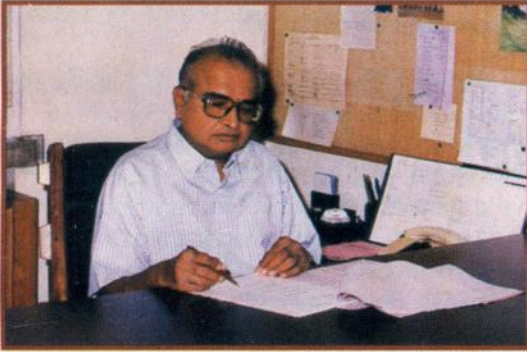


EDI REPORTS



ENTREPRENEURSHIP DEVELOPMENT INSTITUTE OF INDIA

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Mr. Robert Chambers,
an International Figure
in the Development
Sector
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FROM THE DIRECTOR'S DESK

Smooth Transition at EDI

In my book, *The Seven Crises in Business for Entrepreneurs*, the last one, i.e. Crisis of Management Succession, worries most entrepreneurs. Who will manage the enterprise in absence of the key entrepreneur, the owner leader, in case he or she suffers from long illness or sudden death? Succession of management has to be planned in advance and must begin with delegation of responsibilities and decision making leading to a team of competent, tested and trusted managers/executives, one of them by then capable of running the enterprise in absence of the entrepreneur.

The same is true of organisations committed to education, training, research or public services. So often an Institution, which is riding high on its image and recognition, loses its momentum and stability, once, one head of the organisation leaves or retires and the other takes over. So often such transition is jerky, unplanned and unimaginative as well.

Founder Directors who build an organisation often leave behind even more problems of transition once they retire or call it a day. A long stint of 10, 15 or 20 years makes an organisation very successful under the dynamism, commitment and reputation of the founder. But the next person faces a rather uncomfortable situation. Instead of benefits of joining a reputed smooth running organisation, the new leader faces hostilities, unfair comparison, reluctance to change, fear of failure and even departure of some key people.

I am very happy that in EDI, we have taken care of the transition in a planned manner minimising anxiety and disturbance. As a Founder Director, having served the Institution for almost 20 years, I will be completing my final term on 28th February 2003. The search for my successor began more than 12 months back and Dr. Dinesh Awasthi has been selected as the next Director of EDI. He is presently the Chief Faculty and has been associated with the Institute for more than 15 years. He is very familiar with every aspect of academic activities as well as major areas of management. Dr Awasthi has earned this position, of course, out of a national search in which a number of senior and experienced executives and organisation leaders participated. The transition will be smooth since he has been already declared as Director-Designate and the organisation is being prepared to have him as the next leader. The eight months that we would work together before Dr. Awasthi finally takes over, would ensure that there are no hiccups, no anxieties and no ripples.

For me it is a matter of satisfaction that we have been able to take care of, with the foresight of the Governing Body of EDI, the critical process of management succession at EDI. We have a great institution, a 'Centre of Excellence'. It is built on great traditions, systems, competent and committed faculty and staff. It is financially sound and is a smooth functioning, high growth organisation. A change of leadership will cause no disturbance. In fact it must bring new dynamism, new energy and create new vibrations.

-V.G. Patel

ENTREPRENEURSHIP IN EDUCATION

FOURTH CONVOCATION OF EDI POST-GRADUATE DIPLOMA PROGRAMMES

24th August 2002. Shades of triumph, motivation and confidence coloured the sky. Students in convocation gowns and caps added to the stateliness of the evening. The fourth convocation of the **Post-Graduate Diploma in Business Entrepreneurship and Management** and **Post-Graduate Diploma in Management of NGOs** marked this day at EDI campus.

The Chief Guest for the function was **Shri Brijmohan Lall Munjal, Chairman, Hero Honda Motors Ltd.** In all, 72 students successfully completed the course and were awarded the certificates : 24 in New Enterprise Creation, 20 in Family Business Management and 28 in Management of NGOs.



(R-L) Shri Brijmohan Lall Munjal, Chairman, Hero Honda Motors Ltd., Shri P. P. Vora, Chairman, IDBI and President, EDI and Dr. V. G. Patel, Vice President and Director, EDI, seen on the dais during the Convocation Ceremony.



Students of PGDBEM and PGDMN seen during the Convocation Ceremony.

The function began with the welcome address of Dr. V. G. Patel, Vice-President & Director, EDI.

Dr. Patel, extending a hearty welcome to Shri Munjal, highlighted his achievements as an entrepreneur. He pointed out that Hero Cycles is the largest manufacturer of Bicycles in the world, one of the highest exporters from India and the largest two-wheeler company in the world. In view of Shri Munjal's exemplary work, said Dr. Patel, he has been conferred upon the **International Entrepreneur of the Year Award (2001)** by Ernst & Young and the Business Standard's **Entrepreneur of the Year Award (2002)**.

Addressing the graduating students, Dr. Patel mentioned that they are our new breed, the future leaders of industries and social development organisations. EDI, he said, has moulded them for the tough and changing real world so that they make their mark in the society.

Shri P.P. Vora, President - EDI, and Chairman - IDBI, highlighted the importance of entrepreneurship in the growth of the economy. The president said that while everything else can move across borders, for a country to grow and become economically strong, adequate and sustained supply of competent entrepreneurs has to come indigenously. Analyzing past experience, he took pride in the fact that Indian entrepreneurship has responded well and sustained our economy and that it has proved its capability to take on the best in the world.

He emphasised that ethics in business is as important as managerial skills and competencies. Highlighting Shri Brijmohan Lall's highest concern for honesty and integrity in business dealings, Shri Vora said that we must all learn from his initiatives.

Speaking about the Indian businesses owned and managed by families, Shri Vora said that the scenario today demands a change in the management practices, strategies and styles; looks forward to strengthening knowledge and capabilities of entrepreneurs as this will ensure that family business entrepreneurs prepare their generation for smooth transition and equip them for survival as well as growth.

The President expressed happiness over the fact that EDI is playing a major role in widening and strengthening the base of entrepreneurship in our country.

Shri Brijmohan Lall Munjal, the Chief Guest, awarded the diplomas to the students and the medals for Best Performance to meritorious students. The Bharti Best Student of the Year Award (sponsored by Bharti Telecommunications, New Delhi) was also presented.

Shri Brijmohan Lall Munjal in his convocation address reflected over his own entrepreneurial career, and pinpointed the traits of an entrepreneurial person adding that he/ she should be a person who has an uncanny knack for identifying an opportunity and taking appropriate risks at the right time.

Shri Munjal then qualified his statement by adding that all of us are gifted with some or the other natural talent and that some are able to use and benefit from the talent directly and in some other cases some supplementary help is required for the use of the same.

Relationship management and emphasis on ethical values were also highlighted by Shri Munjal as the strengths of an entrepreneur.

Making a mention of Family Business Management specialisation, Shri Munjal brought forth that in the context of our country where more than 60% of the businesses are family run, this course is very appropriate and will certainly give a new dimension to family business.

Advising the students, Shri Munjal said that the world is open for them to experiment and realize their goals. He told the students that one should have a sense of dignity in whatever one does. The most important thing he said was to be principled and singularly committed. Shri Munjal concluded by urging the students to become entrepreneurs as this career, he said, would change them as they will then have an opportunity to improve the living conditions of the people touched by their products and organisation.



Shri Munjal congratulating the students.

AWARDS FOR MERITORIOUS PERFORMANCE

Hareesh B.S.



- Bharti Best Student of the year & Swargiya Chanchalben Madhubhai Patel Gold Medal for Scholastic Performance in Management of NGOs

Shivani Patel



- Shri Rajni Kant Worah Gold Medal for Scholastic Performance in Family Business Management

Ritish Rangwala



- Silver Medal for Scholastic Performance in Family Business Management

Samir Mahajan



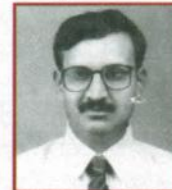
- Swargiya Madhubhai Manibhai Gold Medal for Scholastic Performance in New Enterprise Creation

Krishan Misra



- Silver Medal for Scholastic Performance in New Enterprise Creation

Shailesh Majumdar



- Silver Medal for Scholastic Performance in Management of NGOs

CONVOCATION ADDRESS -BY SHRI BRIJMOHAN LALL MUNJAL CHAIRMAN, HERO HONDA MOTORS LTD.



"At the outset I must thank Dr. Patel for inviting me to the function. Before narrating some of our experiences at Hero Group, let me congratulate and compliment the students of all the three streams (New Enterprise Creation, Family Business Management & NGO Management) who have received their PG Diploma today.

I was happy to see young entrepreneurs walking away with their certificates. These students, no doubt, are extremely fortunate. In our days none of these facilities were available. We learnt from each and every one who could give us some knowledge and information regarding an enterprise or its functioning. Our teachers were - our suppliers, our vendors, our buyers and our peers. There were no books on the subject. Every single aspect was learnt from experience and trial and error method.

To go out and become an entrepreneur was not an easy task. We brothers, for our livelihood joined jobs but soon realized that we were a different material. Service was, not our cup of tea. So we picked up bicycle components' trade to begin with. Like others, we went through difficulties, worked hard and never gave up. Jemshedji Tata was our national role model.

India had just attained Independence, and everyone was preparing to venture out and be part of national reconstruction. For few of us it was nearly a compulsion as we had lost everything in partition.

The social atmosphere then was such that, a large section of the society did not look upon entrepreneurs with the same respect as public servants or people of other profession. Therefore, the achievements of entrepreneurs of those days have to be judged by the circumstances that prevailed in the early years of independence.

But things rapidly improved. India's first Prime Minister, Pandit Jawaharlal Nehru and the architects of India's Five Year Plans realised the centrality of the role of entrepreneurs. The country for some time did lack clear-cut policy on enterprise development, but it was more than compensated by the initiatives of the political leaders and bureaucracy. I have several instances of Punjab Chief Minister Shri Pratap Singh Khairon taking proactive decisions to help entrepreneurs of the state.

Not everybody can become an entrepreneur even if one desires to do so. I don't mean to say that he or she should be a special person; but should be a person who has an uncanny knack of identifying an opportunity and be able to take appropriate risks at the right time.

Having said that let me qualify my statement that all of us are gifted with some or the other natural talent. Some are able to use and benefit from the talent directly and in some other cases some supplementary help is required for the use of the same. Recently in an international forum I was asked as to whether an entrepreneur is born or made" ?

The question looks as though it is riddle of "chicken or egg first". There is no "either-or" case in the real world. There are both types of possibilities and instances.

Take for example Soichiro Honda the founder of Honda Motor Company, Japan. He was a great innovator and a man with a vision. He toured all over the world to look at various technologies; innovated 4-stroke small engines; became a racer to understand the technological needs of a racing bike. I have not come across such an adventurer in my life. But not many people know the other side of Mr. Honda. He had poor business acumen. All his early ventures utterly failed. Only when he joined hands with his friend Mr. Fujimura, the real entrepreneur in Mr. Honda was born and the enterprise they started together became a stunning success without a parallel.

In another instance we have the example of Bill Gates who is a born entrepreneur. What he started, as a business initiative in a garage, is today the best-known "rags to riches" story in the world. In his case his zeal to start up something on his own did not wait till he completed his degree.

Last year, a young innovator was chosen as the world entrepreneur of the year Ernst and Young. And that 34-year old gentleman had started developing a very special software graphics at the age of 19, which was applicable for advanced medical treatments (Cancer).

Thus there is no exclusive qualification that makes you a successful entrepreneur. There are all kinds of possibilities.

Coming back to the experience of Hero Group, as we grew and expanded our business, we brought into the folds many friends and associates as our dealers, ancillaries, vendors and suppliers. We provided them technology, and

In some cases finance as well. For the last 45 years they are with us and in many cases new generations have taken up the business of those ancillaries and still continue to supply us components.

Sometimes people ask me - How is that you practiced JIT and best productivity in the 50s, even before the concept got evolved ?

Actually we had to respond to the economic and market conditions that prevailed in those days. Money and credit was quite scarce then, not like today. So we wanted to use all scarce resource in the best manner to improve our efficiency. We could not afford inventory. At the same time we were not in a position to price the bicycles higher as it was a mass transport product. In addition there was good bit of competition.

There is a cultural angle to what we practiced. As a tradition people in our area seldom resort to credit. They always start small, with their own funds and try to come up. The innovative efforts of Ramgharias need to be emphasized here. They fabricated lots of machines and saved foreign exchange for the country. That is why Ludhiana industry is relatively efficient and low cost.

Using this strength of Ludhiana, we created a hub of ancillaries around our facilities, so that we got the components in time and at regular intervals. Certain raw materials like steel sheets and tyres used to come from far off places and sometimes created mismatch with our production planning. So we persuaded them to open depots in punjab for timely and regular supplies.

High productivity and low inventory in our operation was one of the criteria why Honda joined hands with us. There is a big lesson here: wherever there is a sense of mentoring and sharing, business not only grows but sustains.

Relationship management is one of the strengths with Hero Group. The relationship and bondage of our companies gets extended to the dealers, customers and employees. All across the Group there is just one philosophy - that is, all stakeholders are a part of our large extended family.

Now-a-days there is a general impression that choosing this career is a route to overnight rags to riches story. Barring few exceptional digital ventures, normally it is a long term proposition. One must have patience; application and ethical dealing as we progress to build our organisations and this is the recipe I prescribe to the people who would like to build great organisations.

One of the important things that we at, Hero Group, practiced and promoted was running the business on ethical values and in a transparent manner. It is only now that we have "corporate governance" and other appropriate regulations in place but from the very beginning our company had some of these principles clearly spelt out. In building cultural values in our

companies we had a great bit of influence from our elders on issues like respect for individuals, sense of sharing the benefits, care for the employees and customers and spreading the spirit of teamwork.

"Ethics is not definable, not implementable because it is not conscious; it involves not only our thinking but our feeling".

Therefore, ethics is more of a self-discipline. It cannot only be enforced by law. Recently, delivering the First Raman Munjal Memorial Lecture, my friend Mr. N.R.Narayana Murthy said, "ethical behaviour is doing what is best in enhancing the trust and confidence between two entities, so that, both the entities feel energized and enthused to work towards the betterment of the common good".

In the recent years there is a greater emphasis on corporate governance with the intent of enforcing transparency and fair play in the business dealings of enterprises. If equally responsive administrative governance supports good corporate governance, I am confident that India will match the performance of any industrial society in the world. We have all the skills, intelligence, human resource, and large domestic market as conducive factors.

I was going through the curriculum of EDI and I was happy to see some students who had specialised in family business receiving the Diplomas today. This is appropriate because even in developed countries like United States nearly 60% enterprises are still family run. In India too, we have large number of entities which are family run. With young generations coming in, it is more imperative that institutions like EDI run such specialised courses.

Another thing I would like to caution people in business and I always advise my children and grandchildren is, not to entertain complacency. Because there is a danger that we may miss certain timely decisions and also we may lose trust of the people around us. Complacency means we are resting on our past achievements and taking life easy. One must be sharp and accept success with due humility. After all at end of the day the entire effort is team work. I myself accepted the Ernst and Young Entrepreneur of the Year Award on behalf of everyone who worked for my organisation.

I feel, at some stage, it's also the responsibility of the enterprises to be responsible corporate citizens and do their best to the society. Along with the growth of the Hero Group, we have promoted schools, colleges, health facilities and other necessary social infrastructure to make the area around us developed.

I hope the examples that I have cited would provide some guidance to the entrepreneurs in the making. I also wish that government and society recognises the risks and struggle undertaken by the entrepreneurial society and would create appropriate atmosphere for promotion of young entrepreneurs, which I think is a long-term solution for the development of India.

I also would like to say a few affectionate words to the new entrepreneurs who will be joining our family, that till now you were protected and supported by your parents. They looked after your needs and your aspirations. But soon you will be on your own. The world is open for you to experiment and realize your goals. Do not hesitate to do what is right according to your conviction.

One should not unnecessarily compare and one should have a sense of dignity in whatever one does. I know some friends who have picked up the simple job of supplying fruits and vegetables, cosmetics and toiletries to hotels and have become millionaires.

Do not forget one thing; be principled and singularly committed, and then the entire turf is yours. This career will change you and you will have the opportunity of improving the living conditions of the people touched by your products and organisation".

YOUTHS FROM KACHCHH & RAJKOT ACQUIRE SKILLS TO SET UP OWN VENTURES

The Institute's experience of more than 3 decades in the area of entrepreneurship is a testimony to the fact that latent entrepreneurial potential of individuals can be tapped and they can be groomed into entrepreneurs by well-designed, comprehensive training package comprising knowledge, skill and attitude.

Realising the need to continue such efforts, the Institute conducted an Entrepreneurship Development Programme (EDP) for the youths of Kachchh and Rajkot. It was sponsored by Gujarat Tea Processors and Packers Ltd. (Wagh Bakri). The participants of the programme comprised youths in the age group of 22 - 30 years. They were selected on the basis of a preliminary test, i.e. 'General Enterprising Tendency (GET) Test' to assess their entrepreneurial traits.

The programme was an outcome of a research conducted by EDI in Kachchh and Rajkot on viable business opportunities and the possibilities of setting up ventures in these areas. The main objective was to impart knowledge to participants on all the critical aspects of setting up and managing business enterprises thus ensuring that they identify viable business opportunities and set up own ventures.

Along with inputs on setting up and managing a business, lectures by banks and finance institution officials were also incorporated in the curriculum so that the participants could acquire knowledge on favourable government policies for potential entrepreneurs as also an understanding of the formalities for applying for loan support.

Project Report Preparation was an important aspect of this programme wherein each candidate prepared project on the basis of the information available on identified opportunities in Kachchh and Rajkot.

EDI, since completion of the programme has been rendering follow-up support to the participants to help them set up ventures in identified areas.

Dr. Mauli Patel, Programme Director feels that the training has exposed the participants to the intricacies of business by imparting them skills to set up business and by building their competencies. "Another two months will see all participants fully involved in their respective projects", she stated.

DISSEMINATORS OF KNOWLEDGE COULD BE THE CRUCIAL CHANGE AGENTS

Entrepreneurship in Education has come to acquire immense significance in the recent times. Most universities / colleges across the world have, therefore, introduced Entrepreneurship as a subject in their curriculum. However, in the absence of proper dissemination of the knowledge in textbooks, their applicability in real life situations seldom finds any substantiation. The disseminators of knowledge should, therefore, be able to impart learnings in a way that the students also get enough motivation to achieve excellence in their endeavour.

EDI, therefore, has been conducting Faculty Development Programmes (FDPs) at national and international levels for the educational community across the globe.

An international Faculty Development Programme organised during September 23 - November 01, 2002 was attended by faculty members from countries such as; Columbia, Phillipenes, Bolivia, Sudan and Bhutan.

The programme was sponsored by Indian Technical and Economic Co-operation (ITEC), Ministry of External Affairs, Govt. of India.

The participants got an exposure into the comprehensive entrepreneurship development process and were equipped with skills to co-ordinate / organise entrepreneurship development related activities in their colleges / polytechnics / schools. The teachers also acquired knowledge on guiding and counselling students towards an entrepreneurial career.

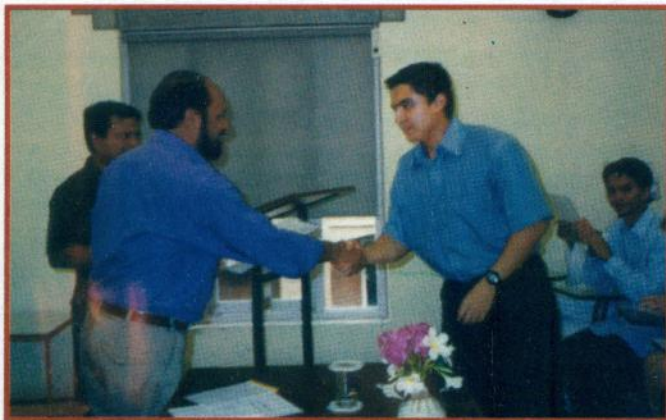
The programme primarily focussed on imparting skills and behavioural training inputs, knowledge on procedures required for setting up an enterprise, incentives and benefits available to participants, business profile preparation, business plan formulation and assessment of the viability of a business plan.



The Participants of the programme seen with EDI Vice President & Director, Dr. V. G. Patel (3rd from right), Dr. KVSM Krishna, Course Director (4th from right) and EDI Faculty.

The participants, on their field visits to educational institutes, training / industrial support institutions, viewed things in process / action so that they could facilitate replication of activities / schemes back home. On a study tour to around 16 small industrial units, the participants gained insights into the functioning of these units and their strategies to diagnose a problem and come out with solutions. The participants opined that this exposure developed in them the spirit of approaching a problem with a positive frame of mind. The valedictory function of the programme was organised on 31st October 2002. Dr. Dinesh Awasthi, Chief Faculty and Director Designate, EDI, urged the participants to take on their mission with single-minded determination and create entrepreneurs out of students. Dr. Awasthi also asked the participants to keep EDI posted about their developments and success. He concluded by encouraging the participants to make a substantial contribution to the economy of their respective countries by tapping the potential of the youth of the country.

As of now, the Institute has organised 37 FDPs and in the process has groomed around 720 teachers at national and international levels



A participant of the programme receiving the certificate of successful completion of the programme from Dr. Dinesh Awasthi, Chief Faculty & Director Designate, EDI.

FEEDBACK OF SOME PARTICIPANTS

"My belief that entrepreneurs can be created through educational endeavours has got further strengthened as I feel equipped enough to take on the responsibility of a change agent. Moreover, I now know the importance of selecting potential entrepreneurs before actual conduction of the programme and I will certainly implement this".

- Mr. Juan Carlos Saibis Sakr, Ministry of International Trade, Colombia

"I realised here that more than knowledge and skills of a teacher, it is his / her attitude that creates an impact on the thought process of the student. I have the right attitude today and this will certainly help me generate the right results."

- Ms. Diana Paola Joya, Gomaz Pinzon Y Asociados, Colombia

Bharti Centre at EDI to Promote Entrepreneurship

Bharti Foundation, New Delhi, the leading telecommunication network sponsored 'Bharti Centre for Entrepreneurial Initiatives' has been established at EDI to increase the supply of entrepreneurs in the society by inculcating the spirit of entrepreneurship in the youth of today. Against the backdrop that a lot of potential still remains to be tapped and effective promotion of entrepreneurial activities at the national level can imbibe in the youth, the 'motivation to achieve', the Centre aims at orienting youths towards setting up their own ventures.

A high level delegation comprising Mr. Rakesh Mittal, Vice-Chairman and Managing Director, Bharti Enterprises, Mr. G.K. Agarwal, Director(HR), Bharti Enterprises and Ms. Tina Unekan, Alliance Director, recently visited the Institute to attend the first Advisory Committee Meeting of the Centre and decide the implementation strategy.

The Centre announced the activities to be taken up in the immediate future.

- 'Bharti Entrepreneur of the Year Award' will be awarded to one entrepreneur created through Entrepreneurship Development Programmes (EDPs) so that the society at large recognises the significance of Entrepreneurship training. EDPs, spearheaded by EDI, have today become a national movement and most entrepreneurs who are successful today would not have reached this stage without such training. The Award would consist of Rs.1,00,000/- cash, a trophy and citation.
- Archives on Achievers, so that relevant and authentic information on achievers from different walks of life is collected and a storehouse of information is developed. Subsequently, biographies of successful

entrepreneurs / achievers and audio-visuals on them, depicting their achievements and competencies will be created. This will go a long way in motivating and developing young achievers.

- **Fellowships for two students of EDI's Post Graduate Diploma in Business Entrepreneurship & Management Course** on means cum merit criteria so that enterprising youths are supported in pursuing their goal of setting up enterprises.
- **Bharti Best Student of the Year Award** to be given to a student of EDI's PG Courses. This will recognise the brilliant academic performance, ability, interest, attitude and special skills like leadership of a budding entrepreneur and also motivate students for all round development.

Thus, through various activities, the Bharti Centre for Entrepreneurial Initiatives, seeks to reach out to the youth to help manifest enterprising qualities so that a widespread culture of entrepreneurship is created. In due course of time, the Centre will expand its area of activities to include other interventions as decided by the Advisory Board.



Hareesh B. S. receiving the Best Bharti Student of the Year Award during the 4th Convocation of EDI P. G. Programmes from Shri Brijmohan Lall Munjal, Chairman, Hero Honda Motors Ltd. Also seen in the picture (behind Shri Munjal) is Mr. Prabhat Pani, CEO, Bharti Cellular Ltd. Ahmedabad.



Advisory Board Members seen during the first meeting of the 'Bharti Centre for Entrepreneurial Initiatives, organised at EDI Campus. Seen in the picture are (L-R) Ms. Tina Unekan, Alliance Director, Mr. G. K. Agarwal, Director (HR), Mr. Rakesh Mittal, Vice Chairman and Managing Director from Bharti Enterprises and Dr. V.G. Patel, Vice President and Director, EDI.

Dr. V.G. Patel, Director, EDI is the Chairman of the Centre while Shri Sunil Bharti Mittal is the Co-Chairman. Eminent entrepreneur of Ahmedabad Shri Achal Bakeri is also on the Advisory Board of the Centre. Dr. Sunil Shukla from EDI is the Project Director. Other members on the board are Dr. Dinesh Awasthi and Dr. Mauli Patel from EDI.

FORTHCOMING INTERNATIONAL PROGRAMMES

1) Methods and Techniques of Project Planning and Management (ZOPP)

(January 13 - 25, 2003) Xavier Institute of Management, Bhubaneswar, India

For more details e-mail : swapna@ximb-ac.in
Or
www.ximb.ac.in

2) Chronic Poverty and Development Policy, 2003 International Conference

(April 7 - 9, 2003), Manchester, UK

Call for papers, and for more information contact : cprc@man.ac.uk

3) 14th International Conference on Small and Medium Enterprises

(April 7 - 10, 2003) Tel Aviv, Israel

For further information visit : www.wasmeinfo.org

4) Navigating to the Future : An Entrepreneurial Journey

(January 23 - 26, 2003)

For details

Contact : Dr. Charles H. Matthews
2003 Program Chair
Hilton Head Island
South Carolina
Fax 1-513-556-4891
e-mail : ecenter@uc.edu

5) 1st Conference on International Entrepreneurship in a European Context

(March 6 - 7, 2003)

For details

Contact : Boyd.Cohen, e-mail : boyd.cohen@ie.edu

PROMOTION OF MICRO ENTERPRISE AND MICRO FINANCE

Interview with Mr. Robert Chambers, a renowned name in the Development Sector



Mr. Robert Chambers (seated 4th from L) seen with students of Post Graduate Diploma in Management of NGOs (PGDMN) and some of the EDI Faculty Members

Mr. Robert Chambers is one of the world's most influential proponents of Participatory Development. He is an expert on participatory approaches, behaviours and attitudes for workshops, teaching and training. His areas of interest also include power and knowledge, attitude and behaviour change along with professionals' and poor people ideas of poverty and well being.

He is currently working with the Institute of Development Studies at the University of Sussex, England, as a Research Associate. He has been involved with several assignments mainly in Sub-Saharan Africa, South Asia and the United Kingdom [covering central issues in social development pertaining to power domination, self-critical awareness and changes in concepts, values, methods and behaviours so as to explore new high ground of participation and empowerment. He is a proponent of the view that personal, professional and institutional change is essential if the realities of the poor are to receive greater recognition. Some of his books which have revolutionized the concept of Participatory Development include Rural Development: Putting the Last First (1983), Challenging the Profession (1993) and Whose Reality Counts? Putting the First Last (1997).

Mr. Chambers was on a visit to Ahmedabad to conduct a workshop on "Operationalizing Participation in Natural Resource Management". Mr. Manoj Mishra, Faculty, EDI interacted with Mr. Chambers on issues and challenges facing the NGO sector, methodological revolution in the

concept of 'Participation', as also some of the complex and diverse realities which are often at odds with the top-down realities imposed by professionals. Presented below are the views of Mr. Chambers.

- In the last decade, we have seen a new development paradigm taking its form, amidst such a scenario, how do you view the role of the NGO sector?

● I think there is a great deal of variation from country to country and from culture to culture. It all depends on the ability of the NGO sector to transform itself to suit the requirements of the present time. So the ability to offer services happens to be the core competency of an NGO. While service NGOs are important, more significant roles which NGOs could play are in the fields of **research; innovations** (i.e. innovation in executing activities); **capacity building and sensitizing** the government officials so as to strengthen their capabilities; **advocacy**, a concept which the bilaterals and the multilaterals are also talking about as this helps in supplementing and strengthening the democratic processes.

- We have been talking recently about the "Top down" approaches of 'Participation'. 'Participation is a concept, which was evolved in the 1970s and has been followed since then. Do you think it holds the same significance even today or do you see some kind of change?

● I think 'Participation' is going to be increasingly important and this is partly because there is another word, that is coming into the development world i.e; Power. People are talking much about power. But the way power is perceived and also the way power leads the powerful is frightening. Participation, however, is the other side of the coin. There can be a very good participatory process where people work together and do many things which people earlier perceived but could not accomplish. A number of concepts viz, empowerment, partnerships, participation, transparency, accountability, ownership should be recognized within the framework of their real meaning and only then these would generate good results.

- I think the six areas viz, Participation, Partnership, Ownership, Accountability, Transparency and Empowerment need to find an optimal mix in a developmental situation. How do you think can their effectiveness be measured?

The easiest way to judge the impact is to ask the people, i.e. the recipients. A classic example is of ACTION AID, a donor agency, which has asked its partner NGOs to evaluate its work. This has established transparency into the system.

- In consonance with the concept of empowerment, when can we say that the role of an NGO is over and there is need for withdrawal?

● If things get better socially and economically the concerned NGO, I believe, should withdraw. Most NGOs have an exit strategy but many believe that they can contribute more and so continue. I also hold that the government should be involved in the activities of NGOs as it has both Power and Resources to introduce changes, besides continuing after the NGO has withdrawn.

- What do you think we should begin with - social development or economic development?

● It's an important question in terms of where to start from. Normally it is not a problem if you start with social development. I would say that the dimension of vulnerability of people is not addressed by social or economic development. Cases from several countries show that the most important cause of poverty is theft. Although this is a result of poverty, it is now being interpreted as a cause of poverty. Rather I would say it to be an element of civil disorder. So, for the people who suffer from such problems the top priority is not social development or economic development but peace of mind. Then comes social or economic development. People's first priority is mental peace. So the basic rule again is ask the people as to what their priorities are - "ASK THEM".

- Do you feel NGOs are getting more power inclined?

● That is a big concern not only when it comes to the NGOs but also in the case of the donors. Their concentration now is more in the capital cities and they are moving their headquarters also towards capital centres. There is, therefore, a very great danger of losing contact with the grassroots realities. The biggest challenge is to combine policy advocacy with grassroots realities. NGOs should facilitate the process of sensitizing the donor agencies, so that when they return to the 'positions of power', they have an awareness about the grassroots level issues and problems. For the NGOs also it is equally true because it affects one's insight and intellectual understanding of the situation.

- Should State have any kind of control over the voluntary sector?

● I feel it's very proper and legitimate for the government to know what is going on. More than control, there should be co-ordination between the NGOs and the government as the work of one complements the other.

- What do you think is in store for the developmental sector on issues concerning participation?

● I think three words are becoming very significant. These are **Power** - people should be empowered as this will make them independent and responsible; **Relationship** - between the giver and the recipient, even juniors and the seniors need to be focused upon so that each one derives personal and professional satisfaction; **Perception** - performance depends on how we perceive issues / changes, learn from it and relate it to the context.

If the importance of these concepts are realised, quality will certainly improve.

- Would you like to comment on the challenges faced by the NGO sector?

● I feel the challenges are more personal than professional. It is important for an organisation to have skilled and disciplined people as that introduces professionalism. But more than that it's the relationship between professionals which is important. And if the element of strength is there in relationships, an organisation is bound to grow and benefit.

EDI-EU

Project for Economic Regeneration of Kachchh & Saurashtra

In order to serve the earthquake affected Kachchh and Saurashtra, EDI conceived a comprehensive package of intervention, targeting enterprise development and enterprise revival. The project for Economic Regeneration of Kachchh & Saurashtra aims at bringing about economic rehabilitation in the region by implementing projects to train individuals to take up income and employment generation activities.

One of the strategies for achieving its objectives is by putting up two Industry Reconstruction Activities viz. Industrial Rehabilitation Programme and Corporate Linkage Programme.

Under the Industrial Rehabilitation Programme, 195 enterprises will be helped in the preparation of rehabilitation plans for their units, identification of suitable technologies, etc. A counselling-cum-consultancy cell will also be set up for such entrepreneurs with 15 EDI developed rehabilitation counsellors and consultants. A series of one-day workshops at various centres will be organised to create awareness among the affected entrepreneurs, conduct feasibility studies and develop rehabilitation plans for them.

Corporate Linkage Programmes would undertake the task of networking and matching of around 25 corporate houses with around 260 small and medium enterprises for possible sub-contracting, ancillarisation and technology upgradation.

For establishing linkages with small scale entrepreneurs, corporates are requested to contact EDI-EU Secretariat at EDI Head Office.

OPENING UP ENTREPRENEURIAL AVENUES

Acceleration of the process of entrepreneurship as an instrument to enhance the income levels of the society has come to be accepted as the fundamental tool. There is widespread realisation among policy makers and the society at large that the need of the hour is to focus on building the economy on the cornerstones of new enterprises and industries. A society which has embraced entrepreneurship as a predominant career option, experiences a raised socio-economic level where people are more productive and have a better way of living.

Thus in order to fight most socio-economic ills in the society by creating an entrepreneurial milieu, the Department of Science and Technology, Govt. of India implemented, in association with EDI, the Science & Technology Entrepreneurship Development Project (STED) in the newly formed districts of Hazaribagh (Jharkhand), Pithoragarh (Uttanchal), and Moradabad (U.P.). The enterprises thus set up, it was felt should have a strong technical base as technological advancement is fast becoming a yardstick for success.

The main objective is to raise the socio-economic levels of the weaker sections of the population in the region by helping them set up micro-enterprises.

STED Project at Pithoragarh facilitated establishment of 16 technology-based enterprises. Besides, a 6-day Technology Demonstration Programme on new weaving technologies and design development was conducted at a carpet-making cluster located in Munsiyari. Inputs focussed on new designs and design development methodology. 40 artisans derived benefit out of the training programme. It is heartening that STED unit in Pithoragarh has been officially declared as Technical Resource Centre for assisting PMRY applicants in opportunity identification, developing business plans, making financial projections and assistance in enterprise establishment.

STED Project at Bageshwar facilitated establishment of 12 technology based enterprises. This apart, a 2-day Technology Demonstration Programme was conducted on 'Organic Farming' in two stages with an objective to provide comprehensive information to the participants. While the first stage covered theoretical inputs from master trainers of Supa Biotech Pvt. Ltd., Nainital, the second stage of the programme was held at Siroli wherein the master trainers opened the Compost Heap that was formed in the first stage of the programme. Thereafter, the participants were explained about the usage and storage methods of compost and manure. 47 participants attended the training programme.

STED Project at Moradabad organised 3 Entrepreneurship Awareness Camps in different villages for a total of 100 potential entrepreneurs. Besides, six 1-day Technology Demonstration Programmes on 'Candle Manufacturing' were organised, benefitting over 300 rural youth. With a view to benefitting women entrepreneurs, a 3-month long programme on 'stitching' was also organised. To help these trained potential women entrepreneurs set up their own ventures on completion of the training, the team is networking with an established party that supplies uniforms to bulk buyers like IOC, HPCL, schools, etc.

STED Project at Hazaribagh is negotiating with UNICEF for launching a project on 'Sanitation through private entrepreneurs. Besides, Kariytpur in Ichak block of the district with a brass metalware cluster has also been identified so that problems could be diagnosed and it could be developed by appropriate intervention.

THE STED PROJECT : The STED project aims at creating self-employment by promoting entrepreneurship among rural and urban population, i.e. by helping them set up their micro-enterprises. It seeks to achieve its objective by;

- Identifying viable opportunities with potential for growth,
- identifying & selecting potential entrepreneurs (individuals/ groups) for taking up an entrepreneurial career,
- enhancing their motivational level through training & counselling,
- bringing the entrepreneurs face-to-face with suitable business opportunities and assisting them in preparation of proposals,
- providing linkages for credit support,
- arranging for imparting necessary skills and extending technical support,
- extending help in project implementation & establishing market linkages,
- maintaining continuous performance monitoring & follow up support

NEW ASSIGNMENTS OF EDI

- A Text Book on Entrepreneurship for Std. 12; project assigned by Gujarat Text Book Board, Govt. of Gujarat.
- Manual for Entrepreneur Trainer- Motivators to equip them with skills to conduct EDPs in the field of food processing
- Manual for entrepreneurs to guide them on establishing and managing enterprises, and educate them on opportunities in the field of food processing.

{ Projects assigned by Ministry of Food Processing, Govt. of India }

PERFORMANCE IMPROVEMENT OF EXISTING ENTREPRENEURS

WIDENING SCOPE FOR SUCCESSORS

'Business Environment' and 'Entrepreneurial Potential' have direct co-relation. For a healthy and growing business environment, it is necessary to incubate entrepreneurial culture within the organisational structure. Presence of entrepreneurial attributes in the promoter of an organisation helps overcome inefficiencies and risks. Lack of understanding on the aspects of business growth and management hinders performance of an enterprise. To ensure that an enterprise does not step onto this slack path, it is important that the succeeding generation is also equipped with entrepreneurial competencies and the foresight of forefathers.

Recognising this need to groom successors, EDI, in the year 1990, developed a programme titled 'Succession Planning for Entrepreneurial Continuity'. The 14th programme in the series was organised during September 30 - October 11, 2002. Successors from across the country i.e. from Hyderabad, Bangalore, Pune, Bombay and Ahmedabad attended the programme.

In keeping with its objective of preparing nominees of family businesses in such a way that they acquire entrepreneurial and managerial skills, the programme, in detail, dealt with entrepreneurial environment and possibilities for product / service innovations in the context of structural changes in Indian industries. Besides highlighting the relevance of basic business strategies, such as; marketing, advertising and organisational innovations for business growth, the programme also focussed on the problems of transition management; family business dynamics; interpersonal conflicts.



A participant expressing her views on the programme

The participants especially appreciated their visits to enterprises, particularly those represented by them. Interaction with high-flying achievers, they said, taught them to plan entrepreneurially besides explaining them as to how to exploit an opportunity so that a business gets the desired momentum.

The Programme Director, Dr. Sunil Shukla expressed happiness over the fact that the participants were now in a position to focus on and decide on the approaches to problems specific to family business besides adopting a new focus and drive to target high order achievements.

Vice-President & Director, Dr. V.G. Patel's advice to the participants.

"It is very important to implement what you have learnt. So go back to your business and put the learning to use. At the same time keep on reeducating yourself as this will build up your confidence which in turn will see your predecessors reposing confidence in you. This rapport between you and your father will make it easy for you to convince him about your change / new plans. Keep us posted about your growth and progress. We also invite you to share your business problems with us. Our advice and counselling, I am certain, will see you through".

REVITALISING CLUSTERS FOR ENHANCED ECONOMIC GROWTH

In these times of global trend setting, planning for success will have to be informed by an in-depth recognition of markets, identification of competitive sources of raw material purchase, efficient cost structure, insightful R & D, adoption of new technologies and adequate financial flow. Significance of clusters and their role to promote economic growth by achieving the aforesaid has well been recognised. Recent policy pronouncements have also laid emphasis on cluster based developmental initiatives. EDI's cluster development initiative imparts training to entrepreneurs to evolve an environment that facilitates step-matching with the ever changing and demanding market scenario. These programmes to revitalise clusters have ensued holistic and sustained development in various industrial clusters. Through its various programmes on Cluster Development, the Institute has as of now trained 60 Cluster Development Agents.

Recently EDI conducted a Revitalisation and Cost Management Programme for the Coir Cluster, Kerala.

The programme was sponsored by the Coir Board (Government of India) and explored specific interventions on various fronts viz., (a) cost reduction options through productive integration of hard networks or Consortia by entrepreneurs, (b) highlighting the need for constant value-added product identification and diversification to avoid already tapped saturated market segment and (c) orienting coir board counsellors and coir cluster entrepreneurs towards professionalism in management in various functional areas.

Among these, cost reduction options at the enterprise level were demonstrated to a focussed group involving over 30 exporters and manufacturers. Strategy for common web-page and sample development, common participation in domestic and international trade fairs, common financing, common raw material purchase from suppliers from other regions, common manager appointment, common approach to hiring of experts/Business Development Service (BDS) Providers, etc. were the major interventions.

The project is aimed at encouraging interest on 'co-competitive modes' of operation by the entrepreneurs for common benefit as also encouraging greater synergies between various private and public service providers - SIDBI, commercial banks, NGOs and the Board itself with cluster entrepreneurs at Alleppey and Kollam. As a result, a climate has been created for pursuit of long term strategic initiatives along the broad lines of the UNIDO approach to cluster development in terms of establishing greater synergies among SMEs in cluster between themselves and with other private and public service providers.

The successful Coir Board-EDI intervention will effectively serve as a demonstration project on novel options for cost reduction, professionalism in management, value-added product and new market segment options. The inputs and interventions have also motivated the coir board officials to work more pro-actively as 'business counsellors'. A specialised manual was also prepared on 'Business Counsellors and Cluster Development'. They realised that it is necessary for them to move out of the boundaries of mere regulators and service providers. A specialised manual has also been prepared on 'Business Counsellors and Cluster Development'.

"Entrepreneurs innovate. Innovation is the specific instrument of entrepreneurship".

"Innovation requires major effort. It requires hard work on the part of capable performing people".

- Peter Drucker

REVIVAL OF BRASS PARTS MANUFACTURING UNITS IN JAMNAGAR THROUGH TECHNOLOGY UPGRADATION AND POLICY INTERVENTION

The Institute recently took up an Industries Commissionerate, Govt. of Gujarat sponsored Cluster Development Project for the Brass Parts Cluster in Jamnagar.

Jamnagar is home to around 4500 brass parts manufacturing units specializing in electroplating and metal finishing of brass parts, brass foundry units catering to the needs of raw material for brass parts machinery units, machining units etc. Together the units produce around 10,000 varieties of brass parts in the field of electrical, automobile, engineering, consumer goods and building hardwares, The products are mainly ancillary type which are used by other industries. An important characteristic of this sector is that it is labour-intensive and offers employment to around 50,000 to 60,000 skilled, semi skilled and unskilled workers.

However, the cluster is faced with some major problems such as; lack of advanced technical knowledge and inefficient production practices, inadequate knowledge of marketing and product diversification, lack of collective efforts for raw material purchase, sale of finished goods and procedural irritants, which prevent it from harnessing its full potential.

Lack of proper method and equipment for scrap melting and maintaining right temperature in the furnace, high rate of evaporation, obsolete and outdated machinery are some of the technology related problems which limit performance. Technological competence can certainly introduce meaningful changes. Besides, the sector is in great demand of collective marketing efforts. Planning also needs to be extended by policy makers so as to make it easy for the manufacturers to compete with entrepreneurs of foreign origin.

Approach to be adopted

- Technology upgradation programmes, through identification of problems related to productivity and quality, personal counselling to entrepreneurs by visiting their units as also offering suitable technological solutions and finally establishing a technology Incubation Centre for live demonstration of production and processes for improved productivity.
- Establishing domestic and international market linkages.
- Providing training on entrepreneurship.
- An overall development of the cluster by adopting to proven and established methodologies.
- Providing training on diversification, promotion and brand building.

Visit of a High Level Ugandan delegation to EDI

A high level Ugandan Investment and Trade Delegation led by the Minister of State, General Duties, Ministry of Finance, Planning and Economic Development, Mr. Mwesigwa Rukutana, was on a visit to India during November 14 - 23, 2002.

The objectives of their visit were to strengthen friendship with India, invite Indian entrepreneurs to Uganda and explore support of expert institutions, particularly in the field of Entrepreneurship.

Thus in consonance with the objective of exploring support of entrepreneurship development institutions, the delegation visited the Institute on November 20, 2003. EDI had already conducted a feasibility study and submitted a project proposal to set up an Entrepreneurship Development Institute in Uganda (EDI-Uganda).

During the interactions, the Minister stated that they have tried almost everything to promote entrepreneurship in Uganda, floated schemes, managed micro-enterprises but no initiative has clicked so far. Reason for this, the minister highlighted, was the lack of a specialised institution like EDI. He added that the present government in Uganda has realised that entrepreneurs can be trained and developed and is, therefore, taking keen interest in promoting the private sector, which means, training and motivating individuals to set up enterprises. This task, he said, was being undertaken by the government till now but now the government knows that it is important to teach the poor how to produce and earn money and assign this responsibility to the private sector. Highlighting a characteristic of the entrepreneurial culture in Uganda, the Minister pointed out that the people there shy away from exploring new ideas and instead go into already existing businesses; so there is an urgent need to ignite in them the spirit of taking initiatives.

The Minister concluded by inviting EDI to work towards setting up an Entrepreneurship Development Institute in Uganda.



Seen in the picture is the Ugandan Delegation interacting with EDI Vice-President & Director, Dr. V.G. Patel (1st in left row) and EDI Faculty Members. Also seen is Mr. Mwesigwa Rukutana (1st in right row), Minister of State, General Duties, Ministry of Finance, Planning and Economic Development, Uganda.



Shri Bipin Shah, Senior Faculty, EDI, chaired a technical seminar titled 'Flexible Packaging - Multilayer Films', organised recently by Gujarat State Plastic Manufacturers' Association. (GSPMA). Shri Bipin Shah (in the centre) seen with office bearers of GSPMA and other experts who put forth their views in the seminar.



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