

ENTREPRENEURSHIP DEVELOPMENT

by

Dr.K.Sudarsan
Professor

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| II MBA II Semester | L | P | C |
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- 16MBA222 ENTREPRENEURSHIP DEVELOPMENT**

- Course Educational Objectives:**

- CEO1:** To understand the concepts of entrepreneurship and its types
- CEO2:** To provide awareness on institutions supporting for business enterprises
- CEO3:** To elucidate the process of project planning and report preparation
- CEO4:** To evaluate the various entrepreneurial strategies
- CEO5:** To understand the scope of women entrepreneurs, rural entrepreneurship and evaluation of EDP's in India

UNIT - 1: Nature of Entrepreneurship:

Meaning and Concepts, Intrapreneurship - Entrepreneur's competencies, attitudes, Qualities, functions - Types of Entrepreneurs - Barriers to Entrepreneurship - Entrepreneurial scenario in India and Abroad - Forms of Entrepreneurship - Small business, Types of ownership - Role of Government in the promotion of Entrepreneur.

UNIT - 2: Institutions Supporting Business Enterprises:

Central level institutions - NBMSME, KVIC, The coir board, NSIC, NSTEDB, NPC, EDI, NRDCI, National entrepreneurship Development Institutes. State level Institutions - State Directorate of Industries & Commerce, DIC, SFC, SIDC, SIADB. Other institutions : NABARD, HUDCO, TCO, SIDBI, Business incubators.

UNIT - 3: Idea Generation, Project Planning and Feasibility Studies:

Idea Generation - The concept of Project - Project life cycle - Project Planning - Feasibility- Project proposal & Report preparation.

UNIT - 4: Micro and Small Enterprises:

Meaning and Definitions – Micro and Macro
UNITs - Essentials, Features and Characteristics
– Relationship between Micro and Macro
Enterprises –Rational behind Micro and Small
Enterprises – Scope and Objectives of Micro
and Small Enterprises – Enterprise and Society
– Role of Micro Enterprises in Economic
Development –Package for Promotion of
Micro and Small-Scale Enterprises – Problems
of Micro and Small Enterprises.

UNIT - 5: Women Entrepreneurship:

Scope and Functions of Women Entrepreneurs
-Promotional efforts supporting women entrepreneurs in India - Problems and remedies of Women Entrepreneurship. **Rural Entrepreneurship and EDPs:** Need - Rural Industrialization-Role of NGOs- Organizing EDPs-Need, objectives, Evaluation of EDPs.

COs	Course Outcomes	POs & PSOs related to COs
CO1	Demonstrate the knowledge on entrepreneurship and its types.	PO1, PO5, PSO1
CO2	Categorize the institutions supporting business enterprises.	PO2, PO5, PSO1
CO3	Prepare feasibility reports and project reports based on concept of project planning.	PO3, PO5, PSO2
CO4	Demonstrate Knowledge on various entrepreneurial strategies	PO3, PO5, PSO2
CO5	Analyze the scope of women entrepreneurship and learns about rural entrepreneurship and EDP's in India	PO5, PSO1

Text Book:

- The Dynamics of Entrepreneurial Development and Management, 6/e, Vasanth Desai, Himalaya Publishing House, Mumbai, 2010.
- Entrepreneurship Management- text and cases, 1/e, Bholanath Dutta, Excel Books, New Delhi, 2010.

Reference Books:

- Fundamentals of Entrepreneurship, 2/e, H.Nandan, PHI Publications, New Delhi, 2011.
- Entrepreneurship, 2/e, Rajeev Roy, Oxford University Press, New Delhi, 2011.
- Entrepreneurship, 6/e, Robert D Hirsrich, Michael P Peters, Dean A Shepherd, TMH, New Delhi, 2010.
- Entrepreneurship Development, 1/e, Abha Mathur, Taxmann Publications, 2021.

Unit - I

Nature of Entrepreneurship



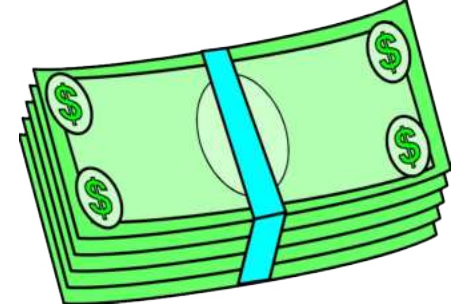
Entrepreneur

An entrepreneur is defined as “person in effective control of commercial undertaking; one who undertakes a business or an enterprise”.

Entrepreneur is an innovative person who maximizes his profits by following new strategies or venturing into new products or services.



Entrepreneurship



Entrepreneurship is the act of being an entrepreneur, who starts any economic activity for being self-employed.







Entrepreneurship is the “process of the entrepreneur”. It is an attempt to create value through recognition of business opportunity. It is basically communicative and management functions to mobilize financial and material resources.

The entrepreneurial activity is governed by varying combination of socio-economic, psychological, cultural and other factors: Caste/religion, Family background, Level of education, Level of perception, Occupational background, Migratory character, Entry into entrepreneurship, Nature of enterprise, Investment capacity and Ambition/moderation.

Who is a Entrepreneur.....



Need for Entrepreneurship

-  Increases national production
-  Balanced area development
-  Dispersal of economic power
-  Reinvestment of profit for the welfare of the area of profit generation
-  Development is a function of motivation and human resource
-  Entrepreneurial awareness

Entrepreneur's Competencies

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.

Entrepreneur's Competencies


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 oth




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

1. Personal entrepreneurial competencies
2. Venture initiation and success competencies
 - a) Enterprise launching competencies
 - b) Enterprise management competencies

Venture initiation and success 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.

Qualities of a Successful Entrepreneur

- ❖ Disciplined
- ❖ Confidence
- ❖ Open Minded
- ❖ Self Starter
- ❖ Competitive
- ❖ Creativity
- ❖ Determination
- ❖ Strong people skills
- ❖ Strong work ethic
- ❖ Passion

Nature of Entrepreneurship



Entrepreneurial Characteristics

Being an entrepreneur requires specific characteristics and skills that are often achieved through education, hard work, and planning.

Risk Taker

Businesses face risk. Entrepreneurs minimize risk through research, planning, and skill development.

Perceptive

Entrepreneurs view problems as opportunities and challenges.

Curious

Entrepreneurs like to know how things work. They take the time and initiative to pursue the unknown.

Entrepreneurial Characteristics

Imaginative

Entrepreneurs are creative. They imagine solutions to problems that encourage them to create new products and generate ideas.

Persistent

True entrepreneurs face bureaucracy, make mistakes, receive criticism, and deal with money, family, or stress problems. But they still stick to their dreams of seeing the venture succeed.

Goal-setting

Entrepreneurs are motivated by the excitement of starting a new business. Once achieved, they seek out new goals or ventures to try.

Hardworking

Entrepreneurs need a great deal of energy to see a venture start and succeed. Yet they are not deterred by the long hours to achieve their goal.

Entrepreneurial Characteristics

Self-confident

Entrepreneurs believe in themselves. Their self-confidence takes care of any doubts they may have.

Flexible

Entrepreneurs must be flexible in order to adapt to changing trends, markets, technologies, rules, and economic environments.

Independent

An entrepreneur's desire for control and the ability to make decisions often makes it difficult for them to work in a controlled environment.

Types of Entrepreneurs

Based on the Type of Business

- Trading Entrepreneur
- Manufacturing Entrepreneur
- Agricultural Entrepreneur

Based on the Use of Technology

- Technical Entrepreneur
- Non-Technical Entrepreneur

Based on Ownership

- Private Entrepreneur
- State Entrepreneur
- Joint Entrepreneurs

Types of Entrepreneurs

Based on Gender

- Men Entrepreneurs
- Women Entrepreneurs

Based on the Size of Enterprise

- Small-Scale Entrepreneur
- Medium-Scale Entrepreneur
- Large-Scale entrepreneur

Types of Entrepreneurs

Based on Clarence Danhof Classification:

Clarence Danhof (1949), on the basis of his study of the American Agriculture, classified entrepreneurs in the manner that at the initial stage of economic development, entrepreneurs have less initiative and drive and as economic development proceeds, they become more innovating and enthusiastic.

Types of Entrepreneurs

Based on this, he classified entrepreneurs into four types

- Innovating Entrepreneurs
- Imitative Entrepreneurs
- Fabian Entrepreneurs
- Drone Entrepreneurs

Types of Entrepreneurs

Following are **some more types of entrepreneurs** listed by some other behavioural scientists:

1. Solo Operators
2. Active Partners
3. Inventors
4. Challengers
5. Buyers
6. Life-Timers

Barriers to Entrepreneurship

- ❖ Finances
- ❖ Fear of not to be a success
- ❖ No strategic plan in place
- ❖ Human resource issues
- ❖ Stringent rules and regulations of the market
- ❖ Fewer opportunities
- ❖ Lack of capacity
- ❖ Less market experience
- ❖ Lack of risk-taking capacity
- ❖ Corrupt business situations
- ❖ Inadequate training
- ❖ Lack of practical knowledge

Entrepreneurial Opportunities in Agriculture:

- 💡 Diversification:
- 💡 Organic farming:
- 💡 Food preservation, processing and packaging:
- 💡 Production of agro-inputs
- 💡 Floriculture

Entrepreneurial Opportunities in Agriculture

- **Diversification**



<http://dfs.berkeley.edu/about-us/mission-goals/>

Diversification in agriculture involve shift in cropping pattern from traditionally grown less remunerative crops to more remunerative crops like oilseeds, pulses, fodder crops, horticulture, medicinal and aromatic plants, floriculture etc. It also includes livestock and fishery enterprises and small scale agro-based industries. Diversification increases the employment opportunities, optimum use resources and profitability

Entrepreneurial Opportunities in Agriculture:

- Organic farming:



<http://www.organicagriculture.co/indian-scenario.php>

The importance of organic farming is growing very fast particularly in international market. This sector provides great business opportunities to agro-based entrepreneur. Area under organic farming is increasing but unable to meet the demand of organic produce.

Entrepreneurial Opportunities in Agriculture:

- Food preservation, processing and packaging



food-preservation-can-jam-9-stone-fruits/

Large proportion of agricultural produce is wastage due to improper storage and warehousing, lack of transportation and food processing facilities. There is a significant shift in consumer food preference towards processed food products. Entrepreneurs can add value with proper management and marketing initiatives. The processed food market opens a great potential for entrepreneurs be it fast food, packaged food or organic food.

Entrepreneurial Opportunities in Agriculture:

- **Floriculture**



floriculture is a very lucrative sector. India's share in world trade of floriculture is just 0.18 per cent. This is a huge market to be tapped considering the rising demand for fresh flowers.

Entrepreneurial Opportunities in Agriculture:

- Production of agro-inputs:

- Farmers can start entrepreneurial activities in the production of seed, organic fertilizers and pesticides.



Let Us Sum Up

- Entrepreneur is one who identifies and sensitizes the opportunities, innovate the ideas, raises money, assembles inputs and set and manage the organization
- The introduction of entrepreneurship in agriculture requires development of certain qualities and skills like positive self concept, moderate risk taker, planning, innovative, information and opportunity seeking, etc. in an entrepreneur.
- Important entrepreneurship development opportunities in agriculture are diversification in agriculture, income from venture technologies, food preservation, processing and value addition, production of agro-inputs. The entrepreneurial qualities and skills can be developed through vocational education programmes and training.

CURRENT SCENARIO OF ENTREPRENEURSHIP IN INDIA

Present Entrepreneurial Scenario :

- There are ample opportunities in small businesses are there in India
- such opportunities will transform India in the coming future. For such transformation to happen there needs to be supporting both at the governmental and societal level.
- The scope of entrepreneurship development in our country is tremendous.
- since there is widespread concern that the acceleration in GDP growth in the post reforms period.
- Results of the 57th round of the National Sample Survey Organization (NSSO) show that unemployment figures in 2003-04 were as high as 8.9 million.

Present Entrepreneurial Scenario :

- Incidentally, one million more Indian joined the rank of the unemployed between 2005-06 & 2007-08. The rising unemployment rate (9.2% 2008 est.) in India has resulted in growing frustration among the youth.
- In addition there is always problem of underemployment. As a result, increasing the entrepreneurial activities in the country is the only solution left with govt.
- The reports prepared by Planning Commission to generate employment opportunities for 10 crore people over the next ten years have strongly recommended self-employment as a way-out for teaming unemployed youth.

Supporting Organizations:

- The Government has setup various organizations which specialize in industry promotion & entrepreneurship development in different sectors. The organizations provide policy framework support, in addition to training & financial aid.
- Khadi & Village Industries Commission
- COIR Board
- Small Industries Development Bank of India
- National Manufacturing Competitiveness Council

Supporting Organizations:

- National Skill Development Corporation
- State Level Initiatives:
- Individual states across India have setup specially focused organizations which work towards the development & support of small scale industries. These organizations run specific promotional schemes in addition to providing financial support to industries.
- List of State Financial Corporations (SFCs)
- List of State Industrial Development Corporations (SIDCs)

Development Support Organizations:

- Government of India has also set up various organizations that are at the forefront in providing support and training for the budding entrepreneurs. Few of them are:
- Central Footwear Training Institute - Agra
- Indo-German Tool Room - Ahmedabad
- Indo-German Tool Room -Aurangabad
- Central Institute of Tool Design - Hyderabad

Development Support Organizations:

- Central Tool Room - Ludhiana
- Indo-German Tool Room - Indore
- Central Tool Room & Training Center -
Bubhaneshwar
- Circle Telecom Training Center - Kolkata
- Indo-Danish Tool Room - Jamshedpur
- Institute for Design of Electrical Measuring
Instruments
- Electronics Service & Training Center - Ramnagar
- Fragrance & Flavour Development Center -
Kannauj

Industry Associations:

- There are a variety of associations which help & encourage the cause of industry. These associations provide support & strength to the entrepreneurs & the organizations they setup. Additionally, industry association networks are crucial in steering government policy & action as well.
- Complete list of Industry Associations
- National Bank for Agriculture & Rural Development (NABARD)
- Laghu Udyog Bharati (LUB)
- Federation of Indian Chambers of Commerce and Industry (FICCI)

Industry Associations:

- Confederation of Indian Industry (CII)
- The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Federation of Indian Micro and Small & Medium Enterprises (FISME)
- World Association for Small and Medium Enterprises (WASME)
- India Trade Promotion Organisation (ITPO)
- Technology Innovation Management and Entrepreneurship Information Service
- Asian and Pacific Centre for Transfer of Technology (APCTT)

CONCLUSIONS

- Entrepreneurship development is the key factor to fight against unemployment, poverty and to prepare ourselves for globalization in order to achieve overall Indian economic-progress.

INTRODUCTION MSMEs

- MSMEs stands for micro, small and medium enterprises.
- It plays a important role for economic development of our country.
- The major advantage of the sector is its employment potential at low capital cost. The labor intensity of the MSME sector is much higher than that of the large enterprises.
- It satisfies the demand of local customer.

Brief idea about MSME

- In India, the enterprises have been classified broadly into two categories
1.Manufacturing 2. services.
- Both categories have been further classified into micro, small and medium enterprises based on their investment in plant and machinery or on equipment.

CLASSIFICATION OF ENTERPRISES

Category	Manufacturing (Pl & Machinery)	Service (Equipments)
Micro	Upto 25 Lakhs	Upto 10 Lakhs
Small	25 Lakhs to 5	Cr 10 Lakhs to 2 Cr
Medium	5 Cr to 10 Cr	2 Cr to 5 Cr
Macro	>10 Cr	> 5Cr

DEPARTMENT OF SCIENCE & TECHNOLOGY -DST

The National Science & Technology Entrepreneurship Development Board (NSTEDB), established in 1982 by the Government of India under the aegis of Department of Science & Technology, is an institutional mechanism to help promote knowledge driven and technology intensive enterprises. The Board, having representations from socio-economic and scientific Ministries/Departments, aims to convert "job-seekers" into "job-generators" through Science & Technology (S&T) interventions

PROGRAMMES OF DST

Training programmes

- ✓ Entrepreneurship Awareness Camp (EAC)
- ✓ Entrepreneurship Development Programme (EDP)
Faculty Development Programme
- ✓ (FDP) Technology Based EDP (TEDP)
- ✓ Institutional mechanisms for entrepreneurship development Innovation and Entrepreneurship Development Centre (IEDC)
- ✓ Science & Technology Entrepreneurship Development (STED)
- ✓ Project Science and Technology based Entrepreneurship Development (i-STED)
- ✓ Science & Technology Entrepreneurs Park (STEP)
- ✓ Technology Business Incubator (TBI)

Idea Generation

The background is a deep blue gradient. On the left side, there is a grid of glowing blue lines that intersect to form a pattern of small squares. From the center of this grid, several bright, horizontal blue streaks or 'light trails' extend across the entire width of the image. These streaks have a soft, glowing aura and vary in intensity, creating a sense of motion and energy. The overall aesthetic is futuristic and technological.

Overview

New ideas
from
around
the world

Ingredients for a
good
idea

How to come
up with a
business idea –
watching
trends

A process for
generating
ideas with
your
students



New ideas
from
around the
world



*USE THE SINGLE WALL MOUNT
PUCKS TO CONNECT POTS
TOGETHER AND TO THE WALL.





BRC Designs

Organ Bed



BRC Designs, April 2011

Binary Chair



Print real photos from your iPhone/iPad
popbooth.com



Allows local businesses to generate additional revenue and increase profitability by predicting when a business has unused capacity and brings in nearby people by offering them discounts on their phones

Smart marketing with ThinkNear in 3 easy steps



Let us know when you are typically slow



We also track stuff that affects your business like weather and holidays

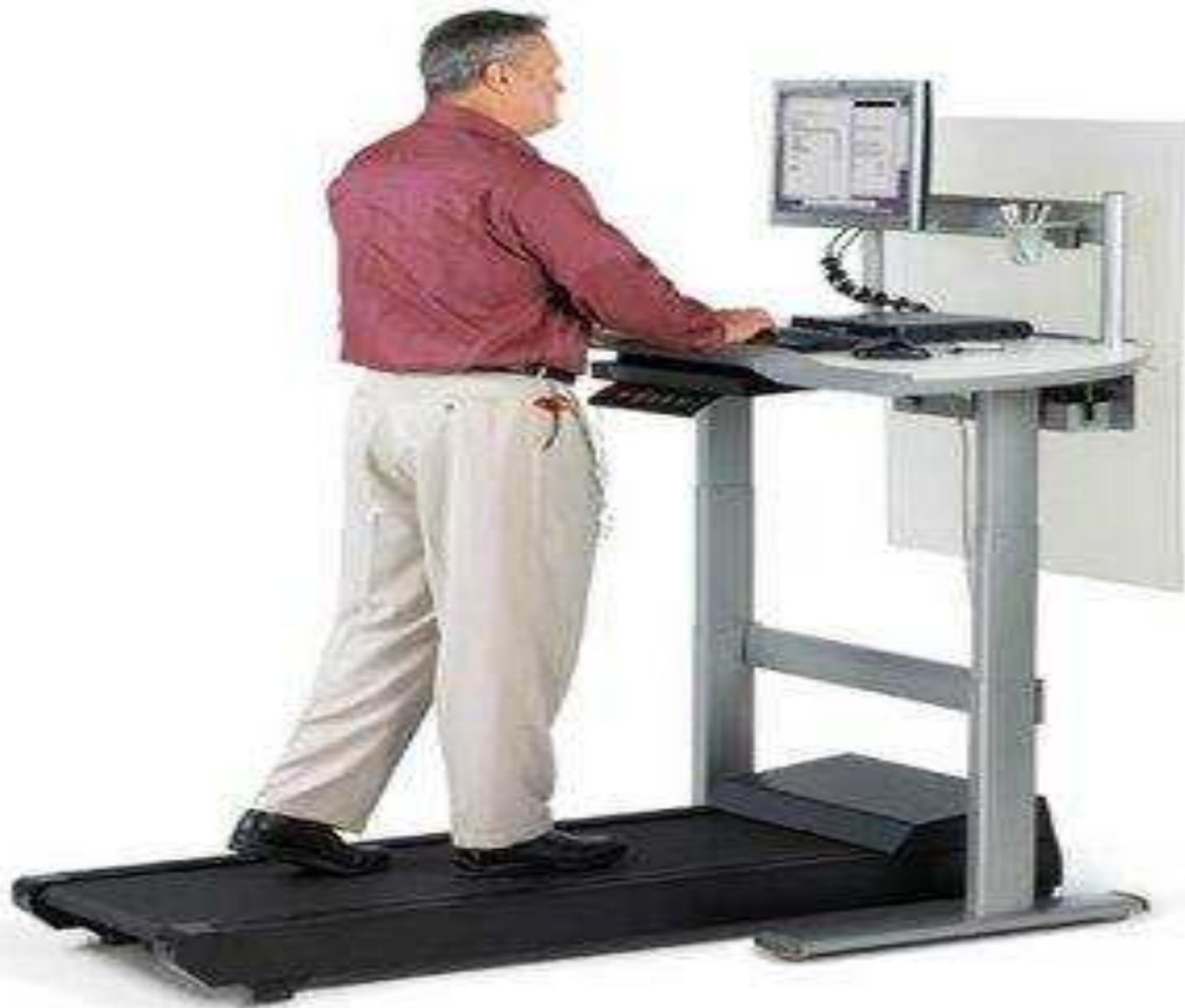


When things are slow we send a discount to folks nearby



Rompicollo

Calorie counted chocolate



SRS Energy: Solé Power Tile



Avoids covering a roof in unsightly solar panels
The solar panels are shaped like clay tiles



Ecocabs Ireland

What if the customer didn't have to pay for the product?

What are these?





crazycoffins.co.uk

PersonalRosettaStone.com

1 Photo

Over 1000 words of text

Microchip Inside

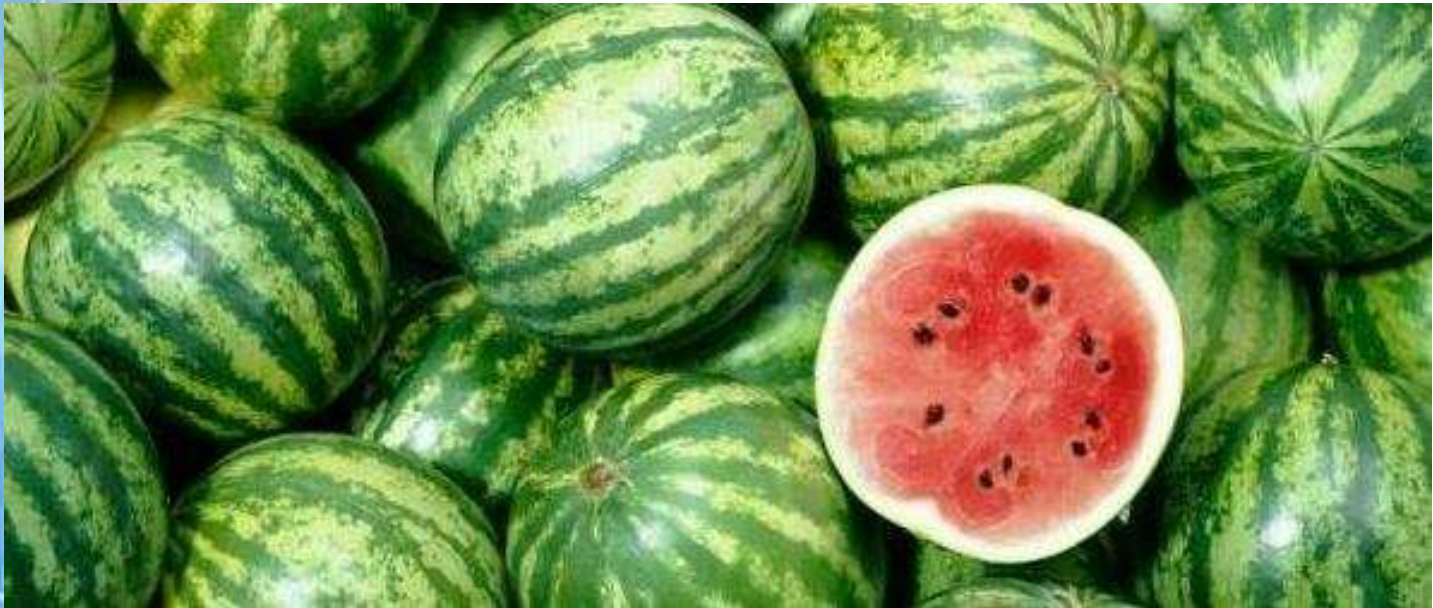
1 Map / Geo-Location

More Than a Name and a Date©

The image shows two young boys in a cemetery, looking at a smartphone. A gravestone is in the background. Overlaid on the image are four callout boxes: a photo of a family labeled '1 Photo', a box with 'Over 1000 words of text', a box with a microchip icon and 'Microchip Inside', and a map of the United Kingdom labeled '1 Map / Geo-Location'. A dashed blue line connects the smartphone to the gravestone.

Technology Enhanced Memorial Products

Solve a problem...







Butcher Vending Machine: Spain



Inchworm.co.uk

Recession product!!



**New ideas
from
around
the world**

**Ingredients for a
good
idea**

Components of a great idea



For sustainability

It must make a profit

People must want it



**Rosso Solini
is a success
because Tara
did not just
rely on
friends and
family to
target her
product at**

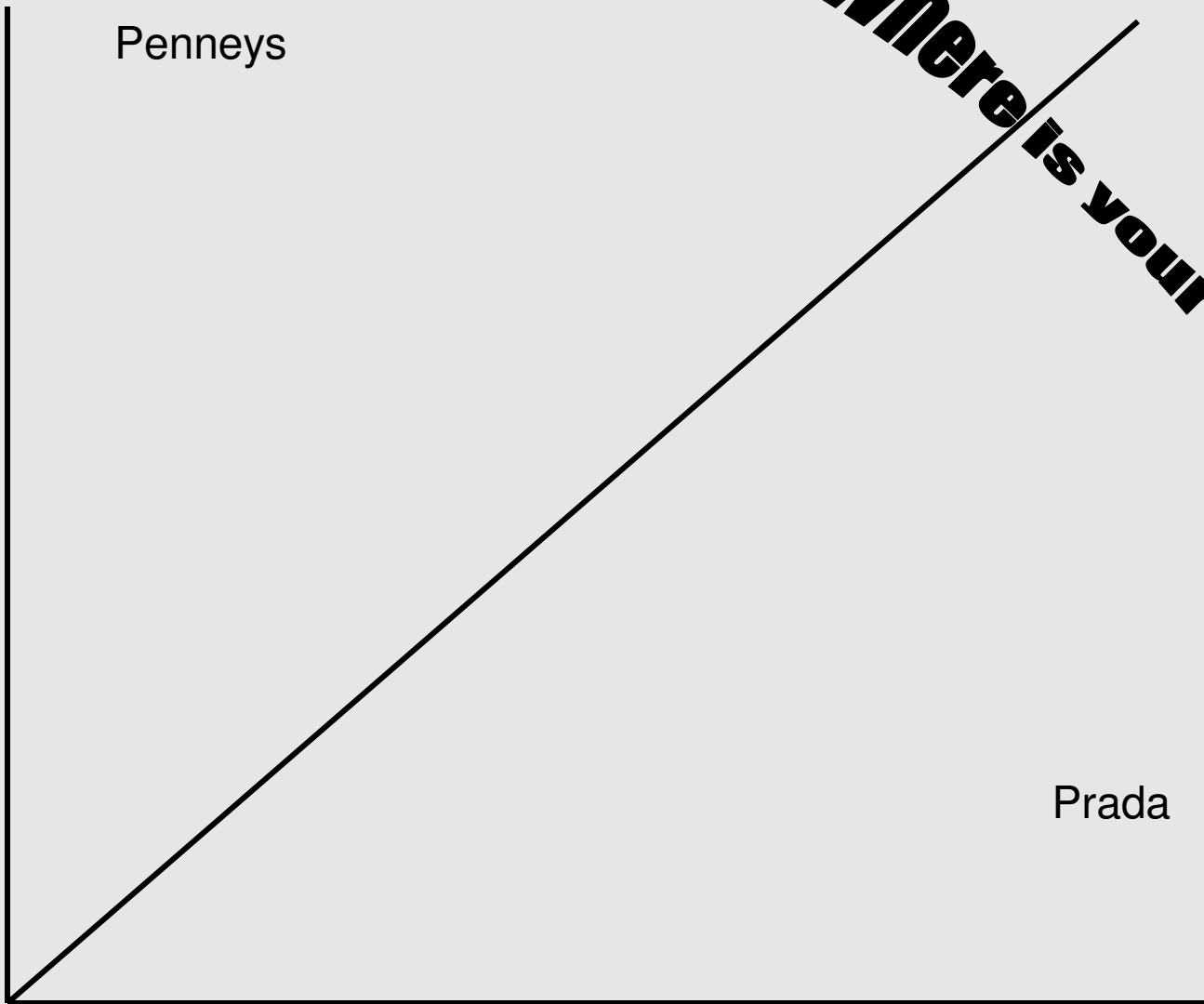
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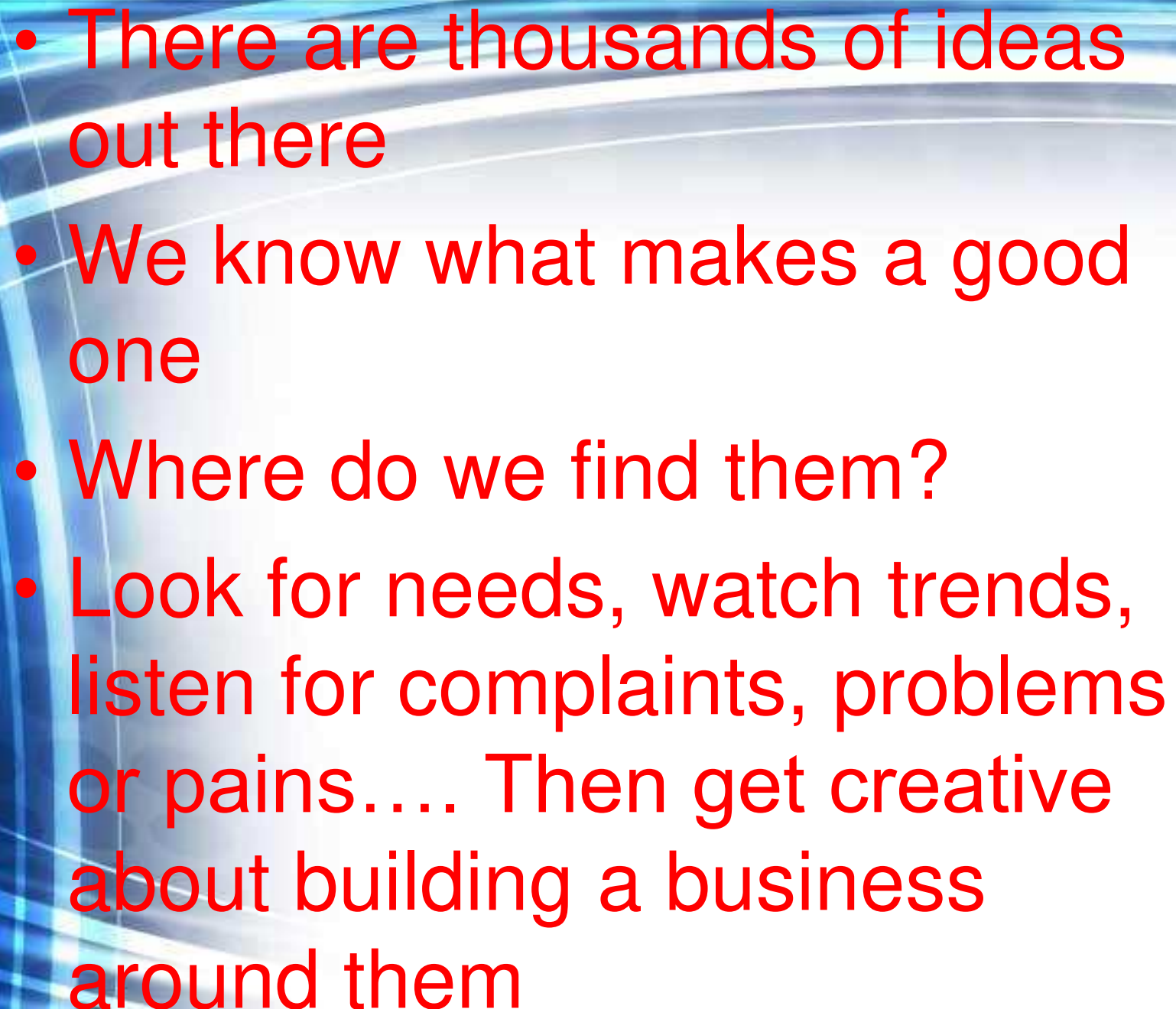
Penneys

Where is your idea?

Prada

MARGIN



- 
- There are thousands of ideas out there
 - We know what makes a good one
 - Where do we find them?
 - Look for needs, watch trends, listen for complaints, problems or pains.... Then get creative about building a business around them



**New ideas
from
around
the world**

**Ingredients for a
good
idea**

**How to come
up with a
business idea
– watching
trends**



Low Cost



Convenience



Wellbeing



Environment



Female Fever



*Grey
Power*

Trends?

Low Cost...



Convenience...

- Online shopping
- Forecourt shopping
- M&S Dine in for Two



Lost and Found Protection For The Things You Love



Good Karma, a little easier

We can't stop a thief, but we can make it easy for decent person to do the right thing.

RETURN ME
877-89-TURLY
TURLYTAG.COM
ITEM ID# ABC-123

Some things in life are irreplaceable

While this won't guarantee that you will always get your stuff back, it will increase your odds and make it a whole lot easier.

RETURN ME

877-89-TURLY
TURLYTAG.COM
ITEM ID# ABC-123

RETURN ME

877-89-TURLY
TURLYTAG.COM
ITEM ID# ABC-123

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877-89-TURLY
TURLYTAG.COM
ITEM ID# ABC-123

CadandtheDandy.co.uk
Jacket Lining based on
customer's DNA





Embedded Generosity

Coca Cola teamed up with Japanese Red Cross to create vending machines that accept donations



Wellbeing...

- Holiday Inn -
pedometer given out
with every room key

Wellbeing...

iTunes Health & Fitness or Medical categories now contain more than 7,000 apps for iPhones

Health related apps for Android phones have so far achieved more than three million downloads

Environment...

- Crowne Plaza Hotel, Copenhagen Bicycle machines in gym linked to hotel generator



CROWNE PLAZA



Environment



Nokia Phone Dynamo

Ubeauty Pots & Plants



Environment...

“30% of US consumers are willing to pay up to a 20% premium on clean, green products over non-sustainable alternatives.”

SOURCE: Mintel 2010

Female Fever

“US women are responsible for 85% of all consumer purchases. They make 92% of vacation purchases, they hold 89% of all US bank accounts, 51% of all personal wealth, 93% of food purchases and are worth more than \$5 trillion in consumer spending power – larger than the entire Japanese economy.”

Grey Power



“People over the age of 55 will drive two-thirds of all growth in consumer spending in France over the next two decades. They will account for all of the increase in recreation, food eaten at home, utilities and gasoline and for 33% of the increase in electronics.”

SOURCE: McKinsey, June 2010

Grey Power



“Between the year 2010 and 2040, the global population age 65 and over is expected to rise from 530 million to 1.3 billion.”

“By the year 2040, 28% of Western Europe’s population is expected to be age 65 or older, the highest percentage worldwide.”

SOURCES: US Census Bureau & WHO 2010

Finally...

ONLINE

- Over 2 billion people are online
- 425 in Europe
- Consumers are building their own *personal* brands online
- If Facebook were a country, it would be the world's 3rd largest
- 1 out of 8 marriages in the US began online
- The number of iPhone apps hit 1 billion in 9 months
- eMail is “old-fashioned” – Facebook and Twitter are “in”



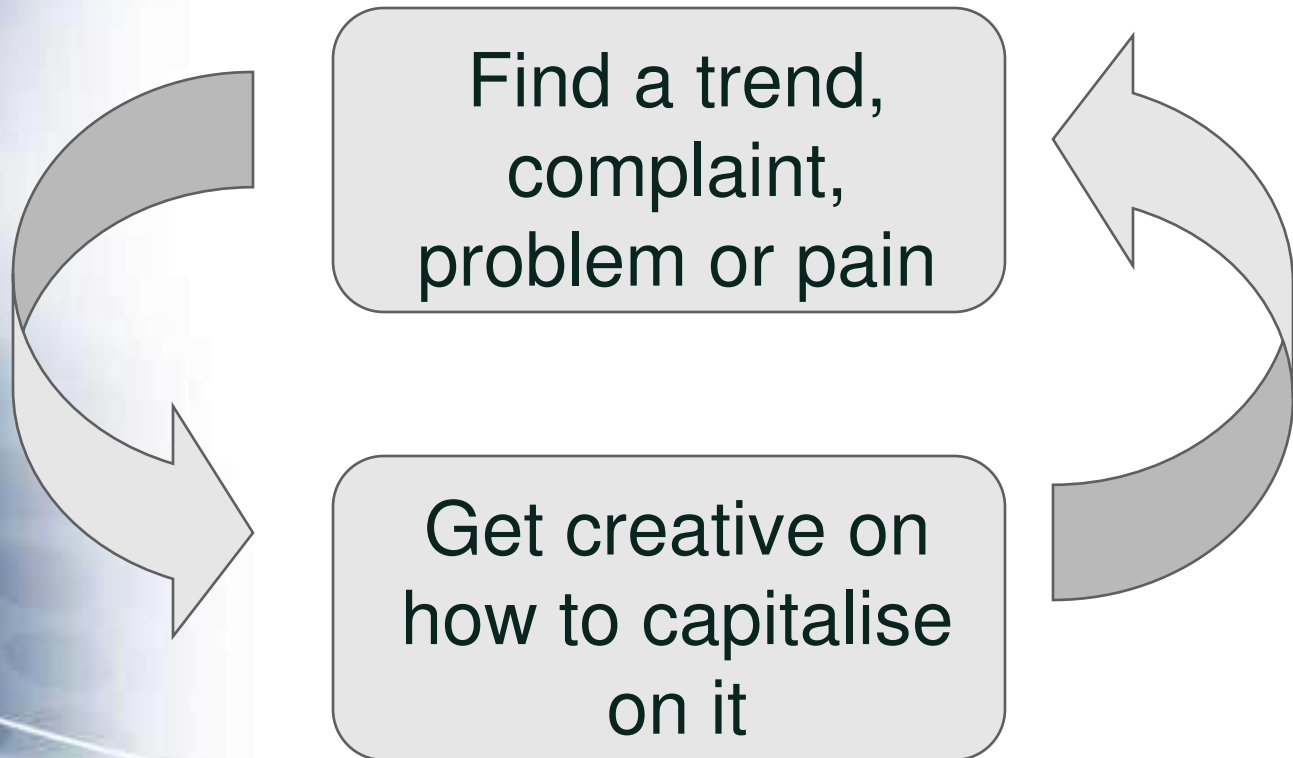
**New ideas
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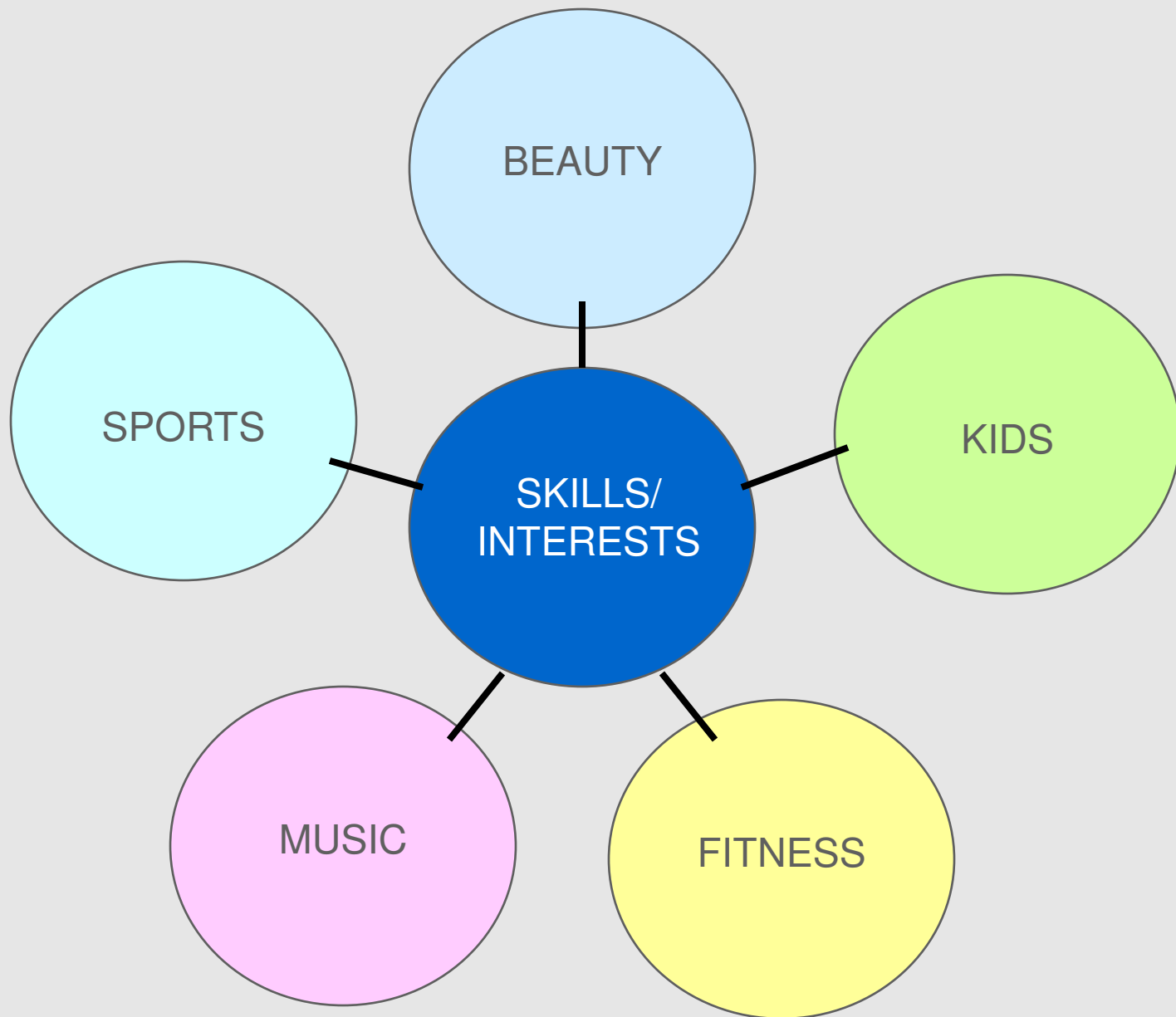
**How to come
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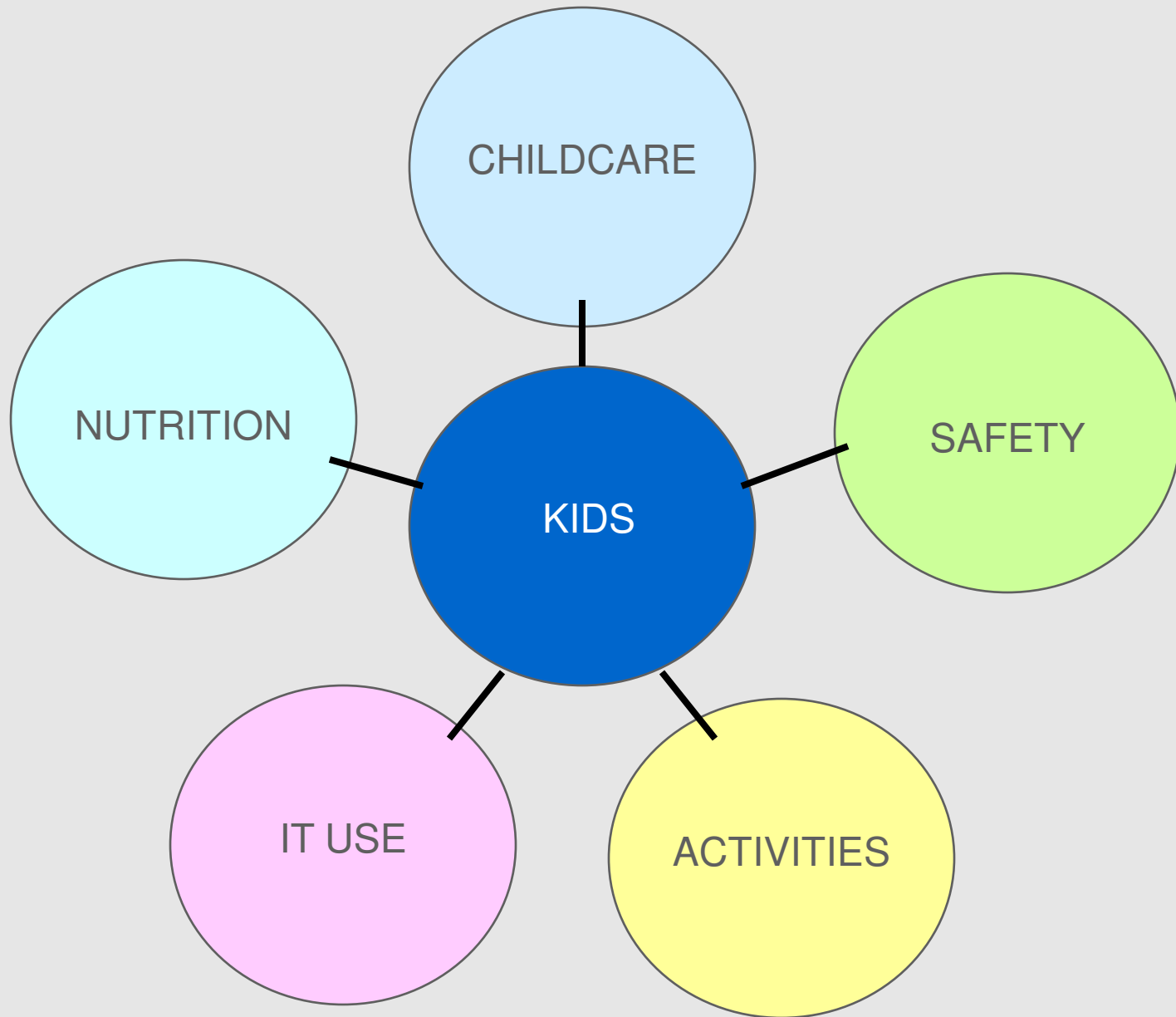
**A process for
generating
ideas with
your
students**

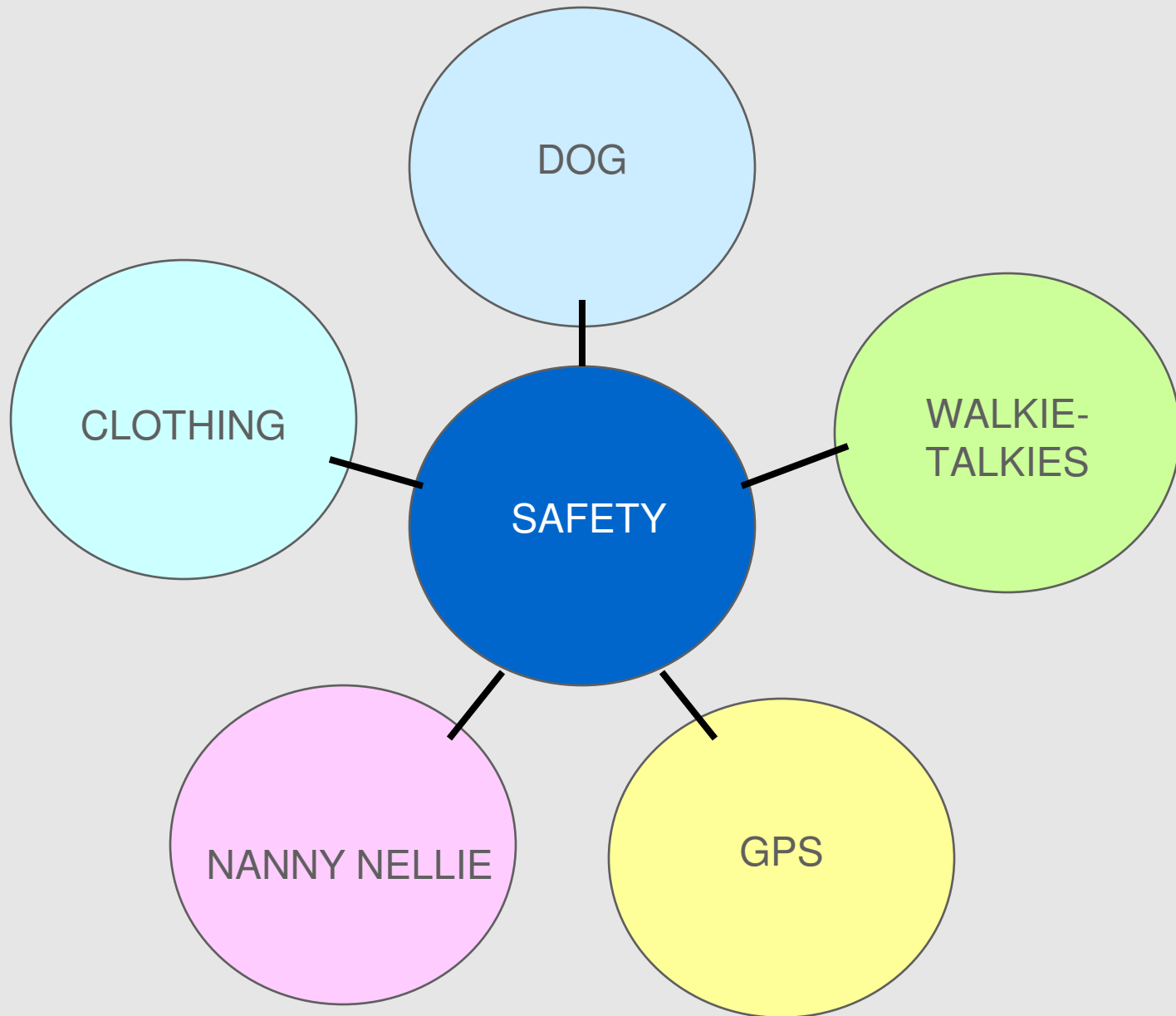
Finding an Idea...



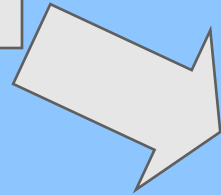
1. Mindmap all the areas of skill or interest in the group
2. Brainstorm all the complaints, problems or needs people have associated with each of these skills/interests in turn
3. Brainstorm solutions to these problems
4. Remember, it's all about QUANTITY, not QUALITY



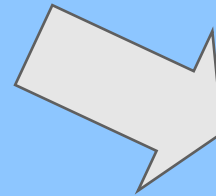




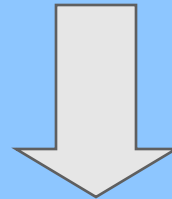
KIDS



SAFETY



GPS



**Halloween Costumes for
Kids with Inbuilt GPS**



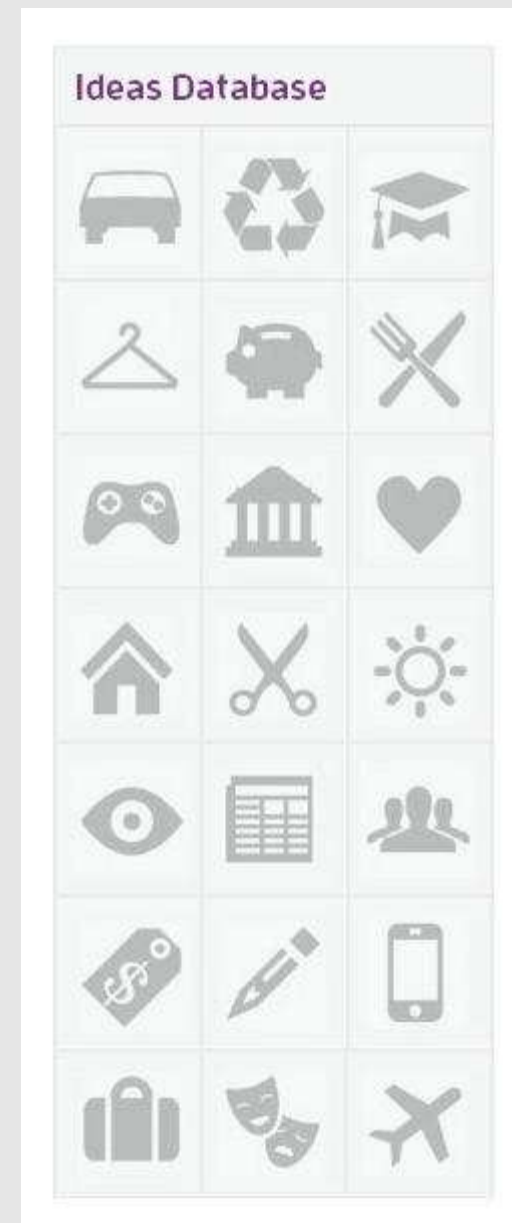


What is Springwise?

Helped by a network of **15,000** **spotters**, Springwise editors scan the globe for smart new business ideas, delivering instant inspiration to entrepreneurial minds.

Time to start the next big thing!

Browse the ideas database by automotive, eco & sustainability, education, entertainment, fashion and beauty, financial services, food & beverage, gaming, government, health & wellbeing, homes, lifestyle & leisure, marketing & advertising, media & publishing, retail, style & design, tourism & travel, transportation



Welcomes

Definition of MSMEs as per 2006 Act

Activity	Micro	Small	Medium
Manufacturing Activity	Investment in P&M up to Rs.25 Lakh.	Investment in P&M more than Rs.25 Lakhs but up to Rs.5 Crores.	Investment In P&M is more than Rs.5 Crores but up to Rs.10 Crores
Service Activity	Investment in equipments up to Rs.10 Lakh.	Investment in equipments is more than Rs.10 Lakhs but up to Rs.2 Crores.	Investment in equipments is more than Rs.2 Crores but up to Rs.5 Crores.

On June 26, 2020, the Ministry MSMEs notified as

Manufacturing & Service Activity	Investment in P&M or equipment is up to Rs 1 crore and turnover is up to Rs 5 crore	Investment in P&M or equipment is up to Rs 10 crore and turnover is up to Rs 50 crore	Investment in P&M or equipment is up to Rs 50 crore and turnover is up to Rs 250 crore
---------------------------------------------	-------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------

New MSME Classification Criteria as per Union Budget 2025

ENTERPRISE CATEGORY	CURRENT INVESTMENT LIMIT	REVISED INVESTMENT LIMIT	CURRENT TURNOVER LIMIT	REVISED TURNOVER LIMIT
MICRO ENTERPRISE	₹1 crore	₹2.5 crore	₹5 crore	₹10 crore
SMALL ENTERPRISE	₹10 crore	₹25 crore	₹50 crore	₹100 crore
MEDIUM ENTERPRISE	₹50 crore	₹125 crore	₹250 crore	₹500 crore

Proposed Definition of MSME

Cabinet has given approval for the following definition of MSME based upon the annual turn over of an enterprise

- ▶ Micro Enterprises: upto Rs. 5 crore
- ▶ Small Enterprises: more than Rs. 5 crore to Rs. 75 crores
- ▶ Medium Enterprises: more than Rs. 75 crore to Rs. 250 crores

MSME Registration

1. In order to promote ease of doing business for MSMEs, Ministry of MSME has notified the Udyog Aadhaar Memorandum (UAM) under the MSMED Act, 2006 vide gazette notification [SO No.2576 (E)] dated 18.09.2015.
2. A one –page simple registration form for filing of UAM has been introduced which replaces the filing of EM Part I & II. The filing of UAM can be done on <http://udyogaadhaar.gov.in> . The salient features of Udyog Aadhaar are –
 - ▶ No fee for filing.
 - ▶ Registration is online and user-friendly.
 - ▶ UAM can be filed on self-declaration basis.
 - ▶ Documentation required: Mobile linked Aadhaar, PAN and Bank Account.
 - ▶ Free registration facility at MSME-DIs and DIEPC.

Present Scenario of MSMEs

Total No. of MSMEs in the Country :

1. Both Registered & Un Registered : 6.34 Cr
2. As per UAM registration : 44.81Lakh

Total No. of MSMEs in U.P. :

1. Both Registered & Un Registered : 90 Lakh
2. As per UAM registration : 5.71 Lakh

Total No. of MSMEs in Fatehpur :

1. As per UAM registration : 3989Nos.
2. Micro – 3840 Nos., Small – 144 Nos., Medium – 5 Nos.

Contd...

Present Scenario of **MSMEs**

Contribution of MSMEs in GDP : 30 %

Contribution of MSMEs in Employment : 11.10 Cr persons
(2nd largest after Agriculture in India)

Contribution of MSMEs in Exports : 45 %

1 . Assistance to New Enterprises

Free Consultancy and Guidance:

- Free consultancy for setting up of a new enterprise in the field of Food Processing, Chemical, Mechanical, Metallurgy, Electrical & Electronics, Leather & Footwear, Glass & Ceramics etc.
- Guidance for selection of Product, Plant & Machinery, Raw Materials etc.
- Readymade Project Profiles are available to the Entrepreneurs free of cost.
- Preparation of Project Profiles free of cost for micro and small enterprises on the need basis.

1. Assistance to New Enterprises

Free Consultancy and Guidance:

- Information about various Govt. of India and State Govt. Schemes for MSME promotion.
- Guidance on getting loans from Banks.
- Information about market potentiality in the district, state, country and abroad.
- Training for setting up an enterprise and its management, practical demonstration on selected products.
- Dedicated food lab is available at MSME- DI, Kanpur for training and development of food products.

2. Schemes- Credit and Financial Assistances to MSMEs

A) Prime Minister's Employment Generation Programme(PMEGP)

- ▶ Launched in August 2008 with an objective to generate employment opportunities in rural as well as urban areas.
- ▶ Implementing Agencies:- KVIC, KVIB and DIEPC.
- ▶ Intended Beneficiaries:- Any individual above 18 years of age.
- ▶ Qualification:- If the project cost is above Rs 10 Lacs in Manufacturing & above 5 Lacs in the Business/Service sector- Must be VIII pass.
- ▶ Fund Allocated for Year 2017-18:- Rs 1004.49 Crores(BE)
- ▶ Maximum Project Cost:- 25 Lacs for Manufacturing sector & 10 lacs in the Business/Service sector.
- ▶ How to Apply:-The beneficiaries can submit their application online at www.kviconline.gov.in .For details beneficiaries can contact nearest DIEPCs/KVIC/KVIB.

2. Schemes- Credit and Financial Assistances to MSMEs

Categories of Beneficiaries	Beneficiaries Contribution of project Cost	Rate of Subsidy Urban	Rate of Subsidy Rural
General	10%	15%	25%
Special(Including SC/ST/OBC/Minorities/Women, Ex-Servicemen, PH	05%	25%	35%

2. Schemes- Credit and Financial Assistances

Credit Linked Capital Subsidy Scheme for Technology Up gradation (CLCSS)

- The scheme supports new and existing MSEs for projects with advanced Technologies for selected 51 Verticals it also supports projects of improved packaging techniques, anti-pollution measures, energy conservation machinery, on-line quality control equipments and in-house testing facilities.
- Assistance–Capital Subsidy @ 15% of investment in P&M Maximum Rs 15 Lacs for Projects upto Rs. 1 Crores (for P&M).
- Term loans must be sanctioned by the eligible Primary Lending Institutions (PLI) on or after 29.09.2011. Machinery purchased under Hire Purchase Scheme of the NSIC are also eligible for subsidy under the scheme
- Since inception of the scheme 48618 MSEs have availed subsidy which is Rs. 2908 Crore

2. Schemes- Credit and Financial Assistances

Nodal Agencies for CLCSS :

- ▶ SIDBI & NABARD will continue to act as Nodal agencies for implementation of this scheme.
- ▶ Following Public Sector Banks / Government Agencies have also been included as nodal banks / agencies :
SBI, Canara Bank, BoB, PNB, BoI, Andhra Bank, Tamil Nadu Industrial Investment Corporation & NSIC.

2. Schemes- Credit and Financial Assistances

Credit Guarantee Trust Fund For MSEs(CGTMSE)

Objectives: Availability of bank credit without the hassles of collaterals / third party guarantees would be a major source of support to the first generation entrepreneurs to realise their dream of setting up a unit of their own Micro and Small Enterprise (MSE).

Eligible Borrowers : New as well as existing Micro and Small Enterprises.

Credit Facility : Collateral free loans up to a limit of Rs.200 lakh – for individual MSEs-Practising Perspective.

Eligible Lending Institutions: All scheduled commercial banks and specified Regional Rural Banks, NSIC, North Eastern Development Financial Corporation (NEDFi), SIDBI, & Non Banking Financial Company (NBFCs) which have entered into an agreement with the Trust for the purpose.

2. Schemes- Credit and Financial Assistances

Pradhan Mantri MUDRA Yojana (PMMY) is a scheme launched by the Hon'ble Prime Minister on April 8, 2015 for providing loans upto 10 lakh to the micro enterprises.

MUDRA has created three products namely :

Shishu: Loan amount up to Rs. 50,000.

Kishore: Loan amount from Rs 50,000 to Rs. 5 Lakh.

Tarun : Loan amount from Rs 5 Lakh. to Rs.10 Lakh.

NB- MUDRA-Micro Units Development and Refinance Agency

2. Schemes– Credit and Financial Assistances

Stand-up India Scheme :

- The objective of the Stand Up India scheme is to facilitate bank loans between Rs.10 lakh and 1 Crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per bank branch for setting up a greenfield enterprise.
- This enterprise may be in manufacturing, services or the trading sector. In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an SC/ST or Woman entrepreneur.

3. Marketing Assistance

Marketing Assistance & Technology Upgradation (MATU):

- ▶ Domestic Fairs/Exhibition
- ▶ International Trade Fairs/ Exhibition
- ▶ International/National Workshop/Seminars on Marketing/ Public Procurement/Packaging etc.
- ▶ Vendor Development Programme

3. Marketing Assistance

Domestic Fairs/Exhibition :

- Implementing Agency : **MSME-DIs**
- Selection Criteria : By Three Member Committee as Per Guidelines
- Financial Assistance to MSEs:

Eligible Items	Scale of Assistance
Space Rent Charges	80% of space rent paid for General Category units and 100% for SC/ST/Women/NER/PH units limited to Rs. 20,000/- or actual whichever is less. The Space rent will subject to maximum booth/stall size provided by the Fair organizer (In case of Technology trade fair/exhibition, maximum limit of space rent charges will be Rs. 50,000/- in place of Rs. 20,000/-)
Contingency expenditure include travel, publicity and freight).	100% of Contingency expenditure for all categories of units subject to maximum Rs.10,000/- or actual , whichever is less (travel expenditure for one representative from each participating unit.) The entrepreneur would be allowed reimbursement under the scheme for maximum of 2 (two) events in a year.

3. Marketing Assistance

International Trade Fairs/ Exhibition :

- Implementing Agency : **MSME-DIs**
- Selection Criteria : **FIFO**
- Financial Assistance to MSEs :

Eligible Items	Scale of Assistance
Space Rent Charges	80% of space rent paid for General Category units and 100% for SC/ST/Women/NER units subject to maximum Rs. 1.00 lakh or actual rent paid whichever is less. The Space rent will subject to maximum booth/stall size of 6 Sq. Mtrs. Or minimum booth/stall size provided by concerned Indian trade bodies (e.g. ITPO, FIEO etc.) or the Fair Organiser.
Air Fare	100% of Contingency class air fare for all categories of units subject to maximum Rs.1.25 lakh or actual air fare paid, whichever is less (for one representative from each participating Enterprises.)

3. Marketing Assistance

Public Procurement Policy for MSEs 2012 :

- Overall procurement goal of minimum 20% is mandatory from 1st April 2015.
- A sub-target of 4% out of 20% target of annual procurement earmarked for procurement from MSEs owned by SC/STs.
- Government Procurement are to the tune of 1.5 Lakh crores.
- Tender sets free of cost and exemption from payment of earnest money to MSEs.

3. Marketing Assistance

Public Procurement Policy for MSEs 2012

- MSEs quoting price within price band L-1 + 15% shall be allowed to supply a minimum of 20% of tendered value at L-1 subject to lowering of price by MSEs to L-1.
- 358 items reserved for exclusive procurement from MSEs.
- Reserved Food category items- Pickles Chutney, Honey, Linseed Oil, Pappad, Hand Pounded Rice, Palmgur and Palma Rosa oil
- Similar Public Procurement Policy has been adopted by State Govt.

3. Marketing Assistance

GeM (Government e-Market Place) :

- Purchases for the items which are available under GeM is mandatory for Government Organisations.
- There are enormous opportunities for MSMEs to become supplier for Government Organisations.
- MSME-DIs provide handholding support for registration on GeM platform as a supplier.
- 21873 buyers, 99177 sellers / service providers and 147490 products are registered on GeM so far.

4. Infrastructure

Cluster Development Programme

The Ministry of MSME, Govt. of India has adopted the cluster development approach as a key strategy for enhancing the productivity and competitiveness as well as Capacity building of Micro and Small Enterprises and their collectives in the country.

(i) Setting up of CFCs: Assistance for Common Facility Centers (CFCs) like Common Production/Processing ,Design Centres, Testing Facilities, Training Centre, R&D Centres, Effluent Treatment Plant, Marketing Display/Selling Centre, Common Logistics Centre, Common Raw Material Bank/Sales Depot, etc.

4. Infrastructure

Cluster Development Programme :

- ▶ The Gol grant will be restricted to 70% of the cost of project of maximum Rs 15.00 crore. Gol grant will be 90% for CFCs in Clusters with more than 50% (a) micro/ village (b) women owned (c) SC/ST units.

(ii) Infrastructure Development: Assistance for infrastructural facilities like power distribution network, water, telecommunication, drainage and pollution control facilities, roads, banks, raw materials storage and marketing outlets, common service facilities and technological backup services for MSEs in the new/ existing industrial estates/areas.

- ▶ The Gol grant will be restricted to 60% of the cost of project of Rs 10.00 crore. Gol grant will be 80% for projects in industrial areas/ estates with more than 50% (a) micro (b) women owned (c) SC/ST units.

4. Infrastructure

Scheme of Fund for Regeneration of Traditional Industries(SFURTI):

Introduced in October 2005 and revamped during 2014.

For development of around 71 clusters with outlay of Rs.150 crore.

Objective is to make traditional industries more competitive & market driven and enhance employment of artisans and rural entrepreneurs by adopting cluster approach.

The Scheme covers three type of Intervention

- a) Soft Interventions- Skill Development & Capacity Building, Exposure Visit, Market Development Initiatives, Design & Product Development etc.
- b) Hard Interventions-Creation of CFC, Raw Material banks, warehousing Facility, Tools & Technology Upgradation

4. Infrastructure

SFURTI :

- c) Thematic Interventions- Brand Promotion, New Media Marketing, E-commerce, Research and Development etc.
- d) Who can apply- NGOs, Govt./Semi Govt. Institutions & Field functionaries of Govt.
- e) Financial Assistance

Types of Clusters	Per Cluster Budget Limit	Remarks
Heritage Clusters(1000-2500 Artisans)	Rs 8 Crore	SI- Max Rs 25 Lacks (100% scheme funding) HI- As per project requirement(75% scheme funding)
Major Cluster(500-1000 Artisans)	Rs 3 Crore	
Mini Clusters(Up to 500 Artisans)	Rs 1.5 Crore	

5. Technology Upgradation and Competitiveness

ZED Scheme (Zero Effect Zero Defect)

- The Central Government has approved a scheme "Financial Support to MSMEs in ZED Certification Scheme" with a total budget of Rs 491.00 crores (including Government of India contribution of Rs 365.00 crores).
- The scheme is an extensive drive to create proper awareness in MSMEs about Zero Defect Zero Effect (ZED) manufacturing and motivate them for assessment of their enterprise for ZED and support them.

5. Technology Upgradation and Competitiveness

ZED Scheme :

- (i) Online (e-Platform) self assessment : Free of Cost**
- (ii) Desk Top assessment : Rs 10,000/-per MSME**
- (iii) Complete assessment :**
 - (a) Rs 80,000/- for ZED rating per MSME
 - (b) Rs 40,000/- for additional ZED Defence rating
 - (c) Rs 40,000/- for Re-rating (Above rating costs will include cost of Rs 10,000/- as certification cost by QCI.)
- Subsidy for Micro, Small & Medium Enterprises as per the scheme will be 80%, 60% and 50% respectively .
- MSMEs engaged in production/manufacturing of 358 items reserved under PPP for MSEs procurement may be given preference .
- Additional rating for Defence angle i.e. ZED-Defence .
- Gap Analysis, Handholding and Consultancy for improving rating of MSMEs – Assistance of Rs.1.9 Lakhs (80%, 60% and 50% for MS& M respectively)

5. Technology Upgradation and Competitiveness

Lean Manufacturing Competitive Scheme :

- ▶ Lean Manufacturing (LM) is Better Production of Goods by
 - Eliminating Non-value Added Activities / Wastes
 - Helping to Produce More with Same Resources
- ▶ LM is very a very important Quality and Cost Management tools
- ▶ NPC and QCI are Monitoring & Implementing Nodal Agency
- ▶ Initially cluster units to be made aware regarding lean techniques
- ▶ 'Mini Clusters' of 10 units (minimum 6) to be created to be formed by 'Mini Cluster'.
- ▶ GOI : Private Share for cost of consultant – 80:20
(Maximum consultancy cost Rs.36 Lakhs)

5. Technology Upgradation and Competitiveness

Incubator :

- Assist Incubation of Innovative Ideas
- Promote Emerging Technological & Knowledge-based Innovative Ventures
- Encourage Ideas to Become MSMEs.
- 100 BIs to be Located in engineering colleges, management Institutions and R&D Institutes @ 25 p.a in 4 yrs.
Govt. Grant (Max. 85%) = Rs.4 - 8 lakh per Idea.
Each BI to Assist 10 Ideas / Units – Max. Rs.62.5 lakh + Rs.3.78 for Infra and Administrative support to HI.
BIs to support and Nurture ideas for commercialization in a year.
- Engineering/Management/R&D Institutions and BIs to Suggest innovative idea & Nurture.

5. Technology Upgradation and Competitiveness

Intellectual Property Rights (IPRs) :

Under the scheme assistance for Grant on Patent /GI registration

- | | | | |
|-------|-------------------|---|--------------|
| (i) | Domestic Patent | : | Rs.0.25 lakh |
| (ii) | Foreign Patent | : | Rs.2.00 lakh |
| (iii) | G.I. registration | : | Rs.1.00 lakh |

5. Technology Upgradation and Competitiveness

Design Clinic Scheme:

- The scheme is for spreading awareness on importance of design and developing designs.
- For design projects application can be made online at <http://www.designclinicsmsme.org>
- NID, Ahmedabad is the nodal agency.

5. Technology Upgradation and Competitiveness

Design Clinic :

Description	Gol (Rs in lakh)	Private
Seminar	0.60 (100%)	0
Workshop	3.00 (75%)	1.00 (25%)
Student Project	1.50 (75%)	0.50 (25%)
Individual Project upto 3 MSMEs	9.00 (60%)	6.00 (40%)
Group of 4 or MSMEs	15.00 (60%)	10.00 (40%)

6. Services

MSME SAMADHAAN- Delayed Payments to MEMEs under MSMED Act, 2006

- MSME Samadhaan Portal - Ease of filing application under MSEFC, an Initiative from Office of DC(MSME), M/o MSME.
- Related Provision-provisions of Delayed Payment to MSEs (Section 15- 24).State Governments to establish MSEFC. (Section 20 and 21)
- Nature of assistance-MSEFC will issue directions to the buyer unit for payment of due amount along with interest after examining the case.
- Who can apply-Any Micro or small enterprise having valid Udyog Aadhar(UAM) can apply.

6. Services

MSME SAMADHAAN- Delayed Payments to MEMEs under MSMED Act, 2006

- Salient Features- The buyer is liable to pay rate compound interest to the supplier on the amount at the three times of the bank interest notified by RBI in case he does not make payment to the supplier for his supplies of goods or services within 45 days of the acceptance of the goods/service rendered. (Section 16)
- Implementation-The provisions under the Act are implemented by MSEFC chaired by Director of Industries of the State /UT having administrative control of the MSE units.

6. Services

MSME SAMADHAAN- Delayed Payments to MEMEs under MSMED Act, 2006

- Application filed by MSEs-5016
- Amount Involved in applications-1236 crores
- Mutual Settlements by buyer-234
- Amount involved in mutually settled cases-25 crores
- MSEFC Council application disposed off(by mutual consent)-28 Nos.
- Cases filed in MSEFC-5690
- Disposed off cases by MSEFC-1771 with amount of 476 crores.
- For more informations can log in to <https://www.samadhaan.msme.gov.in>

6. Services

MSME SAMBANDH PORTAL

Procurement From Central Ministries / Departments / CPSEs
For FY 2017-18

- Total 167 CPSEs Reported with annual procurement target of 1,22,839 Crores.
- Total procurement (as on date) by 159 CPSUs Rs 1,06,584 Crores.
- Procurement from MSEs(Including SC/ST) 24,173 Crores from 83227 MSEs.
- Procurement from 2096 SC/ST owned MSEs amounting to Rs 510 Crores
- For more information can log in to <https://sambandh.msme.gov.in>

Women entrepreneurship : Introduction

- Women entrepreneurship is the process whereby women takes the lead and organise the business or industry and provides employment to others though it is a new phenomenon in India.
- A women entrepreneurs enterprise is termed as an SSI unit / industry related service or business enterprise is managed by one or more women entrepreneurs in proprietary concerns in which she/they individually / jointly have a share capital of not less than 51%.
- This term signifies that section of female population who venture out in to industrial activities, i.e. manufacturing, assembling, job works, repair, servicing. They are key players in any developing country.

Definition of Women Entrepreneurs

- *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.”*

Women Role in Small Business

Women role in term of their share in small business has been increasing. The fact of the study are :

1. Women own 1/3 of small business in USA and CANADA.
 2. Britain has seen increase in work force three times better than men.
 3. Women makes 40% of total work force in Asian countries.
 4. In Japan the percentage of women entrepreneurs increased from 2.4% in 1980 to 5.2% in 1995.
- Indian women have increasing opportunities like higher levels of education, economic compulsion, constitutional rights .
 - Indian women is victim of social evils like dowry, sati, pardah. A large mass of women is ignorant of their rights today just as they were before independence.

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.

Woman Entrepreneurs in India – Need...

- 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.

Woman Entrepreneurs in India – Need...

- 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.

Woman Entrepreneurs in India – Need...

- 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.
- 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.

Woman Entrepreneurs in India – Need...

- 14. To give them more involvement and participation in legislation and decision-making processes.
- 15. 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

Woman Entrepreneurs in India – Need...

- 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.

Woman Entrepreneurs...

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 than men in the efficiency, hard work, or intelligence, provided they are given proper scope.

Functions

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.**

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.

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.

Characteristics of...

- Enterprising women take risk but the **risk is well calculated**. It offers challenges where chances of survival and failure are on equal footing.
- **Successful women entrepreneurs** like to have **immediate feedback of their performance**. They learn from their experience and **never get discouraged having received unfavorable information**.
- 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

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.

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.

Promotional Efforts...

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.

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.

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

Promotional Efforts...

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 also provides liberal credits to rural women.

Indira Mahila Yojana (IMY): IMY was developed 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.

Promotional Efforts...

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.

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.

Promotional Efforts...

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.

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.

Promotional Efforts...

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.

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.

Promotional Efforts...

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.

SBI Sree 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.

Promotional Efforts...

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.

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.

Motivational Factors

- I. Economic necessity
- II. Self-actualisation
- III. Independence
- IV. Govt. policies and programmes
- V. Education and qualification
- VI. Role model to others
- VII. Employment generation
- VIII. Self identity and social status
- IX. Success stories of friends and relatives
- X. Family occupation

Problems of Women Entrepreneurs

1. Patriarchal society
2. Absence of entrepreneurial aptitude
3. Marketing problems
4. Financial problems
5. Family conflicts
6. Credit facilities
7. Shortage of raw material
8. Heavy competition
9. High cost of production

Problems of Women Entrepreneurs...

8. Social barriers

9. Problem of middlemen

10. Lack of information

11. Lack of self confidence

12. Lack of access to technology

13. Lack of training

14. Late start

15. Involvement of high risk

16. Legal formalities

Remedies for Women Entrepreneurship

Some remedies / suggestions which should be followed to increase the morale of women to emerge, grown up as a leader, initiator, entrepreneur.

1. Change in attitude
2. Training
3. Increase in mobility
4. Initiation into professional work
5. Self recognition and decision making authority
6. Provision of amenities
7. Support of family
8. Increase in managerial skills

Rural Industrialisation

Percentage share of agriculture to gross domestic production and the percentage of population engaged in this sector has been declining.

- saturation in the agricultural sector, there is no scope to accommodate additional manpower therein and it has further accentuated the problem of unemployment.
- diversion of manpower becomes imperative

- Rural Industrialization means encouraging location of large and small scale units away from urban areas or planned shifting of units from urban areas to rural areas.
- Rural industrialization aims at all-round development of an area as well as people living in such areas.

National Programme for Rural Industrialization (NPRI)

- To promote clusters of units in rural areas aiming to set up 100 rural clusters in each year.
- Ministry of Agro & Rural Industries has been designated to coordinate the programme with various Ministries/agencies engaged in similar programme.
- Small Industries Development Bank of India (SIDBI), National Bank for Agriculture and Rural Development (NABARD), Khadi & Village Industries Commission (KVIC) and states are the major implementing agencies of the programme

- **Integrated Infrastructural Development (IID)**
Centres: Central Government provides aid in the form of grant up to Rs. 2.00 crores (Rs. 4.00 crores in case of North-East Regions).
- **Rural Industrial Units: Assistance given by Khadi and Village Industries Commission (KVIC)** for setting up units in rural areas.
- Khadi, Bamboo and Cane Industry, Mat Weaving (Fibre) industry, other traditional items and value additions.

- The KVIC's developmental activities emphasises in bringing of scattered artisans under the institutional framework of cooperative and registered institutions by providing them finance, improved tools and equipments and marketing facilities.
- **Assistance provided by Coir Board:**
 - Science & technology and training.
 - Domestic market development.
 - Export promotion and trade information service.
 - Welfare measures.
 - Quality improvement.

- Development of brown fibre sector.
- Mahila coir yojana under targeted programme for coir development.
- Integrated coir development project under co-operativisation scheme.
- **Rural Employment Generation Programme (REGP)**
- District Special Employment Programme: backward districts identified
- Block Development Programme
- Hand Made Paper, Leather, Bee Keeping etc.
- MGNREGA; PMRY; PMGSY;

Challenges

- Formulation of Rural Industrial Policy
- Multiplicity of Technologies and Reservation of Industries
- Nature of Employment; wage cum self employment
- Technology Gap
- Credit Gap
- Marketing Infrastructure

TRADING BLOCKS AND INTRAREGIONAL TRADING

- Regional trade blocks are **intergovernmental associations** that manage and promote trade activities for **specific regions of the world**.

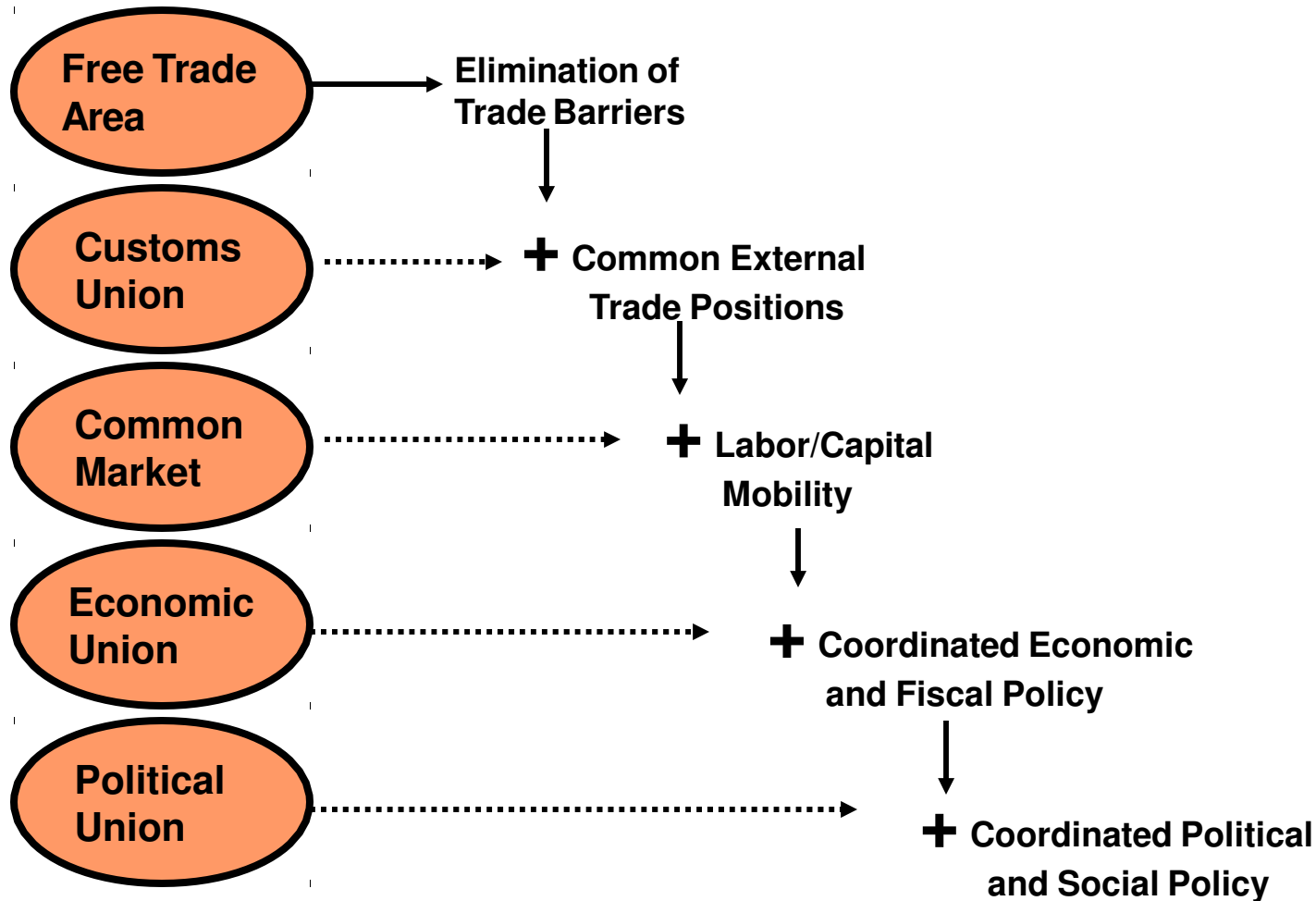
Reasons Why Trade Blocs Get Formed

- Geographical proximity and often the sharing of common borders as in the European Union and NAFTA
- Common economic and political interests as in the European Union and the ASEAN
- Similar ethnic and cultural backgrounds as in the Free Trade of the Americas
- Similar levels of economic development as in the European Union
- Similar views on the mutual benefits of free trade as in NAFTA
- Regional political needs and considerations as in the ASEAN

Levels of Economic Integration

- Free trade area
- Customs union
- Common market
- Economic union
- Political union

A Hierarchy of Regional Economic Integration Initiatives



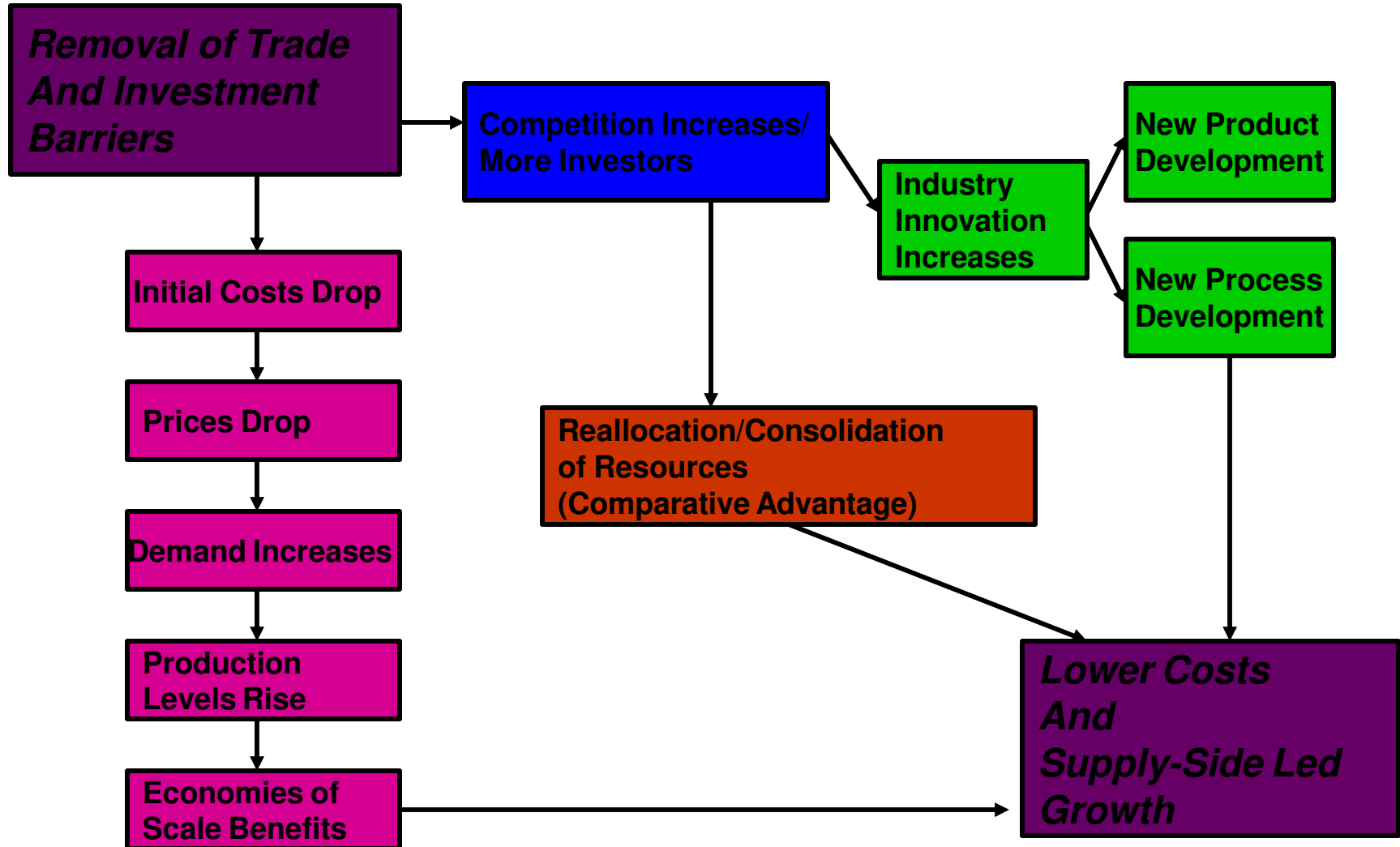
Economic case for integration

- Stimulates economic growth in countries
- Increases FDI and world production
- Countries specialize in those goods and services efficiently produce.
- Additional gains from free trade beyond the international agreements such as GATT and WTO
 - Because they may be easier to negotiate outside of the GATT and WTO

The political case for integration

- Economic interdependence creates incentives for political cooperation
 - This reduces potential for violent confrontation.
- Together, the countries have more economic clout to enhance trade with other countries or trading blocks

**Fig. 2-2: Regional Economic
Integration Benefits**



Impediments to integration

- Integration is hard to achieve and sustain
 - Nation may benefit but groups within countries may be hurt
 - Potential loss of sovereignty and control over domestic issues

- **MAJOR TRADE BLOCKS**

- 1) EUROPEAN UNION (EU)
- 2) NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)
- 3) SINGAPORE –AMERICAN FREE TRADE AGREEMENT(SAFTA)
- 4) ORGANISATION OF PETROLEUM EXPORTING COUNTRIES (OPEC)
- 5) ASSOCIATION OF SOUTH EAST ASIAN NATION (ASEAN)
- 6) SOUTH ASIAN ASSOCIATION OF REGIONAL CO-OPERATION (SAARC)

Impact on business

- Opportunities: Creation of single markets
 - Protected markets, now open
 - Lower costs doing business in single market
- Threats:
 - Differences in culture and competitive practices make realizing economies of scale difficult
 - More price competition
 - Outside firms shut out of market
 - EU intervention in mergers and acquisitions

SAARC (SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION)

- The South Asian Association for Regional Cooperation (SAARC) was established when its Charter was formally adopted on December 8, 1985.
- SAARC provides a platform for the peoples of South Asia to work together in a spirit of friendship, trust and understanding.
- It aims to accelerate the process of economic and social development in Member States.

- 7 MEMBERS COUNTRIES :BANGLADESH, BHUTAN, INDIA,MALDIVES,NEPAL,PAKISTAN AND SRI LANKA
- IT HAS 1.3 BILLION INHABITANTS
- REPRESENTS 22% OF THE WORLD POPULATION BUT ONLY 1.9% OF THE WORLD GNP.
- THE TOTAL EXTERNAL TRADE OF THE REGION – 0.8% OF WORLD EXPORTS AND 1.3% OF WORLD IMPORTS
- THE REASON BEING POLITICAL DISPUTE BETWEEN MEMBER COUNTRIES

AREAS OF COOPERATION

- Agriculture and Rural Development;
- Health and Population Activities;
- Women, Youth and Children;
- Environment and Forestry;
- Science and Technology and Meteorology;
- Human Resources Development; and
- Transport.

Recently, high level Working Groups have also been established to strengthen cooperation in the areas of Information and Communications Technology, Biotechnology, Intellectual Property Rights, Tourism, and Energy.

The SAARC Secretariat

- The SAARC Secretariat was established in Kathmandu on 16 January 1987. Its role is to coordinate and monitor the implementation of SAARC activities, service the meetings of the Association and serve as the channel of communication between SAARC and other international organisations.
- The Secretariat has also been increasingly utilised as the venue for SAARC meetings.
- The Secretariat comprises the Secretary General, seven Directors and the General Services Staff.

Established Centers

- SAARC Agricultural Information Centre (SAIC), Dhaka
- SAARC Meteorological Research Centre (SMRC), Dhaka
- SAARC Tuberculosis Centre (STC), Kathmandu
- SAARC Documentation Centre (SDC), New Delhi
- SAARC Human Resources Development Centre (SHRDC), Islamabad
- SAARC Coastal Zone Management Centre, Maldives
- SAARC Information Centre, Nepal
- SAARC Energy Centre, Pakistan
- SAARC Disaster Management Centre, India

World Trade Organization

- WTO was formed on 1stjan,1995.
- It took over GATT (General agreement on tariffs & trade).
- In 8th round of GATT, popularly known as Uruguay Round, member nations of GATT decided to set up a new organisation, 'World Trade Organisation' in place of GATT.

- India is one of the founder members of WTO.
- WTO is an international trade organisation having set of rules & principles, mutually designed & agreed upon to promote international trade in general & reduction of tariffs barriers & removal of import restrictions in particular.

OBJECTIVES OF WTO

- The primary aim of WTO is to implement the new world trade agreement.
- To promote multilateral trade .
- To promote free trade by abolishing tariff & non-tariff barriers.
- To enhance competitiveness among all trading partners so as to benefit consumers.
- To increase the level of production & productivity with a view to increase the level of employment in the world.
- To expand & utilise world resources in the most optimum manner.

FUNTIONS OF WTO

- Implementing WTO agreements & administering the international trade.
- Cooperating with IMF & World Bank & its associates for establishing coordination in Global Trade Policy-Making.
- Settling trade related disputes among member nations with the help of its Dispute Settlement
- Reviewing trade related economic policies of member countries with help of its Trade Policy Review Body (TPRB).
- Providing technical assistance & guidance related to management of foreign trade & fiscal policy to its member nations.
- Acting as forum for trade liberalisation.

Scope of WTO

- Trade in Goods.
- Trade Related Intellectual Property Rights (TRIPs).
- Trade Related Investments Measures (TRIMs).
- General Agreement on Trade in Services. (GATS).

In Favour of WTO

- Increase in foreign trade.
- Increase in agricultural exports.
- Increase in inflow of foreign investment.
- Improvement in services.
- Benefits for clothing & textile industry.
- Inflow of better technology & better quality products.