

EDI Publication

**SELF-MADE
IMPACT MAKING
ENTREPRENEURS**



**Entrepreneurship Development
Institute of India**

A society needs high achievers and an economy needs entrepreneurs for development. This book is about some of the high achievers among modern industrial entrepreneurs whose contributions through their manufacturing enterprises have created an impact in the market, in production, in technology and in the growth of this sector. They are impact makers, recognised by the name of the product or their enterprises. Indeed, it is the enterprise which ultimately creates employment, generates income and contributes to economic growth. But it is the entrepreneur behind the enterprise, the individual/s, the human, who is responsible for conceiving the project, formulating and implementing it, successfully running it, in a manner and style of his/her own facing uncertainties and taking risks, withstanding the stresses and strains.

In the Indian growth scenario we have come a long way in the last couple of decades in widening the base of entrepreneurship through our policy commitments to indigenisation, development strategies for opening up industrial opportunities and creation of an elaborate support system to remove constraints on new entrepreneurs. It is essential that emergence of the new entrepreneurial class and their achievements and contributions to the industrial growth are documented and analysed through research and the society at large recognises them as key contributors to development, and respects them as a special breed of individuals, possessing personal qualities and skills which not every one possesses and without whom economic activity in the form of enterprises, industrial or otherwise, cannot take place and therefore, production, income and employment benefits cannot materialise. In short, the country needs many more entrepreneurs, as many as can emerge from all walks of life, from all regions, to exploit existing opportunities and to create new ones through innovations, imagination and creative urges.

But, we also need successful entrepreneurs and impact making ones. This is where lies the key to the significance of this publication. Let me elaborate a bit. If entrepreneurs are required to set up enterprises, success and failure of enterprises is a result of the capabilities and competencies of these entrepreneurs. The growing menace of enterprise failures has taught us several

lessons. Mere promotion of entrepreneurs and creation of enterprises is not sufficient. These enterprises must run profitably and grow if the economy is to derive benefits from investment of scarce resources in them. Experience of financial institutions and assistance agencies now reveals that a major cause of enterprise failures has been inadequate capabilities of the entrepreneurs to manage the enterprise. Quality of entrepreneurship, and therefore the persons behind the projects are acquiring greater significance than the viability of the opportunities. Research has therefore to catch up with the growing needs of improving our perceptions and knowledge about what makes successful entrepreneurs. This knowledge resource is going to be all the more important in the coming decades as the Indian economy is becoming increasingly competitive, more open and less protective, more dynamic in terms of technology and change and less secured for all those owners of business who could survive, despite entrepreneurial lacunae, because assured markets and high profitability protected them from early exits.

For years many entrepreneurs and businessmen, individually and through their associations, have always complained about a rather "hostile" environment in which they have to enter and interact. Critical scarcities, fluctuating policies, irritating procedures and formalities, time consuming and costly delays, bureaucratic attitudes and industrial administration have been repeatedly cited as constraints on entrepreneurial and business growth. And yet, within the same tough environment many entrepreneurs have grown, rather rapidly and have made an impact in the market. Who are they? How they achieved notable successes while most have not? What kind of personal and family environment from which they emerged which must have built these qualities in them? How they perceived opportunities and with what operational and management style, scales and business philosophy they made their enterprises successful and impact making? How they tackled the irritants and constraints in the environment? Existing entrepreneurs and the new ones can benefit from answers to those questions. Those who constitute the environment can pick up clues to remove as many irritants as feasible to facilitate growth of existing entrepreneurs from

small to medium and medium to large so that the economy has many more impact makers. Those involved in identifying, developing and nurturing new entrepreneurs through training and other interventions can sharpen their insight and inputs while generating new supply of entrepreneurs.

It is with this rationale that we in the Institute decided to take up this study of the Impact Makers. But there has been one more qualification to the focus on these entrepreneurs. Many entrepreneurs have made an impact in terms of market share, growth of sales, size of enterprise etc. Our interest has been in identifying and studying self-made entrepreneurs who reached an impact making growth and size because of their entrepreneurial capabilities rather than because of economic/political patronage giving them an advantage (and leverage). For, our concern and objective in this research has been to derive lessons from these successes so that more such impact makers can be created by all concerned in the development process. The focus of the study and the intensive interviews with individual entrepreneurs therefore has been on those qualities, capabilities, styles, values and perceptions which profile them and explain their relevance to the becoming of self-made successful entrepreneurs.

The number of impact making entrepreneurs will come down substantially once "self-made" becomes an eligibility criteria. Indeed a number of 26 enterprises and 29 entrepreneurs covered in this study is rather small in a vast country like ours. Indeed there are many more self-made impact making entrepreneurs who are not covered in this initial exercise. This is only a beginning in the process of recognising and understanding these entrepreneurs. But the number is not small when the two criteria of "self-made" and "impact making" are applied. The Institute approached several national and state level financial institutions, industrial assistance agencies, associations of entrepreneurs from various parts of the country. It was after receiving nominations from them and applying the eligibility considerations that this attempt of documenting the case histories was undertaken. It is a continuous exercise which the Institute will carry on further as not only it has been exciting to learn about these entrepreneurs but far more revealing to learn from them about the entrepreneurial process and the manner and style of enterprise

building and growth. In this initial small number, therefore, each one is a 'gem', each case educative.

The research project has been about these entrepreneurs and therefore; the book begins with the placement of individual case history which the reader should find exciting. Analysis chapter is placed at the end. We have taken pains in developing a style of writing the case histories to make them highly readable and smooth flowing as a good journalist would and at the same time not sacrifice research content. Indeed, feedback from a cross-section of readers, which we hope will be not only from existing entrepreneurs but also researchers, trainers, support, policy makers and the new aspiring potential entrepreneurs will enable the Institute to do even better in future endeavours in this direction.

Is this book an Indian version of "In Search of Excellence" ? The entrepreneurs in this study have gone for excellence and have achieved it, we believe, in making their impact felt in the market. Their concern for high quality, creativity, accepting new challenges and drive to "achieve" are indeed in search of excellence. The focus of this research, however, unlike others, has been the entrepreneurs, the individuals behind the enterprises rather than the enterprises themselves, for the real objective is to create more such entrepreneurs for the country.

The study clearly establishes that the entrepreneurs has to be viewed mainly as an individual and not as a mere constituent of a certain type of family, community or regional background from which he emerges. In the process of understanding them several prevailing myths have been challenged. But then India has been a pioneer in the work of entrepreneurship development, creating entrepreneurs from all walks of life through innovations like entrepreneurship development programmes which have made it possible for first-generation entrepreneurs to emerge from non-traditional, non-conventional socio-economic background. For the Institute, the lessons from the self-made impact makers are reassuring as its basic training, development and research philosophy focusses on the human resource more than anything else.

While there are lessons for entrepreneurship trainers, researchers, policy-makers, financial institutions and other

facilitators it is by our young generation in high schools and colleges that this book should be read. For the future entrepreneurs of the country are being moulded today in the education system. A spirit of enterprise, a sense of achieving, being independent, creating something new are the qualities these entrepreneurs have depicted and that is what we must develop in our youth. For "achieving societies" have shown higher growth rates than others. The book is about the high achievers. It should not only inspire the young and the potential entrepreneurs but also convince them that they can also do it. For those who have done it came from middle or lower middle class families, many with rural background without any business culture and financial resources, from a kind of environment and background any typical young person can identify oneself with. It is up to the individuals to set the goal high and work to achieve it. The environment is ripe and right and the country is going to need more entrepreneurs, successful and impact makers.

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