

# Entrepreneurship Development and Business Communication

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[ASEE3103]

## 1. Entrepreneur

### CONCEPT

Entrepreneur is an Economic Agent who plays a vital role in the economic development of a country. Economic development of a country refers steady growth in the income levels. This growth mainly depends on its entrepreneurs. *An Entrepreneur* is an individual with knowledge, skills, initiative, drive and spirit of innovation who aims at achieving goals. An entrepreneur identifies opportunities and seizes opportunities for economic benefits.

The word “Entrepreneur” is derived from *the French verb ‘entrepredre’*. It means ‘to undertake’. In the early 16th century the Frenchmen who organized and led military expeditions were referred as ‘Entrepreneurs’. *In the early 18th century French economist Richard Cantillon used the term entrepreneur to business.* Since that time the word entrepreneur means one who takes the risk of starting a new organization or introducing a new idea, product or service to society.

### MEANING

An entrepreneur can be regarded as a person who has the initiative skill and motivation to set up a business or enterprise of his own and who always looks for high achievements. He is the catalyst for social change and works for the common good. They look for opportunities, identify them and seize them mainly for economic gains. An action oriented entrepreneur is a highly calculative individual who is always willing to undertake risks in order to achieve their goals.

According to *J.B. Say*, “An Entrepreneur is the economic agent who unites all means of production; land of one, the labour of another and the capital of yet another and thus produces a product. By selling the product in the market the pays rent of land, wages to labour, interest on capital and what remains is his profit”. Thus an Entrepreneur is an organizer who combines various factors of production to produce a socially viable product.

According to *Joseph Schumpeter*, “An entrepreneur in an advanced economy is an individual who introduces something new in the economy, a method of production not yet tested by experience in the branch of manufacture concerned, a product with which consumers are not yet familiar, a new source of raw material or of new market and the like”.

**Richard Cantillon, an Irish man living in France introduced the term ‘entrepreneur’, called father of Entrepreneurship.**

According to *Cantillon* “An entrepreneur is the agent who buys factors of production at certain prices in order to combine them into a product with a view to selling it at uncertain prices in future”. To conclude an entrepreneur is the person who bears risk, unites various factors of production, to exploit the perceived opportunities in order to evoke demand, create wealth and employment.

## Theories of Entrepreneur

1600 – Entrepreneur came from a French verb – Entreprendre – **to undertake**.

1700 – Entrepreneur is the person bearing Risk or Profit in a fixed price contract (**Risk**)

1803 – J. B. Say – Entrepreneur shifts economic resources out from an area of lower to higher productivity & greater yields (**Value Addition**)

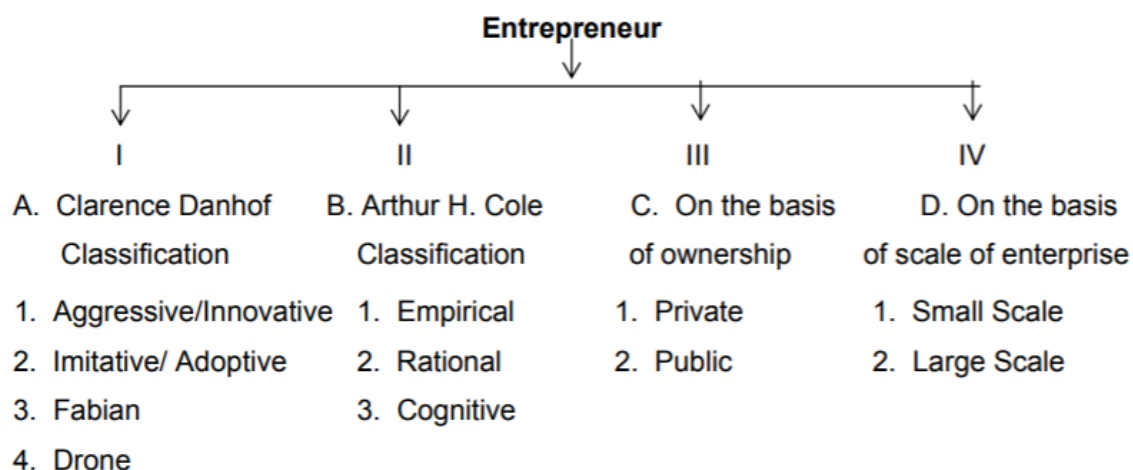
1934 – Joseph Schumpeter – Entrepreneur is innovator and develops untried technology (**Productivity & Innovation**)

1961 – David McClelland – Entrepreneur is highly motivated, energetic, moderate risk taker (**Need for achievement**)

1964 – Peter Drucker – Entrepreneur searches for change, responds to it & exploits as opportunity (**Opportunity Focused**)

## TYPES OF ENTREPRENEURS

Following are the classification of entrepreneurs on the basis of common characteristics



A. Clarence Danhof Classification:

1. **Innovative:** Innovative entrepreneur is one who assembles and synthesis information and introduces new combinations of factors of production. They are characterized by the smell of innovativeness. These entrepreneurs sense the opportunities for introduction new ideas new technology, new markets and creating new organizations. Innovative entrepreneurs are very much helpful for their country because they bring about a transformation in life style.

2. **Imitative/ Adoptive:** Imitative entrepreneur is also known as adoptive entrepreneur. He simply adopts successful innovation introduced by other innovators. These entrepreneurs imitate the existing entrepreneurs and setup their enterprise in the same manner. Instead of innovating, they just imitate the technology and methods innovated by others. These entrepreneurs are very helpful in less developed countries as they contribute significantly in the growth of enterprise and entrepreneurial culture in these countries. Further by adopting the technology, which is already tested, they generate ample employment avenues for the youth and therefore they are treated as agent of economic development.

3. **Fabian:** The Fabian entrepreneur is timid and cautious. He imitates other innovations only if he is certain that failure to do so may damage his business. They are very much skeptical in their approach in adopting or innovating new technology in their enterprise. They are not adaptable to the changing environment. They love to remain in the existing business with the age-old techniques of production. They only adopt the new technology when they realize that failure to adopt will lead to loss or collapse of the enterprise.

4. **Drone:** These entrepreneurs are conservative or orthodox in outlook. They never like to get rid of their traditional business and traditional machinery or systems of the business. They always feel comfortable with their old-fashioned technology of production even though the environment as well as the society have undergone considerable changes. Thus, drone entrepreneurs refuse to adopt the changes. They are laggards as they continue to operate in their traditional way and resist changes. His entrepreneurial activity may be restricted to just one or two innovations. They refuse to adopt changes in production even at the risk of reduced returns.

#### B. Arthur H. Cole Classification:

1. **Empirical:** He is an entrepreneur hardly introduces anything revolutionary and follows the principle of rule of thumb.

2. **Rational:** The rational entrepreneur is well informed about the general economic conditions and introduces changes which look more revolutionary.

3. **Cognitive:** Cognitive entrepreneur is well informed, draws upon the advice and services of experts and introduces changes that reflect complete break from the existing scheme of enterprise.

#### C. Classification on the Basis of Ownership:

1. **Private:** Private entrepreneur is motivated by profit and it would not enter those sectors of the economy in which prospects of monetary rewards are not very bright.

2. **Public:** In the underdeveloped countries government will take the initiative to share enterprises.

#### D. Classification Based on the Scale of Enterprise:

1. **Small scale:** This classification is especially popular in the underdeveloped countries. Small entrepreneurs do not possess the necessary talents and resources to initiate large scale production and introduce revolutionary technological changes.

2. **Large scale:** In the developed countries most entrepreneurs deal with large scale enterprises. They possess the financial and necessary enterprise to initiate and introduce new technical changes. The result is the developed countries are able to sustain and develop a high level of technical progress.

In recent years, some new classifications have been made regarding entrepreneurs, which are discussed further.

1. **Solo operators:** These entrepreneurs prefer to set up their business individually. They introduce their own capital, intellect and business acumen to run the enterprise successfully. They operate their business mainly in the form of proprietorship type of concern.

2. **Active partners:** Entrepreneurs of this type jointly put their efforts to build enterprise pooling together their own resources. They actively participate in managing the daily routine of the business concern. As such, the business houses or the firms which are managed by the active partners become more successful in their operation.

3. **Inventors:** These entrepreneurs primarily involve themselves in Research and Development (R and D) activities. They are creative in character and feel happy in inventing new products, technologies and methods of production.

4. **Challengers:** Entrepreneurs of this type take challenges to establish business venture as mark of achievement. They keep on improving their standard and face boldly the odds and adversities that come in their way. They use their business acumen and talent to convert the odds into opportunities thereby making profit. According to them, if there is no challenge in life, there is no charm in life. Challenges make them bold, and thus, they never hesitate to plunge themselves into uncertainties for earning profit.

5. **Buyers (entrepreneurs):** These entrepreneurs explore opportunities to purchase the existing units which may be seized or are in running condition. If the units they purchase are sick they turn them around using their experiences, expertise and business acumen. By purchasing these units they make themselves free from the hassles of building infrastructures and other facilities.

6. **Life timers:** These entrepreneurs believe that business is the part and parcel of their life. They take up the business to reunite successfully as a matter of ego satisfaction. They have a strong desire for taking personal responsibility. Family enterprises which thrive due to high personal skill are included under this category.

#### According to the Type of Business

Entrepreneurs are found in various types of business occupations of varying size. We

may broadly classify them as follows:

### **Business Entrepreneur**

Business entrepreneurs are individuals who conceive an idea for a new product or service and then create a business to materialize their idea into reality. They tap both production and marketing resources in their search to develop a new business opportunity. They may set up a big establishment or a small business unit. Trading entrepreneur is one who undertakes trading activities and is not concerned with the manufacturing work. He identifies potential markets, stimulates demand for his product line and creates a desire and interest among buyers to go in for his product. He is engaged in both domestic and overseas trade.

### **Industrial Entrepreneur**

Industrial entrepreneur is essentially a manufacturer who identifies the potential needs of customers and tailor product or service to meet the marketing needs. He is a production-oriented person who starts in an industrial unit because of the possibility of making some new product.

### **Corporate Entrepreneur**

Corporate entrepreneur is essentially a manufacturer who identifies the potential needs of customers and tailor product or service to meet the marketing needs. He is a product-oriented man who starts in an industrial unit because of the possibility of making some new product. Corporate entrepreneur is a person who demonstrates his innovative skill in organizing and managing a corporate undertaking. A corporate undertaking is a form of business organisation which is registered under some statute or Act which gives it a separate legal entity.

### **Agricultural Entrepreneur**

Agricultural entrepreneurs are those entrepreneurs who undertake such agricultural activities as raising and marketing of crops, fertilizers and other inputs of agriculture.

#### According to the use of Technology.

### **Technical Entrepreneur**

A technical entrepreneur is essentially an entrepreneur of “Craftsman type”. He develops a new and improved quality of goods because of his craftsmanship. He concentrates more on production than marketing. He does not care much to generate sales by applying various sales promotional techniques. He demonstrates his innovative capabilities in matters of production of goods and rendering services.

### **Non-technical Entrepreneur**

Non-technical entrepreneurs are those who are not concerned with the technical aspects of the product in which they deal. They are concerned only with developing alternative marketing and distribution strategies to promote their business.

### **Professional Entrepreneur**

Professional entrepreneur is a person who is interested in establishing a business but does not have interest in managing or operating it once it is established.

#### According to Motivation

Motivation is the force that influences the efforts of the entrepreneur to achieve his objectives. An entrepreneur is motivated to achieve or prove his excellence in job performance. He is also motivated to influence others by demonstrating his power thus satisfying his ego.

### **Pure Entrepreneur**

A pure entrepreneur is an individual who is motivated by psychological and economic rewards. He undertakes an entrepreneurial activity for his personal satisfaction in work, ego or status.

### **Induced Entrepreneur**

Induced entrepreneur is one who is being induced to take up an entrepreneurial task due to the policy measures of the government that provides assistance, incentives, concessions and necessary overhead facilities to start a venture. Most of the entrepreneurs are induced entrepreneurs who enter business due to financial, technical and several other several other provided to them by the state agencies to promote entrepreneurship.

### **Motivated Entrepreneur**

New entrepreneurs are motivated by the desire for self-fulfillment. They come into being because of the possibility of making and marketing some new product for the use of consumers. If the product is developed to a saleable stage, the entrepreneur is further motivated by reward in terms of profit and enlarged customer network.

### **Spontaneous Entrepreneur**

These entrepreneurs start their business out of their natural talents and instinct. They are persons with initiative, boldness and confidence in their ability which motivate them to undertake entrepreneurial activity.

### **Growth Entrepreneur**

Growth entrepreneurs are those who necessarily take up a high growth industry. These entrepreneurs choose an industry which has substantial growth prospects.

### **Super-Growth Entrepreneur**

Super-growth entrepreneur is those who have shown enormous growth of performance in their venture. The growth performance is identified by the liquidity of funds, profitability and gearing.

### According to Stages of Development

#### **First-Generation Entrepreneur**

A first-generation entrepreneur is one who starts an industrial unit by means of an innovative skill. He is essentially an innovator, combining different technologies to produce a marketable product or service.

#### **Modern Entrepreneur**

A modern entrepreneur is one who undertakes those ventures which go well along with the changing demand in the market. They undertake those ventures which suit the current marketing needs.

#### **Classical Entrepreneur**

A classical entrepreneur is one who is concerned with the customers and marketing needs through the development of a self-supporting venture. He is a stereotype entrepreneur whose aim is to maximize his economic returns at a level consistent with the survival of the firm with or without an element of growth.

## **FUNCTIONS OF ENTREPRENEURS**

An entrepreneur is an opportunity seeker. He is also the organizer and coordinator of the agents of production. He has to execute many a good function while establishing a small scale enterprise. He not only perceives the business opportunities but also mobilizes the other resources like 5 M's—man, money, machine, materials and methods. However, the main functions of the entrepreneurs are discussed further.

1. **Idea generation:** This is the most important function of the entrepreneur. Idea generation can be possible through the vision, insight, observation, experience, education, training and exposure of the entrepreneur. Idea generation precisely implies product selection and project identification. Ideas can be generated through environmental scanning and market survey. It is the function of the entrepreneurs to generate as many ideas as he can for the purpose of selecting the best business opportunities which can subsequently be taken up by him as a commercially-viable business venture.

2. **Determination of objectives:** The next function of the entrepreneur is to determine and lay down the objectives of the business, which should be spelt out on clear terms. In other words, entrepreneur should be very much clear about the following things:

- (i) The nature of business
- (ii) The type of business

This implies whether the enterprise belongs to the category of a manufacturing concern or a service-oriented unit or a trading business, so that the entrepreneurs can very well carry on the venture in accordance with the objectives determined by him.

3. **Raising of funds:** Fund raising is the most important function of an entrepreneur. All the activities of a business depend upon the finance and its proper management. It is the responsibility of the entrepreneur to raise funds internally as well as externally. In this matter, he should be aware of the different sources of funds and the formalities to raise funds. He should have the full knowledge of different government sponsored schemes such as PMRY, SGSY, REGP, etc. by which he can get Government assistance in the form of seed capital, fixed and working capital for his business.

4. **Procurement of raw materials:** Another important function of the entrepreneur is to procure raw materials. Entrepreneur has to identify the cheap and regular sources of supply of raw materials, which will help him to reduce the cost of production and face the competition boldly.

**5. Procurement of machinery:** The next function of the entrepreneurs is to procure the machineries and equipments for establishment of the venture. While procuring the machineries, he should specify the following details:

- (a) The details of technology
- (b) Installed capacity of the machines
- (c) Names of the manufacturers and suppliers
- (d) Whether the machines are indigenously made or foreign made
- (e) After-sales service facilities
- (f) Warranty period of the machineries

All these details are to be minutely observed by the entrepreneurs.

**6. Market research:** The next important function of the entrepreneur is market research and product analysis. Market research is the systematic collection of data regarding the product which the entrepreneur wants to manufacture. Entrepreneur has to undertake market research persistently in order to know the details of the intending product, i.e. the demand for the product, the supply of the product, the price of the product, the size of the customers, etc. while starting an enterprise.

**7. Determination of form of enterprise:** The function of an entrepreneur in determining the form of enterprise is also important. Entrepreneur has to decide the form of enterprise based upon the nature of the product, volume of investment, nature of activities, types of product, quality of product, quality of human resources, etc. The chief forms of ownership organizations are sole proprietorship, partnership, Joint Stock Company and cooperative society. Determination of ownership right is essential on the part of the entrepreneur to acquire legal title to assets.

**8. Recruitment of manpower:** Entrepreneur has to perform the following activities while undertaking this function:

- (a) Estimating manpower need of the organization
- (b) Laying down of selection procedure
- (c) Devising scheme of compensation
- (d) Laying down the rules of training and development

**9. Implementation of the project:** Entrepreneur has to work on the implementation schedule or the action plan of the project. The identified project is to be implemented in a time-bound manner. All the activities from the conception stage to the commissioning stage are to be accomplished by him in accordance with the implementation schedule to avoid cost and time overrun, as well as competition. Thus, implementation of the project is an important function of the entrepreneur.

To conclude with, all these functions of the entrepreneur can precisely be put into the following categories:



- (i) Innovation
- (ii) Risk bearing
- (iii) Organization and
- (iv) Management

## CHARACTERISTICS OF ENTREPRENEUR

Entrepreneur is a key figure in economic progress. He is the person who introduces new things in the economy. He is considered as the business leader and not as simple owner of capital. He is a person with telescopic faculty, drive and talent who perceives business opportunities and promptly seizes them for exploitation. M.M.P. Akhouri, formerly Executive Director, National Institute for Entrepreneurship and Small Business Development (NIESBUD), New Delhi, describes entrepreneur “as a character who combines innovativeness, readiness to take risk, sensing opportunities, identifying and mobilizing potential resources, concerns for excellence and who is persistent in achieving the goal.” To be successful, an entrepreneur should have the following characteristic features.

1. **Hard work:** Willingness to work hard distinguishes a successful entrepreneur from unsuccessful one. The entrepreneur with his/ her tedious, sweat-filled hours and perseverance revive their business even from on verge of failure. In nut-shell, most of the successful entrepreneurs work hard endlessly, especially in the beginning and same becomes their whole life.
2. **Desire for High Achievement:** Entrepreneurs have got strong desire to achieve higher goals. Their inner self motivates their behaviour towards high achievement: most of the people dream of success but do not take any action towards achieving these dreams. Entrepreneurs with high n-Ach factor act continuously to achieve the goal and make their dreams come true. For them, winning is achievement.
3. **Highly optimistic:** The successful entrepreneurs are not disturbed by the present problems faced by them. They are optimistic for future that the situation will become favourable to business in future. Thus, they can run their enterprise successfully in future.
4. **Independence:** Most of the entrepreneurs start on their own because they dislike to work for others. They prefer to be their own boss and want to be responsible for their own decisions.
5. **Foresight:** The entrepreneurs have a good foresight to know the future business environment. In the other word, they well visualize the likely changes to take place in market, consumer attitude, technological development, etc. and take timely actions accordingly.
6. **Good Organiser:** Different resources required for production are divorced from each other. It is the ability of the entrepreneurs that brings together all resources required for stating up an enterprise and then to produce goods.

7. **Innovative:** Successful entrepreneurs are innovators. They constantly put their efforts in introducing new products, new method of production, opening new markets and recognizing the enterprise.

### **DISTINCTION BETWEEN AN ENTREPRENEUR AND A MANAGER**

<b>Point for</b>	<b>Distinction</b>	<b>Entrepreneur Manager</b>
1. Goal Management	An entrepreneur starts a venture by setting up a new enterprise for his personal gratification	But the main aim of a manager is to render his service in an enterprise already set up by someone.
2. Status	Entrepreneur is the owner of enterprise	A manager is the servant in the enterprise.
3. Risk	An entrepreneur bears all risks and uncertainty involved in the enterprise.	A manager being a servant does not bear any risk involved in the enterprise.
4. Rewards	Entrepreneur for his risk bearing role he receives profits. It is not only uncertain and irregular but can at times be negative.	A manager receives salary as reward for service rendered which is fixed and regular can never be negative
5. Innovation	As an entrepreneur, individual need to be innovative to meet changing needs of customer demands	A manager needs to execute plans of an entrepreneur

**Intrapreneur:** the entrepreneurs emerging from within the confines of organization are called ‘intrapreneur’. The intrapreneurs are top executives encouraged to catch hold of new ideas to convert them into products. Intrapreneurship serves as a seed-bed for the development of innovative entrepreneurship. Innovation is the hallmark of entrepreneurship.

**Extrapreneur:** a person who is passionate about an idea and convinces others to make it happen

**Ultrapreneur:** Individual who needs to have different mindset about establishing and operating a company.

**Mobile Entrepreneur:** Entrepreneur leaves the venture when it reaches its final stage of venture creation and looks for a new opportunity to create another one

Eg. Sam Pitroda, who revolutionized Tele-Communication in India

**Managerial Entrepreneur:** Entrepreneur who continues in the same venture by assuming the responsibility of managing and maintaining the venture, rather than continuing in the innovative and creative role

Eg. Md. Yunus, founder of Grameen Bank in Bangladesh

**Empire Builder:** Entrepreneur goes on creating a chain of new ventures one after another and builds a sort of empire.

Eg. G.D. Birla, J.N. Tata, Dr. V. Kurien of Amul

## 2. Entrepreneurship

### CONCEPT OF ENTREPRENEURSHIP

The term 'entrepreneurship' is often used synonymously with the term 'Entrepreneur' though, they are two sides of the same coin, conceptually they are different. Entrepreneurship is the indivisible process flourishes, when the interlinked dimensions of individual psychological entrepreneurship, entrepreneur traits, social encouragement, business opportunities, Government policies, availability of plenty of resources and opportunities coverage towards the common good, development of the society and economy.

### MEANING AND DEFINATION

*Entrepreneurship is a dynamic activity* which helps the entrepreneur to bring changes in the process of production, innovation in production, new usage of materials, creator of market etc. It is a mental attitude to foresee risk and uncertainty with a view to achieve certain strong motive. It also means doing something in a new and effective manner.

*Entrepreneurship is the process of identifying opportunities* in the market place, arranging the resources required to pursue these opportunities and investing the resources to exploit the opportunities for long term gains. It involves creating wealth by bringing together resources in new ways to start and operate an enterprise.

**Defination:** According to Cole "Entrepreneurship is the purposeful activity of an individual or a group of associated individuals undertaken to initiate, maintain and aggrandize profit by production or distribution of economic goods and services".

Innovation and Risk-Bearing are regarded as two basic elements involved in entrepreneurship. *Innovation, i.e.,* doing something new or something different is a necessary condition to be called as an entrepreneur. The entrepreneurs are constantly on the look out to do something different and unique to meet the changing requirement of the customers. They may not be inventors of new products or new methods of production, but they possess the ability to foresee the possibility of making use of the inventions for their enterprises. E.g. tetra package of fruit juice, so consumer can carry and store for longer time, small package/ sachets of different essential items for the rural consumer etc.

Risk-Bearing:        "*Fall seven times, stand up eight*"

The enterprise may earn profits or incur losses because of various factors like increasing competition, changing consumer preferences, shortage of raw materials and so on. Therefore, an entrepreneur needs to be bold enough to assume the risk involved in the enterprise. In fact, he needs to be a risk taker not risk avoider.

### GROWTH OF ENTREPRENEURSHIP IN INDIA

The growth of entrepreneurship in India divided into two eras:

### **Entrepreneurship during Pre-Independence:**

- ✓ The evidence of entrepreneurship found since the ages of *Rigveda*, as metal handicraft entrepreneurship and this craftsmanship nurture as their duty for the society
- ✓ By introducing caste system in village society divided into different categories and among the artisans were treated as village servants comes under the lower most category
- ✓ In around 1600 A.D., India established its trade relationship with Roman Empire
- ✓ Few townships emerged around Indian river basins (means of transportation) like Banaras, Allahabad, Gaya, Puri, Mirzapur. With the support of Royal Patronage artisan industries flourished over the period, many workshops as *Kharkhanas* established, many evidences we can found in the history like, Bengal was famous for *corah*, Lucknow for *chintzes*, Ahmedabad for *dhotis* and *dupattas*, Nagpur for *silk-bordered cloths*, Kashmir for *shawls* and Banaras for *metal wares*.

India enjoyed this prestigious status of the queen of the international trade with the help of handicrafts basically small and cottage sector till the eighteenth century. After that there was decline was seen may be as;

1. Disappearance of Indian royal courts, who patronized the crafts earlier
  2. The lukewarm attitude of British colonial government towards Indian crafts
  3. Imposition of heavy duties on the imports of the Indian goods in England
  4. Low-priced British made goods produced on large scale
  5. Development of transport in India facilitating the easy access of British made products even in the remote areas.
  6. Change in taste and habits of Indians, developing craziness of foreign products
  7. Unwillingness of the Indian craftsmen to adopt to the changing tastes and needs of the people
- ✓ Manufacturing entrepreneurship in India emerged as the latent and manifest consequence of East India company's advent in India
  - ✓ In 1673, East- India Company established its first ship-building industry in Surat, from where onwards Persis (well-known for their business orientation able to set rapport with the company) built vessels for the company.
  - ✓ In 1677, Manjee Dhanjee was given a contract for building the first large gun-powder-mill in Bombay for the East India company.
  - ✓ In 1847, Ranchodlal Chotalal, a Nagar Brahman, was the first Indian taken an initiative to set up a textile manufacturing unit but failed in his first attempt and finally succeed to set a unit at Ahmedabad in 1861.
  - ✓ In 1852, a Parsi foreman of a gun factory belonging to the company established a steel industry in Bombay
  - ✓ In 1854, Cowasjee Nanabhoy Davar a Parsi man set up first cotton textile manufacturing unit in Bombay.

- ✓ In 1880, Nawrosjee Wadia opened another textile mill in Bombay.
- ✓ In 1911, Jamshedjee Tata, the first Parsi entrepreneur established first steel industry in Jamshedpur by his own.
- ✓ Till 1915, there was 96 textile mills were set up out of which 41 belongs Parsis, 23 by Hindus, 10 by Muslims and 22 by British citizens.

In the first wave of entrepreneurial growth in India started with Parsi entrepreneurs followed by Jains and Vaishyas of Ahmedabad and Boroda in the 19<sup>th</sup> century, but lagged behind mainly improvement of business climate in the country side areas and the conservative attitude restrict to change from commercial to industrial entrepreneurship.

The second wave of entrepreneurial growth in India began after the First World War with the Swadeshi movement in the 20<sup>th</sup> century. In this decade, Gujaratis and Marwari Vaishyas gained importance than Parsis and start controlling India's Entrepreneurial Activities.

- ✓ In 1936, Carr, Tagore & Co. started management of Calcutta Steam Tug Association. This was happened with the influence of Dwarkanath Tagore form joint stock companies and invent a distinct management method managed by a 'firm' rather than 'individual'.

### **Entrepreneurship during Post-Independence:**

- ✓ In 1948, Indian independent government came forward with first industrial policy which was revised from time to time.

Government took three important measures in industrial resolutions:

- i. To maintain a proper distribution of economic power between private and public sector
  - ii. To encourage the tempo of industrialization by spreading entrepreneurship from the existing centres to other cities, towns and villages,
  - iii. To disseminate the entrepreneurship acumen concentrated in a few dominant communities to a large number of industrially potential people of varied social strata.
- ✓ Since, 3<sup>rd</sup> five-year plan govt. started giving incentives and concessions in the form of capital, technical know-how, markets and land to the potential entrepreneurs
  - ✓ Several institutions like Directorate of Industries, Financial Corporations, Small-Scale Industries Corporations and Small Industries Service Institute were set up to support new entrepreneurs.
  - ✓ As a result, there was tremendous growth was observed over the period from 1966 with 121,619 number of registered entrepreneurs to 190,727 in 1970.
  - ✓ The family entrepreneurship units like Tata, Birla, Mafatlal, Dalmia, Kirloskar, and other grew as large-scale business entrepreneurs.

## **SCOPE OF ENTREPRENEURSHIP DEVELOPMENT**

### **I. To Identify Entrepreneurial Activities**

The entrepreneurial activities 'and opportunities could be identified by the planner of the Government. The Government through various economic policies and programmes like 'Globalisation', 'Privatisation', 'Liberalisation', 'Free Export and Import of Goods and Services' inviting NRI's capital introduction of innovation in the stock market activities, and the establishment of SSI identifies entrepreneurship opportunities.

## **II. Imparting Training to Develop Entrepreneurial Talents**

Entrepreneurs can be made by means of allowing them to undergo rigorous training. The level of entrepreneurship development especially in all underdeveloped countries depends upon the extent with which the aspiring men are given training. Through training, they can be able to improve their power of achievement and power of affiliation.

## **III. To Develop Infrastructural Facilities**

Entrepreneurship development could be possible through the setting up of both social and economic infrastructural facilities for the aspiring entrepreneurs. The infrastructural facilities like, impart entrepreneurship education at the school and university level to develop the entrepreneurial traits among students, conduct the 'Entrepreneurship Development Programmer's through the setting up of Entrepreneurship Training Institutions at the taluk/block level in all parts of the country, financial institutions especially the commercial banks situated in rural areas shall take utmost care in identifying the aspiring entrepreneurs and offer not only the required financial assistance but also the required managerial techniques so as to enable them to establish new business and withstand in the market, etc.

## **IV. Ascertain the demand and Supply of Entrepreneurs**

It is true that the economic growth depends upon the existence of the technical progress. The level of technical progress in turn depends upon the existence of the entrepreneurs. Disequilibrium between demand & supply affects the economic growth. Excess supply of entrepreneurs over demand leads to exploitation of natural resources beyond the required level of course it leads to 'super development'. The supply of entrepreneurs could be enhanced through motivation. As propounded by McClelland, any society with generally high level of achievement will produce more real entrepreneurs who can accelerate the growth of the economy. Max Weber suggested that entrepreneurship is the outcome of the existing social conditions of the society.

## **ROLE OF ENTREPRENEURSHIP IN ECONOMIC DEVELOPMENT**

“Economic development is the effect for which entrepreneurship is a cause”

Economic development essentially means a process of upward change whereby the real per capita income of a country increases over a period of time. Entrepreneurship has an important role to play in the development of a country. It is one of the most important inputs in economic development. The number and competence of entrepreneurs affect the economic growth of the country.

1. *Employment Generation*: It provides immediate large-scale employment. Thus, it helps reduce the unemployment problem in the country, i.e., the root of all socio-economic problems.
2. *National Income*: An increasing number of entrepreneurs are required to meet the increasing domestic as well as export demand for goods and services. Thus, entrepreneurship increases the national income.
3. *Balanced Regional Development*: The growth of Industry and business leads to a lot of Public benefits like transport facilities, health, education, entertainment etc. Industries are concentrated in selected cities; development gets limited to these cities. But with set up enterprises in the smaller towns helps in the development of backward regions.
4. Dispersal of economic power: It stimulates the equitable redistribution of wealth, income and even political power in the interest of the country.
5. Entrepreneurship not only create employment but also provide *better standards of living* of many unemployed people, rural folks and slows a ray of hope.
6. It mainly focused on *creating innovation* which encourages entrepreneurs come up with new ideas, products and technologies.
7. Entrepreneurship promotes *capital formation* by mobilizing the idle saving of the public
8. It encourages *resource mobilization* of capital and skill which might otherwise remain unutilized and idle.
9. Backward and forward linkages to stimulate the process of economic development in the country
10. Promotes country's export trade i.e., an important ingredient to economic development.

### **3. Factors Affecting Entrepreneurial Growth**

The emergence and development of entrepreneurship is not a spontaneous one but a dependent phenomenon of economic, social, political, psychological factors often nomenclature as supporting conditions to entrepreneurship development.

#### 1. Economic factors:

- i. *Capital*: It is one of the most important prerequisites to establish an enterprise. Availability of capital facilitates the entrepreneur to bring together the land, machine and raw material to combine them into produce goods. So, capital can be called as lubricant to the process of production.
- ii. *Labour*: The quality rather quantity of labour is another influential factor of emergence entrepreneurship. It is noticed that cheap labour is often less mobile or even immobile.
- iii. *Raw materials*: In absence of raw materials, neither any enterprise can be established nor an enterprise can emerged.
- iv. *Market*: The size and composition of market both influence entrepreneurship in their own ways. Monopoly in a particular product in market becomes more influential for entrepreneurship than a competitive market. German and Japan as

the prime examples where rapid improvement in market was followed by rapid entrepreneurial appearance.

2. Non-economic factors: Sociologist and psychologist advocate that economic factors may be necessary conditions, but they are not sufficient conditions for the appearance of entrepreneurship.
  - i. Social conditions:
    - a. Legitimacy of Entrepreneurship:

## 4. Entrepreneurial Motivation

### CONCEPT

The term 'motivation' derived from word 'motive'. Motive may be defined as an inner state of our mind that moves or activates or energizes and directs our behaviour towards our goals. Motives are expressions of a person's goals or needs.

According to Dalton E. McFarland, "motivation refers to the way in which urges, drives, desires, striving aspirations or needs direct, control or explain the behaviour of human-being".

There are three basic elements of the process motivation i.e., i) motive, ii) behaviour, iii) goal,

**Goals** are a form of self-regulation adopted by humans to achieve specific aims,

**Behaviour** is an organism's activities in response to external or internal stimuli, including objectively observable activities, introspectively observable activities, and nonconscious processes.

Psychologists often classify behaviors into two categories: overt and covert. *Overt behaviors* are those which are directly observable, such as talking, running, scratching or blinking. *Covert behaviors* are those which go on inside the skin. They include such private events as thinking and imagining.



**Fig: Process of Motivation**

### MOTIVATION THEORIES:

Human motivations are often triggered by human needs and human nature. Maslow's Need Hierarchy Theory and McClelland's Acquired Need Theory are relevant to explain entrepreneurial motivation



**Maslow's Need Hierarchy Theory:** The human needs are classified into five sequential need clusters from lower to higher and once the lower order needs are satisfied than those no longer motivates the individual, these are;

- i. *Physiological Needs:* Entrepreneurs being a human need to meet their physiological needs for survival. Hence, they are motivated to work in the enterprise to have economic rewards to meet the basic needs.
- ii. *Safety and security needs:* These needs find expression in such desires as economic security and protection from physical dangers.
- iii. *Social needs:* Man is a social animal. An entrepreneur is motivated to interact with fellow entrepreneurs, his employees and others.
- iv. *Esteem needs:* these needs refer to self-esteem and self-respect. Incase of entrepreneurs, the ownership and self-control over enterprise satisfies their esteem needs by providing them status, respect, reputation and independence.
- v. *Self-Actualisation:* The term 'self-actualisation' was coined by Kurt Goldstein and means to become actualized in what one is potentially good at. An entrepreneur may achieve self-actualization in being a successful entrepreneur.



The process of need satisfying behaviour goes on till the last need. For, entrepreneur it is mostly social, esteem and self-actualisation needs which motivate them to work more and more for satisfying them.

#### **McClelland's Acquired Need Theory:**

According to David McClelland, a person acquires three types of needs as a result of one's life experience.

- i. *Need for Affiliation:* these refer to needs to establish and maintain friendly and ward relations with others.
- ii. *Need for power:* these mean the one's desire to dominate and influence others by using physical objects and actions.
- iii. *Need for achievement:* This refers to one's desire to accomplish something with own efforts. This implies one's will to excel in his/ her efforts.

#### **Motivating Factors:**

Sharma classified all the factors responsible for motivating entrepreneurs

1. *Internal factors:*
  - a. Desire to do something new
  - b. Educational background

- c. Occupational background or experience
- 2. *External factors:*
  - a. Government assistance and support
  - b. Availability of labour and raw material
  - c. Encouragement from big business houses
  - d. Promising demand for the product.

Another classification by Murthy *et al.* entrepreneurial motivation to start a business entrepreneurship:

- 1. Ambitious factors
- 2. Compelling factors
- 3. Facilitating factors

## **5. Theories of Entrepreneurship**

Theory is a well-substantiated explanation acquired through the scientific method and repeatedly tested and confirmed through observation and experimentation.

Entrepreneurship is a multidisciplinary area governed by human factors, ever changing society pursuing simultaneously, economic objectives, social objectives, psychological objectives. Theory of Entrepreneurship is woven into sociological, cultural, psychological, political and managerial fiber with them it forms an economic web.

### **The Economic Theory**

- Economic incentives are the main motivators. Economic incentives include; the taxation policy, industrial policy, sources of finance and raw material, infrastructure availability, investment and marketing opportunities - access to information about market conditions and technology etc.

*Associate person:* Richard Cantillon, an Irish French Economist viewed entrepreneurs as a risk taker.

### **The Sociological Theory**

*Associate person:* Jean Baptiste

- Entrepreneurship is likely to get a boost in a particular social culture. The (entrepreneurial) behaviour of individuals in a society is influenced by society's values, Religious beliefs, Customs, Taboos, etc. The entrepreneur merely performs a role as per the expectations of the society. As per Jean Baptiste say, an aristocratic Industrialist Entrepreneur combines land of one, labour of another and the capital of yet another to produce a product. By selling the product he pays interest on the capital, rent on land and wages to labourers and what remains is profit. First time distinction between the capitalist as the financier and the entrepreneur as the organiser.

## **Entrepreneurship Innovation Theory**

*Associate person: Joseph Schumpeter.*

- This theory ignores earlier two abilities, which were till then considered key for an entrepreneur is Organising Abilities & Risk-Taking Abilities. According to Joseph Schumpeter, a 20<sup>th</sup> century Austrian Economist An entrepreneur is a person who is willing and able to convert a new idea or invention into a successful innovation. Entrepreneurship resulted in new industries, even though it entailed combining the existing inputs in a new way.

## **Psychological Theory**

- Entrepreneurship gets boost when society has sufficient supply of individuals with necessary psychological characteristics. These psychological characteristics include: Need for Achievement, A vision foresight, Ability to face opposition. These characteristics are formed during the individual's upbringing by high standards of excellence, self-reliance and low father dominance

## **Theory of Achievement**

*Associate person: David McClelland*

- As the basis of entrepreneurial personality, he emphasized the importance of achievement motivation through which, entrepreneur fulfills Economic and Social Development. The need for achievement was found highest among entrepreneurs through an experiment.

The *Kakinada Experiment* conducted by McClelland in America, Mexico and India (Kakinada). Young adults were selected and put through a 3 months training to induce achievement motivation. In the course content: trainees asked to control their thinking and be positive, trainees imagined themselves in need of challenges and success and to set achievable goals & imitate their role models, positive impact on performance, traditional beliefs do not inhibit.

McClelland identified two characteristics of entrepreneurship: (i) Doing things in a new and better way (ii) Decision making under uncertainty, that means people with High Achievement Orientation (Need to Succeed) are more likely to become entrepreneurs. Merely, people are not influenced by money or external incentives and profits are only a measure of success and competency.

## **Status Withdrawal Theory**

*Associated person: E. Hagen*

- This theory provides that a class which lost its previous prestige or a minority group tends to show aggressive entrepreneurial drive. If a group feels that their values and status are not respected by society, they turn to innovation to get respect of society.

Entrepreneurship is a function of status withdrawal. Four events which can produce status withdrawal, i.e. (i) Displacement of a traditional elite group by physical force, (ii) Denigration of values, symbols due to change in attitude of superior class, (iii) Inconsistency of static symbol due to change in economic power, and (iv) Non-acceptance of expected status on migration to a new society.

Entrepreneur as a creative problem shooter. Hagen visualized an innovative personality i.e., Retreatist, Ritualist, Reformist, Innovator. And, innovation requires creativity and such creative individuals cause economic growth.

### **Theory of Social Change**

*Associated person:* Max Weber

- Ethical value system protestant ethic and the spirit of capitalism, religion and its impact on entrepreneurial culture. Weber opined that spirit of rapid industrial growth depends upon, rationalized technology acquisition of money, rational use of money for productivity, multiplication of money. These elements depend upon specific value orientation of individuals generated by ethical values.

### **Theory of Social Behaviour**

*Associated person:* Kunkel

- It presents a behavioral model. Supply of entrepreneurs is a function of social, political and economic structure. Individuals perform various activities of which some are accepted by society while others are not. Four structures in society i.e., limitation structure, demand structure, opportunity structure, labour structure are often held responsible for entrepreneurial growth.

### **Theory of Leadership**

*Associated person:* Hoselitz

- Entrepreneurship is a function of managerial skill and leadership means ability to lead and manage. Social conditions should ensure the development of enterprise-oriented personalities. Here, Hoselitz emphasized on the role of culturally marginal groups into entrepreneurship growth.

### **Theory of Model Personality**

*Associated person:* Cochran

- This is a sociological theory of entrepreneurial supply. Cochran emphasises cultural values, role expectation and social sanctions as the key element. Entrepreneur's performance is influenced by his attitude towards his occupation, role expectation held by sanctioning groups, operational requirements of the job and society's values, most important for attitude and role expectation.

### **Theory of Systematic Innovation**

*Associated person:* Prof. Drucker

- Systematic innovation consists in the purposeful and organised search for changes and in the systematic analysis of the opportunities such changes might offer for economic or social innovation. Systematic innovation means seven sources for innovative opportunity. The first four sources lie within the enterprise, i.e.,

- (1) The unexpected success, the unexpected failure, the unexpected outside event;
- (2) The incongruity between reality as it actually is and reality as it is assumed to be or ought to be;
- (3) Innovation based on process need;
- (4) Changes in industry structure or market structure that catch every one unaware.

And, the second set of sources for innovative opportunity, a set of three involves changes outside the enterprise of industry;

- (1) Demographics (Population changes);
- (2) Changes in perception, mood and meaning;
- (3) New knowledge, both scientific and nonscientific.

Lines between these seven source areas of innovative opportunities are blurred, and considerable overlap between them.

## 6. Entrepreneurial Competencies

A competence is an underlying characteristic of a person which lead to his/ her effective or superior performance in a job. A job competence is a good combination of one's knowledge, skill, motive etc., which one uses to perform a given job well. The underlying characteristics possessed by an entrepreneur which result in superior performance are called the entrepreneurial competencies or trait.

*Knowledge* means collection and retention of information in one's mind. Knowledge is necessary for performing a task but not sufficient.

*Skill* is the ability to demonstrate a system and sequence of behaviour which results I something observable, something one can see.

*Motive* is an urge to achieve one's goal. This continuous concern of goal achievement directs a person to perform better and better.

### Major Entrepreneurial Competencies

As per the research of Entrepreneurship development institute of India (EDI), Ahmedabad identified a set of entrepreneurial competencies or characteristics that results in superior performance.

1. *Initiative*: It is the entrepreneur who initiate a business activity.

2. *Looking for opportunities:* Entrepreneur looks for opportunity and takes appropriate actions as and when it arises
3. *Persistence:* Entrepreneur follows the Japanese proverb “fall seven times; stand up eight”. Repeated efforts to overcome obstacles that get in the way of reaching goals.
4. *Information seeker:* Takes individual research and consult experts to get information to help reach the goal.
5. *Quality consciousness:* Entrepreneur takes way strong urge to excel to beat the existing standard.
6. *Committed to work:* Does every sacrifice to get task completed.
7. *Efficiency seeker:* Makes always tenacious efforts to get the task completed within costs and time.
8. *Proper planning:* Formulates realistic and proper plans and then executes rigorously to accomplish the task.
9. *Problem solver:* Always tries to find out ways and means to tide over the difficult times.
10. *Self-confidence:* A strong believer in his strength and abilities.
11. *Assertive:* Good in asserting his issues with others for the cause of employees
12. *Persuasive:* Able to successfully persuade others to do what he actually wants from the.
13. *Efficient monitor:* Personally, supervises the work so that it is done as per the standards laid down.
14. *Employee’s well-wisher:* Has great concern and also takes necessary measures to improve the welfare of the employees working in the enterprise.
15. *Effective strategy:* Introduces the most effective strategies to effect employees to achieve the enterprise goal whatsoever it may be.

**Developing Competencies:** To develop and sharpen entrepreneurial competency one can follow the procedure which includes:

1. *Competency Recognition:* Acquisition of a new behaviour begins with understanding and recognition of what a particular behaviour means.
2. *Self -Assessment:* Next step towards acquiring a particular competence is to see whether one possess the particular competence or not. If yes, then to see how frequently one exhibits the same in his particular life.
3. *Competency Application:* One needs to practice the same on continuous basis in various activities in order to make a new behaviour a part of one’s personality. This is because practice makes one perfect.
4. *Feedback:* After understanding, internalizing and practicing a particular competence, one needs to make an introspection of the same in order to sharpen and strengthen one’s competency.

## **Small Scale Industry**

**SSI (small-scale industry)** given by GoI, it is type of industry consist of less than 50 employees, investment (fixed capital) should not more than Rs 60 lakhs (1991) and utilized mostly manual labours and less power intensive. Heavy tools and machineries should not utilized instead implement small tools and equipment

### **Types of SSI**

- i. **Manufacturing industries:** industries producing complete articles for direct consumption and also processing industries
- ii. **Feeder industries:** casting, electro-plating, welding
- iii. **Serving industries:** repair, shops of necessary to maintain mechanical equipment
- iv. **Ancillary industry:** producing parts & components and rendering services for large industries
- v. **Mining or quarrying**

### **Characteristics:**

- i. A one man shows
- ii. Lesser gestation period
- iii. Scope of business is Localised
- iv. Utilizing only indigenous resources anywhere move
- v. Fairly labour intensive
- vi. So flexible to adopt socio-economic changes

**Project:** a project typically has a distinct mission that it is designed to achieve and a clear termination point, the achievement of the mission

### **Basic attributes of project:**

- i. A course of action
- ii. Specific objectives
- iii. Definite time perspective

### **Project classification:**

1. quantifiable & non-quantifiable projects:
2. Sectoral projects:
  - I. Agri & allied
  - II. Irrigation & power
  - III. Industry & mining
  - IV. Transport & communication
  - V. Social service sector
  - VI. Miscellaneous sector

3. techno-economic projects:

- I. Factor intensity-oriented classification: labour intensive & capital intensive
- II. Causation-oriented class: demand based & raw material based
- III. Magnitude oriented: large scale. Medium scale. Small-scale project

### **Project identification:**

Idea generation stage include the followings:

- i. Knowledge of potential customer needs
- ii. Watching emerging trends
- iii. Scope for production substitute market
- iv. Going through professional mag
- v. Success stories
- vi. Visit to trade fair
- vii. Meeting with govt agencies
- viii. Ideas given by knowledgeable persons
- ix. Knowledge about govt policies
- x. A new product introduced by competitors

### **Project selection:**

It starts from where project identification ends. A tool generally used for this purpose is, called in the management jargon *i.e* SWOT analysis.

## **SWOT Analysis**

SWOT analysis (strengths, weaknesses, opportunities, and threats analysis) is a framework for identifying and analyzing the internal and external factors that can have an impact on the viability of a project, product, place or person. SWOT analysis guides to identify the positives and negatives inside an institution / organization / group (S-W) and outside of it, in the external environment (O-T).

Developing a full awareness of a situation can help with both strategic planning and decision making. *The technique is credited to Albert Humphrey of the Stanford University, USA* and was originally developed in the 1960s for business and industry, but it is equally useful in other arenas, and even personal growth. SWOT is not the only assessment technique you can use, but is one with a long track record of effectiveness. The strengths of this method are its simplicity and application to a variety of levels of operation. The technique that enables a group / individual to move from everyday problems / traditional strategies to a fresh perspective.

### **Strengths**



- i. Characteristics of the business or a team that give it an advantage over others in the industry.
- ii. Positive tangible and intangible attributes, internal to an organization.
- iii. Beneficial aspects of the organization or the capabilities of an organization, which includes human competencies, process capabilities, financial resources, products and services, customer goodwill and brand loyalty.
- iv. Examples -, Well-known brand name, Lower costs [raw materials or processes], Superior management talent, Better marketing skills, Good distribution skills, Committed employees.

### **Weaknesses**

- i. Characteristics that place the firm at a disadvantage relative to others.
- ii. Detract the organization from its ability to attain the core goal and influence its growth.
- iii. Weaknesses are the factors which do not meet the standards we feel they should meet. However, sometimes weaknesses are controllable. They must be minimized and eliminated.
- iv. Examples - Limited financial resources, Limited distribution, Higher costs, Out-of-date products / technology, Weak market image, Poor marketing skills, Limited management skills.

### **Opportunities**

- i. Chances to make greater profits in the environment - External attractive factors that represent the reason for an organization to exist & develop.
- ii. Arise when an organization can take benefit of conditions in its environment to plan and execute strategies that enable it to become more profitable.
- iii. Organization should be careful and recognize the opportunities and grasp them whenever they arise. Opportunities may arise from market, competition, industry/government and technology.
- iv. Examples - Rapid market growth, changing customer needs/tastes, New uses for product discovered, Economic boom, Sales decline for a substitute product.

### **Threats**

- i. External elements in the environment that could cause trouble for the business - External factors, beyond an organization's control, which could place the organization's mission or operation at risk.
- ii. Arise when conditions in external environment jeopardize the reliability and profitability of the organization's business.
- iii. Examples - Entry of foreign competitors, changing customer needs/tastes, Rival firms, adopt new strategies, Increased government regulation, Economic downturn.

### **Aims of SWOT Analysis**

The following are the main aims of SWOT analysis;

- i. To help decision makers share and compare ideas.
- ii. To bring a clearer common purpose and understanding of factors for success
- iii. To organize important factors linked to success and failure in the business world.
- iv. To provide linearity to the decision-making process allowing complex ideas to be presented systematically.

## **Project Report Formulation**

**Project report** or business plan is a written statement of what an entrepreneur proposes to take up, it is kind of guide frost or course of action what the entrepreneur hopes to achieve in his business and how he going to achieve.

### **Contents of a Project Report**

- i. General information
- ii. Promoter
- iii. Location
- iv. Land and building
- v. Plant and machinery
- vi. Production process
- vii. Utilities
- viii. Transport and communication
- ix. Raw material
- x. Manpower
- xi. Products
- xii. Market requirement of working capital
- xiii. Requirement of funds
- xiv. Cost of production and profitability of first 10 years
- xv. Break-even analysis
- xvi. Schedule of implementation

## **Government policy and programs and institutions for Entrepreneurship Development**

### **Government schemes and policies**

- i. Integrated Rural Development Program (IRDP)
- ii. Prime Minister Rojgar Yojana (PMRY),
- iii. Training of Rural Youth for Self-Employment (TRYSEM),
- iv. Development of Women and Children in Rural Areas (DWCRA).
- v. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)
- vi. Attracting and Retaining Youth in Agriculture (ARYA)

### **Institutional finance to entrepreneur**

- i. Commercial banks
- ii. IDBI- Industrial DEVELOPMENT Bank of India
- iii. IFCI- Industrial Finance Corporation of India ltd.
- iv. ICICI- industrial credit and investment corporation of India ltd
- v. LIC- life insurance corporation of India
- vi. IRBI- Industrial reconstruction bank of India
- vii. UTI- Unit Trust of India
- viii. EXIM Bank- Export – Import Bank of India
- ix. SIDBI- Small Industries Development Bank of India
- x. SFCs- State Financial Corporations

#### **Specialized institutes:**

- i. Central institute of tools design, Hyderabad
- ii. Central tool room training centers (Bangalore, Kolkata, Ludhiana, New Delhi)
- iii. Central institute of hand tools, Jalandhar
- iv. Institute for electrical measuring instruments (IDEM), Mumbai
- v. National Institute of entrepreneurship and small business development (NISEBUD), New Delhi
- vi. National institute of small industries extension training (NISIET), Hyderabad
- vii. EDII- Entrepreneurship Development Institute of India, Ahmedabad
- viii. IIE - Indian Institute of Entrepreneurship, Guwahati

## **Entrepreneurial Development Process**

### **Importance of Entrepreneurship Development**

- 1. Optimum Utilization of Resources
- 2. Improved Standard of Living
- 3. Ensure Industrialisation
- 4. Innovation is the gateway
- 5. Allow Global Market Entry

### **Pre-requisites for Entrepreneurship Development**

- i. Incubator Facilities
- ii. Linkage of Research and Development
- iii. Cultural Behaviours
- iv. Cumbersome Formalities
  - Strict Government's control on prices.

- Foreign competition.
  - Poor infrastructure.
  - Inadequate training facilities including education. and
- v. Other Obstacles
- Inadequate marketing information.
  - Frequent change of Government and its economic policies.
  - Inadequate monetary incentives that commensurate with the risks.
  - Absence of data bank.

### **Entrepreneurship Development Process**

- i. Identifying and carefully selecting those who could be trained as entrepreneurs.
- ii. Developing their entrepreneurial capabilities
- iii. Ensuring that each potential entrepreneur has a viable industrial project
- iv. Equipping the entrepreneurs with basic managerial understanding.
- v. Helping them to secure necessary financial, infrastructural and other assistance so that an industrial venture materializes within the shortest possible time.

### **Ten Steps to Become an Entrepreneur**

Bruce Cameron, in his book *Getting Started*, writes that businesses don't just happen, and that you should assess first whether you should venture out on your own. He recommends that you follow these ten steps in trying to make it on your own:

1. **Assess Yourself** Are you able to sacrifice enough, have you got self-responsibility and finances to commit?
2. **Get Your Personal Finances in Order** Get rid of personal debt and protect yourself against the unexpected first, if you can't, delay starting your own business.
3. **Identify Your Skills** Stick to what you know best. List all your skills and Interests and assess which you can use to successfully run a business.
4. **Research the Market** Is there a need for that type of business? See if you can establish a need for your product or service before committing yourself to it.
5. **Draw up a Business Plan** Before you start your business, you need to be able to predict whether you'll make a profit or not, A business plan will help you do this.
6. **What are Your Resources?** Check what are at your disposal and what you need to get. This Includes financial, skills, equipment and raw materials.
7. **Draw up a Financial Plan** In the early stages, you need cash to keep going, otherwise, you cut costs, reduce services and thus lose sales. Make sure your financial plan can tide you over.
8. **Business Ownership Structure** Choosing one of the four possible structures for owning your business has far-reaching influences on your taxes and legal liability choose carefully.

9. Enterprise Choices How should you start your business? From scratch, or buy an existing business? Or should you buy into an existing business or a franchise?

10. Revisit Your Start-Up Plans: Everything you do in starting up your business, you need to measure up against your predictions and expectations in your original business plan test all aspects and readjust your plan if needed. All other categories of entrepreneurs are of self-explanatory in nature and hence not discussed.

### **Entrepreneurship develop programmes**

It is kind of training programme

#### **Objectives of EDP:**

- Develop & strengthen the entrepreneurship qualities
- Analyse the environment set up of small-scale industry
- Select a product
- Formulate project of product
- Understand the process & procedure
- Know the source of help & support (experts & financial facilities)
- Acquire the necessary managerial skill
- Know the pros and cons
- Appreciate the needed entrepreneurship discipline

#### **Course content and curriculum should be in an EDP**

1. General introduction to entrepreneurship
2. Motivation training
3. Managerial skills
4. Support system and procedure
5. Fundamentals of project feasibility studies
6. Plant visit

## **Business Development Skills**

1. **Creative skills.:** Whether it is seeing new ways existing opportunities could be developed, or finding completely new routes to market, creative thinking is essential for the role.
3. **Analytical skills:** For business development, however, this creativity must be built on the bedrock of an analytical mind.
4. **Communication skills:** Business development is not for those who like to work alone. You will need to obtain support from senior management, marketing, finance and product or service teams. You may be required to coordinate with account managers and sales teams whose traditional priorities and focus lie elsewhere.
5. **Negotiation skills:** New business always requires new terms, and it will be your responsibility to ensure that the terms agreed upon are favourable to your organisation. Communication skills will

gain you a foot through the door – but having negotiation skills will ensure the door is kept opened for future growth.

6. **Goal-focused:** New business is rarely won overnight. You are going to need to demonstrate that you can maintain and develop relationships over long periods, yet still have the ability to pull in quick wins to meet objectives and targets.
7. **Organisational skills.:** There are many balls to juggle and not all will be falling at the same rate. You must respond quickly to meet tight deadlines, yet still nurture and develop slower-burning opportunities. It's a balancing act, you'll have to juggle organising other team's workload as well as your own, but you welcome the challenge.

## Business Leadership Skills

### Essential Business Leadership Skills

1. **Lead by Example.** One of the best ways to lead is by example – pitching in where needed, lending a helping hand, and making sure that the work you do is clearly understood by your team.
2. **Passion.** Passion drives a lot, and you can inspire so much in others through your own passion and enthusiasm.
3. **Be Organized.** When you're organized, you'll be much more productive and so will everyone else.
4. **Delegate.** A great leader needs to be able to effectively. The key to delegating successfully is giving employees ownership of the work you assign them.
5. **Take Ownership and Responsibility.** Your team has to know you'll be there for them through the good and the bad times.
6. **Communicate Effectively.**
7. **Be Brave and Honest.**
8. **Great Listener.** To be a great communicator, one should be a great listener. Keen to listening others helps to respond more effectively and get to the heart of things much faster.
9. **Know Your People.** As a good leader one must keep track whereabouts of teammates
10. **Be a Follower.** Being a leader-follower helps to understand value of the team, to inspired by team, helps to encourage team to communicate, brainstorm and be open.

## Communication Skills for Entrepreneurship Development

Communication is a very important skill for business leaders. Besides all the other skills like marketing, sales, accounting and operations, it's also important to focus on this vital skill. Investing in good training programs, seminars, or a master coach can be very rewarding on the long term.

1. **Writing:** One need to be skillful enough written communication e.g., project formulation techniques, professional communication, sending emails etc.

2. **Speaking:** Clarity of voice, necessary pause after each speech, choice of words etc. need to be taken care of wisely while communicating in order to persuade the other party.
3. **Listening:** patience listening is another key communication skill, it helps to understand the motive of the other person, analyse the situation of the other party and helps to put forward your opinion to others
4. **Presentation style:** while presenting your ideas before a group of delegates can push you towards achieving your target, if you can create a clear picture about your vision, mission, and goal with effective illustrations, charts, graphs, data and figures.
5. **Body language:** It includes gesture, posture, eye contact etc. for a good speaker one needs to take care of his/her body language because it helps you to seek the attention of your audience.
6. **Networking:** In the competitive world of business, to become a successful individual one must create strong networking with professionals of the same field to help seek guidance, get acquainted with fellow entrepreneurs.

## Developing organizational skill

1. Time management:
2. The ability to plan
3. Scheduling
4. Resources organization
5. Delegation
6. Priorities management
7. Cooperation skills
8. Setting targets and goals
9. Maintaining efficiency
10. Clear communication
11. Self-care

## Developing Managerial skills:

1. **Planning:** it includes determination of objectives, setting rules and procedures, determining projects, setting procedures, policies and strategies, budgeting, etc.
2. **Organizing:** organizing involves dividing work into different parts, grouping these activities in the form of positions, grouping of various positions into departments, assigning such positions to the managers and delegating authorities to each manager to accomplish the work.
3. **Staffing:** It includes manpower planning and manpower management.

4. **Directing:** It concerned with guiding, teaching, stimulating and actuating the members to work efficiently.
5. **Controlling:** control is the process of checking to determine whether or not, proper progress is being made towards the objectives and goals and acting if necessary, to correct any deviations

## **Problem solving skill**

Problem solving is the act of defining a problem; determining the cause of the problem; identifying, prioritizing, and selecting alternatives for a solution; and implementing a solution.  
Steps of problem Solving;

### **Step 1. Define the problem**

- I. Differentiate fact from opinion
- II. Specify underlying causes
- III. Consult each faction involved for information
- IV. State the problem specifically
- V. Identify what standard or expectation is violated
- VI. Determine in which process the problem lies
- VII. Avoid trying to solve the problem without data

### **Step 2. Generate alternative solutions**

- I. Postpone evaluating alternatives initially
- II. Include all involved individuals in the generating of alternatives
- III. Specify alternatives consistent with organizational goals
- IV. Specify short- and long-term alternatives
- V. Brainstorm on others' ideas
- VI. Seek alternatives that may solve the problem

### **Step 3. Evaluate and select an alternative**

- I. Evaluate alternatives relative to a target standard
- II. Evaluate all alternatives without bias
- III. Evaluate alternatives relative to established goals
- IV. Evaluate both proven and possible outcomes
- V. State the selected alternative explicitly

### **Step 4. Implement and follow up on the solution**

- I. Plan and implement a pilot test of the chosen alternative
- II. Gather feedback from all affected parties
- III. Seek acceptance or consensus by all those affected
- IV. Establish ongoing measures and monitoring



V. Evaluate long-term results based on final solution

## **Decision Making Skill**

**Concept: Decision making** is the process of making choices by identifying a decision, gathering information, and assessing alternative resolutions.

Using a step-by-step decision-making process can help you make more deliberate, thoughtful decisions by organizing relevant information and defining alternatives. This approach increases the chances that you will choose the most satisfying alternative possible.

### **Step 1: Identify the decision**

You realize that you need to make a decision. Try to clearly define the nature of the decision you must make. This first step is very important.

### **Step 2: Gather relevant information**

Collect some pertinent information before you make your decision: what information is needed, the best sources of information, and how to get it. This step involves both internal and external “work.” Some information is internal: you’ll seek it through a process of self-assessment. Other information is external: you’ll find it online, in books, from other people, and from other sources.

### **Step 3: Identify the alternatives**

As you collect information, you will probably identify several possible paths of action, or alternatives. You can also use your imagination and additional information to construct new alternatives. In this step, you will list all possible and desirable alternatives.

### **Step 4: Weigh the evidence**

Draw on your information and emotions to imagine what it would be like if you carried out each of the alternatives to the end. Evaluate whether the need identified in Step 1 would be met or resolved through the use of each alternative. As you go through this difficult internal process, you’ll begin to favor certain alternatives: those that seem to have a higher potential for reaching your goal. Finally, place the alternatives in a priority order, based upon your own value system.

### **Step 5: Choose among alternatives**

Once you have weighed all the evidence, you are ready to select the alternative that seems to be best one for you. You may even choose a combination of alternatives. Your choice in Step 5 may very likely be the same or similar to the alternative you placed at the top of your list at the end of Step 4.

### **Step 6: Take action**

You're now ready to take some positive action by beginning to implement the alternative you chose in Step 5.

### **Step 7: Review your decision & its consequences**

In this final step, consider the results of your decision and evaluate whether or not it has resolved the need you identified in Step 1. If the decision has *not* met the identified need, you may want to repeat certain steps of the process to make a new decision. For example, you might want to gather more detailed or somewhat different information or explore additional alternatives.

### **Various Decision-making technique**

- i. Group discussion
- ii. Brainstorming
- iii. Delphi-technique
- iv. Marginal analysis
- v. Cost-benefit analysis
- vi. Ratio-analysis
- vii. Financial analysis
- viii. Break-even analysis

### **Time Management:**

Time management is the act or process of planning and exercising conscious control over the amount of time spent on specific activities, especially to increase effectiveness, efficiency or productivity.

#### **Role of time management in Daily life:**

1. Doing the Right things and not doing things right (efficiency).
2. In control of life not driven by circumstances.
3. Enjoying Journey of life: every day of it, not a perfect day in future.
4. Have a right balance in wheel of life.

#### **Importance of time management:**

1. Bad time management = stress
2. Time is a special resource that you cannot store or save for later use.
3. Wise time management can help you find the time for what you desire to do or need to do.
4. Time management will help you set up your priorities.
5. Time management helps you make conscious choices, so you can spend more of your time doing things that are important and valuable to you.
6. To avoid damage to our personal life.
7. It keeps you healthy and stress free.

#### **Techniques of time management:**

## 1. Urgent vs. Important Matrix

### Urgent vs. Important Matrix

	URGENT	NOT URGENT
IMPORTANT	<b>DO NOW</b> <ol style="list-style-type: none"><li>1. planned tasks or project work now due</li><li>2. demands from superiors or customers</li><li>3. meetings and appointments</li><li>4. reports and other submissions</li><li>5. staff issues or needs</li><li>6. problem resolution, fixes</li></ol>	<b>PLAN TO DO</b> <ol style="list-style-type: none"><li>1. planning, preparation, scheduling</li><li>2. research, investigation, designing, testing</li><li>3. networking relationship building</li><li>4. thinking, creating, designing</li><li>5. systems and process development</li><li>6. anticipation and prevention</li><li>7. developing change, direction, strategy</li></ol>
NOT IMPORTANT	<b>REJECT AND EXPLAIN</b> <ol style="list-style-type: none"><li>1. trivial requests from others</li><li>2. apparent emergencies</li><li>3. ad-hoc interruptions and distractions</li><li>4. misunderstandings appearing as complaints</li><li>5. pointless routines or activities</li><li>6. accumulated unresolved trivia</li></ol>	<b>RESIST AND CEASE</b> <ol style="list-style-type: none"><li>1. 'comfort' activities, computer games, net surfing, excessive cigarette breaks</li><li>2. chat, gossip, social communications</li><li>3. daydreaming, doodling, over-long breaks</li><li>4. reading nonsense or irrelevant material</li><li>5. unnecessary adjusting equipment etc.</li><li>6. embellishment and over-production</li></ol>

## 2. Balancing Act – The 80/20 Rule

This may come as a surprise, but despite all the talk about life balance, you can benefit tremendously from introducing a little imbalance into your day. I'm referring to the 80/20 rule of time management, which is rooted in what is known as the *Pareto Principle*.

Vilfredo Pareto, an Italian economist, “discovered” this principle in 1897 when he observed that 80% of the land in England (and every country he subsequently studied) was owned by 20% of the population. Pareto's theory of predictable imbalance has since been applied to almost every aspect of modern life. Given a chance, it can make a difference in yours.



## Techniques for Effective Time Management

1. **Plan Each Day:** Planning your day can help you accomplish more and feel more in control of your life. Write a to-do list, putting the most important tasks at the top. Keep a schedule of your daily activities to minimize conflicts and last-minute rushes.
2. **Prioritize Your Tasks:** Time-consuming but relatively unimportant tasks can consume a lot of your day. Prioritizing tasks will ensure that you spend your time and energy on those that are truly important to you.
3. **Say No to Nonessential Tasks:** Consider your goals and schedule before agreeing to take on additional work.
4. **Delegate:** Take a look at your to-do list and consider what you can pass on to someone else.
5. **Take the Time You Need to Do A Quality Job:** Doing work right the first time may take more time upfront, but errors usually result in time spent making corrections, which takes more time overall.
6. **Break Large, Time-Consuming Tasks into Smaller Tasks:** Work on them a few minutes at a time until you get them all done.
7. **Practice The 10-Minute Rule:** Work on a dreaded task for 10 minutes each day. Once you get started, you may find you can finish it.
8. **Evaluate How You're Spending Your Time:** Keep a diary of everything you do for three days to determine how you're spending your time. Look for time that can be used more wisely. For example, could you take a bus or train to work and use the commute to catch up on reading? If so, you could free up some time to exercise or spend with family or friends.
9. **Limit Distractions:** Block out time on your calendar for big projects. During that time, close your door and turn off your phone, pager and email.
10. **Get Plenty Of Sleep, Eat A Healthy Diet And Exercise Regularly:** A healthy lifestyle can improve your focus and concentration, which will help improve your efficiency so that you can complete your work in less time.
11. **Take a Break When Needed.** Too much stress can derail your attempts at getting organized. When you need a break, take one. Take a walk. Do some quick stretches at your workstation. Take a day of vacation to rest and re-energize.

## Supply Chain Management

**Supply chain management** is the **management** of the flow of goods and services and includes all processes that transform raw materials into final products. It involves the active streamlining of a business's **supply**-side activities to maximize customer value and gain a competitive advantage in the marketplace.

SCM represents an effort by suppliers to develop and implement supply chains that are as efficient and economical as possible. Supply chains cover everything from production to product development to the information systems needed to direct these undertakings.

In SCM, the supply chain manager coordinates the logistics of all aspects of the supply chain which consists of five parts:

- The plan or strategy
- The source (of raw materials or services)
- Manufacturing (focused on productivity and efficiency)
- Delivery and logistics
- The return system (for defective or unwanted products)

### ***Supply Chains***

A supply chain is the connected network of individuals, organizations, resources, activities, and technologies involved in the manufacture and sale of a product or service. A supply chain starts with the delivery of raw materials from a supplier to a manufacturer and ends with the delivery of the finished product or service to the end consumer.

SCM oversees each touchpoint of a company's product or service, from initial creation to the final sale. With so many places along the supply chain that can add value through efficiencies or lose value through increased expenses, proper SCM can increase revenues, decrease costs, and impact a company's bottom line.

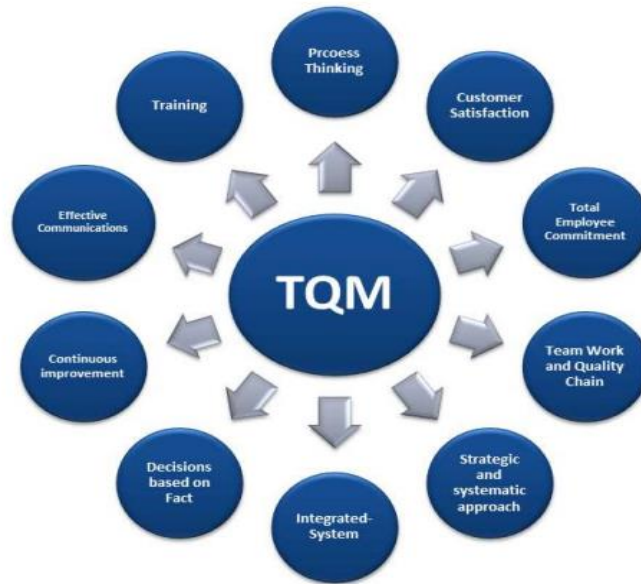
## **Total Quality Management**

A core definition of total quality management (TQM) describes a management approach to long-term success through customer satisfaction. In a TQM effort, all members of an organization participate in improving processes, products, services, and the culture in which they work.

Total Quality Management TQM, also known as total productive maintenance, describes a management approach to long-term success through customer satisfaction. In a TQM effort, all members of an organization participate in improving processes, products, services, and the culture in which they work.

Total quality management (TQM) consists of organization-wide efforts to install and make permanent a climate in which an organization continuously improves its ability to deliver high-quality products and services to customers. While there is no widely agreed-upon approach, TQM efforts typically draw heavily on the previously developed tools and techniques of quality control. TQM enjoyed widespread attention during the late 1980s and early 1990s before being overshadowed by

## Total Quality Management (TQM)



ISO 9000, Lean manufacturing, and Six Sigma.

## **Rural Entrepreneurship**

According to the khadi and village industries commission (KVIC) ‘village industry or rural industry means any industry located in rural area, population of which does not exceed 10,000 or such other figure which produces any goods or any services with or without use of power and in which the fixed capital investment per head of an artisan or a worker does not exceed a thousand rupees’.

Village industries grouped as;

- ix. Mineral based industry
- x. Forest based industry
- xi. Agro-based industry
- xii. Polymer and chemical-based industry
- xiii. Engineering and non-conventional industry
- xiv. Textile industry
- xv. Service industry

**Problems of entrepreneurship in rural areas:**

- i. Inadequate flow of credit
- ii. Use of obsolete technology, machinery and equipment
- iii. Poor quality standards
- iv. Inadequate infrastructure facilities

## **Women Entrepreneurship.**

According to Govt. of India “An enterprise owned and controlled by a woman having a minimum financial interest of 51 percent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women”

**Need to promote women entrepreneurship**

- xvi. To treat women as specific target groups in all development programmes
- xvii. To devise and diversify vocational training facilities for women to suit their varied needs and skills
- xviii. To promote appropriate technologies to improve their efficiency and productivity
- xix. To provide assistance for marketing their products
- xx. To involve women in decision making process.

**Problems of women entrepreneurs:**

- 1. Problem of finance
- 2. Scarcity of raw materials
- 3. Stiff competition
- 4. Limited mobility
- 5. Family ties
- 6. Lack of education
- 7. Male-dominated society
- 8. Low risk bearing ability

## **Agri-preneurship:**

Agripreneurship is defined as generally, sustainable, community- orientated, directly marketed agriculture. Sustainable agriculture denotes a holistic, systems-oriented approach to farming that focuses on the interrelationships of social, economic, and environmental processes.

**Agripreneurship Development:**

There are so many areas and sub-areas in agriculture. Within each area, enormous number of commodities is available. Based on the needs, agro-climatic conditions and available resources,

agripreneurs can adopt some commodities and flourish on it. On other hand, there are uncounted jobless agriculture graduates looking for jobs.

The agriculture production is much less in comparison to many other countries. Therefore, it becomes essential to train these jobless agriculture graduates agri-business management and also provide finance to develop their own business in agriculture.

**Agripreneurship is required because:**

- I. Increasing demand for organic/quality food both in India as well as abroad. Market growth of around 15-25 per cent per year.
- II. Competitive advantages for many primary production activities in agriculture. Rain-fed farming, tropical fruits and vegetables, livestock, animal husbandry, aquaculture, wild craft, etc. are produced through real low-cost production methods.
- III. Private sector is willing to enter into agri-business at all levels of operations. Changing consumer demand and retail revolution has opened the doors for investment by private sector in agri-businesses like Reliance, Bharati, Pantaloons, Carrefour, etc.
- IV. To reduce malnutrition- The women and children of the country are malnourished. As Pt. Jawaharlal Nehru said that “You can tell the condition of a nation by looking at the status of its women”.

**Supports and Incentives for Agripreneurship and Agri-Business Development:**

There are a number of Government and Non-government agencies supporting agripreneurship development through public-private partnership. Some of them are listed as follows;

- I. The Ministry of Agriculture, Government of India has launched a unique programme to tap the expertise available in the large pool of agriculture graduates. Irrespective of them being fresh out of colleges or not, or whether currently employed or not, can setup Agri-clinic or Agri-business Centre to offer paid professional services for enhancement of agricultural production and income of farmers – The Ministry of Agriculture, Government of India.
- II. “Small Farmers Agri-business Consortium (SFAC), New Delhi, the implementing agency is providing free start-up training to graduates in Agriculture, or any subject allied to Agriculture like Horticulture, Sericulture, Veterinary Sciences, Forestry, Dairy, Poultry Farming, Fisheries, etc. Once Agri-entrepreneurs setup their agriclinics and agribusiness centres, SFAC will also support in establishing linkages for sustainability” – Small Farmers Agri-business Consortium.
- III. “National Institute of Agricultural Extension Management (NIAEM), Hyderabad, is coordinating two months training programme for agri-entrepreneurs through selected



institutes across the country. The course comprises of entrepreneurship and business management, as well as skill improvement modules in the chosen areas of activity by the agri-entrepreneurs” – MANAGE, Hyderabad.

- IV. “National Bank for Agriculture and Rural Development (NABARD), vide circular dated 23/07/2001, loans will be provided by banks for setting up agri-business centers. An individual can avail loan for the outer ceiling project cost of Rs. 10.00 lakhs and for joint/group projects, the ceiling is Rs. 50.00 lakhs, pro-rata” – NABARD.
- V. The Krishi Vigyan Kendra (PIRENS) Babhaleshwar has been designated as a recognized training center by MANAGE, Hyderabad after taking cognizance of its innovative extension methodology and unique professionalism in providing vocational training for rural youths.

### **Characteristics of Entrepreneurs Useful for Agripreneurship:**

The major characteristics of entrepreneurs that have been listed below by many commentators are useful for even agripreneurship:

- i. Self-Confident and Multi-Skilled:** The person who can ‘make the product, market it and count the money, but above all they have the confidence that lets them move comfortably through unsheltered waters’.
- ii. Confident:** In the face of difficulties and discouraging circumstances.
- iii. Innovative Skills:** Not an ‘inventor’ in the traditional sense but one who is able to carve out a new niche in the market place, often invisible to others.
- iv. Results-Orientated:** To make be successful requires the drive that only comes from setting goals and targets and getting pleasure from achieving them.
- v. A Risk-Taker:** To succeed means taking measured risks. Often the successful entrepreneur exhibits an incremental approach to risk taking, at each stage exposing him/herself to only a limited, measured amount of personal risk and moving from one stage to another as each decision is proved.
- vi. Total Commitment:** Hard work, energy and single-mindedness are essential elements in the entrepreneurial profile.

### **Need of Agriculture to Agri-Business:**

The Ministry of Agriculture, Government of India, in association with NABARD has launched a unique programme to take better methods of farming to each and every farmer across the country. This programme aims to tap the expertise available in the large pool of Agriculture Graduates.

Irrespective of the time of graduation or the status of employment, one can set up one's own Agriclinic or Agri-business center and offer extension services to innumerable farmers. Agri-business Centres would provide paid services for enhancement of agriculture production and income of farmers.

Centers would need to advise farmers on crop selection, best farm practices, post-harvest value-added options, key agricultural information [including perhaps even Internet-based weather forecast], price trends, market news, etc.

Initiated by *Small Farmers' Agri-business Consortium [SFAC]* and co-ordinate by MANAGE, the training programme is being offered free for selected candidates for a period of two months and is funded by the Ministry of Agriculture. The Agriclinic was inaugurated at SASTRA in the month of October 2002. SASTRA's Agriclinic has produced 50 per cent success stories as against the National average of 20 per cent.

**Key Issues of Agriculture to Agri-Business:** The following issues are favorable to promote agripreneurship and agribusiness;

- i. **Policy Issues:** From absolute control and management of agriculture by Government, today it is being opened to public-private partnerships.
- ii. **Production Technology Issues:** From input/s oriented technology development for increasing production, today practice based value addition is being promoted.
- iii. **Quality and Certification Issues:** Demands from consumer/s for better quality have forced Government/s to establish regulatory mechanisms for quality certification.
- iv. **Logistics and Supply Chain Issues:** Modern retail formats requires efficient and dedicated supply chain and management facilities.
- v. **Human Resource Issues:** Lack of appropriately trained human resource is today considered as the biggest constraint in conversion of agriculture to agri-business or agripreneurship.