

**ASSESSING  
AN  
ENTREPRENEUR**

*A TRAINING PROGRAMME FOR  
BRANCH MANAGERS/CREDIT MANAGERS  
OF*

*BANKS AND FINANCIAL INSTITUTIONS*

*(January 21-24, 1992)*

*AT  
AHMEDABAD*

*Organised by:*



**ENTREPRENEURSHIP DEVELOPMENT INSTITUTE  
OF INDIA**

*Bhat, P. O. Chandkheda,  
Gujarat. India.*

## BACKGROUND

From social control in 1968, the public sector banks started financing SSI units which gathered momentum from July, 1968 onwards, i.e. in the post nationalisation period when the public sector banks started playing a pivotal role in financing small scale enterprises on a massive scale. As on March end 1989 as much as Rs. 13,127 crores or 15.3% of gross outstanding bank credit has been sanctioned to the small scale units.

Entrepreneurship Development Institute of India (EDI), sponsored by Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), Industrial Credit and Investment Corporation of India (ICICI) and State Bank of India (SBI), with the active support of Govt. of Gujarat, has done a pioneering work in breaking the myth that entrepreneurs are born and cannot be identified and developed. Through its Entrepreneurship Development Programmes (EDPs), EDI has successfully developed entrepreneurial capabilities and competencies of first generation entrepreneurs. Its contribution in the field of Entrepreneurship Development has been appreciated not only in India but also in other developing countries. In our country, EDI and about 100 institutions have now created a new class of trained, well informed, resourceful and successful entrepreneurs.

However, in the process of developing substantially large number of small scale enterprises throughout the country, the bankers and the emerging new entrepreneurs are facing a host of problems among which working capital finance and cash stringency/crisis are given very high priority. Seminars and research studies have come out with the finding that there is a growing feeling among new entrepreneurs that bankers do not appreciate their problems.

In order to understand Bankers' viewpoints in this direction, EDI conducted a multi-state survey of a good number of branch managers of selected banks who directly deal with entrepreneurs. These branch managers informed that they have not been given any training for developing the skill of assessing a new entrepreneur with regard to his/her entrepreneurial capabilities. While sanctioning loans, they informed that they provide prima-facie emphasis on financial/technical feasibilities of the project and not on the person-behind-the-project. None of them replied that they assessed the new entrepreneurs on the basis of their potential to become entrepreneurs, their risk-taking ability, achievement motive, initiative, persistence, commitment to work contract and such other entrepreneurial competencies. All of them (100%) emphasised on collateral security/bank account as a sound pre-condition for extending financial assistance to entrepreneurs.

## OBJECTIVES & TRAINING OUTPUT

The programme has been designed keeping in mind the multifarious responsibilities of a developmental-cum-commercial banker such as, monitoring the day-to-day functions of the branch office, developing clientele, mobilising fund, etc. Besides, he has to support a new entrepreneur in developing a viable project idea and assessing the project report, market trend, etc. Since a new entrepreneur approaches the branch manager at all stages of getting a loan sanctioned, the branch manager is expected to explain him/her the details on loan procedure. Subsequently, when he receives the loan proposal, he should assess the feasibility of the project alongwith the entrepreneurial competencies of the person-behind-the-project.

The training, therefore, intends to impart requisite knowledge to officials of banks/financial institutions, develop their skills in assessing an entrepreneur and equip them with a new tool, viz., Focussed Behavioural Event Interview Technique (FBEI) which helps in generating data and assessing the same for measuring entrepreneurial competencies of a potential entrepreneur. This technique is the outcome of a multi-country research project initiated by Prof. David C. McClelland and his associates of McBer & Company, USA, in which EDI played an important role in developing its modified version to suit Indian conditions.

In the recent past, the Institute conducted exclusive programmes on FBEL technique for officers of Andhra Bank, Indian Bank, Karnataka State Finance Corporation (KSFC), Gujarat State Finance Corporation (GSFC), Bihar State Finance Corporation (BSFC) and senior bank managers/officials of SFCs in North East. The feedback of about 120 officers trained under these programmes is that FBEL technique is more relevant to banks/financial institutions as it will update the quality of appraisal for extending financial assistance.

#### OUTPUT

The officers would acquire reasonable level of competency in utilising this new technique and will be able to assess entrepreneurial competencies of entrepreneurs who approach them for financial assistance.

#### TRAINING METHODOLOGY

Classroom lectures, presentation of case studies, group discussions and drawing upon your own experiences-all these will be effectively used. Sufficient practice will be given to use FBEL technique effectively.

#### FACULTY

EDI faculty team which was involved in this research project and was trained by Prof. David C. McClelland and his associates will conduct the programme.

#### VENUE & DURATION

The programme will be organised at EDI campus from January 21 to 24, 1992. It will be an intensive residential programme of 4 days duration.

#### PARTICIPANTS

Branch Managers/Credit Managers from banks and financial institutions who are involved in processing loan applications.

#### FEES

Rs. 3,000/- for double-occupancy A/C room accommodation which will also cover the Institute's fees, board/lodging and training material expenses except local transport cost.

#### HOW TO APPLY

Please fill up the enclosed nomination form and return the same alongwith a demand draft payable to EDI at the following address:

Programme Director (FBEL)  
Entrepreneurship Development Institute of India  
Bhat, P.O.. Chandkheda 382 424  
Gujarat, India.

#### LAST DATE OF RECEIVING APPLICATION

January 5, 1992

## THE INSTITUTE

The Entrepreneurship Development Institute of India (EDI), set up in 1983 is an autonomous institution registered under the Societies Registration Act. Sponsored jointly by Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), Industrial Credit and Investment Corporation of India (ICICI) and State Bank of India (SBI), with the active support of the Government of Gujarat, the Institute is a national resource centre governed by its own board. Committed to education, research and training, it has earned a great deal of national and international recognition for its efforts as reflected in the support it has received from the World Bank, International Labour Organization, UNIDO, Commonwealth Secretariat and several other international agencies.

## ACHIEVEMENTS

During its short career, EDI has done a great deal to justify the faith with which it was setup. To list some of its notable achievements:

- About 1000 new entrepreneurs in various parts of the country have been developed through its own direct programmes. In addition, it has created a network of institutions throughout India which together have trained over 10000 first generation entrepreneurs.
- Atleast 50% of the persons so trained have set up their own ventures.
- The Institute has also developed about 200 trainers who are helping different state-level organizations and banks in their entrepreneurship development efforts.
- An EDP model developed by EDI is now implemented by more than 100 organizations in India and in several developing countries of Asia and Africa.
- And it has induced entrepreneurship-oriented inputs in schools and colleges curricula with a view to motivate youth for entrepreneurial career during their formative stage.