



# EDI REPORTS

**FROM  
THE DIRECTOR'S DESK**

## **New Growth Horizons for CLMV Nations**

India has spurred its economic performance over the years. The process of growth of small enterprises has got consolidated with the new economic reforms and with the removal of several trade barriers. India has not only sustained the presence of entrepreneurs but has also expanded the base of entrepreneurial supply. Be it agriculture, food processing, handicrafts or the textile sector, India has successfully carved competencies, knowledge, and a strategic vision. The 21<sup>st</sup> century Indian economy has come to be defined by the knowledge dynamism of its businessmen and industrialists. No wonder, the country has adopted a pivotal role in the world economic scenario and today has the world's eye on it.

It is noteworthy that India has also come forward in a big way to provide technical assistance to developing nations. Ministry of External Affairs (MEA), Govt. of India, has been providing technical and training assistance to developing nations. Many of the trainees have today become brand ambassadors for India with their knowledge and appreciation for the country.

EDI-pioneered Entrepreneurship Development Model has acquired the face of a revolution today. The Institute has been acknowledged as

a world leader in creating first generation entrepreneurs and has been sharing its expertise with several developing countries. EDI's vision also advocates the strategy of institution-building for concretising entrepreneurship. In order to, therefore, replicate the success story of promoting first generation entrepreneurs through training and counselling interventions as also sustain this movement, the MEA assigned to EDI the prestigious task of setting up EDI-like Entrepreneurship Development Centres (EDCs) in Lao PDR, Cambodia, Vietnam, and Myanmar (CLMV nations) in ASEAN. The Project is being executed by EDI from concept to completion stage.

This task of setting up ED Centres in CLMV countries was initiated in the month

of January, 2004. Beginning with the need assessment study and identification of viable business opportunities, the task will cover need and options for a planned intervention, policy framework for promotion of SMEs and organisational framework for an ED organisation.



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*Processing Industry... Potential Galore  
S. B. Sareen on page 23*

(Cont....)

### **New Growth Horizons for CLMV Nations**

At Vientiane in Lao-PDR, the 'Lao PDR-India Entrepreneurship Development Centre', has already been set up and was commissioned on 27<sup>th</sup> November, 2004. Inauguration of the Centre by Hon'ble Minister of External Affairs, Government of India, Shri Natwar Singh, added to the glory. This year will see establishment of ED Centres at Cambodia, Myanmar, and Vietnam.

The Institute will, therefore, spearhead entrepreneurship development movement in the CLMV countries and be a Centre of Excellence for facilitating creation of viable and competitive new enterprises and strengthening the existing ones. The Centres will endeavour to create resilient, indigenous entrepreneurs.

Another important development is the revival of the Government of India-UNIDO supported Inter Regional Center for Entrepreneurship and Investment Promotion. In the coming two years, EDI will help Mozambique, Sudan, Yemen and Lao PDR in institutionalizing entrepreneurship as a strategy for SME development that will help create new avenues of income and employment generation for the teeming unemployed youths. It will also help the countries realise their export potential. Put together, these initiatives will facilitate their partnerships in the process of global prosperity.

The beginning has been made. We will soon see these countries, armed with distinct competitive advantages that identify a variety of industrial opportunities and scope for growth.

I am happy that India is facilitating industrial development across the globe and creating technology based and globally competitive enterprises.

At a time when we, at EDI, are planning our activities for the forthcoming year, we are sure, such achievements and challenges will only spur our performance. In the year, 2005-06, through our various activities and programmes, we only look forward to creating a yet more stronger base of entrepreneurship not just in India but also across the globe.

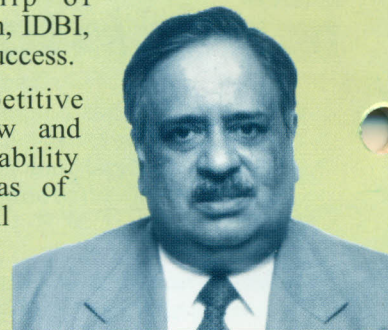
- DR. DINESH AWASTHI

## **We acknowledge the support extended by**

### **Shri M. Damodaran, Former President-EDI**

Under the Presidentship of Shri M. Damodaran, Chairman, IDBI, EDI set yet new definitions of success.

It fostered globally competitive entrepreneurs in several new and potential areas. EDI's capability enhanced in almost all areas of functioning. The Institute will forever remain indebted to the support extended by Shri Damodaran.



## **EDI welcomes Shri V. P. Shetty, Chairman, IDBI, as its New President**

Shri Vaddarse Prabhakar Shetty is a career banker, having started his banking journey with Canara Bank in 1968, and moved over to Vijaya Bank in 1973. Shri Shetty subsequently moved over to United Commercial Bank in October 1999, initially as its Executive Director and later in October 2000 as its CMD. He worked in several capacities.

Shri Shetty, during his eventful five-year stint at UCO Bank, turned around the then chronically loss-making bank, skillfully harnessing the dormant commitment and spirit of enterprise of its employees to significantly increase business volumes, reduce NPAs on a war-footing, thus bringing it almost at par with the Industry average. UCO bank was transformed into a vibrant and profit-making entity. His role in the revitalisation of the UCO bank received recognition and accolades from various quarters including 'the Banker of the Year Award 2003' from the Business Standard Group. In November, 2004, Shri Shetty was appointed the CMD of the Canara Bank. Shri Shetty has assumed charge of the IDBI Ltd. as its Chairman with effect from March 1, 2005.

EDI extends a hearty welcome to Shri V.P. Shetty.



*Shri V. P Shetty*  
*President-EDI & Chairman-IDBI*

# President's Message

The level of entrepreneurship in a country is a crucial determinant of its economic growth. Entrepreneurship, today is not an urban phenomenon alone, the rural areas also abound in natural and human resources, possessing unlimited potential for growth of entrepreneurship. However, in spite of its importance in country's growth process, "entrepreneurship" in India specifically, in the rural areas is in an evolving stage. Considering the large section of people living in the rural sectors, in India there is a need to develop entrepreneurs at the grassroots level. This will reduce country's unemployment and poverty, and simultaneously boost rural development. EDI, in this context, has been playing a pioneering role in fostering the spirit of entrepreneurship in our country. Through its various activities, EDI is making a difference by building future entrepreneurs and hence contributing to nation building efforts. It gives me great pleasure to be a part of such initiatives of the Institute.

In order to drive country's economic growth, a mindset alone does not help achieve much; necessary skills and knowledge are required to create the basic foundation. EDI's activities and training programmes help aspiring youth realize their potential and develop it in a structured manner to contribute to economic development. EDI in future will be able to fill up the shortage of budding entrepreneurs, by nurturing more and more young, dynamic entrepreneurs who will acquire a significant role in putting our nation on a high growth trajectory.

To produce competitive entrepreneurs who meet the performance standards on the national as well as the global map, we need a social vision and I believe EDI has this dream vision. I am indeed privileged to be a part of this action and as the President of this Institute, I will carry forward the commendable work of my predecessors which will make our vision a reality.

# The International Centre for Cluster Competitiveness and Growth (IC<sup>3</sup>G) : Strides to Trigger Landmarks

The SMEs, if addressed as clusters can provide advantages on the fronts of quality, technology, raw material purchase, common facility centre, competition, export, etc. India has a rich foundation of clusters, and initiatives to boost various functional areas of a cluster by pinpointing the anomalies that cloud them, can lead to their dynamism.

It is, therefore, important to introduce a spectrum of activities, conduct researches on emerging principles and replicable models, disseminate information, ensure policy level information, etc. to introduce advancement in clusters, from a broader perspective. A centralised planning, implementation and control system in the form of an umbrella organisation will bring forth, in totality, the dynamics of turn-around strategies, activities and advocacy. Therefore, on account of the initiatives and the resultant accomplishments of EDI in various clusters across the nation, Development Commissioner, Small Scale Industries, Government of India has set up at EDI the International Centre for Cluster Competitiveness and Growth (IC<sup>3</sup>G).

The Centre was inaugurated on January 18, 2005 by the Hon'ble Chief Minister of Gujarat, Shri Narendra Modi, the Chief Guest of the function. Also present on the occasion were Dr. V.G. Patel, Former Director, EDI and Dr. Dinesh Awasthi, Director, EDI

The function began with the welcome address of Dr. Dinesh Awasthi who extended a very warm welcome to Shri Narendrabhai and the guests. Welcoming Shri Modi, Dr. Awasthi called him an icon of Gujarat whose single-minded focus on economic growth with equity has placed the state among the fastest emerging economic powerhouses of the country.

Gujarat needs to grow, said Dr. Awasthi, adding that this requires not only the highest quality of entrepreneurship, for which Gujarat is known, but also leadership that is highly entrepreneurial in Gujarat. In Shri Modi, he said, there are all entrepreneurial attributes.

Talking about the Institute, Dr. Awasthi said that EDI's efforts have led to consolidation of entrepreneurship at the national level. EDI, he added, has been designing strategies and models that survive the complex global market structures.

The Director acknowledged the assistance of Government of Gujarat in making interventions in Jamnagar cluster. The Director went on to highlight the accomplishments of EDI in various other clusters.

At this juncture, the Director also threw light on the assistance the Institute received from Development Commissioner, Small Scale Industries to the tune of Rs. 1.72 crores to set up this International Centre. Dr. Awasthi, then focussed on the Institute's work towards



*Hon'ble Chief Minister of Gujarat,  
Shri Narendra Modi, addressing the gathering.*



*Hon'ble Chief Minister of Gujarat inaugurating the 'International Centre for Cluster Competitiveness and Growth'.*

strengthening the base of entrepreneurship in Gujarat, as the first place, and the world, as a whole.

The Institute's work towards setting up ED Centres in Cambodia, Lao PDR, Vietnam & Myanmar were also highlighted.

Dr. Awasthi, spelt out the need for globally competitive entrepreneurs, a comprehensive entrepreneurship policy in the state and Deemed University status to EDI. Director felt that holistic efforts will be required to air the Entrepreneurship Movement.

Hon'ble Chief Minister of Gujarat, Shri Narendra Modi, began by urging existing and the budding entrepreneurs to change their practices according to the changing era and the need of the hour. And in this, he called EDI a catalyst that helps inculcate knowledge of emerging business requirements.

Talking about the cluster approach Shri Modi said that even in the olden days in villages, small businessmen used to benefit from this approach. Shri Modi said that the only problem has been that this approach has not been expanded to accommodate the present day requirements as a result of transformation of the economy and, therefore, has ceased to exist. Highlighting the example of Japan and the 'Made in Japan' tag, which has gone places, Shri Modi said that the cluster approach should be adopted and that the whole country should be promoted as a cluster. Skilled manpower, raw material, leadership, etc. automatically get roped in, in a cluster approach, emphasized the Chief Minister. The importance of this approach, he cited against the fact that one man cannot open up the markets whereas clusters can do wonders in such cases. Addressing the students of EDI, Shri Modi, asked them to draw learnings from the cases of failures as well, just as they learn from success stories, adding that short cuts should be avoided and the eye to foresee opportunities must be developed.

The Hon'ble Chief Minister concluded by congratulating EDI for playing a pivotal role in strengthening the base of entrepreneurship in the country.

In his keynote address, Dr. V.G. Patel threw light on the changing world and the need for new rules of business. Highlighting the elements of free trade, enlarged markets, International Property Rights, free flow of capital etc., Dr. Patel said that there are opportunities as

also threats and that the challenge lies in competing or else closure of units will be a certainty. Dr. Patel emphasized on the need for educated entrepreneurs and the need for innovative manufacturing practices in times of International Property Rights. In this context, he stressed on the need for cooperation and the cluster strategy. Emphasizing on the importance for advanced management practices, Dr. Patel warned against adopting age-old family processes to succeed in today's world. He called this an era of new knowledge and new practices where an entrepreneur with soft skills and ability will succeed. Dr. Patel concluded by highlighting the need for a policy that supported small scale sector just as there is one for the large-scale sector.

Wielding a macro outlook for infusing competitiveness among Indian clusters and those across the globe, this Centre for Cluster Competitiveness and Growth will

- ❖ carry out research and documentation on emerging issues and principles in cluster development, nationally and internationally,
- ❖ strategise by brainstorming on experiences of other countries and their initiatives to develop clusters,
- ❖ provide a platform for experience sharing, mutual consultations, and deliberations on strategic and tactical methodologies of cluster development,
- ❖ disseminate information on small scale industrial scenario, cluster generic issues, WTO and policy implications, and patenting, etc. to create a conducive environment for emergence, sustenance and growth of clusters,
- ❖ capacity building of Cluster Development Executives,
- ❖ advocate the need for policy level interventions by sensitising policy-makers and planners,
- ❖ promote networking among cluster actors, various cluster development agencies and stakeholders,
- ❖ facilitate replication of 'Best Practices' and 'Innovations' in cluster development, address variations in approaches and output of various interventions.

To begin with, the Centre will work in 14 clusters across the country. The Institute has a wide presence on the international plane as well and is firming up plans to address cluster related issues at this level too.



*Seen during the inaugural ceremony, are Hon'ble Chief Minister of Gujarat, Shri Narendra Modi, (L-R) EDI Director, Dr. Dinesh Awasthi and Guest of Honour and Former EDI Director, Dr. V. G. Patel.*

# Professors, Towards Creating a Booming India

## Feedback of a participant during the valedictory function of the programme

“The country can make rapid strides if entrepreneurship gets due significance in the national economic policies. I feel, in my own small way, I can contribute towards this change. The teaching faculty present here make up a force... a kind of force, which strongly believes in the concept that it has set out to propagate. I am sure, when the conviction is so high, the results will also be worthwhile”.



**Dr. Anita Rao**

*Gitam Institute of Foreign Trade, Visakhapatnam,  
Andhra Pradesh*

The essence of dynamism of an industrialized society reflects the acceptance of entrepreneurial approach to almost everything by its people. The spirit of entrepreneurship is necessary to overcome the complacency within the society. It is important for a country to move beyond rhetoric and implement its strategies to strengthen entrepreneurship. In line with this, the Institute recently conducted a National level Faculty Development Programme in Entrepreneurship for professors from across the country to enable them to educate students on setting up small business ventures. The programme organised during 20-31 December, 2004 was supported by the National Science & Technology Entrepreneurship Development Board (NSTEDB), DST, Government of India.

It was attended by 24 professors and teachers from states such as; Tamil Nadu, New Delhi, West Bengal, Rajasthan, Maharashtra, Madhya Pradesh, Gujarat and Andhra Pradesh. The programme exposed the teaching faculty to the comprehensive entrepreneurship development process and equipped them to co-ordinate / organise entrepreneurship development related activities in their educational institutions. Such knowledge, it was felt, would enable the teachers to guide and counsel students towards an entrepreneurial career. According to the Programme Director, Dr. Dinesh Awasthi, “The programme gave them insights into the various aspects of entrepreneurship, business opportunity identification & guidance, small business management, in addition to all other relevant elements in setting up of an enterprise.” This, she maintained, ensured that

the participants emerged confident enough of bringing about a shift in the mindset of youths and oriented them successfully towards entrepreneurship”.

The Programme Director's conviction was mirrored in the action plans of the participants who put forth their strategies to concretise entrepreneurship in their respective areas. The participants opined that the programme for them was a gateway to the world of entrepreneurship. They asserted that with the kind of knowledge that they had received, they could easily promote entrepreneurship as a 'mechanism' to gain economic progress.



*Dr. Dinesh Awasthi, Director-EDI handing over the certificate for successful completion of the course to Ms. Herjeet Dutt, a trainer-consultant and participant of the programme.*

## Science and Technical FDP : Giving A Fillip To Technology Based Enterprises



*Shri Raman Gujral, Faculty Member, EDI, addressing the participants during the Valedictory Function. Also seen are (L-R) Prof. R. M. Mishra, Former Vice Chancellor, DDU Gorakhpur University, Shri Manoj Mishra, Faculty Member, EDI, Dr. Ajey Gupta, Reader, DDU Gorakhpur University*

Technical advancement is no more a far cry but the talk of today. Enterprises that have technology as their pillars, experience a distinguishing edge. An increase in the number of entrepreneurs who rely on technology to excel would surely show on the country's economic graph.

With this objective, the Department of Science and Technology (DST), Govt of India came forward with the introduction of entrepreneurship in the curriculum of science and technical institutions. This, however, gave rise to the need to develop faculty dealing with the subject. To address this, a Faculty Development Programme in Entrepreneurship for the faculty of science and technical institutions was organized by EDI during December 20 - 31, 2004 at Gorakhpur. 21 faculty members of the region representing 11 institutions participated in the programme. Dr. R. M. Mishra, Former Vice Chancellor, DDU, Gorakhpur was the Chief Guest of the Valedictory Function of this programme.



*Participants seen with (5th from R) Mr. N. Ramesh, Programme Director.*

A Department of Science and Technology, Govt of India sponsored Faculty Development Programme was also organized in **Bangalore** during **20 - 31 December, 2004**.

19 participants representing Engineering Colleges, Polytechnics, Management Institutions, Non-Government Organisations and Arts and Commerce Colleges spread across the Southern India participated in the programme. The participants felt confident about implementing result oriented strategies to inculcate entrepreneurial values among students.

**In all, EDI has conducted 44 DST sponsored National Faculty Development Programmes, thus training 910 teachers.**

## Symbiosis Students Experience Entrepreneurship

Symbiosis Centre for Management & Human Resource Development (SCMHRD) Nasik, requested EDI to conduct a customised training programme on New Venture Creation for its MBA students with Family Business Management specialisation.

In all, 16 students participated in a programme organised during 14-23 February, 2005. The subjects covered were reinforcing entrepreneurship and competencies; risks and rewards in entrepreneurship; business idea generation; business opportunity identification; emerging opportunities; support system for new venture creation; business plan; planning for new venture; case-studies of new venture management; entry, growth and exit strategies; and business plan presentation.

EDI later assessed these students in an examination; marks of which were submitted to the college.

## Open Learning Programme in Entrepreneurship : Take this Mega Leap

"For me building up an enterprise means learning to ward off the threats, and EDI's OLPE not just gave me in-depth insights in this area but also equipped me with several other competencies", quips the 32-year old Keyur Sarada, in the business of Fly Ash Bricks.

Keyur looks happy and so do many who have ventured on their own upon having done the Open Learning Programme in Entrepreneurship from EDI.

The Open Learning Programme in Entrepreneurship (OLPE), initiated in the year 1995, is since being offered with the objective of making entrepreneurs of ordinary men and women. It is heartening to mention that appreciable results have been achieved towards creating entrepreneurs through this training-cum-counselling package.

In order to reach the farthest nook of the country, EDI has started collaborating with Educational Institutions so that maximum number of students benefit from OLPE.

Till date, 47 institutions have collaborated with EDI to initiate the activities of bringing their students closer to the programme objectives and its subsequent benefits. Dr. Sunil Shukla, the Project Director, envisioning a successful entrepreneurial environment says, "Today's youth has the spirit to achieve. There is potential in plenty in them, but they need to be sensitised about options that can help them reach the peak. And this can only be achieved if we succeed in collaborating with about 100 institutions across the country, and educate thousands of students on the charms of being an entrepreneur".

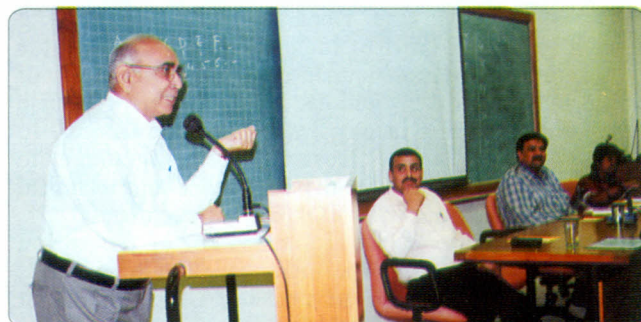
Fast touching this target, 40 batches of the programme have been completed with 3897 learners having benefitted.

*But, there are yet more mega tasks to accomplish before we rest.*

# Developing Entrepreneurial Perceptions

Entrepreneurial resources in emerging economies are rampant. Attempts and efforts to understand this and subsequently motivate our youths to harness this potential is an urgent need.

EDI organised a One-day Entrepreneurship Orientation Programme for students of Institute of Technology, Nirma University. The students got enriching insights into the concept of entrepreneurship. As all these 100 students have also enrolled for Open Learning Programme in Entrepreneurship, being offered by EDI, they also learnt by way of interaction with successful OLPE learners. This helped them get a realistic picture of the benefits that one can draw from the OLPE course. Discussions on business opportunity identification and self assessment were termed insightful. Dr. H. V. Trivedi, Director, Institute of Technology, Nirma University and Dr. Sunil Shukla, Professor, EDI and Project Director-OLPE asserted on developing entrepreneurial perspectives in today's youth as this they believed was the key to higher-order achievements. In the same breadth, Dr. Trivedi called the OLPE course the mantra for success in the present times.



*During the Orientation Programme, seen above, is Dr. H. V. Trivedi, Director, Institute of Technology, Nirma University, addressing the students. Also seen are (L-R) Dr. Sunil Shukla, Professor, EDI, Mr. R. V. Vasani, Faculty, Institute of Technology, Nirma University and Dr. Tattwamasi Paltasingh, EDI Faculty.*



*Students of Nirma University on their One-day Entrepreneurship Orientation Programme at EDI.*





## MICRO ENTERPRISE AND MICRO FINANCE DEVELOPMENT

# Facilitating Easy Comprehension of Changing Financial Matrices

Perspectives, visions and priorities of Non-Government sector point towards distinctive competence in bringing about societal development. On account of their strategic role, the NGOs have come to acquire a prominent place on the national economic scene. However, despite their zeal and dynamism, they find it difficult to sustain themselves and their projects. A more controlled management system can steer the organisation in the desired direction and guard it from becoming defunct as is seen in some cases. A major area where the NGOs lack momentum and focus, is finance management.

Persons especially trained to handle this area could make all the difference to the overall growth of the organisation. Professionals endowed with knowledge on accounting principles, statutory provisions and financial management would give the necessary thrust to the organisation and streamline operations.

EDI's association with NGOs indicates that upgradation of financial management skills will lead to effective procedure building and impact making growth.

Against this backdrop, EDI organised two programmes on 'Financial Management and Accounting System for NGOs' during November 1-5, 2004 and December 13-17, 2004. Both these programmes were sponsored by Small Industries Development Bank of India.

The crucial objectives of the programme were to strengthen systems that assist the NGO managers in decision-making, planning, communicating, controlling and evaluating. Identifying financial information, expressing it in numeric terms and communicating this to relevant parties was also specially focussed upon. The programme also developed, in the participants, an ability to establish a financial system which is accommodative to change.

The concepts of budget, monitoring, cash flow, fund flow, in-house auditing, tax administration, financial data analysis and basic financial management were taken up at great length.

The approach to bring about an improvement in participants with regard to various segments and systems of financial management perfected them on the fronts of keeping accounts, designing and monitoring budgets, implementing internal control mechanisms and managing cash flow.

According to the Programme Director, Mr. Manoj Mishra, "This programme is a step towards making the sector progressive. Personnel, trained in this area, will gear up the organisation by inducing new financial styles and systems".



*Shri A. C. Sahu, DGM, SIDBI, and Chief Guest of the Valediction, presenting certificate to one of the participants. Shri Sahu highlighted the importance of a streamlined accounting system in the functioning of an organization. He urged the participants to make maximum use of the learning derived.*

So far EDI has conducted ten such programmes (including these two) with the support of SIDBI. The response from the NGO sector has been overwhelming. Most of the participants felt that the programme was an eye opener for them. Despite managing accounts for years together in their respective organisations, they felt that the kind of knowledge they had acquired during the programme was unimaginable. They also requested for a refresher course after about a year, so that they could come back with their problems and feedback. Implementation from their end in such a case would get further cemented.

## Specialised Training Programme on Financial Management and Accounting System for NGOs

This programme was organised at Rae Bareilly during 14th - 18th March, 2005 with support from SIDBI. 20 NGO professionals attended the training programme from Rae Bareilly region.

During the training programme Mr. Mayank Upadhyay, Distinguished Guest Faculty, EDI Ahmedabad, Mr. Raman Gujral, Regional Coordinator, Northern Regional Office, Lucknow and Mr. Sanjeev Kumar, Asst. Faculty, EDI, provided faculty support.



*Mr. Bipin Shah, Sr. Faculty, EDI, presenting a paper during the Family Business Conclave, organised by Confederation of Indian Industry, in Ahmedabad on 9 March, 2005*

# Reaching the Grassroots through Rural Industries

Developing viable and self-sustaining enterprises can give a tremendous fillip to overall growth. In view of this, EDI has collaborated with the Small Industries Development Bank of India to provide support to its Rural Industries Programme under a 5-year project plan. With training and counselling to unemployed youths of the district of Rae Bareli, the project looks forward to establishing entrepreneurship as a viable career option.

In cognizance with Non- Government Organisations, bankers and agencies committed to entrepreneurship development, the Institute is working on developing a model in Rae Bareli.

Several activities have been initiated with this focus :

Entrepreneurship Development Programme (EDP), organised here, sow seeds of success :

A one-month programme was organised at Rae Bareli during 10 January, 2005 to 9 February, 2005. Sponsored by NSIC, this one month full time Entrepreneurship Development Programme (EDP) specially focused on food & agro based industries and information technology. 25 unemployed youths of Rae Bareli who participated in this programme, opined that direction given to them was very useful and would definitely transform their dreams into reality.

Ms. Sonia Gandhi, Member of Parliament, during her recent visit to Rae Bareli, especially met the participants and lauded the EDI-NSIC efforts in this backward region. She said that more such initiatives should be taken up so that development in such regions gets a boost.



*Hon'ble Ms. Sonia Gandhi, Member of Parliament, Rae Bareli interacting with participants of the Technology based Entrepreneurship Development Programme organised by EDI. Also seen (in the centre) is Mr. Raman Gujral, Faculty Member, EDI.*

## EDI Imparts Strategic Orientation to Paramparik Karigar

Paramparik Karigar, an association of craftspersons, was formed to preserve and promote traditional art and craft of our country as well as to create an environment conducive for craftsmen to produce their exquisite pieces of art for years to come. It also endeavours to ensure that craftsmen have sustainable income and that successive generations continue the craft.

Against this, what acquires inevitability is an orientation of these craftspersons to the nitty-gritties of entrepreneurship. To grow, it is significant that they come face-to-face with modern techniques of marketing, export, technology and diversification.

EDI, therefore, conducted a 5-day orientation programme on Entrepreneurship and cluster based Handicraft Development for Paramparik Karigar craftsmen.

25 craftspersons involved in different traditional crafts like hand block printing, painting, Kalamkari, tie & dye, stone carving, wood carving etc. participated in the workshop from 10 states of the country and gained insights into small enterprise management and growth, in addition to strategies to make their presence strong. Major focus was on behavioural inputs, business opportunity guidance, book keeping, accounts, taxation, enterprise development, business plan, etc.

As an outcome of the programme every artisan made an action plan visualising improvement of his/ her business. They felt that the programme was useful and would facilitate introduction of meaningful changes leading to advancement of their business.

### Participants opine

**Q-1** What were your expectations from the programme?

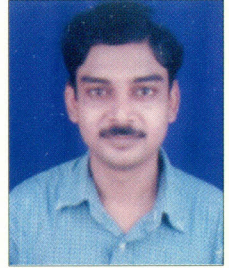
**Ans** The present day rules of doing business are different and I gained exactly what I had expected from this workshop. Knowledge on exports, marketing and over all work methodology were all encompassing. And now I will take steps accordingly. I look forward to entering the international areas soon.



**Nipa Salvi,**  
Involved in Manufacturing Patola Sarees

**Q-2** Don't you feel its high time that efforts be made to save such crafts from losing their noticeability?

**Ans.** Yes, I completely agree with it. Organisations, like Paramparik, work with this objective. And this programme at EDI was an extension of this. Paramparik gets us acquainted with advanced practices, thus helping us bring about improvements on the fronts of quality and design. It also helps us create a market presence.



This programme, I am glad, gave us a lot in terms of making our market reach strong. The inputs were based on modern day business requirements and needs.

**Rabi Sahu,**  
Stone Carving Artist

**Q-3** The young generation is faced with many opportunities and are, therefore, no longer interested in making these traditional crafts their livelihood. What do you think should be done?

**Ans.** I think workshops should be organised to sensitise the young generation about the need of preserving such crafts. But I also believe that with proper schemes and their implementation these trades must be made viable. It will then become easy for the younger generation to accept it as a career option.



**Ram Babu Chhiba,**  
Block Printing Artist

**Q-4.** Do you believe the craftsmen should pass on their skills to others so that more people learn the art and make it their living?

**Ans.** Yes, not just me, but I think almost all the craftsmen believe so and that is the reason, we are into conducting awareness-cum-training programmes. We visit colleges for such programmes. Demonstration workshops are also the ones which we regularly organised at various locations. It is not just imparting information and training but also ensuring that a group of underprivileged people master certain skills and earn a decent living.



**Md. Hussain Khatri,**  
Involved in Block Printing on Silk Fabric

## PERFORMANCE IMPROVEMENT OF EXISTING ENTREPRENEURS

# Infusing Competitiveness Among Clusters

The quintessence for success in the changing business scenario lies in step-matching with the latest trends and needs. Several Indian industries, however, have not lived by this mantra as they have given their traditional knowledge and skills, the status of inevitability. This knowledge has, therefore, not been updated, thus keeping the sector far behind the sustenance mark, leave alone exemplary growth standards.

The sagging conditions of these industry sectors can, however, be addressed with turnaround excellence getting induced in a short span. This can be achieved by the Cluster Approach wherein small scale enterprises are engaged in production of homogenous or inter-related products and faced with common opportunities and threats.

In view of this, EDI has been formulating and implementing programmes to equip SMEs to face the challenges ahead. In association with UNIDO, EDI identified need-based clusters and implemented the first Cluster Development Executives programme. Since then, the institute has been implementing its cluster development methodology to address several dormant yet potential clusters of India.

Brass Parts Cluster, Jamnagar; Engineering Cluster, Rajkot; Brass Metal Handicrafts Cluster, Moradabad; Rubber Cluster, Kerala; Artisan Coir cluster, Allepey have come out from their narrow perspectives on a fast growth trajectory, experiencing holistic development. Growth-cum-Counsellors' Programmes for entrepreneurs of several other clusters in addition to programmes on cluster development executives induced similar dynamism.

### Recent Manoeuvres :

- Recently, in the Jamnagar Brass parts Cluster, based on the diagnostic study carried out in 1500 enterprises, a proposal for establishing Technology Demonstration cum Training Centre was submitted to the Government of Gujarat. The commercial viability of the centre was also worked out and the same has been submitted to Infrastructure Leasing and Financial Services Ltd (IL&FS). Efforts are on to convince IL&FS so that they come forward to support the proposed TDTC.

A meeting between Mr. Ravi Raman, Vice-President, IL&FS, Shri RCM Reddy, IAS, National Expert, UNIDO, Shri Arvind Agarwal, Industries Commissioner, Government of Gujarat, Shri R.J. Shah, Principal Chief Industrial Advisor and Mr. Sanjay Pal, Faculty, EDI took place on 3<sup>rd</sup> March 2005 where, the pros and cons of the proposed TDTC were discussed in detail. Prima Facie IL&FS showed interest in supporting TDTC at Jamnagar.



## EDI Announces National Summer Camps

### • 14<sup>th</sup> Summer Camp on Entrepreneurial Adventures

for H.S.C. and College-Going Students (8-18 May, 2005)

### • 12<sup>th</sup> Summer Camp on Entrepreneurial Stimulation

for Children in the Age Group of 12 to 16 years (1-6 May, 2005)

#### Major Objectives

- Foster entrepreneurial traits such as; initiative, creativity, leadership, problem solving skills, etc.
- Develop their capabilities to meet the challenges ahead.

For detailed information and registration, contact Dr. Sunil Shukla, Camp Leader, at EDI Ahmedabad Office

E-mail : [ediindiaad1@sancharnet.in](mailto:ediindiaad1@sancharnet.in)  
[sunilshukla@ediindia.org](mailto:sunilshukla@ediindia.org)



A special purpose vehicle (SPV) is also being formed for managing the TDTC.

Jamnagar Brass Parts Cluster has no facility for heat treatment of metals like carbon steel and alloyed steel. This was observed during the course of the diagnostic study. It is, therefore, imperative to establish the first heat treatment facility so that the entrepreneurs can heat treat the parts at Jamnagar instead of going to Rajkot for the purpose.

A pro-active entrepreneur was selected from Jamnagar and it was decided to offer him complete technology of salt bath heat treatment process. This entrepreneur was engaged in manufacturing drill shanks for drilling various size of holes in machined component.

Non uniformity and lower side hardness in drill shanks, distortions during heat treatment, high cost of production, were some of the problems experienced while heat treating the shanks by induction heating process.

In order to overcome the above problems the entrepreneur was provided counselling in the following areas of technology.

- Design and manufacturing of salt bath by suitable transformer.
- Temperature and timing control system.
- Technology and manufacturing of following salts (formulations of salts)
  - Pre-heating salt
  - Austenite salt
  - Mar quenching salt
  - Tempering salt

The entrepreneur arranged all the equipment and started manufacturing heat treatment salts. He established the salt bath heat treatment furnace with the technology provided by EDI. Today he is actively engaged in production of drills with salt bath technology. This technology has resulted in uniform hardness in drill shanks, minimised distortion in drill shanks and reduced cost of production by 66%.

This has led to increased production at reduced cost.

Personal counseling has proved to be an effective instrument in solving enterprise specific problems. Keeping this in mind, arrangements were made to provide personal counselling to entrepreneurs on aspects related to technology, marketing, exports, health and safety, etc. 17 such, personal counselling sessions were satisfactorily conducted.

As a step further, EDI experts visited individual enterprises at Jamnagar to understand their pressing problems in the areas of technology, marketing, export and other aspects of business operation. 77 enterprises were visited and their requirements were taken care of.

In the Engineering Cluster, Rajkot, 150 enterprises were covered for Enterprise Upgradation Programme after delving into the needs of these enterprises,

8 new innovations were carried out in order to ensure improvement in quality and productivity in this Engineering Cluster. These implementations solved quality and productivity related problems of the enterprises. It is expected that these implementations will lead to multiplier effect in the cluster with improvement in productivity by about 30%. Decrease in rejection rate was from 12% to 5%.

### **Technological Innovations in the Rajkot Engineering Cluster give rise to results galore**

- Blackening of bearing gauges was tacked.
- K10 grade brazed carbide tip introduced for underfinishing.
- Application of Ferro manganese which reduced solidification shrinkages in the mosaic grinder plate.
- Better pre-cleaning practices by alkaline solution improved the phosphate coating.
- Change in the material of permanent mould from grey cast iron to SG iron.
- Application of Widia TH-05 Grade Carbide for machining (58 To 60HRC) Axle Shaft etc.

10 entrepreneurs (5 from Jamnagar and 5 from Rajkot) participated in the Global Investors' Summit-2005 organised by Government of Gujarat in the Science City during 12-14 January, 2005. They displayed their products in the summit and interacted with potential buyers, visitors and customers. This was initiated by EDI to support entrepreneurs in the Brass Parts Cluster, Jamnagar and the Engineering Cluster, Rajkot in marketing their products. Interaction with potential customers helped them know their precise requirements. There is a likelihood of business tie-ups taking shape as a result of this.

### **Ensuing Holistic Development in Clusters**

Subsidies, technology, advancement etc. cease to have any meaning for individual small-scale enterprises. On the contrary these very factors work towards creating a chasm between the small-scale enterprises and the large-scale enterprises. However, small-scale enterprises can acquire the competitiveness of large-scale enterprises by adopting the cluster approach to doing business.

This approach widens the scope of business and helps it harness its growth potential to the hilt.

From this, however, emerges the need for resource persons who can undertake development of clusters in a professional and effective manner. To achieve this purpose, the Ministry of Small Scale Industry, Government of India, UNIDO and EDI, organised a training programme, for Cluster Development Executives. Scheduled from 18<sup>th</sup> January 2005, the programme will continue till the 10<sup>th</sup> May 2005. Executives, professionals and managers of Government Departments, Industry Promotion Offices, Development Agencies and office bearers of Industry Associations, participated in the programme. These

trained executives are expected to undertake Industrial Promotion in a cluster mode as Cluster Development Executives(CDEs).

This programme having already equipped 300 Cluster Development Executives, targets 19 more officials and aims at helping them understand the dynamics of a cluster and the role of various cluster actors; thus equipping them with skills to carry out diagnostic study in an effective manner and streamline development initiatives. Establishing a network among cluster actors and ensuring their capacity building are also areas wherein the executives will strive to perfect.

The course curriculum has been designed in a way to give the executives an understanding of clusters and their internal dynamics, in addition to bringing about an attitudinal reorientation in them. The participants are also expected to ready a diagnostic study, as a part of which industry structure analysis, cluster mapping, value chain analysis, reality tree, current institutional matrix and SWOT analysis of the respective cluster will be carried out. This will enable the CDEs to understand the present status of their clusters and analyse the problems. Based on this study, the finalization of the cluster vision and the action plan will take place. According to Mr. Sanjay Pal, the Programme Director, "Upon completion of the training programme, the CDEs will not just bring about overall growth by addressing the key factors affecting competitive performance, but also lead to creation of preconditions indispensable for further meaningful achievements."

Training Programme on  
'Agri- Clinics and  
Agri-Business Centres'  
for Agriculture Graduates  
(May 9 - July 8, 2005)

Supported by :  
MANAGE; SFAC;  
Ministry of Agriculture, GoI;  
NABARD.

For information, contact  
Mr. Rahul Kumar,  
Programme Co-ordinator at  
EDI, Ahmedabad Office.  
(M) 9327988901



**EDI announces admission to  
the eighth batch of its ONE YEAR**

## **Post Graduate Programmes**

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- Screening through aptitude test
- Last date for receiving applications : 2<sup>nd</sup> May, 2005

For prospectus, send a Demand Draft of  
Rs. 500 drawn in favour of EDI, Ahmedabad to  
the Institute's Ahmedabad Office

E-mail : [pgdbem@ediindia.org](mailto:pgdbem@ediindia.org) ; [pgdmn@ediindia.org](mailto:pgdmn@ediindia.org)

Application forms can also be downloaded from  
[www.ediindia.org](http://www.ediindia.org)



## INTERNATIONAL INTERACTIONS

# EDI Supported Lao PDR-India Entrepreneurship Development Centre Inaugurated at Vientiane, Lao-PDR

In order to help developing countries benefit from the opportunities accruing as a result of changing economic trends and forces, the Institute has extended its services towards enhancing the entrepreneurial strength of developing nations.

Recently the Ministry of External Affairs, Govt. of India assigned to EDI, the prestigious task of setting up Entrepreneurship Development Centres in Cambodia, Lao-PDR, Myanmar and Vietnam (CLMV nations). The Centre at Lao-PDR has already been commissioned and was inaugurated on 27<sup>th</sup> November, 2004 by the Hon'ble Minister of External Affairs, Govt. of India, Shri Natwar Singh.

The initiatives of ASEAN integration, funded by the Ministry of External Affairs, Govt. of India is a channel that supports development causes in smaller nations of the world. The ED Centre at Laos is an instance of this, whereby entrepreneurial activities will get a boost in the country, thus taking it on a fast growth track.

This task of setting up ED Centres in CLMV countries began in January 2004. What EDI covered systematically was need assessment study of each country and identification of viable business opportunities, need and options for planned intervention, policy framework for promotion of SMEs and organisational framework for an

ED organisation. All this led to formulation of an action plan to concretise entrepreneurship. Selection of Director for each of these centres in addition to setting up of infrastructural facilities are all being handled by the Institute.

During the inauguration of the Centre at Lao-PDR, Shri Natwar Singh, Hon'ble Minister for External Affairs, Government of India said that this Centre is symbolic of India's commitment to promoting economic development of Laos through entrepreneurship development and capacity building. He opined that to transform challenges into opportunities it is important to build a solid entrepreneurial cadre. The Lao PDR-India Entrepreneurship Development Centre (LIEDC) is designed to do exactly that, and in the process also lead to the growth of small and medium enterprises and creation of new employment opportunities, added the minister.

Speaking about EDI, the Minister said that it is a pioneering institution of international standing and that because of the Institute's professional excellence, the Government of India commissioned it as Consultant for setting up the EDCs in Laos, Cambodia, Myanmar and Vietnam (CLMV). He highlighted that the project has been executed from concept-to-completion stage in a record time of just eight months. The Government of India has earmarked US\$ 1.6 million for the entire project from the India-ASEAN Cooperation Fund, said the Minister, adding that the entire project has been developed in close cooperation with the four partner countries and the ASEAN secretariat at every stop. It is perhaps the best example of South-South Cooperaton in capacity building, he said with satisfaction.

Speaking about the benefits to a society resulting from broad-based entrepreneurship, the Minister said that strengthening the edifice of entrepreneurship is important to promote the socio-economic development of a country or region and that entrepreneurs render a definite momentum to the pace of growth of the economy and are indispensable for building a strong competitive economic environment.

Expressing confidence, he stated that the LIEDC training programmes are bound to create many small and medium enterprises and that under the guidance of EDI Adviser for two years, the Centre will grow and become a Centre of Excellence. Multilateral funding agencies like UNIDO and ADB should also be encouraged to support its activities, opined the Minister.

The Minister concluded by expressing that the Centre will go a long way in bringing prosperity to the people of Lao-PDR and wishing exemplary success to the Centre.

His Excellency Mr. Phimmasone Leuangkhamma, Minister of Education, also present on the Inauguration Ceremony, conveyed his sincere appreciation and deep gratitude to the Government of India and its people for their assistance in providing computers, developing curricula and teaching manuals, extending support facilities and scholarships for training courses to be held in the Lao PDR. "This assistance is an important contribution to human resource development of Lao PDR, in particular in the field of equipping the



*Shri Natwar Singh, Hon'ble Minister of External Affairs, Govt. of India addressing the gathering during the inaugural function. Also seen are (L-R) Dr. Dinesh Awasthi, Director-EDI and other dignitaries*

entrepreneurs with increasing knowledge and competence in order to meet the necessary requirements of our society", said he.

His Excellency, appealed for constant assistance from the Government of India in the field of development of education in Laos.

Shri C.M. Bhandari, Additional Secretary (Policy, Planning & Research), Ministry of External Affairs, Government of India, also a part of the function looked forward to growth of small scale industries with the setting up of LIEDC and hoped that there would be greater employment opportunities, and thus the growth of the country.

Dr. Dinesh Awasthi, Director, EDI expressed happiness over the establishment of the Centre, highlighting that entrepreneurship is at the base of economic development. Dr. Awasthi promised constant EDI support to the LIEDC and looked forward to development on all areas in the economy of Lao-PDR.

This function was attended by senior government officials, ministers and diplomats, all of whom acknowledged EDI's efforts towards not just institutionalising ED activities but also for adopting an approach to ensure its sustainability.

EDI, therefore, through this effort, seeks to streamline the process of entrepreneurship development on the global plane as well. The ambit of its activities will focus on progressing entrepreneurship in the CLMV nations, thus creating strategic orientations and overall growth.

## Driving Foreign Organisations to become Strategic

In today's economy, large corporate houses are turning complex with new paradigms replacing the old ones. The corporate environment is also becoming multidimensional and manifold. There is an unprecedented increase in the scope of opportunities and such an environment sure requires executives whose perspectives, knowledge and vision become assets for the organisation. This is a prerequisite for gaining distinctive competence.

The responsibility of organisational growth and survival, rests on its executives. But the fact remains that under mounting work pressure, company executives, most often, lose their drive, determination and motivation. It is, therefore, important to bolster sagging motivational levels and push up operational efficiencies.

In order to, therefore, help managers construct an effective environment around them, where they naturally and confidently deal with dilemmas, complexities and other concerns, EDI conducted an International Programme titled 'Management Education Programme'.

This programme organised during September 27-November 5, 2004, was sponsored by the Indian Technical and Economic Co-operation, Ministry of



*Dr. Awasthi felicitating Shri Dingliana*





*During the Valedictory Function of the programme, seen on the dias is (in the centre) Shri Lal Dingliana, Jt. Secretary (Technical Cooperation) Ministry of External Affairs, Govt. of India, the Chief Guest of the function. Also seen are (R-L) Dr. Dinesh Awasthi, Director, EDI and Dr. Sunil Shukla, Programme Director.*

External Affairs. and attended by 35 professionals from countries like Ghana, Iraq, Zimbabwe, Georgia, Armenia, Azerbaijan, Botswana, Maldives, Peru, Namibia, Myanmar, Indonesia, Uruguay, Surinam, Tonga, Malaysia, Kyrgyz Republic, Lao PDR and Lesotho.

The 6-week programme concentrated on enhancing entrepreneurship and intrapreneurship skills with focus on behavioural skills, operational management, perception of business opportunities, human resource management, marketing management and business finance. During the study visits to industrial organisations and institutions of repute, the participants learnt to relate by applying their classroom learnings to practical situations.

Over the years the MEP programme has registered an increase in the number of participants and this can be attributed to the positive feedback of participants and the tangible outcome of the programme. The participants get insights into the conceptual knowledge and they learn application of this within their organisational structure. EDI, this way, through these delegates, has built a congenial business environment in several developing countries. During the Valedictory Function, the Chief Guest, Shri Lal Dingliana, Jt. Secretary (Technical Cooperation) Ministry of External Affairs, GoI, in his address looked forward to impact creating interventions from the participants as a result of the training. Hoping that it was an enriching experience for all, Shri Dingliana expressed happiness over the fact that India was not just sharing its expertise and know-

how but also performing the role of a strong facilitator. The strong linkages between India and developing countries was something that Shri Dingliana highlighted as a cornerstone for mega developments on the global economic front. Resounding the words of Shri Dingliana, Dr. Dinesh Awasthi endorsed that sharing such expertise and know how must be given momentum. Dr. Awasthi congratulated the participants, urging them to implement their learnings. Dr. Sunil Shukla expressed happiness over the way the participants had acquired skills and the confidence with which they had prepared their action plans. As Mr. Falin Ibrahim Rasin Al Kananei, Director of Personnel Department, Central Bank of Iraq, puts it "Since the war step by step, we are rebuilding our lives in private as well as government sectors in Iraq as far as business opportunities are concerned, I am indebted to this programme since it will help me in my job in the areas of marketing and management." According to Almaz Tulekeev, Chief Specialist (Information and Marketing Centre), Ministry of Economic Development, Industry & Trade, Kyrgyzstan "We were part of the Soviet Union before we got independent in 1991. After we conducted economic reforms for establishment of market economy, the purpose of all economic reforms has been to support entrepreneurship and evoke respect towards private ownership. My aim, therefore, is to learn how in India one supports entrepreneurship network".

"The programme drew to the fore the latent potential of participating managers so that the knowledge that is cultivated in them integrates the desired outcome with the strategies and vision", says Dr. Sunil Shukla, the Programme Director.



## In Conversation

Mr. Lal Dingliana, Jt. Secretary (Technical Co-operation) Ministry of External Affairs, Govt. of India, visited EDI as the Chief Guest of the Valedictory Function of the International Management Education Programme. This programme was supported by the Indian Technical and Economic Cooperation (ITEC), Ministry of External Affairs, Govt. of India. ITEC is about co-operation and partnership between countries for mutual benefit. Addressing the needs of developing countries, it was launched in 1964 as a bilateral programme of assistance of the Government of India.

In order to have a deeper insight into the significant areas and aspects of ITEC, we spoke to Mr. Lal Dingliana. Here are some excerpts of our interview with Mr. Dingliana.

**Q-1** We understand that there are around 155 partner countries of ITEC now. It has been conducting special activities to share its know-how and skills. But how do you ensure sustainability of the impact created ?

**Ans.** India assists developing ITEC partner countries, on the basis of mutually agreed projects, to establish useful infrastructural facilities with technological means and skills appropriate to their resources and needs. Through project assistance, India also demonstrates skills and technologies, and develops human resource capacities.

Few examples of the activities that can be termed as 'sustainable' under ITEC programme are building and manning of a hospital in Afghanistan, restoration of Angkor Vat in Cambodia, assistance in augmenting milk production in Kyrgyzstan, establishment of vocational training centre for small and medium enterprises in Senegal, establishment of solar energy plants in Cuba and Costa Rica, establishment of plastic technology demonstration centre in Namibia, vocational training centre for construction sector in Indonesia, and setting up of a 100 bed hospital and an IT centre in Vientiane etc. Such concrete actions ensure sustainability of our efforts.

**Q-2.** How do you select institutes for conducting activities on ITEC's behalf?

**Ans.** Our aim is to help less developed countries, and institutes involved in developmental work in specific areas such as IT, rural development, etc. are the ones we approach. The institutes also have to have a proven track record with facilities and competence to conduct in-house training programmes.

**Q-3.** What are the areas in which you hold programmes / activities ?

**Ans.** We have a wide variety of areas such as Information Technology (IT); Parliamentary Studies; Mass Communication; Rural Development; Bank Management; Educational Planning & Administration; Entrepreneurship Development; Secretariat Training and Management; Food Technology; Tool Design; Manpower Research; Statistical Education; Non-Conventional Energy Resources; Entrepreneurship and Small Business Development; Water Resources, etc.

We believe that these are important areas from the point of view of economic development of a nation and so we focus on these.



*Participants of the ITEC sponsored Trainers' Training Programme, NIESBUD, Delhi interacting with (in the centre) EDI, Director, Dr. Dinesh Awasthi and EDI Faculty Members, while on a study visit. The Participants were briefed on EDI's activities for developing countries.*

# On the Task of Making Entrepreneurs, the Front Runners

The 21<sup>st</sup> century is yet more demanding. Economic structures of countries call for a change in view of the need to develop at a fast pace. Focus has to be more on entrepreneurship and enterprises, if a country has to be ahead on the road of industrialisation. Entrepreneur-friendly policies need to be introduced and evolved to attract potential entrepreneurs. There is one brigade, however, that can facilitate this process and influence maximum number of people to take up entrepreneurship as a career option. This is the cadre of Entrepreneur Trainer-Motivators ... a force that can bring about a transformation on the economic front of a country. With right skills and competencies a Trainer-Motivator can go ahead expanding the business base of a country.

In view of this, EDI recently conducted an International Trainers' Training Programme for New Enterprise Creation during Jan 10 to February 18, 2005. The programme was supported by the Indian Technical and Economic Co-operation, Ministry of External Affairs, Government of India, and was attended by 19 participants from countries such as; Iraq, Belarus, Costa Rica, Uzbekistan, Cambodia, Uganda, Nigeria, Guyana, Ethiopia, Tanzania, Estonia, Sri Lanka and India.

The objective of the programme was to develop a cadre of hard-core professionals who can work for the

promotion of economic activities in their respective countries by motivating as also training their people to set up their own enterprises. The participants were equipped with tools and techniques that lead individuals from all strata of the society to new enterprise establishment. They got indepth understanding into identifying and analysing constraints and barriers to entrepreneurship development. Coupled with this was an insight into the appropriate strategies that could help them achieve their goals. Enterprise selection, implementation and management of new enterprises as well as survival, growth, and diversification of existing enterprises were covered at length.

The action plans prepared by the participants reflected their broader understanding of not just the concept of entrepreneurship but also the role that they could play towards making it an accomplishable goal.

According to Mr. S.B. Sareen, the Programme Director, "This programme itself has immense potential. It imparts skills to Trainer-Motivators to the extent that they acquire the competence to operationalise an entirely new career stream, i.e., of entrepreneurship in their country. And I see this as a very important factor in the upgradation of the economy."



Participants of the programme are seen with (4th from L) Dr. Dinesh Awasthi, Director- EDI, (5th from L) Mr. S. B. Sareen, Programme Director and EDI faculty members.

# A Facelift for the Rural World

Countries, across the globe, are analysing their course of economic development in a bid to address the problems of poverty and unemployment. It is important to break the run-of-the-mill moulds and structures of attacking these problems.

Micro-enterprise and micro-finance development has emerged as an integral aspect of the large scale processes of change. However, orderly success of these strategies depends on its planned implementation by NGOs and other government agencies. More than multiplicity of schemes what is required is effective execution of schemes.

With a large number of agencies and NGOs getting involved in the developmental initiatives of micro-enterprises and micro-finance, there is a critical need to develop the capacities of professionals involved.

EDI, therefore, conducted a 6-week, Indian Technical and Economic Cooperation (ITEC), Ministry of External Affairs, Government of India sponsored International Training Programme titled, "Managing Micro-Enterprise and Micro-Finance Development". This programme organised during November 8- December 17, 2004 had 27 professionals from government and non-government organisations. They hailed from countries, such as; Ethiopia, Algeria, Sri Lanka, Tanzania, Bangladesh, Tajikistan, Guinea, Uganda, Namibia, Kenya, Cambodia, Iran, Myanmar and PNG. In International

The programme brought about an understanding of the twin strategies of micro-enterprise and micro finance so that skills could be developed in professionals managing these initiatives. Inputs bringing forth various perspectives of micro-enterprise and micro-finance development covered areas such as; the Entrepreneurship Development Process; Competency Development and Achievement Motivation Training; Self Help Group Promotion Approach; Assessing Entrepreneurial Potential; Planning and Implementation of a training programme and so on.

Field visits were an important aspect of the training, where, upon seeing things in action, the participants acknowledged the implementable nature of learnings imparted and also endorsed that a professional with right competencies can induce permanent change.

All equipped and motivated, the participants framed their action plans. Most felt determined enough to conduct a feasibility study to assess the potential and then devise a training package in keeping with the needs. Coupled with this, was also the idea of creating awareness about these developmental initiatives prior to implementing training programmes. Micro Insurance was also an area, which most participants said, they would introduce in their respective countries.

According to Ms. Venancia Faustin Hungu from Tanzania



*Dr. Sunil Shukla, Professor, EDI handing over the certificate to one of the participants.*



*A participant of the programme expressing her views.*

“My capacities as a trainer have increased. The limitations which otherwise I used to view as hindrances in my performance, appear to be opportunities. I have learnt to make the maximum of situations and deliver my best”.

Mr. Manoj Mishra, the Programme Director, pointing

towards 'development' as a phenomena in developing countries said that these professionals with their competence, would not just sustain the socio-economic success, but also make development a distinctive phenomena.

## EDI-EU PROJECT FOR ECONOMIC REGENERATION OF KACHCHH AND SAURASHTRA New Glitter Marks the Earthquake Affected Region

The EDI-EU Project for Earthquake affected regions of Kachchh and Saurashtra, aimed at rehabilitating those that had been uprooted by the devastating earthquake of 2001, made significant progress with initiatives that brought tangible results to the fore.

The intervention, instead of piecemeal programmes, focused on a unique development approach comprising Entrepreneurship Development Programmes (EDPs), Rural Entrepreneurship Development Programmes (REDPs) and Group Entrepreneurship Development Programmes (GEDPs).

A conducive entrepreneurial environment has been created by various activities and as a result, the developments that have come about are encouraging.

As an integral part of EDI-EU PERKS for Earthquake affected region, beneficiary fund was created to provide stipend to trainees undergoing various training programmes. However, EDI devised a strategy by which it could impart sustainability to the enterprises and provide marketing and technical support by establishing facilities for these enterprises. 12 infrastructure projects were thus launched for the purpose of creating, common facility centers (3), village service centers (4) and marketing HAATS (5). These facilities have been handed over to the beneficiaries, who have started their business, either individually or in groups.

While the HAATS will provide a permanent platform to micro enterprises to display and sell their products, the common facility centers would help women entrepreneurs in groups, in carrying out their production activities, storing raw material and finished goods, using technical facilities etc. The village service centers would enable the entrepreneurs to carry on with their businesses at a strategically located place in village. This would maximise business potential. All the 12 centres will benefit about 270 entrepreneurs in the Saurashtra/Kachchh region.

Another important initiative taken as a part of the beneficiary fund utilization programme, was providing



*Seen during the handing over function of Common Facility Centre for those involved in tailoring, embroidery, diamond-cutting, etc., are Mr. Dhirubhai of Sava-raj (EDI's collaborating agency), Mr. Kunwarjee Bawalia, MLA, Jasdan Constituency, Mr. Bipin Shah, Sr. Faculty, EDI and Mr. Ishwarbhai Bawalia, Manager, Rajkot District Co-operative Bank*

margin money in cases where there was reluctance on the part of the banks to extend credit facilities to small and micro enterprises. 360 trainees were provided margin money assistance to the extent of approximately Rs. 17 lakhs which triggered resource mobilization by way of loans both from leading nationalized banks and district level cooperative banks to the extent of Rs. 52 lakhs. This had a positive impact on the start up rate. The project concluded on 31st December, 2004, promising a new beginning. The results speak :

Programmes	No. of Progs/ Units	Entrepreneurs Trained	Enterprises Created	Employment	
				Start-Up Rate	Generated Achieved
EDPs	80	2010	1384 (92)	69	3618
REDPs	135	3450	2462 (91)	73	5170
GEDPs	25	2530	2340	93	2340
IRP *	195	-	-	-	-
CLP **	260	-	-	-	-

- Tiny, Micro and Small Business Started 6186
- Self and Wage Employment Created 11131
- Total Investment Generated as a Result of Start up of New Businesses Rs. 244 Million
- Earthquake Affected SMEs Rehabilitated and Corporate Linkages Established 455 Units
- Wage Employment Generated as a Result of IRP/CLP 1216
- New Investment Made in 195 IRP Units Rs. 36 Million

\* Under the Industrial Rehabilitation Programme, 195 enterprises were helped in preparation of rehabilitation plans, identification of suitable technologies and planning for requirements that are indispensable for the growth of an enterprise.

\*\* Corporate Linkage Programmes undertook the task of networking and matching of corporate houses with small and medium enterprises for possible sub- contracting, ancillarisation and technology upgradation.

# The Phenomenon called Entrepreneurship : Broadening its Understanding

EDI hosted the Sixth Biennial Conference on Advances and Trends in Entrepreneurship Research during 9-11 February, 2005 with an aim to provide a forum to researchers, educationists and professionals to share their research findings and experiences in the field of entrepreneurship.

The Conference was inaugurated on 9<sup>th</sup> February 2005 with Dr. V.G. Patel, Former Vice-President and Director, EDI as the Chief Guest.

In the inaugural function Dr. Dinesh Awasthi, Director, EDI, pointed out the need to bring out Research in Entrepreneurship from this nascent stage and devise mechanism to promote it further. He called this Biennial Conference a huge step in this direction. Dr. Awasthi also focussed on increasing thrust of EDI on Research, adding that this is the only way which can make the efforts sustaining. Promising EDI's support, Director invited young researchers to take up entrepreneurship as a subject and contribute to expanding its frontiers.

Dr. V.G. Patel in his inaugural address began by giving an overview of the gradual creation of an environment of entrepreneurship.

Highlighting the factors that inhibited people from taking up entrepreneurship as a desirable option, Dr. Patel emphasized on the need for training in entrepreneurship. This training broke certain myths, associated with entrepreneurship, informed Dr. Patel, also at this point, emphasizing on the emergence of a cadre of trainer-motivators. He announced that there are around 1000 EDI trained trainers in the country who are devoted to the task of promoting entrepreneurship and that they must be recognized. Today's youth, in particular, said Dr. Patel, shy away from taking up Entrepreneurship as a desirable career option as finance for them is a major constraint. But he added that besides the financial constraints, non-financial ones such as; lack of motivation, adequate information on business know-how and its management are also some of the important factors, which are viewed as hindering factors.

Dr. Patel, maintaining the efficacy of entrepreneurship training, added that the EDI-EDP model has proved itself even on the grounds of the so called less entrepreneurial states of Bihar, U.P. etc. Dr. Patel, at this juncture, questioned as to why inspite of much advancement in the field, research was lacking. He urged the practitioners to document their knowledge and experience.



*Dr. V. G. Patel, Former Vice-President & Director, EDI and Chief guest of the inaugural function addressing the guests. Also seen are (R-L) Dr. Dinesh Awasthi, Director-EDI and Dr. Sasi Misra, Distinguished Fellow and Conference Convenor.*

He concluded by urging academicians to take up research activities and reiterated Dr. Awasthi's point that EDI has earmarked a fund for research, which these researchers must try to utilise.

During the conference around 72 research papers were submitted by 80 research scholars and academicians from across the country. Prof. Sasi Misra, Distinguished Fellow, who chaired the conference felt that the field of entrepreneurship had witnessed much enlargement and enrichment thus necessitating a deepened understanding of the phenomena. Prof. Misra felt that this conference was in line with present value-added and insightful contributions reflecting the current status of entrepreneurship theory and practice.

The 72 research papers presented focussed on the following areas :

- Strategic Management and Entrepreneurship
- Entrepreneurship in Global Economy
- Informal Sector and Entrepreneurship
- Entrepreneurship Models and Theories
- Socio-Psychological Dimensions of Entrepreneurship
- Operational and Managerial Issues in Entrepreneurship
- Local Governance and Entrepreneurship Communities
- Innovation and Entrepreneurship
- NGOs and Entrepreneurship
- Entrepreneurship Development and Entrepreneurship Education Programmes

## Food Processing Industry.... Potential Galore

**Mr. S.B. Sareen**  
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Agriculture is India's foremost earner. The very essence of this sector's potential dynamism can be seen in facts that India's climatic and soil conditions as also the policy framework are inclined towards agriculture.

The present scenario points out that almost all kinds of agricultural produce are possible in India.

India is the second largest country, after China, producing 25 crore tonnes of food grains and thus forging ahead with a contribution of 26% to the GDP.

It is estimated that the production of food grains will be doubled in the next ten years. The product-wise scenario reveals that India's production of dairy products will reach



approximately Rs. 1, 00,000 million by the year 2005. The food and vegetable production will cross 4.2 crore tonnes and 6.8 crore tonnes, respectively. There are thousands of rice mills in the country and around 820 Roller Flour Mills that transform 1.05 crore tonnes of wheat into wheat-based products. No country can match India as far as the quality of mangoes is concerned. Indian tea is popular the world over and Indian coffee can now be compared with that of Columbia. There is a demand for Indian dry fruits abroad. Basmati, the Indian rice, has become a part of every household in our country. In addition to these, Indian pickles, fruit pulp, processed fruit, canned juice and papads with pepper have made a name throughout the world. So, India has the potential of becoming an agricultural powerhouse with tremendous scope to internationalise the operations of this sector.

Today the world's focus is on the Food Processing Industry Sector. India has to make the maximum of this opportunity, as this is not at all difficult with all its potential. It is worth the mention that India's total turnover of the food sector is 2, 50,000 crore which includes Rs. 80, 000 crore for value added products.

The total volume of the food processing industry in terms of rupees is Rs. 1,44,000 crore, which is 6.3% of the total GDP, thus contributing 6% to the total industrial investment and 13% to the country's total exports. Overall, the food processing industry comes at the 5<sup>th</sup> rank. The food processing sector provides employment to around 16 lac people which is almost 18% of the total industrial employment of the country. There are around 9000 units in the organised sector, 5000 of which are engaged in processing of vegetables and fruits. But due to inadequate infrastructure/transport facilities, approximately, 30% vegetables and fruits are wasted every year.

If the Indian food and food processing industry is promoted and encouraged properly, it will not only make a notable progress but also satisfy the increasing demand from International markets. At present, the share of Indian food products in the global market is less than 1.5%. Very few Indian food products including those that are branded, have earned a name at international level. Besides, most of the products are exported in bulk and do not carry any brand name. It is very important to establish a brand image. Established brands carry more authenticity and help in carving a niche in the international market. Aggressive and concentrated marketing efforts are required for this.

A large potential in export market also lies for bakery items, sea food, ready-made snacks, milk products, tomato paste, etc. The government has adopted a liberalized policy for the food processing sector by removing price control. The food industry has also been removed from the list of reserved small-scale industries. Reducing controls over imports and announcing financial sops have also been adopted as policy measures.

Since 1991 Direct Foreign Investments have been encouraged in the food processing industry. Government has given its consent for setting up 100% E.O.U.s. (Export Oriented Units) and has approved around 1135 proposals for setting up joint ventures in this sector. Approximately Rs. 26,000 crore is the foreign investment in the food processing sector. The share of Direct Foreign Investment in this is Rs. 9100 crore. Government has initiated the National Food Processing Policy and has also introduced relaxations to ensure that the sector grows.

As far as development in the context of investments and exports is concerned, the biggest hurdle is inadequate infrastructure facilities. Improvement in storage, transport and other infrastructural facilities needs concentration. It is estimated that due to inadequate storage facilities, transportation, cold storage and other required facilities, agricultural products worth 7000 crore are wasted every year.

In India, less than 2% of fruits and vegetables are processed whereas in Thailand it is 30%, in Brazil 70%, in Phillipines 78% and in Malaysia 80% of the total quantity of vegetables

and fruits produced. The value addition in food processing sector in our country is only 7%. For exploring optimum potential, therefore, there is a need to take necessary steps towards improving the infrastructural facilities.

In India, there are around 20 crore people who can afford the food they desire. To satisfy the demand of this segment, there is a sudden increase in Indian and foreign companies in the country. Existing Indian producers have also enhanced their production to satisfy the increasing demand. As a result WTO, most of the quota related restrictions have also been removed and one can import most of the food & beverage items. The entry of multinational companies in the Indian market has led to considerable improvement in the field of packaged food, giving a boom to the packaging industry as well which is developing @ 20% every year. There are enormous business opportunities in terms of in setting up units to produce the raw material required for the packaging industry, pouch packaging, hot fill, liquid packaging, ready to eat refrigerated packaging, bulk packaging, labeling etc.

India, which once faced scarcity of food items is now progressing towards becoming a haven in the field. The present momentum can be further accentuated by establishing a network and coordination among food producers of the country. Proper and planned development would also lead to more employment opportunities in the rural areas. Agriculture and contract farming can also be encouraged and promoted. If MNCs and leading Indian companies can be attracted to establish food-processing enterprises, India will become a world leader in this sector. With proper facilities and infrastructure requirements, the food processing industry sector can reach a turnover of 14000 crore from the existing 7000 crore, by the year 2005.

#### Highlights of Policy Initiatives by the Ministry of Food Processing Industries (MoFPI), Govt. of India:

- Full repatriation of profits/capital allowed
- Almost entire sector is de-licensed
- Automatic approvals for foreign investment upto 100 percent, except in few cases and also technology transfer.
- Zero duty import of capital goods and raw material for 100 percent export oriented units
- Agro based 100 percent export oriented units allowed sale upto 50 percent in domestic tariff area.
- Export earnings are exempted from corporate tax
- All processed fruit and vegetable products exempted from Central Excise Duty
- Government grant given for setting up common facilities in Agro Food Park
- Full duty exemption on all imports for units in Export Processing Zones



# EDI's Accomplishments in the Food Processing Sector

The Ministry of Food Processing, Government of India assigned to EDI the task of augmenting the entrepreneurial base of the Food Processing Industry in the states of Gujarat, Jharkhand, Uttaranchal, Maharashtra, Uttar Pradesh and Bihar so that the incidence of enterprise formation could get a boost. EDI's history of successful implementation of the Entrepreneurship Development Programme strategy was trusted to ensure a rich entrepreneurial atmosphere. The implementation model comprised Stakeholders' Workshops, Identification of Partner Organisations and tie-ups with them, Trainers' Training Programmes, Entrepreneurship Development Programmes and follow-up with the trainees. A total of 100 EDPs were conducted with 2500 entrepreneurs getting trained.

The appreciable start-up rate prompted the Ministry of Food Processing to extend the project to cover the states of Jammu & Kashmir, Himachal Pradesh, Punjab and Haryana in additions to all the 8 states in the north eastern region of the country.

The results in the initially sanctioned six states bear testimony to the fact that the EDI-EDP strategy is the futuristic answer to the problem of unemployment in this present turbulent times.

State	No. Of Trainees trained	No. Of Units started	Total investment made (Rs. In lacs)	Employment generated
Gujarat	596	340	1953.84	1459
Maharashtra	646	373	1234.19	1516
Uttar Pradesh	359	167	607.13	599
Uttaranchal	150	40	79.80	118
Bihar	200	51	167.09	364
Jharkhand	441	186	1074.54	767
<b>Total</b>	<b>2392</b>	<b>1157</b>	<b>5116.59</b>	<b>4823</b>

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