

National Policy on Entrepreneurship

Do we have a National Policy on Entrepreneurship Development in the country? The answer is 'no'. Do we need one? may be. The country has done well in recognising the need to create first generation entrepreneurs from all walks of life. Attempts have been made to remove constraints on existing as well as new entrepreneurs. For example, liberal schemes of finance have made it possible for a wide variety of employees, young graduates and even unemployed to set up own enterprises, even without having substantial financial resources of their own. Information and counselling needs are being met through various promotional and assistance agencies. The Entrepreneurship Development Programmes, with their rapid and national spread throughout the country, have taken the process of identifying and developing first generation entrepreneurs without any bias of age, education, experience, family, caste, religion or socio-economic backgrounds to each and every state of India.

To the extent Entrepreneurship Development Programmes focus on or lead to tiny and small enterprises, we do have a national effort on entrepreneurship since the country has fairly comprehensive and committed small industries development policy and programmes.

However, Entrepreneurship Development goes beyond entrepreneurship training programmes and tiny and small enterprises. For every new enterprise set up by an EDP trained entrepreneur, hundred more are set up by entrepreneurs on their own (except in rural areas) and while tiny and small enterprises are valuable, entrepreneurs to set up and manage growth oriented minimum and large companies are necessary for economic growth.

A national policy on entrepreneurship, if it is to be formulated, will have to have a focus on environment for entrepreneurship for the country, and this environment for new and existing entrepreneurs both, is hostile though attempts are continuously being made to make it more attractive and facilitating. If the country needs more entrepreneurs to set up more enterprises to generate more employment and income, particularly in less developed areas and regions where spontaneous flow of entrepreneurs is weak, then a strategy will have to be evolved on one hand, to remove whatever constraints come in the way of emergence and materialisation of potential entrepreneurs into enterprises, and on the other, known and new ways and means will have to be found to inculcate and encourage a natural spirit of enterprise in children and youth so that future supply of entrepreneurs is enlarged. And dormant entrepreneurial potential will have to be loacted, brought out,

nurtured and developed through tools and techniques such as EDPs within a more conducive environment.

The long run strategy therefore, will be to focus on children and teachers in the schools and colleges to develop enterprising, achievement oriented new generation: to make parents more conscious of their role in inculcating a spirit of independence, initiative, risk and achievement in the children and youth at home; and therefore, focuss on the social, cultural environment. But in the short run, even to tap the unlimited dormant entrepreneurship in our population, the strategy needs to focus attention on removing the constraints and irritants. We have perhaps all possible schemes of assistance for entrepreneurship. However, to avail the promised support, the procedures, formalities, running around, waste of time and energy and loss of self respect and dignity that a typical entrepreneur, particularly a first timer small one, has to suffer through, makes many wonder whether becoming an entrepreneur is a sound career choice !

In a recent Entrepreneurs' Meet at Bhubaneswar, EDP trained entrepreneurs, despite their high motivation, skills and awareness brought to the fore frustrations, indignities, loss of face, faith and money involved in converting their enterprising spirit into actual enterprise. We in the Institute, have also got the signals while EDP is an important tool to develop entrepreneurs, a lot more attention needs to be paid to support system, particularly implementation of various schemes and policies and the attitudes of those involved in providing facilities and assistance to the entrepreneurs. In short, the environment needs far more attention as it affects both trained and nontrained, new and old entrepreneurs equally.



Dr. V.G. Patel, Director, EDI-I, & Mr. Ramesh Dave, Training Faculty, EDI-I discussing the project implementation part with Mr. Pranab Sahu, EDP trained entrepreneur, who is one of the main promoters of M/s. Gala Garden Processors Pvt. Ltd., the first unit in Orissa for canning, bottling and pouching of fresh fruit juice, squash, sauces, ketchup, marmalade, jam, jelly and pickles.

ACCREDITED TRAINING PROGRAMME FOR ENTREPRENEURIAL MOTIVATION

The Institute organised for the first time an Accredited Training Programme for Trainers in entrepreneurial motivation. Twenty eight trainers having sufficient experience in conducting EDPs participated in this 10-day long programme held at Ahmedbad between 4th and 14th of Aug. 1986 and reaped the benefits of class-room sessions coated with simulated lessons and participation exercises.

The total programme package had been designed in three phases. The first phase was devoted to theoretical and conceptual frame-work of Achievement Motivation, application of various tools and techniques of EMT (games, exercises, simulations, role play etc.), planning, designing and scheduling of EMT in an EDP and self-development of the participating trainer-motivators to perform well.

The second phase involved intensive practice in on-the-job training. The participants have to conduct at least one EMT independently and submit a detailed report about his experience.

The third phase of the programme consists of a two-

day refresher and readjustment programme to strengthen the skills of the trainer. This phase is scheduled in the first week of January 1987.

Out of 28 participants attending the first phase of the training programme, 16 were from India and 12 from Malawi. The 16 Indian participants represented 8 states and 8 organisations—6 from SBI, 5 from TCOs, 4 from EDI and 1 from CED Gujarat.

Apart from senior faculty members of the Institute, distinguished experts like Prof. M.S. Nadkarni of NIMID and Prof. M.M.P. Akhouri, Executive Director of NIESBUD shared their experiences with the participants and provided valuable inputs on entrepreneurial motivation.

Shri Ramanbhai B. Patel, Chairman & Managing Director of Cadila Laboratories, was the Chief Guest during the concluding session of the first phase of the programme. Mr. Patel shared his experiences as an entrepreneur in putting on stream and promoting Cadila group of industries, and revealed various components of achievement motivation that provided impetus to him.

Dr. Gautam Raj Jain
(EDI)

ADDING A NEW DIMENSION TO PROMOTIONAL WORK (NAGALAND)

- Jagat Patel (EDI)

When I reached Kohima (Nagaland) to initiate the pre-programme promotion activities I was shocked to know that some other agency was already on the job. When I came out of the Director of Industries' office, I decided to just watch and see the people and the place and try to assess whether there was any scope for conducting another programme at the same centre. I contacted various agencies and developmental organisations. After three days of running around, I was convinced that there was no scope for the time being.

I walked into the office of the Director of Industries to explore the possibilities of conducting the programme somewhere else. I was keen on it because this was going to be the first programme independently conducted by me. In a way, it was going to be the test of my competencies as a trainer. And I did not want to lose the chance without having availed it.

The Director of Industries, as expected, told me that another programme could not be done, and

suggested to conduct one after two months or so. I politely put forth my idea to conduct the programme at some other centre. He readily agreed to have that at Mokokchung. I felt encouraged and got in touch with my Institute for approval.

When I reached Mokokchung it was a nightmare in so many ways. I had to entirely depend upon my legs to take me ten to fifteen kilometers up and down, to contact local organisations and various developmental agencies to plan and initiate promotion work. The ultimate result of five to six days of running around was: due to Dussehra holidays and other local festivals, nothing could be done.

I felt disappointed. The timing was all wrong. In such a dejected mood I walked into a nearby church and sitting there I started tossing up and down in mind the possible avenues that could be utilised to break the stalemate. I was so much lost in thought that when I came out of it, I found myself sitting all alone in the church. The Father was busy in putting things at proper places.

All of a sudden, an idea flashed. I decided to talk to the Father. He was a kind and genial hearted man. He listened to me very patiently and offered to help. He suggested that, being Head Priest of the region, he

could call a meeting of other priests in the locality and request them to talk of the programme during the mass. I was really thrilled. I requested the Father to allow me to be present in his meeting with priests. He granted my request and suggested that if some written material was to be distributed, that could also be done.

My joys knew no bounds. In the meeting I briefed the priests, what they were supposed to talk about EDP and gave them handbills and other information material, for distributing among the parishners.

FIRST PHASE OF THE RURAL ENTREPRENEURSHIP PROJECT: SOME DISTURBING SIGNS

EDI-I has undertaken a project, sponsored by Ford Foundation, to develop rural areas through Entrepreneurship Development approach for the rural poor. Initially extensive desk work was done to understand various models of rural development, which was followed by a series of visits by the study team to various Institutes and authorities engaged in rural development activities to have first-hand feel of the process of rural development. In order to identify the areas where this kind of model could be tested the team identified Uttar Pradesh and Orissa, which happen to be relatively backward states in the country, and then pin-pointed one district each in both the states.

District Bahraich on its being the most backward district, was selected in the State of Uttar Pradesh.

In the First Phase, EDI team visited Bahraich for collecting information on various socio-economic aspects, on the basis of which, four blocks in the district were identified to carry out EDP experiments. Subsequent visits to the district further helped in finally identifying one block out of the four to conduct the programme.

It was decided to have the first-hand knowledge of the area (Ikauna Block) and its people so that undercurrents of the development process in the block may be properly understood. For that a household survey of a cluster of 10 villages under the block was conducted. Subsequently, the EDI team consisting of Dinesh Awasthi (Economist), Akbar Ansari (Sociologist) and Bharat Bhatt (Trainer-Motivator) surveyed approximately 2,400 households spread over the cluster of villages. In order to carry out the task, the team engaged 30 investigators and 7 supervisors drawn from Kisan Post Graduate College, Bahraich. The team received tremendous support from the ad-

Next Sunday, in all the seven churches of the region, the priests talked of entrepreneurship development programme to be conducted by the Entrepreneurship Development Institute of India, Ahmedabad. They proclaimed that entrepreneurs were not only born but could be developed and groomed also.

Needless to say, people "thronged" at my Camp Office at Mokokchung if there could be a thronging in a sparsely located hilly region. After all, EDP had for the first time got the sanction of the Church!

ministrative machinery in the district and specially the help and encouragement extended by Dr. Om Prakash, IAS District Magistrate/Collector, Bahraich without which the task would have been difficult.

However, some of the issues emerging out of the census survey done by the team beg serious attention. For example, absence of any voluntary organisation in the district is a disheartening fact. Moreover, the impressions which the team gathered from the field visits are also not very encouraging. For example, majority of the population in the area belongs to the poorest of the poor group; naturally, saving is an unthought of thing. Literacy rate is abysmally low and the surplus labour in abundance. The process of deskilling of the traditional artisans needs special mention. The area has large number of 'CHAMARS'*, but unfortunately they cannot put even a nail in a shoe, what to talk of repairing it? Since generations, they have been working as agriculture labourers in the fields owned by Brahmin landlords. A story of carpenters, weavers and blacksmiths is also not very different. Highly skewed land distribution further complicates the problem. At present, the team is engaged in thrashing out the issues and analysing the data for future course of action: what business opportunities to such a population can be suggested and how to equip them to explore those through a suitable EDP approach.

Dinesh N. Awasthi, EDI



Laiburwa Purva (Itwaria village) and its inhabitants, who are going to benefit from this project.

CHAMARS* community whose occupation is leather and leather good making.

“DUKHIYA” THE 21ST CENTURY MAN

“But, Sir, we can hardly do anything for him” replied Lekhpal (Land Revenue Officer) of the village.

“Why? Who can help him out?” I asked impatiently.

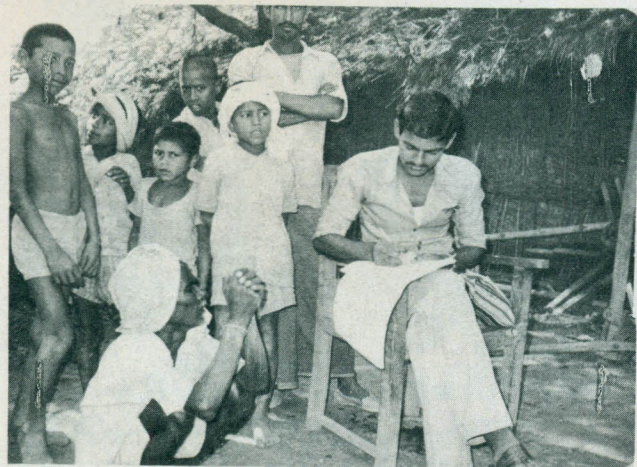
“Nobody, Sir, only God.”

“Have you ever tried with your higher authorities?”

“No Sir, what is the use? Nobody has time for dukhias (dejected!)” and in a confiding tone he spoke, “Aur S’aab, Jeep bhi to yahan nahi pahunch pati, Bade S’aab yahan kaise aaye?”. (Naturally, how a SAHEB could reach such a remote village, since the Jeep cannot be driven here! After all how SAHEBS can walk on foot on such undulated, marshy land surface!!!)

“Lekhpal Babu is right, Huzoor. Even God does not bother for us, what to talk of SAHEBS?” added he, who, later I came to know, was ‘Dukhia’.

I looked at him. A frail, small frame, blank eyes, shrunken face with lots of lines of worries all over, ill-fed, ill-clothed old man. The ‘last (or lost!) man of Gandhi’ was standing in front of me. Once upon a time his parents, named him ‘Dukhi Ram’; and time made him rightly so, ‘Dukhia’! Dukhia is a 70 year oldman living with his 65 year old wife and (luckily) no children. He suffers from asthma and cannot even walk! Dukhia has (had!) 18 bighas (3.6 acres) of land, which the river Rapti has engulfed a few years back. Ten metres below the stream is submerged his land, which cannot yield even a blade of grass! Being extremely old, he cannot undertake any work. He has virtually no means of livelihood except an IRD buffalo (which by implications yields at most ½ kg. milk per day). His wife goes to the river in the morning, fishes wood pieces (2 to 3 kg per day) till noon, dries and



‘Dukhia the 21st Century man of Laiburwa’ responding to the investigator Mr. Dubey (Kisan Post-Graduate College Bahraich)

carries them, alongwith half kg of milk to the market to sell, which fetches 2 to 3 rupees per day.

Dukhia’s wife cooks food once in a day and yet, he is supposed to pay land revenue every year for that chunk of land which the river has engulfed! But he does not want to surrender that lost land to the Government and save himself from paying land revenue. He derives all his hopes from the mere idea that the river might change its course again and he would get his land back!

The high hopes of Dukhia may well come true by the turn of the century (if he remains alive) but, by then, what hopes one should entertain for the administrative system which collects land revenue from persons like Dukhias and for that bit of land lying under 10 meters deep water!

BHARAT BHATT
(EDI Training Faculty)

THE FIRST ENCOUNTER

(with the target group for FORD FOUNDATION
Research Study for rural development
through EDP approach)

Me — Namaste. We have come from Ahmedabad. These gentlemen are from Baharaich Degree College.

BA — What do you want?

Me — We are interested in running an educational programme for self-employment.

BA — So what I have to do with that. I am already employed in agricultural activities and I don’t think that I am eligible for any education.

Me — We are, in fact, trying to understand the needs of people so that they could be suitably helped in becoming better off.

BA — What am I supposed to do?

Me — You have to answer some questions, that later we are going to ask every head of the household in the 10 villages, of this block.

(I solicited all identification information about BA and listed the socio-demographic and economic state of each individual in BA’s family.)

Me — Would you like to undertake dairy farming?

BA — No.

Me — And pigging ?
(BA gesticulated in anger, stamped his feet and started to rush out, I also stood up.)

Me — I am sorry. I know your caste is sentimentally against pigger. And I did not want to hurt your sentiments. I talked of pigger because many people do it.
(BA looked straight into my eyes. Thought of something for a moment and sat back.)

Me — How much money you can put in on your own ?

BA — Two hundred to two hundred fifty at the most.
(In the meantime another person named 'GK' sitting there spoke out "I don't want to give any information.)

Me — Why don't you want to give information ?

GK — Like that only.

Me — Look. We are trying to find out some means to improve your material position. so unless you co-operate how can we do anything?

GK — You people just come, give some idea and thereafter, vanish. You never come back to find-out what problems we have to face thereafter.

Me — But this time it is going to be different.

GK — He who suggested me to take up fishery enterprise also said the same thing. But due to uncertain water condition all my fishes died.

Me — That is why we are doing this survey. We do not want to suggest anything which is physically difficult for you to handle. Our aim is to train you in such a way that you do a job and handle all the problems related to that. We will be with you as long as you require our help.

The assurance impressed the villagers. As a result, all of them frankly replied to all our queries.

Later, I addressed the members of my survey team and analysed the whole situation. The villagers were simple and straight forward. One mistake committed by the Fisheries Department, had made our task difficult.

In such a situation, the first requisite is to keep one's cool and by being persuasive, try to find out the root of such hostilities.

EDP for rural poor has to be modelled around these small details, Otherwise, it would, instead, add insult to injury rather than ameliorate their position.

— **Akbar Ansari**
EDI Research Faculty

ATTENTION NEW ENTREPRENEURS !

EDII Ahmedabad brings to you "A Handbook for New Entrepreneurs" (With special reference to Science & Technology Target Group). The publication of which has been sponsored by:

Dept. of Science & Technology
Govt. of India
New Delhi

Avail the opportunity of in-depth information, guidance and counselling for your maiden business venture, through enriched experiences of practioners and real life situation of existing entrepreneurs, managers, chartered accountants, counsellors and decision makers.

The book is down-to-earth, easily understandable and can be used by all new entrepreneurs disregarding their educational and experience background.

No more doubts then !!!



Dr. V.G. Patel, Director, EDII inaugurating the special Trainers' Training Programme for Francophone Countires. Flanking him on his left is Mr. C.H. Pathak, the programme director and Mr. B.P. Murali, the programme co-ordinator.

Trainers' Training Programme for Francophone Countries

Due to intensive interactions with Francophone countries during the Abidjan workshop which was sponsored by the EDI of the World Bank, and the survey study of Senegal, Togo and Guinea undertaken by the Institute at the behest of the Bank, a need was felt among the participating countries to solicit immediate professional grooming of some trainers to initiate EDP activities in the respective countries. On request of the World Bank, looking to the priority and country needs, a special programme was initiated for the three countries—Senegal, Togo and Guinea.

The programme began on 8th September at Ahmedabad with 7 participants from Guinea and 6 from Senegal. The group was later joined by 3 from Togo. Most of these officers were selected by a special team of EDP experts which visited these countries in course of other assignments.

Since the eight-week long programme was for French-speaking participants, the Institute made special arrangements for the system as well as professionals to do simultaneous interpretation.

Looking at vastly varying expectations of the heterogeneous group where :

- a) Some of the participants had long years of experience in small enterprise development either in a consultancy firm or in a financial institution, where as, some of the participants had little experience in the field of small enterprise development, though they had worked in Government departments.
- b) Senegalese had an advantage of being exposed to a comparatively well developed industrial environment, as against participants from Togo, where the industrial environment has not developed. The Guineans came from an environment where private enterprise is a newly emerging phenomenon and where industrial development is at nascent.
- c) Senegalese wanted more and more inputs on advance aspects of entrepreneurship such as deep insight into selection and policy environment. The Guineans on the contrary were more interested to know the mechanism of entrepreneurship development so that they could replicate EDPs in their countries.

The programme was kept more or less flexible and in-house sessions balanced by field visits in almost equal proportion. The emphasis on EDP was ameliorated by greater focus on the small industry needs,

policy and development in general. On the whole, the programme contents consisted of the following components:

- (i) Small industry needs, policy and development
- (ii) Entrepreneurship development process and phases
- (iii) Selection tools and techniques
- (iv) Developmental inputs for first-generation entrepreneurs
- (v) Appropriate technology for small industries
- (vi) Roles and responsibilities of a Trainer-Motivator
- (vii) Organisational needs for planning and implementing ED activities

In order to provide reading and reference material to the participants, more than 400 pages of typed material was translated, duplicated and distributed among the participants.

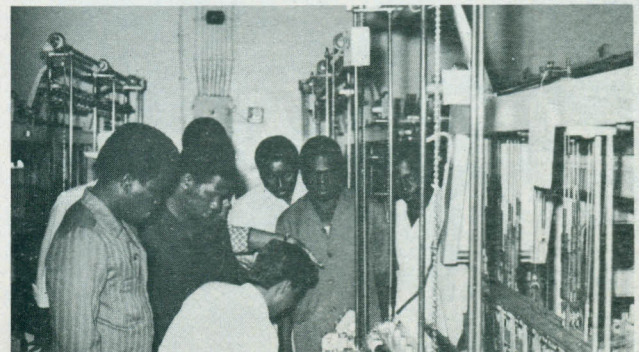
During the Valedictory function, the World Bank representative was also present and reflected on the plans of action prepared by each country group.

Issues raised by the participants

During the programme and at the time of preparing action plans, participants from Guinea expressed a desire to be supported by EDI faculty in launching EDPs in their country. The participants from Senegal were of the opinion that they could start all on their own and would be needing EDI support at critical phase of the programme.

Participants from Togo felt that it would be more relevant if the action plan was chalked out in consultation with the policy makers of their country.

During the Visits to Small and Medium Enterprises, the participants from all the 3 countries expressed desire to get technical assistance from some of the units that they visited for setting up similar units in their country. Considering such interest, the participants were provided with project profiles of some of the selected products



Participants from the Francophone countries during one of the factory visits.



SPECIAL SECTION: ENTREPRENEURS' MEET AT BHUBANESHWAR

A two day "Entrepreneurs' Meet" was held at Bhubaneswar to identify the problems of small scale enterprises through face to face interaction and to find out measures that would on the one hand, facilitate the task of existing as well as implementing entrepreneurs and, on the other, smoothen the emergence of potential ones.

The 'Meet' was organised by EDII in association with Orissa Industrial and Technical Consultancy Organisation (ORITCO) and Entrepreneurs' Association, Bhubaneswar (ENTRA).

The 'Meet' was well attended by top level officers of IDBI, IFCI, SBI, BOI, OSFC, IDCO, and Directorate of Industries. Some very useful suggestions were made and assurances were given during the planning session.

The 'Meet' was inaugurated by Hon. Minister of Finance, Shri Gangadhar Mahapatra and the valedictory speech was delivered by Hon. Minister of Industry, Science and Technology, Shri Niranjana Patnayak. The Industry Minister announced the setting up of a Centre for Entrepreneurship Development in Orissa for carrying out the entrepreneurship development activity on a regular and well-planned basis.

The 'Meet' was attended by 35 EDP trained and spontaneous entrepreneurs. The total investment cost of project of these entrepreneurs worked out up to Rs. 5 crores. In this respect the coming together of these entrepreneurs was a major industrial event.



Hon'ble Minister of Finance, Shri Gangadhar Mahapatra delivering his inaugural speech.

The problems and issues raised during the sessions emerged out of close interaction among these entrepreneurs. They formed 3 groups among themselves and took up each of the 3 aspects of entrepreneurial involvement—finance, infrastructure and technology. In all 15 major issues (given in a tabular form, as Table No. 1) were raised.

During the following sessions, the top level officers of various developmental and financial organisations of the state took up the problems and issues one by one and came out with appropriate solution or suggestion or assurance in that regard.

The greatest achievement of this 'Meet' was the two-way understanding of the state of things. On the one hand, the top level officers came to know some of the very glaring difficulties that these entrepreneurs had to face; on the other, the entrepreneurs came to know those positive steps that were in the process of being taken up by the organisations and agencies to make the total environment more conducive to the growth of entrepreneurship and enterprise building.

PROBLEMS AND PROSPECTS OF ENTREPRENEURSHIP DEVELOPMENT IN ORISSA

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Sr. Manager
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RAMESH DAVE
Training
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S. B. MISRA
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ORITCO

The Present Scene :

The phenomenon of entrepreneurship development is very recent in Orissa. Establishment of the District Industries Centre in 1977, a liberal industrial policy of the Govt. in 1980 and a changed political orientation and leadership have combined to bring about an industrial upsurge in the state from 1981-82 onwards.

As per the figures of DCSSI, New Delhi while on all-India level the small scale units increased from 8.03 lacs in 1979-80 to 11.50 lakhs in 1983-85, in Orissa the registered units have increased from 8,036 to 11,592 during this period. The efforts of the Govt. of Orissa for this increase in the pace of industrial development have been meritoriously recognised by the Central Govt.

With this positive dimension in the industrial development of the state the importance of human capital, i.e. entrepreneurs, automatically becomes vital.

Need for Entrepreneurship Development

With the growing thrust on industrialisation in the Seventh Plan the emphasis on the creation of Entrepreneurs is a natural consequence. Development of local entrepreneurs in this context, holds the key to the industrial growth. This has been more than amply demonstrated by the kind of economic development the state of Gujarat has generated in spite of its being not so rich in natural resources.

Slow pace of industrialisation in Orissa has often been attributed to want of financial and technological resources and paucity of well-groomed entrepreneurs. Whereas, availability of funds can be worked out by aids, loans and grants, identification and nurturing of entrepreneurs has to be taken up in a systematic and sustained manner and cannot be accomplished overnight. This has to be planned and phased out on a long term basis so that properly groomed entrepreneurs are ready to usher in industrial growth in all the parts of the state.

The benefits and subsidies announced by the government of Orissa by the Industrial Policy Resolution (IPR), 1980 and subsequent IPR, 1986, the support services rendered by IDCO, IPICOL, OSIC & OSFC although ushered in a favourable climate for establishing industries in the state; but the same could not materialise much due to, first, indifferent implementation machinery and second, the non-availability of specialised agencies to identify, train and produce competent entrepreneurs who could become the real agents of industrial growth in the state.

To have such an organisation, a sufficient number of professionals are needed; to have the professionals, allocation of funds for their training is required and recurring funds for carrying out entrepreneurship development activities on a regular and sustained manner is needed; and to have such an allocation of funds, the conviction and commitment on the part of the Govt. is most essential.

Problems besetting Entrepreneurship Development Activities

There are three categories of problems that make any entrepreneurship development activity more difficult in Orissa. They are at the score of :

- a) People
- b) Place, and
- c) Policies

a) **People** : The socio-cultural-traditional background of the people has left them with bearings that are far from being conducive to nurturing entrepreneurial potentials in them. Their agrarian-base, low income standing, and version to sustained hard-work make the people of Orissa as a target group for entrepreneurship development, more difficult to work on. Their poor perceptivity for business opportunities, lack of patience to face crisis, and inbuilt temptation for quick and easy reward are the major hindrances to the growth of entrepreneurship in the state.

Besides, a long tradition of job-oriented sense of security and social status hold the enthusiasts from giving any priority preference to entrepreneurship as a career.

b) **Place** : If the absence of anything creates a desire for the same, then its availability alone can convert the desire into permanent need. In spite of socio-economic and cultural short-comings of the people, it is the absence of infrastructure facilities which has thwarted the efforts of the 'natural' entrepreneurs towards setting up enterprises. Non-availability of industrial sheds, water, transport, appropriate technology, economic environment, equipment and raw-materials constitute that abysmal void which has destroyed majority of entrepreneurs in the state.

Under the aegis of Orissa Industrial Infrastructure Development Corporation (IDCO) besides the construction of factory shed, an integrated area development approach has been taken to provide facilities like power, transmission line, water supply, road net work in 14 identified areas. In nuclear industrial complexes adequate safety, communications and warehousing services have been planned for the entrepreneurs.

However, a study sponsored by IDBI and conducted by ORITCO in 1983 on the Industrial Estate in Orissa reveals that these estates suffer from power and water scarcity, transportation and communication bottleneck, inadequacy of public health measures, improper assessment of the space requirement of the user, absence of the common amenities for workers like canteen, recreation, market and inter-institutional co-ordination.

AMT KITS AVAILABLE

EDI has developed a special AMT Kit to meet the material requirements for conducting Achievement Motivation Training Programme during EDPs. This Kit is light-weight and easy to carry. It is available for Rs. 500/- and can be had from the Institute by sending Demand Draft or M.O.



Mr. D.P. Mishra MD, ORITCO addressing the participants during the planery session

c) **Policies** : The faculty implementation of liberal facilities provided by the Govt. for the growth of entrepreneurial activities brings a much belated result. The financial assistance in form of subsidies, marketing assistance in the form of professional help and above all "treatment" given to them at all levels, leave much to be desired.

Entrepreneurship development is the development of a grownup person who opts to set up an enterprise to satisfy a desire over and above his other personal basic needs. His sense of respect has to be satisfied, his financial requirements have to be met in time. He has to be trusted. But in all these departments, the officials policies and machinery are quite indifferent. An entrepreneur is subjected to such a long drawn scrutiny, so many times and at so many levels, that he is made to drop his project ideas like a hot potato. He has to pass through such a labyrinth of formalities that before he comes out of it, he feels lost and his motivation gets completely exhausted. He gets financial approvals with so many tags on, that by the time he has dealt with each one, he hardly has any energy, time and inclination left to invest in the implementation of his project.

Industrial financing has expanded voluminously with the expansion and branch level service available from State Finance Corporation (SFC) and the ramification of branches of the commercial banks. Procedural delays, pre-investment appraisal, the proposals sponsored by DIC, appraisal, disbursement and the procurement of the plant and machinery as per the approval of the financier makes the commissioning very late. Feed-back from the entrepreneurs brings out 'inadequate'

and 'delayed' financing to be the two major problems associated with working capital financing. Again, joint appraisal by SFCs and banks together could not be conducted effectively due to the organisational and procedural lag with the financing insitutions.

The institutional support for marketing the products is not adequate. Many entrepreneurs suffer hardship to market their products in want of a proper buyer-seller dialogue, and a suitable selling strategy.

Suggested Measures : The potential entrepreneurs in the state, on the whole require assistance in four major areas :

- i) to prepare and plan for their enterprises
 - ii) to set-up and launch the same
 - iii) to successfully manage the same, and
 - iv) to diversify and expand their activities.
- i) In order to help in the first area, Entrepreneurship Development Programmes have to be methodically and meticulously conducted on a regular basis. They have to be properly planned and phased to identify, select, train potential entrepreneurs, from all target groups, class, caste and corners. For that a separate organisation sufficiently equipped with professionals and decision making power has to be promoted. For such an independent organisation alone can effectively perform their vital task of entrepreneurship development in such potentials who require information, motivation and guidance in a great measure.
 - ii) For setting-up and launching an enterprise, the new entrepreneurs certainly require more personalised, positive and pragmatic deal than those "pretenders" who use them more as a bait to hook financial gains. The new entrepreneurs are like new converts, they have to be given extra attention and consideration so that they settle in their saddles faster than normally they would.

The schemes for subsidies, incentives; the sanction and disbursement of loans and the treatment have to be personalised, better timed and less cumbersome.

- iii) It is the management phase which brings into expression the entrepreneurial traits in a person. During this phase, the less an entrepreneur has to bother about the day-to-day activities, the more time he will have to deal with the specifics. It has been the experience of the new entrepreneurs that after setting up

their units they have to spend more time in attending the other things, than the needs of the unit. Wherever it is possible and can be afforded by the small entrepreneur, some amount of decentralisation and professionalisation is always welcome.

- iv) Growth is the mark of all life and of all life-like activities of which enterprise-building is one. An entrepreneur who has successfully set up and managed his unit, has to think in terms of expanding and diversifying the same. For that continuous flow of information, availability of the latest technology and equipment and an encouraging policy are required. With the coming of new entrepreneurs, the industrial growth of the state can be horizontally achieved, but it is with the diversification and expansion of the existing units that the growth can be channelised vertically.

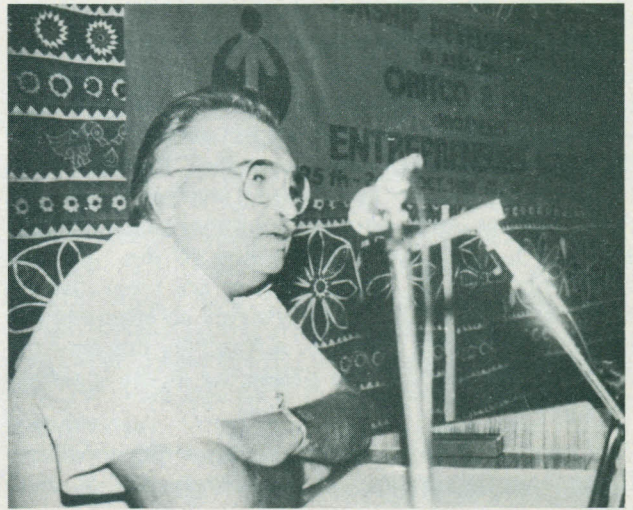
PROSPECTS OF GROWTH ^x

One can grow as much as one has not grown and has capacity to grow. The state of ORISSA has immense prospects of growth in that sense.

The state has vast reserves of natural resources, fertile land, round the year flowing river, long sea-coast, vast population—what is lacking is synthesisation of the available wealth of the state, and putting them to a well-pronounced use. And that can be achieved only if an all-front efforts are made to develop entrepreneurship in the people of the state.

This requires a dedication towards work through hardships, challenge, risk taking on the part of the would-be entrepreneurs. The financial and the support institutions must change their attitude to work in a spirit of help and cooperation with the entrepreneurs by encouraging them to adopt this difficult but highly rewarding occupation.

The above felt need for developing entrepreneurship in the state has resulted in the decision of the State Govt. to establish a centre for Entrepreneurship Development at Bhubaneswar with active support of All-India Financial Institutions and the State level corporations, involved in financing and promoting industrial development in the state.



Dr. V.G. Patel, Director, Entrepreneurship Development Institute of India, delivering the Key-note address.

I TO RUN AN ENTERPRISE ^x

BY MR. PRANAB SAHU ^x
President, Entrepreneurs' Association,
Bhubaneswar ^x

(Mr. Pranab Sahu is one of the Main Promoters of M/s. Gala Garden Processors Pvt. Ltd. and EDI—EDP trained entrepreneur. The unit would be canning, bottling and ponching of fresh fruit juice, squash, sauces, ketchup, marmalade, jam, jelly, pickles, vegetables in brine solution. It is a unit first of this type in the State. Initially it has plans to deal with fine fruits like Mango, Pineapple, Guava, Jackfruit and Citrus, Covering Lemon, Lime and Orange.)

The State of Orissa has recently stepped forward for Industrialisation. Almost all units that have been so far set-up—enterprises from Dr. Bansidhar Panda to me and my friendly neighbour-hood all are first generation entrepreneurs.

The policy for speedy industrialisation as pronounced till date looks attractive but fails in implementation. The Centre and State both have intensive plans to develop the industrial sector, but unfortunately in Orissa where entrepreneurs as compared to other states, are freshers, lack of proper “information” and absence of a data centre where requisite information could be made available, make viable enterprise building more a matter of chance than planning.

Then comes the communication gap, which exists between entrepreneurs and organisations, between organisations and organisations, between authorities in the same organisation, and where, as a result it becomes a matter of conjecture whether OSFC will give the subsidy against generators or not though they advertise about it in newspapers, and then OSFC requires a note from Sales Tax authority for giving exemption on the

purchase of generator while the Sales Tax authority clearly denies for exemption—and between all this, the poor small entrepreneurs knock around here and there only wasting their time. Now comes the most vital aspect that is marketing, for which neither we have a network, nor we have a link. Entrepreneurs have to depend on the national market to procure their total raw-materials. So for either sale or purchase they have to depend on others till they are self-sufficient. This is important for an enterprise to achieve break-even. But surprisingly no attention has been given at this score, as a result by the time the entrepreneur reaches the phase, he or she is exhausted.

The counts on which entrepreneurs suffer most are: Finance and awareness. the consequences that result are :

- * Boredom
- * Depression
- * Drop-outs

In matters pertaining to finance either the party was not sound, or was sound but ended up in a mess as practical aspects differed a lot from the theoretical projections in the project report. To site one example, an entrepreneur was asked by a financial institution to appoint the technical person otherwise the disbursement will be withheld. His was a fruit processing unit, so the technical person for his unit was a “canning and preservation” man. When it was already anticipated by the financial institution as mentioned in the memorandum that the project implementation would take at least 12 months, what the “canning and preservation” man would do for the unit from the month of February, when the possession of land was taken in the 3rd week of January! At a rate of Rs. 2,000/- per month in a year, the canning man will take Rs. 24,000/- or more by the time the unit would come in production. On top of that, he would not sit idle so he had to be sent for inplant training at Delhi for three months costing another Rs. 10,000/-. Now after returning from training he wanted to have a temporary laboratory to start R&D which needed again Rs. 10,000/- and on an average Rs 100/- per day for fruits etc. which comes to minimum Rs. 3,000/- per month. In all Rs. 68,000/- would have to be spent till the unit started production. There being no allocation in the project cost for such sizeable expenses, the unit would naturally be born sick! There are many such counts on which small enterprises suffer during the implementation stage and by the time they are grounded, they find themselves in graves.

Lack of awareness is another reason for the problems small entrepreneurs have to face & suffer. The long time lag between the finalisation of a project and implementation of the same creates difficulties on two fronts—cost and demand. On the one hand, the cost

of almost everything excepting his own efforts, goes so high that even 10% of inbuilt flexibility in the projection fails to meet the deficit and second, by the time the unit comes up, the demand goes down because more units for the same product about which no information was there, come-up and capture the market. On the demand front, another hazard that a small entrepreneur has to accept, is the financing of unjustifiable number of units for the same product, simply because no official information is available about the existing and projected size of the market.

Bracketed between the two, a small entrepreneur loses his enthusiasm and zeal and gets bored of the very objective of setting up an enterprise. He starts feeling like an oddman out. And there depression creeps in, which, if the environment is hostile or the profile of the entrepreneur is poor, results into drop-outs.

In short, “an entrepreneur is not dealt as an entrepreneur, he is dealt as a fraud, a fool and as a begger.” In most of the places an entrepreneur is not even offered a chair, is talked in an indifferent tone and scaring-away manner.

What, on the whole, is required is that an entrepreneur should be kept warmed up till the real game of entrepreneurship begins. Otherwise practise throughout the season and knockout in the preliminaries, will be the result.

The test of entrepreneurship, after all, does not consist in fighting odd man in every corner. It consists in getting better of all those odds where his basic rights to take decisions and status as an entrepreneur remain unchallenged and intact.



Hon'ble Minister of Industry, Science & Technology, Shri Niranjan Patnayak addressing the participants during the Valedictory function.

SNIPPETS

(Some of the interesting descriptions of difficulties that a new entrepreneur has to face during his project implementation period, make one wonder how most of them could come up at all !)

- 1) *An entrepreneur is required to go to a financial institution (one of the major organisations with which he or she has to interact most) right from filing the loan application to the disbursement of the last instalment of subsidy, so many times that if on average each visit would cost Rs 50, then the project cost gets escalated by considerable amount and its implementation delayed by as many days !*
- 2) *The Land Allotment Committee sits only after the applications get accumulated to such a number (tentatively every 3 months). This results into a stagnation of the project implementation atleast by 3 months.*
- 3) *Allotment of levy cement is held once in 3 months. It takes 3 to 4 months time for the letter of allotment to reach the entrepreneurs. Thereafter, within 2 to 3 days time, they are supposed to deposit money with the cement manufacturers. By the time arrangements to deposite the amount are made the last date already gets expired. The entrepreneur has to run through the motion once again and, more often than not, runs out of motivation.*
- 4) *It is statutory for the state financial corporation to make an inspection before the release of any disbursement. The inspector files his report after verification of the relevant documents. But the inspection report is subjected to verification by the senior officer at his office and the whole process of looking into the details of the documents is re-done by the senior officer. This results into unnecessary delay and duplication of the verification job and ultimately causes delay in disbursement and in implementation of the project.*
- 5) *In Orissa, there are about 8 HDPE woven sacks manufacturing units in the small scale sector. Some other units were no given permission for the product since the state level corporation felt that the market had reached the saturation point. But, all of a sudden, a medium scale unit having DGTD licence and financed by one of the central institutions emerged on the scene, nearly threatening the existence of 8 units in the small scale sector!*

SUGGESTIONS TO AVOID DELAY IN IMPLEMENTING A PROJECT

By Mr. Prem Patro
IMS ELECTRONICS (P) LTD
BHUBANESHWAR

An entrepreneur starts working on a project with great aspiration and enthusiasm and earnestness to complete his project in record time. But he being a first generation entrepreneur does not know either about the procedures he has to follow or about the variety of responsibilities that he is to meet single handed. The entrepreneur, being the "Head Cook and Bottle Washer" of his company, is expected to do clerical as well as managerial work. He is the engineer/accountant/tax practitioner and manager/clerk everything.

With this kind of perplexing duties, when he has also to put-up with long-drawn formalities and unnecessary complications and delay, it results into an absolute frustration which ultimately proves fatal for the project. Since nothing can be done about the variety of roles that a small entrepreneur has to necessarily perform, at least the complications in procedures can be simplified. At present a small scale entrepreneur, for his project implementation, has to do the following:

1. Preparation of Project Report.
2. Forming a Company
3. D.I.C. Collection of Form for PRC. (Provisional Registration Certificate)
4. Applying to D.I.C. for a PRC.
5. Clearance from Technical organisation such as Drug Controller/S.L.T.C., as the case may be in order to be eligible for a PRC.
6. Issue of PRC.
7. N.O.C. from Pollution Control Board.
8. Application for Term Loan
9. Appraisal for Term Loan
10. Fulfilling formalities of Appraisal.
11. Fulfilling formalities of T.L. sanctioned.
12. Documentation along with allotment of land or shed.
13. Application for land at D.I.C. for recommendation.
14. Application for water connection.
15. Construction and placement of orders on machinery.
16. Application to Factories & Boilers to clear building plan.
17. Application for S.T. for want of purchase tax exemption IA Form and 'C' Form facility.
18. Application to D.I.C. for exemption of Octroi on purchase of machinery.

19. Renewal of PRC if the above implementation has been delayed by 6 months or 1 year as the case may be.
20. Application for Working Capital.
21. Application for Electricity.
22. Trial production.
23. Application to D.I.C. for PMT.
24. Documentation at the Bank.
25. Application for Octroi Exemption on Raw Materials.
26. Conversion of temporary Sales Tax Licence to permanent Licence.
27. Manpower planning & recruitment.
28. Full Scale Production.

Note : Disbursement of funds against Term Loan simultaneous to points 12 to 26.

From this long list of procedural works, it is evident what tall orders small entrepreneurs have to carry-out! His top priority being disbursement of funds from T.L., he does not avail the benefits like octroi exemption on machinery simply because he does not have time to pursue the matter.

In order to make the procedural involvement easy for small entrepreneurs, following suggestions have been made. This would make project implementation easier and quicker for him :

1. **Octroi Exemption on Machinery & Raw Material**

When a PRC is issued for a particular finished product based on a project profile which includes the list of plant & machinery, octroi exemption should be automatic, there should not be any more procedures, in case of raw material, the PMT should be accepted as per the list of raw materials already listed in the project report.

2. In case the project has been sanctioned term loan and is under implementation, renewal of PRC should be avoided.
3. Application for working capital should be monitored by the term lending organisations to ensure sanctions.
4. For changes in the procedures relating to disbursement of funds from the term lending organisations, details can be suggested by the entrepreneurs from various sectors.
5. **Entrepreneur Training :** This aspect is the most important of all, we have been hearing that the Govt. will be setting-up a training centre, may be for the last 3 years but nothing seems to be coming. We now do see it materialising to a certain degree since EDII is planning to set up this course.

I request EDII that the basic qualification to be a participant in this course should be "A person who is desiring to-set up an industry". They should be screened and then taken up, there should not be any basic qualification beyond "desire & apptitude" to be qualified for this training.

It may be noted that since I have come to production stage I am aware of the steps mentioned earlier in implementing a project. I have implemented the project based on the immediate problems, many other points have not been listed such as application for allotment of cement/steel etc., because the list is already longer than an entrepreneur can handle.

6. The Directorate of Industries should cyclostyle booklets how to implement a project in record time which should be issued alongwith the PRC. This booklet should contain the issues to be handled by the entrepreneur himself, priority-wise this would enable the new entrepreneur to implement his project much faster.
7. My last and final suggestion is that SFC, the principal term lending organisation of the State, should issue a booklet on the paraphernalias of disbursing funds for a project alongwith the sanction letter. This booklet should include complete details such as Trust Receipt, Advanced Money Receipt, Original Bills, Insurance coverage etc.

AVAILABLE Audio-Visual Presentation of Success Stories

An audio-visual presentation, transferred onto VHS cassette, four rural and one woman entrepreneur is available for EDP promotional and motivational activities.

The rendering of the success stories has been done in such a way that they can be used to generate interests in new target groups and inspire them with "We-too-can-do-it" kind of feelings. The presentation can also be used to convince the policy makers and the institutions about the efficacy of the EDP process and its potentials.

The total viewing is altogether of over forty-five minutes. The cost of one VHS Cassette is Rs. 1000/- plus packing and forwarding charges.

The presentation can be dubbed, at an extra cost, into a local language, if so desired.

For further details please write to the Publicity and Promotion Division, EDI.

PROBLEMS & ISSUES RAISED IN THE MEET AND SOLUTIONS SUGGESTED

by

The Representing Executive and Entrepreneurs Themselves

PROBLEMS & ISSUES

SOLUTIONS

- 1) **Margin Money**
(For procurement of machinery if the amount is sizeable)
- 2) Updating the financial memorandum for the price escalation during the implementation.
- 3) Delay in disbursement
- 4) Centralised disbursement causing loss of time for the entrepreneur in follow-up.

Since such cases very few, assurance for looking into the same on merit.

- 5) Duplication of formalities
 - a) Inspection Reports
- 6) Blank money receipts to be given before every disbursement
- 7) Interest is collected from term loan
- 8) Separate appraisals for Term Loan and working capital leading to unnecessary delay in project launching.
- 9) Difference in the rate of interest for Term Loans between OSFC and SBI.
- 10) Collateral security causing great difficulty in securing working capital.

Genuine exceptional cases to be considered on individual representation.

The issue is being looked into.

Sanction upto 5 lacs and disbursement upto 10 lacs from the Regional Office already ordered. So it will take care of 80% cases.

SUGGESTIONS FROM ENTREPRENEURS

First 10 lacs of disbursement from the Regional Office and the balance from Head Office
(Assurance to consider the point given)

Assured to look into.

Matter to be looked into

Only nominal portion of interest deducted to satisfy the accounts, formalities. Genuine problems to be looked into individually.

OSFC and Banks have agreed for simultaneous appraisal. Already taken up in few districts. At other places implementation being done.

Did not agree; assured to look into the matter if there was any such case.

That can't be the only reason. If the property is there, it should be given since the banks are dealing with public money.

WITH IDCO

- 11) Power Supply to the unit

The Form 21(c) has to be filled up and signed by the entrepreneur and the estimate from the Electricity Board to be given IDCO for doing the needful.

WITH DI

- 12) SLTC Causing delay
- 13) Lack of information facilities at DICs.
- 14) Many similar units causing casuality to the existing units.
- 15) Non-timely availability of octroi exemption.
Long drawn procedure to get without paying the holding tax.
Security deposit for sales tax number.
Power duty exemption.

Already SLTC started meeting once a month. If required it could meet twice a month also.

OSFC to have entrepreneurs information centre for SSI units and OSEDC for electronics projects.

DICs, OSFC and DI have started working in this direction ear marking products in terms of promotion and priority on district level.

Assured to take up the matter with concerned authorities.

CHURNING OUT OPPORTUNITIES



Once gods had a desire to drink NECTAR—the immortality giving delicious juice. But the nectar could be had, only by churning the ocean. The ocean could be churned only by using the lofty Mandrachal mountain. And the Mandrachal could be uprooted and placed in the ocean for churning only by Shesha—the mighty serpent god.

So gods prayed to Shesha not only to uproot the Mandrachal and to place it in the ocean but also to be the belt for churning the same. Shesha honoured their requests and obliged them.

Gods invited demons to help them in churning the ocean. Demons could not resist the temptation for the nectar and so accepted the invitation.

The gods and the demons, holding Shesha at each end, started revolving the Mandrachal, back and forth, faster and faster.

After a spirited churning, precious sources and resources sprang up from the ocean—first came up the moon: the source of a pleasant light in darkness; then emerged the goddess Laxmi : the mother of all

wealth; then, the dazzling horse Uchchrishrava : the swiftest means of transport; and in the end but one appeared Dhanvantri Dev with a white jar filled with the nectar.

For the possession of the goddess Laxmi and the nectar—the gods and the demons both staked their claims. Lord Vishnu however fooled the demons by his ingenuity. He kept the goddess as his beloved consort and served the nectar to the gods. But Rahu, a demon, out-witted the Lord and drank the nectar by disguising himself as a god...

The process of identifying business opportunities is like churning of the ocean—an exercise demanding massive and unified efforts. It is an act of bringing hidden resources to the fore. Although opportunities are seeded in desires (“Once gods desired to drink nectar...”), availing them is a matter of pure ingenuity and, if the environment is hostile (as in the case of Rahu), ingenuity has to be coupled with a certain amount of risk, of course. But then, there in lies entrepreneurship !

Ashok K. Sinha