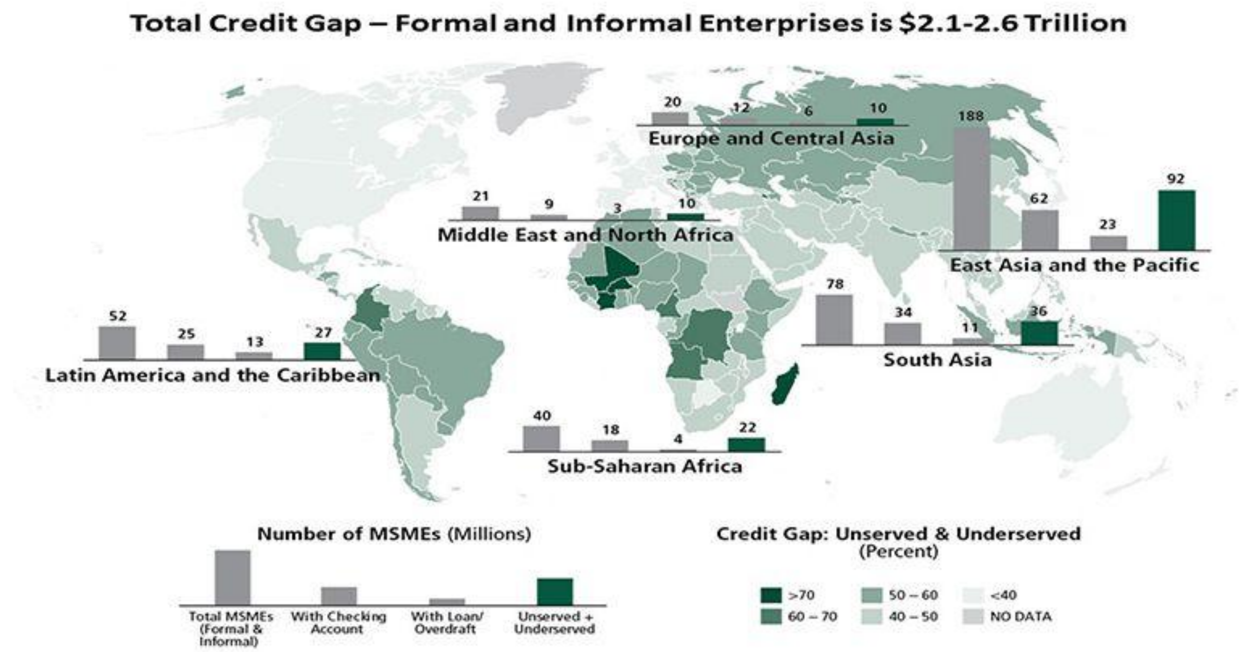
o It has also recommended doubling **the cap on collateral-free loans to Rs 20 lakh** from the current Rs 10 lakh extended to borrowers falling under the Mudra scheme, self-help groups, and MSMEs.

- MSME Ministry announced in June 2019 to lift the ban on entry of **corporates and private players** in the MSME sector to pave way for the formation of **700 clusters** to reduce dependence on imports as well as for job creation.
- MSME Ministry is also planning to set up **enterprise facilitation centres** across the country to make smaller businesses more competitive and help them integrate with big enterprises.

Therefore, the government should continue to put concerted efforts for holistic development of MSMEs in key areas like **human capacity development, knowledge services, access to finance, technology, infrastructure, market access, and ease of doing business.**

International Experiences

- According to World Bank, formal SMEs contribute up to 60% of total employment and up to 40% of national income (GDP) in emerging economies.
- 600 million jobs will be needed in the next 15 years to absorb the growing global workforce, mainly in Asia and Sub-Saharan Africa. In emerging markets, most formal jobs are generated by SMEs, which also create 4 out of 5 new positions.
- However, access to credit remains a major problem to the MSME sector globally.



In globalised world, it is imperative to enable MSMEs to adapt and thrive in a more open environment and participate more actively in the digital transformation, to boost economic growth and deliver a more inclusive globalisation.

Way Forward

- Today enterprises need to adopt best practices and follow international standards to go forward for offering innovative solutions.
- Focus should be on transfer of information and skill development to effectively use the transferred technology.
- There is an urgent need to upgrade infrastructure utilities (like water, power supply, road/rail) for any enterprise to run its operations successfully.
- Entrepreneurs need to develop quality conscious mindsets embedded in the organisational culture.
- Sensitisation and handholding of MSMEs at different and upgraded level of certification is the need of the hour.

Finally, as recommended by **India MSME Report 2018,** we need an entitlement approach that can have the potential of compelling all related stakeholders to work on a common national agenda and solutions under a scientifically structured framework. This approach demands the identification and analysis of major security threats to the MSMEs, and entrepreneurship at the grass root level.

UNIT – 5 : WOMEN ENTREPRENEURSHIP AND RURAL ENTREPRENEURSHIP

Woman Entrepreneurs in India – Definitions of Women Entrepreneurs

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. A woman entrepreneur is therefore a confident, creative and innovative woman desiring economic independence individually and simultaneously creating employment opportunities for others.

The Best Project No – 2 (2004) published by the European Commission defines a female entrepreneur as a 'woman who has created a business in which she has a majority shareholding and who takes an active interest in the decision-making, risk-taking and day-today management.

The typical women businesses are mainly the extension of kitchen activities, i.e., the 3 Ps, viz., pickles, powder and pappad. Owing to the various governmental schemes and efforts of various voluntary organisations like Mahila Mandals, the number of women entrepreneurs is growing but slowly. Considering the trend, their proportion in coming five years is likely to rise up to 20% raising the number of women entrepreneurs to about 5,00,000.

With the spread of education and awareness, women entrepreneurs have shifted from the extended kitchen activities, i.e., 3Ps to the higher level of activities, i.e., 3Es. viz., Engineering, Electronics and Energy. Although the number of such units is not large, but it can be noted that women are putting up units to manufacture solar-cookers (Gujarat), small foundries (Maharashtra), T.V. Capacitors (Odisha) and electronic ancillaries (Kerala).

It seems worthwhile to make a mention, of course in brief, of some of the successful and accomplished women entrepreneurs in the country. Smt. Sumati Morarji of Shipping Corporation, Smt. Yamutai Kirloskar of Mahila Udyog Limited, Smt. Neena Malhotra in exports and Smt.

The Government of India has treated women entrepreneurs of a different criteria-level of women participation in equity and employment position of the enterprise.

As such "women entrepreneurs is defined as an enterprise owned and controlled by a woman having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women."

Added to these was a man behind every successful woman. Women entrepreneurs have several qualities like perseverance, hard work, patience, optimism, intelligence, etc. From pharma to designing, women entrepreneurs are spread across sectors.

Woman Entrepreneur in India – Concept of a Woman Entrepreneur

The role of women at the work place has undergone a dramatic change in the last 50 years, just as the view of entrepreneurships over the centuries. Just five decades ago, there were only a few women who owned and operated their own businesses. The Second World War brought many more women into the workforce, but such accepted social values as the male being the head of the house and women being dependent and staying indoors did not create an environment conducive for women to work unless there was a necessity.

Of late, women have tried to shed this traditional mould. Also, there have been significant social, political, and economic changes that have created opportunities for women as well as given them greater acceptance and recognition in the corporate world. A woman entrepreneur includes a woman or a group of women who initiate, organize, and operate a business enterprise.

Slowly they are making their mark as business women and giving their male counterparts a run for their money. Women entrepreneurs have been on the Indian business scene for quite some time now and have achieved remarkable success. However, their number in relation to the overall number of small scale enterprises is still very small. Worldwide too, the trend is not very much different.

The Indian Scenario:

The situation is rather alarming in India. Statistics have revealed that almost all the non- working women (including the ones in the unorganized sector), who comprise the majority of womenfolk in the country, are in a state of complete dependence. With a view to improve the present situation, a number of steps were taken at the national level to address various issues pertaining to them.

Development Initiatives:

As far back as 1954, recognizing the presence of women as a distinct group with special needs, the State—at the Union and State levels—introduced a number of programmes that were basically social welfare and health schemes targeted at motherhood, family care, child welfare, etc.

The approach towards women was welfare-oriented where they were seen as the objects of state benevolence rather than participants in the development process. In the 1970s, there was a shift in the approach of the schemes from welfare to development. In 1974, the Committee on Status of Women in India recommended that only active participation of women would ensure their integration into mainstream economy.

As a result, a number of development programmes aimed at improving the lot of women and girls children as an important human resource were introduced. These included education and social development schemes for the girl child at primary level and adult education for women. The plan document then also envisaged giving joint titles to both the spouses in all legal activities such as – transfer of assets, distribution of land/house sites, etc.

The results of such schemes are bearing fruit now and we have seen a perceptible and meaningful improvement in the living standard of women even though a monumental task remains to be achieved in this field.

Woman Entrepreneurs in India – Need

1. More and better access to finance/credit is mentioned very frequently. Give a woman 1000 rupees and she can start a business. Give her another 1000 rupees and she will be able to feed not only for her family, but for her employees as well.

2. Access to business support and information, including better integration of business services.

3. Access and vigilance on the latest information science and technology to match the basic characteristics of entrepreneurs and the fundamental character of the Indian woman is necessary to show that a lot of potential among Indian women for their entrepreneurial skills. This potential can be considered as suspended and for use in manufacturing and services for the development of the nation.

4. The challenges and opportunities for women in the digital age are growing, as job seekers turn to job creation. They are growing as a designer, interior designers, exporters, publishing, clothing and always looking for new modes of economic participation. They have better access to local and foreign markets.

5. Day care centres and nurseries for children and also for the elderly;

6. Even as women are receiving education, they face the prospect of unemployment. In this background, self-employment is regarded as a cure to generate income .The Planning

commission as well as the Indian government recognizes the need for women to be part of the mainstream of economic development. **Women entrepreneurship is seen as an effective strategy to solve the problems of rural and urban poverty**.

7. **Positive image-building and change in mentality amongst women**, whereby women see themselves as capable achievers and build up confidence.
8. **Self-motivation** is the keyword – For establishing successful businesses learn to take risk and change their attitude towards business society by taking up social responsibilities. Understand the government business policies and get monetary help from public and private institutions.
9. Breaking through **traditional patterns and structures** that inhibit women's advancement.
10. **Develop confidence** – Women in India lack self-assurance in their potency and proficiency. However, over the last few years the outlook of Indian women is changing and they are fast emerging as potential entrepreneurs.
11. **Role modeling of women** in non-traditional business sectors to break through traditional views on men's and women's sectors.
12. **Understanding of Business Administration** – Women should be highly educated and trained in their area of knowledge so that they can attain expertise and understanding of all the major operational aspects of business administration. This will assist a woman to take balanced decisions beneficial for expanding her business network. For example, someone may have a tailoring shop but doesn't know how to sell its services to the military. So it is necessary to help them out in filling out the tenders, getting their organization registered, etc. It's a form of marketing support.
13. **Women companies are fast-growing economies** in almost all countries. The latent entrepreneurial potential of women has changed little by little by the growing awareness of the role and status of economic society. Skills, knowledge and adaptability of the economy led to a major reason for women in business.
14. To give them **more involvement and participation in legislation and decision-making processes**.
15. Women entrepreneurs in India are handicapped in the matter of organizing and running businesses on account of their generally low levels of skills and for want of support system.

The transition from homemaker to sophisticated business woman is not that easy. But the trend is changing. Women across India are showing an interest to be economically independent. Women are coming forth to the business arena with ideas to start small and medium enterprises. They are willing to be inspired by role models- the experience of other women in the business arena.

16. Removing of any legislation which impedes women's free engagement.
17. The role of women entrepreneurs is especially relevant in the situation of large scale unemployment that the country faces. The modern large scale industry cannot absorb much of labour as it is capital intensive. The small scale industry plays an important role, absorbing around 80 per cent of the employment.
18. Awareness-raising at the governmental as well as private level to truly and really create entrepreneurial opportunities and not just programs that stay on paper.
19. While women entrepreneurs have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are. In order to harness their potential and for their continued growth and development, it is necessary to formulate appropriate strategies for stimulating, supporting and sustaining their efforts in this direction. Such a strategy needs to be in congruence with field realities and should especially take cognizance of the problems women entrepreneurs face within the current system.

Woman Entrepreneurs in India – Importance

In modern days, women entrepreneurs are playing a very important role in business, trade or industry. Their entry into business is of recent origin. Women have already shown their vital role in other spheres like politics, administration, medical and engineering, technical and technological, social and educational services. This is true in advanced countries and now in recent years, they have been entering into these fields in our country. Their entry into business is a recent phenomenon in India.

It is an extension of kitchen activities. In certain businesses, women entrepreneurs are doing exceedingly well and even they have exceeded their male counterparts. Women are successful not only in law, science, medical, aeronautics and space exploration and even in police and military services, but now they are showing their might even in business and industry. They have proved that they are no less them men in the efficiency, hard work, or intelligence, provided they are given proper scope.

The role or importance of women entrepreneurs may be ascertained from the study of the functions they perform.

These functions are as under:

a) Exploring the prospects of starting new enterprises.

b) Undertaking risks and handling economic uncertainties.

c) Introducing innovations.

d) Co-ordinating administration and control.

e) Routine supervision.

It may be observed that these functions are not always of equal importance. For example, risk-taking and innovation functions are of utmost importance for establishing, diversifying and running the business successfully co-ordination and supervision functions become important in improving the efficiency and attaining the goodwill for the business as well as in assuring the smooth balanced operation of the enterprise.

In the case of women enterprises, usually the same lady performs all these functions and some times, she may also take the assistance of other female staff members. In most of the cases, a woman is the owner of the business enterprise.

Generally, the following three types of business are suitable to the women entrepreneurs:

a) Manufacturing a product for direct sale in the market.

b) Manufacturing a product or a part of the product to meet the short term or long-term order of a large industrial company, and

c) Operating purely as a sub-contractor of raw materials supplied by the customers.

Generally, the last two types industry or business is known as ancillaries. The women entrepreneurs prefer to deal in consumer goods which have always a demand in the market. They prefer to deal in intermediate goods which are used in the production of other products and mostly they are manufactured to the orders of large companies.

Characteristics of women entrepreneurs

1. Enterprising women have further ability to **work hard**. The imaginative ideas have to come to fair play. Hard work is needed to build up an enterprise.
2. Women entrepreneurs must have an intention to fulfill their dreams. They have to make a **dream translated into an enterprise**.
3. Most of the successful women entrepreneurs **measure the pros and cons of a decision** and tend to change if the situation demands. They never feel reluctant to revise their decisions.
4. Successful entrepreneurs always tend to **think ahead**. They have got telescopic abilities which make them think for the future.
5. Enterprising women take risk but the risk is well calculated. It offers challenges where chances of survival and failure are on equal footing.
6. Successful women entrepreneurs like to have **immediate feedback** of their performance. They learn from their experience and never get discouraged having received unfavorable information.
7. Entrepreneur has got the quality of sticking to job she decides to undertake. They work sincerely until the whole project is successfully implemented

Promotional Efforts Supporting Women Entrepreneurs in India

1. **Self-Help Groups (SHGs)**: This is an association of small group of self-employed rural or urban women entrepreneurs who join together to take care of group welfare. This is a voluntary association each member contributes small amount to cover seed money.
2. **Federation of Indian Women Entrepreneurs (FIWE):** It is an outcome of the resolution passed in 4th International Conference Women Enterprises held at Hyderabad. It is mainly interacts with various women associations of the country through a network to facilitate the members in diversified activities.
3. **Women's India Trust**: This trust was established in 1968. Aims were to give educational programs and training to women in various fields also aimed at giving computer training to women.
4. **Small Industries Development Bank of India (SIDBI)**: It is an institution established at national level to provide facilities to small-scale industries. It has two programs in the name Mahila Udyam Nidhi and Mahila Vikas Nidhi to support and promote women entrepreneurs

5. **Central and State Government Schemes**: It includes DWACRA- Development of women and children in Rural Areas.

6. **National Bank for Agriculture and Rural Development (NABARD)**: It is an autonomous financial institution at the national level established on the lines of Reserve Bank of India. It provides various types of agricultural credits to agriculturalists of the country. It is also provides liberal credits to rural women.

7. **Indira Mahila Yojana (IMY)**: IMY was develop to help women to achieve economic strength through micro-level income generating activities and to establish convergence of various services such as literacy, health, non-formal education, rural development, water supply, entrepreneurship etc.

8. **Swayamsidha**: Swayamsidha was evaluated by an external agency in 2005. The evaluation report indicated that women in Swayamsidha Blocks have strengthened their social standing in society. Awareness of social evils alcoholism, dowry and female feticide is visible.

9. **Swa-Shakti**: Another similar project implemented by this Ministry from 1999 with funding from World Bank, International fund for Agricultural Development (IFAD) and Government of India on experimental basis was Swa-Shakti. This project was implemented through State women's development corporation (WDCs) at State level and NGOs (Non-Governmental Organizations) at field level. Swa-Shakti showed good progress as it achieved most of its physical targets and has been graded most of the World Bank as satisfactory.

10. **Support to Training and Employment Programme (STEP) for Women**: The scheme aims at providing an integrated package of the services to women like up gradation of skills through training, better and sustainable employment opportunities, facilitation of organization of women and support services with the coverage of health check-ups, referral services, mobile crèches and education facilities.

11. **Small Industries Development organization (SIDO)**:

    They conduct many programmes for the women and one of the most important one is entrepreneurship development programme for women. It has also instituted an award called "Outstanding women entrepreneur of the year" to recognize the efforts of women entrepreneur.

12. **Self-Employed Women's Association (SEWA):** It is a trade union of women which was registered in 1972. Since its inception it is functioning to empower poor rural women entrepreneurs. Even rural poor women have become its members to become self-employed persons. SEWA helped poor women labourers to get organized and also to do trades of their choice.
13. **Association of Women Entrepreneurs of Karnataka (AWAKE)**: It was established in 1983. The intention of its establishment was to help women entrepreneurs. It trains and helps women to start their own business and thereby empowers them to join the economic main stream.
14. **Consortium of Women Entrepreneurs of India (CWEI**): It is a voluntary organization consisting of NGOs and SHGs, voluntary organizations and individual business units. This came into being in 2001. The objective is to provide technology up gradation facilities to women entrepreneurs and other facilities in marketing, finance, HRD, and production.
15. **SBI Stree Shakti package:** Under this scheme, Entrepreneurship Development Programs (EDPs), exclusively designed for women entrepreneurs, are conducted. The programs are organized with the help of SBI staff training college and the local branches.
16. **National Credit Fund for Women or Rashtriya Mahila Kosh (RMK):** It is a tool for empowerment of the poorest; the higher the income and better the asset position of the borrower, the lower the incremental benefit from further equal doses of micro-credit is likely to be.
17. **IDBI's Mahila Udyam Nidhi (MUN) Scheme:** The IDBI has set-up a special fund, Mahila Udyam Nidhi with a corpus of Rs. 5 crore to provide seed capital assistance to women entrepreneurs intending to set-up projects in SSI sectors. The scheme is implemented by SIDBI. Women entrepreneurs who can start and manage an enterprise with a minimum financial status of 51 per cent of the equity are eligible for assistance, provided the project cost excluding working capital is less than Rs. 10 lakh.

Problems of Women Entrepreneurs

1. Due to various constraints imposed by traditional society, women entrepreneurs show an initial of confidence in their abilities.

2. The legal, statutory and procedural formalities to be completed before and after launching an enterprise frighten women entrepreneurs as they possess little knowledge about it.
3. Quick decision making and problem solving approach is not commonly found among the women entrepreneur. They get emotionally involved in tackling problems.
4. Problems of product marketing is a common experience of most of the women entrepreneurs that they face a tremendous problem while marketing their products.
5. Many women entrepreneurs face operational problems particularly when dealing with workers. Due to sociological norms, it is observed that male workers do not like to take orders and obey women executives.
6. Occupational mobility, such as shifting from one product line to another is an area where women entrepreneurs are generally found to be more at a disadvantageous position role.
7. Women, especially in our country, face certain problems, which are different from their male counterparts, in the course of starting and managing their own businesses.
8. Many women entrepreneurs lack of management inputs like business planning, administration, marketing, finance, labour laws, taxation etc.
9. Inadequate vocational and technical training among women reflects upon their project selection. The basket of opportunities, government schemes and incentives do not promptly reach the aspiring women entrepreneurs.
10. The women entrepreneurs were exasperated by the indifferent attitude of government officials of the small industry-related departments like taxation, labour, power etc., i.e., when the authorities come to know that the unit is being run by a woman, they discourage allotting sales tax number and giving electricity connection.
11. Typically women entrepreneurs of small-scale enterprises start well but somewhere down the line in their day to day operations they miss the route to success.
12. The women entrepreneurs also expressed their inability to change the negative attitude of labour force while some of them complained of unionism amongst them. Moreover the women entrepreneurs admitted the lack of experience and self-confidence on their part to deal with personal working in their organizations.

Rural Industrialization

Rural industries play a pivotal role in the development of India. It is generally held that economy in rural industrialization not only raises per capita income and living standards of the people by providing g women employment opportunities but also reduces income disparities between rural and urban areas. Moreover, promotion of rural industries provides an ample opportunity for optimum utilization of local resources to serve the local needs, rural industrialization has become one of the major economic and social goals of economic development and formed part and parcel of planning and development of India. The objective of rural industrialization implies widely dispersed on a small scale with as high an employment potential as is compatible with an efficient technique and the equipment of process of development.

In India, industrialization with urban bias resulted in h a p h d development between agriculture and industry on one hand and the rural and urban area on the other. Further, the relationship between traditional agriculture and modern industry made the rural sector at a greater disadvantage in appropriating the gains of development leading to increasing disparities in the level of income between rural and urban areas. Rural industries developed on proper lines can serve as an effective means of reducing imbalances and also play a prominent role in providing subsidiary occupations and supplementary incomes especially to personnel engaged in the agriculture besides facilitating a more intensive economic utilization of material resources and man-power.

Significance of Rural Industrilisation

Industrialization in rural areas properly appears would have been more success till when the local character had been stressed. However, it is not pursued as a policy in isolation. It should rather be seen as the outcome of a combination of strategies for various industrial sectors on one hand and for integrated rural development on the other. Industrial sector strategies aimed at expanding the lower ends of the spectrum can be nothing more than the part of an overall policy to develop rural areas. It is contented that any programme of industrialization must necessarily cover the rural dimension for protecting and promoting the rural interests. The social and economic costs of rural-urban migration are considered too high for developing countries. Rural development strategy whether it is technocratic, reformist or radical, envisages rural industrialization from the point of economic growth, regional balance and social equity. It is the favourable technical co-efficient based on their own resource endowments that add an additional support and drive for a strategy of rural industrialization. It is characterized by labour-intensive, energy-saving and foreign exchange saving technology and organization which will not adversely contribute to environmental pollution. These structural characteristics and technical co-efficient of rural industry have compelled the attention of planners for according a prominent place for these units under the umbrella of planning in India An important reason which has hindered the development of a rational and growth oriented approach to rural Industrialization in India is lack of systematic information on the structure, functioning and potential of these industries. In the absence of such information certain assumptions have been made about various aspect of these industries and often such assumptions have been treated as if they hold good for different industries and different areas.

Role of NGOs in Developing Rural Entrepreneurship in India!

There is no denying of the fact that development of entrepreneurship has emerged as a national movement due to its strengths to solve the twin problems of unemployment and poverty. In fact, the need for development of 'spirit of enterprise' among the target population intensified more during the nineties with the failure of the 'trickle down theory' to percolate the development benefits to the masses at grass-root level.

It is against this backdrop, several self- employment and anti-poverty programmes like PMRY, TRYSEM etc., involving some entrepreneurial qualities were introduced by the government as a tool of bottom up mode of development. However, these programmes executed by the Government agencies proved ineffective due to their weaknesses of one type or other.

Such a situation necessitated the NGOs to come out of their traditional bounds like health, sanitation, education, family planning, environment protection, etc., to join a noble mission to entrepreneurs the lesser known target groups (Singh 1992). The government agencies engaged in this activity strengthened the NGOs by co-opting and collaborating with them to reach the lower rungs of the society.

Today, we have several NGOs contributing to entrepreneurship development in the country. The major ones are National Alliance of Young Entrepreneurs (NAYE), World Assembly of Small and Medium Entrepreneurs (WASME), Xavier institute for Social Studies (XISS), SEWA of Ahmedabad, 'Y' Self-Employment of Calcutta, AWAKE (Association of Women Entrepreneurs of Karnataka), and Rural Development and Self-Employment Training Institute (RUDSETIs) based in Karnataka.

The NGOs involved in entrepreneurship development can be classified into three types:

1. Primary Level NGOs:

The NGOs who mobilize their own resources, operate at international level and execute developmental activities themselves or through intermediate fall within this category. ACTIONAID, OXFAM, Christian Children Fund, etc. are prominent examples of the primary level NGOs in India.

2. Intermediate NGOs:

These NGOs procure funds from various agencies, impart training, and conduct workshops for target work force. SEWA and AWAKE are examples of intermediate NGOs.

3. Grass Root Level NGOs:

These NGOs are those who conduct field activities by establishing direct contact with the grass-root needy people. Examples of such NGOs are RUDSETIs, ANARDE Foundation (Gujarat), Indian Institute of Youth Welfare (IIYW) of Maharashtra etc.

The training imparted to the needy by the NGOs can be classified into three broad types:

1. Stimulation:

Conducting EDPs and other training programmes for the target people with a view to stimulate enterprising attitude among them.

2. Counseling:

Providing counseling and consultancy services to the needy ones how to prepare a project, feasibility report, purchase of plant and machinery, and performing other procedural activities.

3. Assistance:

Assisting the target group in marketing their products and securing finance from financial institutions.

Lastly, the role of NGOs in entrepreneurship development can better be understood in terms of their strengths and weaknesses in the context of entrepreneurship development.

The NGOs have revealed the following strengths as an edge over others:

a. The lean overhead and operating costs to reach the poor and needy.

b. Flexibility and responsiveness in operation to invent appropriate solution.

c. Nearness to client groups made them to be sensitive to community need.

d. Capacity for innovation and experimentation with new groups and untried development approach.

e. Stimulating and mobilizing interest in the community.

f. Dependence on customer satisfaction.

g. Act as a test bed and sound board for government policies and programmes.

That one cannot imbue in others what one cannot possess oneself applies to the NGOs also.

The well-noted weaknesses the NGOs suffer from are listed as follows:

a. Role conflict as to the traditional areas of operation and micro- entrepreneurship development.

b. Doubtful leadership and succession.

c. Anti-business philosophy, lack of programme integration due to lack of proper understanding of entrepreneurship approach.

d. Inadequate opportunities to work as trainer/motivator.

e. Absence of impact assessment because of self righteousness on the part of NGO leaders.

f. Not all NGOs are ready and equipped to take up this activity.

In spite of these so-called weaknesses, the role of NGOs in entrepreneurship development cannot be undermined. Evidences are galore to mention that a few NGOs in India have succeeded largely in imparting entrepreneurial skills among the weaker sections of the society.

How to Develop Rural Entrepreneurship?

Though the answer to the question how to develop entrepreneurship lies in the solutions of the problems faced in this regard, yet the following measures are suggested for developing entrepreneurship in the rural areas in the country:

1. Raw material is a must for any industry. However, the non-availability of raw materials accompanied by their prohibitive cost has weakened the viability of these industries. Past experience bears evidence that rural industries with employment potential can not be sustained for long unless a strong raw material-base is created in rural areas itself. Therefore, an urgent policy is called for to strengthen the raw material base in rural areas.
2. Finance is considered as lubricant for setting up and running an industry. Funds, therefore, need to be made available on time at soft terms and conditions to those who really need it.
3. In order to solve the problem of marketing for rural industries, common production-cum-marketing centers need to be set up and developed with modern infrastructural facilities,

particularly, in the areas having good production and growth potential. This would help in promoting export business, on the one hand, and bringing the buyers and sellers in close interaction avoiding the middlemen in between them, on the other. Legislative measures have to be taken to make the government purchases compulsory from rural industries.

4. One peculiarity of rural entrepreneurs is that most of them join their entrepreneurial career not by choice but by chance. Lack of aptitude and competency on the part of such entrepreneurs makes the units sick. Hence, there is a need to develop entrepreneurial attitude and competencies among the prospective entrepreneurs through the training interventions like Entrepreneurship Development Programmes (EDP), Women Entrepreneurship Development Programmes and TRYSEM.
5. One effective way to inculcate the entrepreneurial acumen and attitude may be imparting entrepreneurial education in the schools, colleges, and universities. That younger minds are more susceptive to be molded is well evidenced by the popularly known 'Kakinada Experiments' in Andhra Pradesh.
6. Sometimes the real problem in setting up industries is not the non-availability of facilities, but non-awareness of facilities whatever is available. The need is, therefore, to disseminate information about all what is available to provide to the entrepreneurs to facilitate them in setting up industries.
7. Proper provisions need to be made to impart the institutional training to orient the entrepreneurs in specific products and trades so that the local resources can be harnessed properly.

Our accumulated experience bears ample evidences to the fact that the non-governmental organizations, popularly known as NGOs, can prove instrumental in developing rural entrepreneurship in the country. The role of NGOs in developing entrepreneurship is, therefore, discussed separately.

Organizing Entrepreneurship Development Programs (EDPs)

Organizing Entrepreneurship Development Programs (EDPs) is crucial to foster a culture of entrepreneurship, identify and nurture potential entrepreneurs, and equip them with the necessary skills and knowledge to successfully launch and manage their own businesses; the primary objectives of an EDP include developing entrepreneurial qualities, analyzing business environments, selecting appropriate projects, formulating business plans, and accessing support systems, while evaluation of an EDP focuses on assessing the participants' acquired skills, business creation rates, and overall impact on the economy and targeted region.

Need for Organizing EDPs:

- **Economic Growth:**

  Stimulate economic development by creating new businesses and generating employment opportunities, especially in underdeveloped regions.

- **Skill Development:**

  Provide essential business management skills, technical expertise, and financial literacy to potential entrepreneurs.

- **Entrepreneurial Mindset:**

  Cultivate a proactive, risk-taking attitude and innovative thinking among individuals.

- **Social Impact:**

  Empower individuals, particularly from marginalized communities, to become self-employed and contribute to social upliftment.

  Objectives of EDPs:

- **Develop Entrepreneurial Qualities:**

  Enhance motivation, leadership abilities, decision-making skills, and self-confidence among participants.

- **Business Environment Analysis:**

  Provide knowledge about market trends, industry dynamics, government policies, and potential challenges.

- **Project Selection and Feasibility Analysis:**

  Guide participants in identifying suitable business ideas, conducting market research, and developing comprehensive project proposals.

- **Business Plan Development:**

  Teach the process of creating a detailed business plan including financial projections, marketing strategies, and operational planning.

- **Financial Management:**

  Educate on accessing funding sources, managing cash flow, and financial reporting.

- **Legal and Regulatory Compliance:**

  Awareness of relevant legal frameworks, permits, and licenses required for business operations.

- **Networking Opportunities:**

  Facilitate connections with mentors, potential investors, and industry experts.

  Evaluation of EDPs:

- **Participant Feedback:**

Surveys and questionnaires to gather feedback on the relevance, quality, and effectiveness of the training content and delivery.

- **Post-Training Business Creation:**

  Tracking the number of participants who successfully launch businesses after completing the EDP.

- **Business Performance Metrics:**

  Monitoring the financial performance and growth of established businesses from the program.

- **Skill Acquisition Assessment:**

  Evaluating the participants' practical application of learned skills through case studies or simulated business scenarios.

- **Impact on Local Economy:**

  Assessing the overall contribution of new businesses established through the EDP to the regional economy.

- **Follow-up Support:**

  Evaluating the quality and effectiveness of post-training mentorship and support services provided to participants.

Key Considerations when Organizing EDPs:

- **Target Audience:**

  Identifying the specific demographics and needs of potential entrepreneurs to tailor the program accordingly.

- **Curriculum Design:**

  Structuring the program with a balanced mix of theoretical knowledge, practical exercises, and guest speaker sessions.

- **Trainer Selection:**

  Choosing experienced trainers with relevant industry expertise and strong teaching skills.

- **Delivery Method:**

  Utilizing diverse learning modalities like classroom sessions, online platforms, and field visits.

- **Sustainability:**

  Establishing a long-term support system to assist entrepreneurs beyond the training period.