

TRAINING PROGRAMME ON PROJECT APPRAISAL AND ENTREPRENEUR ASSESSMENT

6-11 December, 2004

Instituted by :



ENTREPRENEURSHIP DEVELOPMENT INSTITUTE OF INDIA
Ahmedabad, Gujarat

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Rationale

In the post liberalisation scenario, the Indian Financial System has undergone a sea change on account of various banking and financial sector reforms initiated by the Reserve Bank of India and the Government of India. The RBI, while relaxing the banking regulations, made it mandatory for banks to ensure good performance and improve their balance sheets. The compulsory adherence to Capital Adequacy, Asset Quality, Management Quality, Earnings and Liquidity (CAMEL) Ratings is a step in this direction. This means that while the public sector banks and financial institutions still have to maintain their social obligations, they will also have to look deep into profitability of their operations. This becomes all the more difficult with stiff competition from cooperative and private sector banks and from financial institutions that have now started offering many competing products which were hitherto offered by banks only.

However, the emphasis on CAMEL ratings and competition should not come up as a hindrance to banks in providing credit to the industry, especially to the SSI sector. The need of the hour is that the banks conduct a scientific and detailed appraisal of proposals coupled with assessment of entrepreneurs, so as to arrive at sound investment decisions. In order to facilitate easy credit to the SSI sector, RBI appointed a one-man high-level committee headed by Shri S.L.Kapur, Former Secretary, Ministry of Industry to look into the credit delivery system and simplify the procedures. The Committee has laid substantial emphasis on training intervention. Among the training interventions suggested by the Committee, EDI training programmes for bankers have specifically been recommended. (Recommendation No. 6.99)

Over the years, EDI has designed and conducted training programmes on skill development and attitude development of bank managers and officers engaged in project appraisal as also the entrepreneur-behind-the-project. Some of its important programmes, directed towards achieving this objective are training programme

on Industrial Project Preparation and Appraisal (IPPA), Training Programme on Financial and Economic Analysis of Industrial and Infrastructure Projects using Computer Model for Feasibility Analysis and Reporting (COMFAR III Expert) and Training Programme on Assessing the Entrepreneur using Focussed Behavioral Event Interview (FBEI) technique. These programmes have received encouraging response at national as well as international levels.

Keeping in view the recommendations of the S. L. Kapur Committee, EDI is offering new programmes to train bankers and financial institutions' personnel. The programmes have a comprehensively designed curriculum and covers all the relevant areas of earlier programmes designed for banks' and financial institutions' personnel.

Objectives

The broad objective of the programmes is to upgrade the skills of the banks' and financial institutions' personnel in formulating and appraising projects in the SME sector and assessing the entrepreneurs behind them.

The specific objectives of the programme are to :

- develop overall project formulation and appraisal skills of the participants, which would include areas like; market analysis, technical analysis, economic analysis and financial analysis.
- help the participants identify competent entrepreneurs using specific behavioural tools and techniques.
- help participants become more proactive, customer oriented, dynamic and responsive officers, competent enough to operate in the changing scenario.

This is one such programme in the series.

Course Contents

The entire programme will be divided into 2 modules to be covered over 6 days.

Module 1: Project Formulation and Appraisal - 4 days

- An overview of the Project Development Cycle.
- Business Opportunity Identification
- Market Analysis for projects covering demand analysis, supply analysis, competition, regulatory

aspects, product-mix decisions, pricing decisions and market assessment.

- Technical Analysis for projects covering components of cost of project, production process, technology options, parameters for technology assessment, factors influencing productivity, quality parameters, cost of production and determinants of capacity utilisation.
- Financial Analysis for projects would include project cost and means of finance, working capital assessment, cost of capital, financial statements, break-even analysis, financial appraisal techniques simple and dynamic measures to assess financial viability of projects.

Module 2: Selection and Assessment of An Entrepreneur - 2 days

- An overview of the present Entrepreneur Assessment System.
- Focussed Behavioral Event Interview (FBEI) Technique - Process, methods, problems and strategies.
- Introduction to an entrepreneurs' competencies and their association with successful implementation and management of business plans.
- Self Assessment through Feedback on Instruments. (SAFI).

Who Can Participate?

The 6-day programme is fully residential and is open to

- Middle and front line managers & officers (credit/appraisal wing) of banks, financial institutions and investment promotion agencies.
- Trainers of staff training colleges of these institutions.
- All those involved in project formulation and appraisal and investment decision-making.

Pedagogy

The programme will be highly interactive in nature. Classroom lectures will be supported by presentations of analytical tools and frames of references. Case studies, syndicate discussions, group presentations and experiential learning will be extensively followed.

Faculty

The programme would primarily be conducted by EDI faculty members who have been conducting such programmes nationally and internationally under the aegis of UNIDO and other international agencies. Academicians from reputed institutions and experts from

industry would be invited to provide special inputs.

Programme Schedule & Venue

The programme is to be held from 6-11 December, 2004, It will be conducted on EDI campus at Ahmedabad where adequate learning and residential facilities are available. All participants are expected to stay on campus.

Course Fee

Rs. 16,000/- (Indian Rupees) for participants in India and Nepal. For International participants the fee will be US\$ 500. The fee includes course material and boarding and lodging (air-conditioned accommodation on twin-sharing basis on EDI Campus). For nomination of participants in groups (6 or more), please consult Programme Director.

How to Apply

Nominations must be sent in the enclosed proforma and mailed along with a demand draft of Rs. 16,000/- or US\$ 500/- drawn in favour of EDI, Ahmedabad, to :

Mr. Nikhil Raval

Programme Director at EDI Head Office

E-mail : nikhil@ediindia.org

The last date for receiving nominations is November 30 2004.

Observations made by some of the participants of the previous programmes held on campus and in-house at various Banks/Financial Institutions' premises over the past few years.

Almost all the participants of our previous programmes have opined that the contents are exhaustive and all-encompassing. They rated the programme inputs as highly valuable and especially appreciated the training methodology and exercises included in the curriculum. Commending the faculty members involved in the programme, the participants observed that they were experts from their fields and immensely resourceful.

- "The discussions were healthy and thought provoking."
- "The programme was well sequenced and balanced."
- "As a trainer, I would definitely try to impart the concept of Entrepreneur Assessment to my trainees."
- "The programme had been designed in a very systematic manner, starting from human behavioral aspect to FBEI and project appraisal, the programme had been well planned and well coordinated. lectures were up to the required and expected levels."



About the Institute

Entrepreneurship Development Institute of India (EDI) is an autonomous, not-for-profit institution sponsored by all-India financial institutions namely IDBI, IFCI Ltd., ICICI Ltd. & SBI. It is now an acknowledged national resource institution committed to investment promotion, entrepreneurship education, training and research. Its efforts in spearheading entrepreneurship movement in India and other developing countries has led to the emergence of a range of training programmes and workshops in the areas of investment promotion and entrepreneurship development.

The Institute has received support from the World Bank, ILO, UNIDO, Commonwealth Secretariat, Friedrich-Naumann-Stiftung (FNSt), European Union and several other international agencies. Its international activities cover a range of entrepreneurship and investment promotion-related training programmes/workshops. Ever since its inception in 1983, the Institute has interacted with 30 developing countries thus helping them build capabilities for industrial development. So far, over 500 professionals from developing countries have benefitted from EDI's capacity building programmes including the one on Industrial Project Preparation and Appraisal, co-sponsored by UNIDO. The EDI Inter Regional Centre (IRC) is the result of UNIDO's strategic thinking that innovative methodologies should be transferred to developing world through regional institutions with proven skills in the areas of entrepreneurship and investment promotion. EDI is also the partner institution for the implementation of the European Union Economic Cross Cultural Programme ENTRIXIE Project (Entrepreneurship Training and Information Exchange for Small Businesses in India and Europe), a project especially set up to promote partnerships among the SMEs of India and Europe.



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