



# EDI Reports



AUGUST '95 - OCTOBER '95

ENTREPRENEURSHIP DEVELOPMENT INSTITUTE OF INDIA

## FROM THE DIRECTOR'S DESK

### *Credit Linked Training : A Break Through*

It is now a well accepted fact that Entrepreneurship training alone is not sufficient to create an enterprise unless the trained entrepreneur is backed-up by timely and adequate credit. At the same time, it is increasingly being realised by financial institutions that credit alone is often not sufficient to have a successful enterprise unless the entrepreneur is competent or is made competent through training. A combination of entrepreneurship training and credit yields better results, both in terms of number of post-EDP start-ups, as well as healthier, profit-making enterprises repaying loans regularly.

While discussing performance of rural and micro enterprise development programmes (REDPs) with Shri M.Sahu, Chief Executive, KVIC and Director in the Department of SSI & ARI, Ministry of Industry, Government of India, we concluded that a large number of rural poor or micro enterprises fail to emerge because of failure of the formal banking system to extend credit. The poorer the entrepreneur and the smaller his/her loan requirement, lesser the likelihood of his/her getting finance. Why then not have a package programme which combines entrepreneurship training with credit? Such a package project was submitted to and is now sanctioned by Khadi & Village Industries Commission (KVIC) involving: (a) identification of credible voluntary organisations in rural areas; (b) training of their officers as entrepreneur - trainer - motivators / counsellors; (c) implementation of rural and micro enterprise development programmes through VOs; (d) meeting credit requirement of these trained REDP entrepreneurs by making a Fund available to a nodal implementing agency (EDI); (e) capacity building of voluntary organisations for accepting and disbursing credit to the entrepreneurs developed by them through REDPs; and (f) releasing credit from the nodal agency to the micro entrepreneur through the VO.

While the mechanism for disbursing credit is being finalised between EDI and KVIC, this package should be considered a major break through in the efforts to promote rural self-employment, income generation and rural empowerment.

There are several 'ifs and but's. The crucial issues involved are : Should a training institution get involved into credit operations? If yes, how far? Who should bear the risk of defaults and business failures? What level of recovery should be aimed at? While rural entrepreneurs and poor people in general have proved that they are good credit-risk, with significantly high repayment records (usually 80% plus and upto 98%), trained entrepreneurs have also shown that they not only perform better but also repay loans far better than others. If so, operations of the KVIC-EDI-VO programme has every possibility of success in terms of repayment of loans.

For EDI and its REDP affiliated organisations, the New (Samvat) Year has begun with this exciting development.

DR. V. G. PATEL

### *Professionalism opens many doors.....*

#### THE THIRD COURSE ON ENTREPRENEUR SELECTION MOTIVATION COUNSELLING AND COMPETENCIES

An intensive programme on behavioural inputs in EDPs was organised during September 18 - 29, 1995 for entrepreneur trainer-motivators (ETMs) and faculty members operating in this particular sphere. This was the 3rd course offered by EDI. It has been observed that the success of any EDP depends largely on the effectiveness with which the trainer-motivators can perform their role. An important reason for poor performance of EDPs is also due to unsatisfactory selection of trainees as many ED organisations do not have competent trainer-motivators who can administer and interpret behavioural selection tools and techniques systematically and precisely. Another reason is the poor handling of motivational and competency development training as well as counselling inputs. Keeping these issues in mind, EDI had organised the

above mentioned programme on behavioural inputs to up-date and up-grade professional expertise.

The programme focussed on current methods of selection, motivation and identification of problems, issues and their solution. The basic concepts in behavioural sciences were covered. The Focussed Behavioural Event Interview (FBEI) method, developed by EDI, to identify potential entrepreneurs was explained to the participants and they were trained to use this technique in their programmes. Problems in achievement motivation training (AMT) and in competencies development training were identified by the participants themselves and they were helped to solve them. Another critical component was the counselling inputs. Besides lectures; experiential learning, simulation exercises, audio-visual aids and group

discussions were extensively made use of. A total of 12 participants from state level organisations, engineering colleges and universities attended the programme.

The programme was very successful as indicated in the effusive feedback received from the participants. The participants voiced their confidence in being able to handle selection inputs. 11 of them were certain of being able to handle motivation and competencies development inputs while 10 were convinced that they could handle counselling inputs. The participants shared their professional experiences during the programme. At the valedictory function, Dr. Sunil Shukla, the Programme Director thanked all concerned especially the Small Industries Development Bank of India (SIDBI) for the support they had provided for the programme.

### *On the malawi track.....*

#### TRAINING PROGRAMMES ON ENTREPRENEURIAL ASSESSMENT TECHNIQUE IN MALAWI



Dr. Dinesh N. Awasthi, Sr. Faculty, EDI, monitoring group discussions in a training programme on Focussed Behavioural Event Interview (FBEI) in Blantyre, Malawi.

As an outcome of USAID-sponsored multi-country research study to understand what it takes to be a top-performer as an entrepreneur, a competency model was formulated followed by a competency-based training programme as also an interview technique viz., Focussed Behavioural Event Interview (FBEI). In the past 4 years, EDI, through 14 programmes on this

interview technique has trained a fleet of appraisal officers of financial institutions spread all over the country, on new techniques to assess the 'person-behind-the-project'.

During the promotional work for one of these programmes, the Development of Malawian Traders Trust (DEMATT), Malawi - a UNDP assisted industrial extension set-up in Malawi evinced interest in

having the programme organised in Malawi. Accordingly, a 2-member EDI faculty team, Prof.B.P.Murali and Dr.Dinesh Awasthi, conducted two programmes at Blantyre, Malawi during April/ May 1995 covering 40 Small Enterprise Development Professionals from DEMATT and other institutions including international voluntary organisations.

The action plans prepared by the delegates as a part of the training programme indicate that FBEI technique would be used to select entrepreneurs for EDPs, provision of technology/marketing support, consultancy support, etc. Given that there has been a total absence of 'behavioural element' in the selection/assessment process and the scope that FBEI technique offers to cover the critical element in terms of entrepreneurial competencies, the programme was very well received.

## On Your Mark, Get Set, Go!

### THE SEVENTH PROGRAMME ON SUCCESSION PLANNING FOR ENTREPRENEURIAL CONTINUITY



Participants of SPEC - VII with faculty members of EDI and the Vice President and Director, Dr. V. G. Patel (fourth from right). To his left is Dr. KVSM Krishna, the Programme Director.

Succession planning is important for all enterprises, more so in the case of family business. Success of such business largely depends on the smooth transition of management from one generation to the other, ensuring a judicious blend of continuity and change in the firm's approach to profitable opportunities.

Succession Planning for Entrepreneurial Continuity has been conceived by EDI to address these concerns. Launched first in 1991, six programmes have already been held in this series and they have been highly acclaimed.

The broad objectives of SPEC is to equip the future successors of businesses with necessary entrepreneurial vision and aptitude so that when they join their business, they ensure the supply of the critical input of entrepreneurship even in the absence of their predecessors. The programme also aims at

facilitating their thought process so that they may be able to set-up their own new businesses, expand the existing ones, or diversify drawing from the strengths of the existing ones.

This programme has four modules; one, family business dynamics; two, business opportunity identification; three, exposure to business management; and four, self confidence and entrepreneurial motivation. Apart from lecture method; case method, field visits, interactions with entrepreneurs and participatory approach were adopted to achieve the targeted goal.

The participants were encouraged to work on projects selected by them in consultation with assigned Faculty Guides. Every participant was required to make a presentation on his/her project work before a panel consisting of the Programme Director, his/her Project Guide and two or three participant nominees. This exercise

effectively contributed to the seriousness and commitment to the programme. The programme commenced with a premises set for participants that every session conducted in the programme will have a certain learning value and it is the group's responsibility to identify the nuances and jointly prepare synopsis of overall learning by the time of its conclusion. In order to facilitate this, the Programme Director, Dr. KVSM Krishna conceptualized the lessons of every session towards its conclusion. The participants were found to be quite sharp, co-operative and open for learning.

With a view to ensuring that the participation in the programme has relevance for development in the participating organisations, EDI continues to keep in touch with the alumni of the programmes and are ready to offer help or counselling in implementing their entrepreneurial plans.

## WOMEN ENTREPRENEURS FROM SRI LANKA AND NEPAL VISIT EDI

Asian and Pacific Centre for transfer of technology, New Delhi had sponsored two women EDPs for technical training in India by EDI and EDP training in their respective countries. Product identification exercise was completed in April - May 1995. Subsequently two programmes were conducted in Nepal and Sri Lanka by the local agencies. The responsibility of technical training to women entrepreneurs for two weeks in India was assigned to EDI. Accordingly, 20 women entrepreneurs from Nepal and 19 from Sri Lanka came to the EDI campus, in

July, for technical training. The entrepreneurs had selected products like mushroom cultivation, woollen yarn spinning, herbal cosmetics, garment manufacturing, herbal insecticides, batik printing, vegetable canning and preservation, cane furniture manufacturing, tiles for flooring manufacturing, etc. They were taken to fifty different enterprises manufacturing similar products. They were assisted in collecting required information from local raw-material and machinery manufacturers/ suppliers and technical experts.

## CIDA DELEGATION VISITS EDI

A delegation from the Canadian International Development Agency (CIDA), visited India in August end with the purpose of identifying suitable areas for

The visitors were highly impressed by the activities of EDI and in the meeting held with the Vice President and Director, Dr. V.G. Patel and



Dr. Brian Hunter speaking about the mission of CIDA.

programme development, aimed at promoting economic growth with equity. Mr. Brian Hunter, Chief Economist for South Asia and Mr. Faisal Beg, Development officer in the CIDA section of the Canadian High Commission, Delhi visited EDI in this context to explore the scope for developing entrepreneurship programmes for the poor, especially poor women.

senior faculty members of EDI, the objectives of the Institute as well as CIDA were discussed in detail. Dr. Brian emphasised that he was indeed deeply influenced and stimulated by the environ as well as entrepreneurial activities of the Institute. He hoped that the exploratory visit would serve as a beginning for a long standing professional relationship.

Trainer-Motivators' for IEDs/ CEDs and TCOs. The objective of this programme is to develop professionals and equip and enhance their abilities and skills in the sphere of training and counselling, to enable them to promote and facilitate small enterprise creation through training interventions. This 4-week programme (Aug. 21 - Sept 15, 1995) was supported by the Department of Science

& Technology, Government of India, New Delhi.

15 participants from different state level institutions, situated throughout the country, participated in this aforesaid programme.

The programme was well-received and highly appreciated.

## Learning to forge ahead.....

### AN INTEGRATED PROGRAMME FOR TRAINER-MOTIVATORS



Participants of the 'Integrated Trainer Motivators' programme in the class room.

All institutions engaged in entrepreneurship development through education, training and

counselling experience shortage of competent training professionals. In order to

combat this situation, the institute had organised an 'Integrated Course for

professionals. In order to 'Integrated Course for

## FDI'S IN INDIAN BUSINESS

EDI has recently launched a study of Foreign Direct Investment (FDI) by Non Resident Indians (NRIs) in the Indian economy.

There is no dearth of empirical evidence on the role of expatriate capital in the economic development of a people. The Indian government has adopted policies to encourage FDI but somehow or the other, the response of NRIs has at best remained lukewarm. This is amply reflected in the subdued investment pattern of NRIs. This may appear to be irrational. Or is it due to institutional structure and anomalies or absence of sufficient necessary conditions? This study would attempt to answer some of these questions. The study would be based on the case approach.

At present, the lacklustre performance of NRIs to the investment opportunities in India has been explained on the basis of some impressionistic assumptions: the NRI entrepreneurs may lack managerial skills; they may lack entrepreneurial competencies; they may not be committed to doing business in India; the Indian business environment is drastically different from that prevailing in the countries of their adoption or such other arguments. It is also very often stressed that doing business in India is difficult because of

corruption, bureaucratic delays, institutional deficiency and so on. In this context, the possible presence of implicit transaction costs involved in contractual arrangements and the necessity to employ influence mechanisms of all kinds in relevant enterprise activity merits consideration.

NRI technocrats and management professionals have a lot more to contribute to the national economy than mere fund investment in hard currency. Their technical skill, managerial expertise, if properly harnessed and channelised, could do wonders to Indian industry and economy as a whole. Expatriate Chinese have ploughed in about \$ 20 billion worth of investment in Chinese enterprises while NRIs have ploughed in only about \$ 2 billion into their homeland. This issue could be analysed by considering all the questions specified above through a case study analysis of NRI entrepreneurs in the country. The EDI has been working on these lines focussing on the entrepreneurs' background, market entry strategies, business style, the periodicity, incidence and extent of management crises. The study will be largely based on perceptions of businessmen and control variables will be employed to analyse broad similarities in perceptions and implications.

## Book-Able Quality !!

### Is it possible ?

Yes, says

H. Anil Kumar, Librarian, EDI, the author of the paper "21st Century Libraries & Librarians" presented in the Ahmedabad Libraries Network (ADINET). The paper was highly acclaimed.

## QUALITY, INNOVATION AND LIBRARIANS OF THE 21st CENTURY

There has been a continuous shift in the roles performed by the librarians probably since the time libraries came into existence. From collectors to store keepers; classifiers to indexers; administrators to managers. In keeping with the tradition of the frequent change in roles, I visualise another role for librarians of the 21st century - **Innovative Quality Experts**.

The importance of this role, as I perceive it, lies in the increasing need to provide better information services and bring out better information products. Quality is thus a handy concept for the librarians since it plays a crucial role in planning of any product or service. It is a major factor in marketing your product/service too. This does not imply that Quality however, is not important in libraries which do not market their product/service externally.

Quality generally denotes a degree of excellence when referred to a product or service. The quality of a product/service is based on the satisfaction of the customers/user and the

satisfaction of the customer/user is directly related to the quality of the product.

Since quality is a measure of the user satisfaction, it should include the following characteristics :

- 1) Serving the purpose or functionality
- 2) Appearance/physical features/environment
- 3) Operational ease/accessibility
- 4) Reliability/authenticity
- 5) Cost

Now coming to the process of introducing & maintaining quality, it becomes imperative to have a control mechanism to monitor quality. In other words, it is called 'quality control' and is achieved through four main activities :

- 1) Setting quality standards
- 2) Appraisal of conformance
- 3) Correcting the deficiencies
- 4) Planning for quality improvement

For any quality programme to be successful, it is imperative that everybody should

participate actively in the discussions and subsequent implementation. This naturally calls for regular brainstorming sessions.

The pursuit of quality is a continuous process. Libraries being dynamic in nature and with ever changing user needs, dynamism must be built into a quality system. To achieve this dynamism and quality improvement one needs to innovate.

Since innovation is associated with change, it is but natural that there will be barriers to innovation and these barriers of innovation can be broadly divided into two main areas, viz. Corporate or Organisation barriers and Customer barriers. A thorough understanding of these barriers is necessary to be able to overcome them.

To conclude, librarians have to get into the act of becoming quality experts and innovators rather than continue being mere managers of information. This, without doubt, would take libraries into the 21st century.

## WOMEN ENTREPRENEUR TRAINER MOTIVATORS' PROGRAMME FOR NEW ENTERPRISE CREATION

Strategies to hasten the pace of Entrepreneurship Development for New Enterprise Creation (NEC), has assumed enormous significance in the light of limited employment opportunities, migration from rural areas to urban conglomerates with attendant social-demographic problems, increasingly skewed distribution of wealth, regional imbalances in development, inadequate value-addition to local resources and the like.

While efforts are made to develop potential first-generation entrepreneurs, women have not been given proper share of training and development facilities, to be at par with their male counterparts in matters of self-employment and entrepreneurial activities. It, therefore, becomes necessary to organise special training programmes for women so that they could play an active role in the economic activity and can be encouraged to initiate entrepreneurial activities.

In keeping with this objective, EDI had conducted a programme for Women Entrepreneurs Trainer-Motivators on New Enterprise Creation. Twenty participants representing 12 developing

countries participated in the training programme. The group was a blend of business counsellors, management consultants, extension workers



Mrs. June E. Griffith of Barbados voicing her appreciation at the valedictory session.

from NGOs and entrepreneur trainer-motivators. Most of the participants came from grassroot level institutions engaged in training activities for small enterprise development.

The programme aimed at training the participants comprehensively to initiate, plan and implement entrepreneurial development activities for small and medium scale enterprises and equipping them to assess

entrepreneurial competencies, evaluate project plans and offer necessary support required for implementation of small business ventures.

They were also helped to develop requisite skills in specialised areas like entrepreneurial selection

techniques, motivation training, project selection, feasibility assessment and small business management. Since this programme was mainly to promote entrepreneurship amongst potential women entrepreneurs of developing countries, it was felt appropriate to sensitise the participants about the gender issues and a module on gender sensitisation was added to help the participants in understanding

the importance of Gender related inputs in Women Entrepreneurs Development Programmes and the impact of Gender issues on small businesses run by women entrepreneurs. They were also helped to realise the various problems faced by women entrepreneurs. They were equipped to effectively counsel them.

the importance of Gender related inputs in Women Entrepreneurs Development Programmes and the impact of Gender issues on small businesses run by women entrepreneurs. They were also helped to realise the various problems faced by women entrepreneurs. They were equipped to effectively counsel them.

The effectiveness of the programme was apparent by what the participants expressed. Ms. June E. Griffith of Barbados was confident that she would be able to suitably advise the vocational trainers in entrepreneurship and would provide guidelines to improve the selection and screening of trainees for all the entrepreneurship related programmes. Ms. Sibongile Ndlovu of Zimbabwe was emphatic that she would be incorporating the inputs that she has received at EDI to effectively design business creation and business management programmes for women entrepreneurs. She added that the curriculum is quite elaborate and dealt with issues relevant to enterprise creation. Of particular use was the input on preparing a project report and on financial analysis. Ms. Premila Ramaenee of Mauritius averred that it has been observed that "women entrepreneurs do not benefit

equally from the services offered by financial and training institutions among others. This is ascribed partly to the legal environment and to a lack of aggressive and well targeted promotion of services and partly to a lack of response from the women entrepreneurs. There is a strong need to disseminate information targeting women on the part of the institutions and a need to encourage them to make use of these facilities. The above indications show that the curriculum of this programme is adequate and relevant to my needs with appropriate modifications accordingly." Ms. Hemani Jayawardena of Sri Lanka observed that this course would help her to draw attention of agencies, financial institutions, banks and other organisations to have faith in women entrepreneurs and help them in their entrepreneurial activities. Mr. Kamaruddin Ahmad of Malaysia agreed that "generally speaking the whole content of the programme is relevant to me as an individual because it gives me broader ideas and views with respect to entrepreneurship and success in life. For my organisation, there are four main subjects which are very relevant viz. promotion awareness, selection tools, personal interviews and achievement motivation training."

**SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA announces  
'ENTERPRISE AWARD FOR WOMEN'**

The Small Industries Development Bank of India (SIDBI) has recently announced 'ENTERPRISE AWARD' for 300 women learners who successfully complete the Open Learning Programme in Entrepreneurship (OLPE) launched by the Entrepreneurship Development Institute of India, Ahmedabad, and set up their own enterprises. The amount of the award would depend on the quantum of loan sanctioned by banks / state finance corporations or any other financing agency as per the following norms.

**Open Learning Programme for Women**

Quantum of loan sanctioned by women learners Corporations, etc. (Rs.)

Amount payable by SIDBI to Banks/State Financial (Rs.)

Upto Rs. 30,000/-  
Rs. 30,000/- to Rs. 75,000/-  
Rs. 75,000/- to Rs. 2,00,000/-  
Above Rs. 2,00,000/-

Nil  
Rs. 3,000/-  
Rs. 4,500/-  
Rs. 5,500/-

The award amount would be made available to the learners of OLPE through EDI.

**EDI LIBRARY AND INFORMATION CENTRE (EDILIC)**

EDI offers membership of its Library and Information Centre to all information seekers!

To facilitate the search for information by entrepreneurs, researchers, trainers and students of entrepreneurship, EDI now offers membership of its Library and Information Centre to individuals, institutions and industries.

EDILIC has a rich collection of entrepreneurship literature in various forms and subjects.

**Subjects Entrepreneurship Management**

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Psychology Technology  
Social Sciences Women and Gender Issues

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Encyclopaedias Statistical Reports  
Dictionaries Newspaper clippings  
Working papers  
Economic/Industrial surveys

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For further details please contact : Mr. H Anil Kumar,  
Librarian  
EDI  
Ahmedabad.

**FORTHCOMING INTERNATIONAL CONFERENCES**

**01. Call for Papers "THIRD BIENNIAL INTERNATIONAL CONFERENCE ON ADVANCES IN MANAGEMENT"**

(June 26-29, 1996)  
Conference location : Marriott Hotel  
Phone/Fax : 800-228-9290 or 617-969-1000/969-8464  
2345 Commonwealth Avenue  
Newton, Massachusetts 02166, USA  
Submission Deadline : Papers must be received by November 30, 1995

**02. Entrepreneurship and Small Enterprises**

(January 21 - 30, 1996)  
Theme : Recent Developments in Education and Training  
The seminar will be held by the British Council in Edinburgh, Scotland. It is intended for senior staff directly or indirectly responsible for policy and practice in the education and training of entrepreneurs and small enterprise managers, particularly from developing countries and Eastern Europe. Further information can be obtained from International Seminars Dept., The British Council, 10, Spring Gardens, London SW1A 2BN, UK, fax: +44 171 389 4154

**03. European Doctoral Programme in Entrepreneurship and Small Business Management**

(January - June, 1996)  
The programme offers graduate students the opportunity to study the field in some depth and provides methodological training for would be researchers in an intensive six-month period. Further information can be obtained either from Prof. Bengt Johannisson, Vaxjo University, S-351 95 Vaxjo, Sweden, fax: +46 470 821 23, or Prof. Jose Veciana, Univ. Autonoma de Barcelona, Edifici B, 08193 Bellaterra, Barcelona, Spain, fax: +34 3 581 25 55.

**04. The Ninth Nordic Small Business Research**

(May 29 - 31, 1996)  
Theme: Nordic Research on Small Business and Entrepreneurship  
Contributions from other European countries and other parts of the world will be accepted. Further information can be obtained from Per Eriksson or Jean M. Rohr, Centre for Continuing Education, Lillehammer College, PO Box 1004, 2601 Lillehammer, Norway, fax: +47 61 28 82 00.

**FORTHCOMING  
EDI TRAINING  
PROGRAMMES**

1. Regional Training Programme on Informal Micro Credit Delivery System.  
EDI Campus  
Dec. 19, 1995 - Jan. 6, 1996.
2. Open Learning Programme in Entrepreneurship (OLPE) (Regional).  
Jan. - Sept. 1995.
3. Business Strategic Formation with Economic Reform  
EDI Campus.  
Jan. 18 - 22, 1996.
4. Intrapreneurship Programme  
EDI Campus.  
Feb. 6 - 16, 1996.
5. Trainers' Training Programme for Officials of Khadi & Village Ind. Commission.  
EDI Campus.  
Dec. 1995 - Jan. 1996.

**ATTENTION !! TRAINER-MOTIVATORS**

EDI is in the process of updating the National Directory of Entrepreneur Trainer-Motivators for promoting networking amongst Entrepreneurship Development (ED) organisations. All trainer motivators are requested to send the following details, in the prescribed format, for inclusion in the directory. Those who have already done so, need not send it again.

**NATIONAL DIRECTORY OF ENTREPRENEUR TRAINER-MOTIVATORS'**

Name	:		<b>Work Experience</b>
Age	:		a) Nos. of EDPs
Contact Address	:		* Conducted
			* Co-ordinated
	Tel. (O) :		b) Target group dealt with :
	Tel. (R) :		c) Entrepreneurship
	Fax :		related work
	Telex :		Non-EDP Experience
Education	:		Research & Publications
EDP related training	:		Area of Specialisation
			Language Known
			Any other details

\* Please mail this information to Mr. H Anil Kumar, Librarian, EDI

Published by : Publicity & Promotion Cell, on behalf of the Entrepreneurship Development Institute of India, Near Village Bhat, Chandkheda-382 424. Gujarat, India.  
Telephone No. : (079) 786 4331, 786 4084 Gram : ENDIND Ahmedabad.  
Telex : 121 - 6224 EDII IN Fax : 079-786 4367.  
For Private Circulation only.  
Designed & Printed by : Jayshree Printers, A/9, Suflam Estate, Isanpur, Ahmedabad-382 443. Ph. : 39 95 70