

EDI REPORTS

FROM THE DIRECTOR'S DESK ▶▶



It's all about the Tenacity of *'that'* Spirit

- A success story on page 25

When the Going Gets Tough...

India is passing through difficult times. I feel greatly grieved by the heinous Mumbai Terrorist attack a few days back. I know we would take time to come out of it. I join the country in paying tribute to the brave soldiers who lost their lives in defending humanity.

The last few months have also been quite tough and turbulent for the Indian economy, or should I say, for the global economy and we have suffered the brunt of someone else's financial misadventures. The financial crisis that unrolled in the USA has engulfed the world, leading to an overall economic catastrophe. Countries after countries are facing recessionary conditions. The worst sufferers in the process have been the SMEs, as they are, by and large, linked with large industrial systems. Every day we hear of job cuts, wage cuts, voluntary pay cuts, falling share prices and dwindling capital markets, closures and bankruptcies – in the US, in Europe, in Japan, in Thailand, in China, in India and in many other countries.

I have only read about the Great Depression of the 1930s but could never understand its gravity. Just the trailer (so far, and I hope it stops here) is so frightening. The world at that point of time was still isolated and not so much interdependent. There were no internets, no information technology, no system of outsourcing, leave alone that of the present day magnitude. There were colonies and rulers, and the economies were not so complex. Lord Keynes could help the US get over the Great Depression by his famous 'Pump Priming' strategy. But this time it is not so, despite the G20's fire-fighting measures which, I feel, are too late and too inadequate. These twenty countries have committed to release about 3 trillion US\$. There are estimates that it requires a minimum of 10 trillion US\$ to overcome the crisis. It makes about 16% of the world GDP of approximately US\$65 trillion - an impossible task even if all the G20 countries try to pool their resources.

The Government of India has also released liquidity through various monetary measures. Only a few days back, the RBI released credit worth Rs. 9,000 crore to the National Housing

FROM THE DIRECTOR'S DESK

Board and Exim Bank to stimulate the housing and export sectors. Through changes in SLR, repo rates, and so on, the RBI is trying to release liquidity to commercial banks. The Prime Minister has assured us that there wouldn't be a liquidity crunch in the economy. And, so has the Finance Minister. The Commerce Minister has announced that a new package to give boost to exports will be announced in the last week of December 2008.

However, I had the opportunity to have several meetings with entrepreneurs - large, medium and small scale. They, without any exception, felt the heat of the credit squeeze. It is a precarious situation. The banks are flush with funds, but are not willing to lend money to the credit starved small and medium enterprises. On the one hand, they are suffering from global recessionary conditions and the resultant dwindling demand (export pulled down by about 12% during October and by 10% in the last month); they are starved for funds on the other. As a result, most of them are operating at a sub-optimal capacity. As per the latest reports, the growth of six key infrastructure sub-sectors has dropped to 3.9% from 6.6% in the same period an year ago. This is culminating into cut in production and also retrenchment or lay off of the workers, leading to serious economic, social and political consequences. Growth rate for the 2008-09 fiscal is being revised every day and is expected to remain at about 6.5% down from about 9%.

Nevertheless, there are some entrepreneurs that I have come across, who do not share the industry pessimism and are in fact doing pretty well. They have systems like lean production, strict inventory control, cost saving and efficiency through innovations in place as a part of their management.

I came across a letter written by Mr. Ratan Tata to all in his senior management cadre wherein he has argued strongly in favour of cost saving mechanisms. He has also advocated the need to control unnecessary expenses.

I feel that though the industry is feeling the resource crunch, we as a country are not hit so badly. There is still hope. The Government is releasing quite a bit of resources and has plans afoot to spend on infrastructure in a big way, giving boost to the overall economic conditions. Implementation of the 6th pay commission across the board will also release about Rs. 50,000 crore annually (almost 1% of the country's GDP) with substantial liquidity in the hands of government servants and public sector workers. Both these taken together are likely to revive the markets. So far, market fundamentals have also not been that bad, though capital market has taken a beating due to the global melt down. But 'revival' will surely be the story of tomorrow..

While this is a tough time, the tough will survive, I am sure.

- Dinesh Awasthi

ENTREPRENEURSHIP EDUCATION



They Lit the Path for Young Entrepreneurs

Sublime knowledge and resourcefulness are the powerhouses that precede entrepreneurship. Gone are the days when it was considered a natural phenomenon. Today, entrepreneurial principles are taught. Entrepreneurship is a discipline like any of those existing in the accepted college curriculum, and its technicalities can well be mastered. There are, therefore, teacher-trainers who specialize in imparting information pertaining to being successful as an entrepreneur. The 'Faculty Development Programmes' designed by EDI train teachers in a way that they can act as mentors and motivators to the students who wish to float their business ventures. This effort of the Institute has institutionalized entrepreneurship education in colleges.

Over the last three months, the Institute has organized FDPs in Trivandrum (18-29 August 2008), Puri (15-26 September 2008) and Ahmedabad (22 September – 03 October 2008), with sponsorship support of NSTEDB, Department of Science & Technology, Govt. of India,

to equip teachers of colleges, universities and business schools with skills, knowledge and competencies so that they can guide and counsel students towards an entrepreneurial career. Till date 1400 academicians have been trained through 67 national FDPs conducted.

The participants comprised academicians in the area of Entrepreneurship Development so that they could act as 'Resource Persons' in guiding and motivating young students, particularly from science, engineering and technology stream, to take up entrepreneurship as their career. The programme exposed the participating faculty members to the comprehensive Entrepreneurship Development process and equipped them to coordinate / organize entrepreneurship related activities in their colleges / polytechnics / schools / university departments. The members also acquired requisite skills, knowledge and competencies for effective initiation of Entrepreneurship Awareness Camps and Entrepreneurship Development Courses in their institutions.



Participants of the Faculty Development Programme at Ahmedabad seen with (4th from R) Dr. Dinesh Awasthi, Director-EDI; (5th from R) Dr. Sunil Shukla, Programme Director and esteemed members of the EDI faculty group.

Interactive sessions, case analysis, role-plays and simulation exercises; interaction with experts in Entrepreneurship Development, curriculum development and opportunity guidance; and study visits to institutions and small enterprises, ensured that the participants perfected the principles of conceptualizing, designing and implementing programmes.

Programme Director, Dr. Sunil Shukla felt that this cadre of Faculty could give a boost to the entrepreneurial behaviour among students and contribute towards productive growth in the country.

A participant of FDP opined...

“The programme awakened me to a structured approach to create entrepreneurs. I feel enriched and am confident about helping students who are in a dilemma and have apprehensions about entrepreneurship as a career option. I am glad I chose to come.”

Prof. Sonu Gupta
S. K. Patel College
Kadi Sarva Vishwavidyalaya
Gandhinagar

EDI Alumnus Shines at the Pitch Perfect Contest at Symbiosis

Pitch Perfect, a unique business plan contest was organized by Symbiosis Institute of Business Management, Pune on 15th November, 2008.



Prashant Sachdev, an EDI alumnus (9th Batch – PGDBEM), presented the concept underlining his company, “Onion Technologies” (www.onion.tv) and was adjudged as one of the top two teams of the contest. Onion Technologies is into audio and video annotating and indexing software space.

Contestants were invited from across India, Singapore and London. The top two teams get an opportunity to compete for funding of Rs. 50 million.

In the first round, contestants presented their plans in front of a distinguished panel of venture capitalists. The two shortlisted contestants, one of whom is Mr. Prashant Sachdev, would now be making further presentations for funding.

ENTREPRENEURSHIP EDUCATION**An Achiever Recounts his Experiences...**

“If you think you are beaten, you are. If you think you dare not, you don't! If you want to win, but think you can't, it's almost a cinch you won't. If you think you'll lose, you're lost; for out in the world we find success begins with a fellow's will; it's all in the state of the mind. Life's battles don't always go to the stronger and faster man, but sooner or later the man who wins is the man who thinks he can.”



The aforesaid are not just lines of text picked up from the Internet; they are vital lessons that I've learnt while I was pursuing my Post Graduate Diploma in Business Entrepreneurship and Management from EDI, Ahmedabad. All the while I was at EDI, I've always wondered how the real winners in life act, behave and function, how their sheer entrepreneurial charisma stumps the world by storm.

Although India is a leader in various business domains, we're almost seventy years behind in the brick manufacturing front. There are a plethora of technologies that we need to adopt so that we can keep pace with times. The brick manufacturing fraternity in India needs a leader who can direct them to adapt, apply and evolve new technological upgradations. This thought brought a smile to my face.

I've been given an invitation by the Government of Algeria to visit Africa and understand the modern day concept and technologies involved in brick making. This invite didn't happen by a stroke of luck or chance. After having pursued formal education, I got into business and started thinking how we could scale...and scale big at Harihar Bricks.

It didn't take me time to realize that the technology that we'd adopted was now obsolete and to rise and shine in today's world one needed capacity and efficiency backed by some rock solid technology. I started exchanging pleasantries with companies the world over that had precision in brick making.

We invited KERIYA from Africa on behalf of Ahmedabad Management Association to conduct a Seminar and educate the Gujarat Bricks Manufacturing Association on the possibilities that could be explored in the world of brick making. I then set off to conferences in Bangalore and Delhi and made presentations to The Bricks Association of India on advanced technologies and the concepts in brick making.

Having done all this, I also managed to convince my family that in order to barge ahead in the corporate space, we needed to take evasive action and embrace new technology. I have also been extended an invitation by the Government of Netherland to visit their country and discuss emerging concepts.

I've been honoured with 'The Best Entrepreneur' award by the Ahmedabad Management Association for my ideas, thoughts and performance across my industry vertical.

At the end of the day, what really excites me is that as of today, across India, I've created my own identity and all the members of the Bricks Association of India, know me personally as RONAK and not necessarily by my family's business name.

Ronak Prajapati

Harihar Bricks Company

7th Batch,

Post Graduate Diploma in

Business Entrepreneurship and Management

Widespreading the Entrepreneurial Effect

The Institute has entered into a collaboration with the Jain Group of Institutions, Belgaum, Karnataka, to impart entrepreneurship related inputs to its students to sensitize them to the charms of becoming an entrepreneur as also motivate them to think about entrepreneurship as an ideal career option.

EDI has designed tailor made courses for the students of the Jain Group of Institutions to impart entrepreneurial and managerial skills to them so that, one; smooth transition is ensured and second, potential entrepreneurs get groomed to set up their units and achieve success of their enterprise during the times of booms and recession, alike. The programme, 'Graduate Diploma in Business Entrepreneurship and Management' has been launched with a two-fold objective-to train students to set up own enterprises and to ensure that if they choose to work for an enterprise, they work as intrapreneurs, that is they obtain the optimum from the existing resources.

The tailor made programmes therefore,

- ensure that the entrepreneurial vision resulting in the birth and consolidation of an enterprise is transmitted to the next generation of leaders;
- sharpen the capabilities of potential entrepreneurs/ future leaders of enterprises so that they acquire the capability to gauge the constraints and opportunities in the ever changing competitive environment;
- sensitize those intending to take on the role of executives and managers to the traits of an intrapreneur.

The achievements of the programmes inspire hope that in the coming years the entrepreneurial spirit of youngsters will be all-pervasive.

- During 2007-08, 276 students enrolled for the Graduate Diploma in Business Entrepreneurship & Management, designed exclusively for undergraduate students of this educational institution. These students, now in their second year graduation, attended the contact sessions at EDI. The contact sessions were organized to apprise them with all that is latest in the world of business and to promote interaction of students with experts so that their queries could be settled.
- 52 students have already enrolled for the 4-year Integrated Family Business Management Programme. These students attended a 7-day advanced inputs programme at the Institute on issues related to family business. Visits to family business houses in Ahmedabad were a part of this programme.
- In the 4-year Integrated Programme in Corporate Entrepreneurship Management & Family Business Management, 70 students registered in the year 2008-09.

Project Incharge, Dr. Sunil Shukla, feels that these programmes have been formulated after assessing the need and would sure strengthen the entrepreneurial climate in the country.



Students of the Jain Group of Institutions seen at EDI during one of the contact sessions. With them are (6th from L) Dr. Dinesh Awasthi, Director-EDI; (7th from L) Dr. Sunil Shukla, Project Incharge and members of the EDI faculty group associated with the programme.

ENTREPRENEURSHIP EDUCATION

DST-EDI... together strengthening the pillars of prosperity

Befitting the need of the present times for entrepreneurship, the National Science and Technology Entrepreneurship Development Board (NSTEDB), Dept. of Science and Technology, Govt. of India has been promoting entrepreneurship training in the academic curricula of Science and Technology institutions. The Department's contribution towards setting up Entrepreneurship Development Cells in S&T Colleges is also worth the appreciation.

The Department has appointed EDI as its nodal agency for implementing, monitoring and evaluating its training programmes in entrepreneurship. As a part of its responsibility, EDI has been coordinating and monitoring programmes at the national level.

The Institute would specifically be evaluating and monitoring Entrepreneurship Awareness Camps (EACs), Entrepreneurship Development Programmes (EDPs), Women Entrepreneurship Development Programmes (WEDPs), Technology Based Entrepreneurship Development Programmes (TEDPs) and Faculty Development Programmes (FDPs).

Objectives of various initiatives, planned to create a widespread entrepreneurial environ are as follows:

- EAC:- To familiarize the students of Engineering and other Science courses with the various facets of entrepreneurship and its adoption as career option.
- EDP/WEDP:- To train S&T graduates and diploma holders on the essentials of conceiving, planning, initiating and launching an economic activity or an enterprise successfully. WEDP especially renders self reliance to women entrepreneurs.
- TEDP:- To motivate and develop entrepreneurs in specific products/technologies/processes developed by CSIR labs, R&D institutions, universities etc.
- FDP:- To equip teachers with skills and knowledge so that they in turn inculcate entrepreneurial values in students, and monitor their progress towards entrepreneurial career.

Today, EDI is working with 107 partner organizations that are spread across 32 states/UT. Partner organizations are implementing programmes under the guidance and support of the Institute. EDI provides wholesome resource support to these organizations for training. In order to ensure an appreciable result, EDI is also aiding the partner organizations in following up with the trainees.

Seminar on Mentoring Entrepreneurs



Indo – US Science & Technology Forum, New Delhi, an autonomous institution of Department of Science and Technology, Govt of India organized a two-day training programme to upgrade the skill of trainers as a mentor in the new venture creation process. Resource persons, who delivered informative and thought-provoking lectures, were from the University of California, Berkeley. These were Mr. David Charron, Associate Director of the Lester Center for Entrepreneurship and Innovation at the Haas School of Business at UC Berkeley and Mr. Ron Star, a partner at the law firm of Howard Rice Nemerovski Canady Falk & Rabkin. The seminar was organized on EDI Campus. Mr. S. B. Sareen, Project Incharge coordinated the seminar and also extended faculty support. Mr. H. K. Mittal, Advisor and Member Secretary, NSTEDB and Mr. Neeraj Sharma, Advisor (Scientist 'G') also participated in the Seminar and enlightened the

participants on DST's mission and a variety of interventions through which they could create a wholesome entrepreneurial environment.

Diverse subjects and issues were discussed such as; the Role of Mentors in Fostering Entrepreneurship in Growing Companies; Financial Planning and Financing Ventures; Mechanisms for Creating Opportunities and Addressing Risk Taking; Technology Commercialization; Putting Opportunity in the Context of Design and Learning Mechanisms; Building Great Teams, Aligning Incentives and Helping Your Company Create Value.

30 participants from ED Organisations, ED cells of colleges and TCOs participated in the seminar. 18 states and UTs of India were represented making it an incredible learning platform.



EDI and Ashvinbhai A. Patel Commerce College, a constituent college of Kadi Sarva Vishwavidyalaya, Gandhinagar entered into a Memorandum of Understanding to orient the college students to the discipline of entrepreneurship.

Seen during the MoU signing ceremony is (R-L) Dr. Dinesh Awasthi, Director – EDI, Shri Maneklal Patel, Chairman, Kadi Sarva Vishwavidyalaya and Shri D. T. Kapadia, Director, Kadi Sarva Vishwavidyalaya.

ENTREPRENEURSHIP EDUCATION

A Step to Trigger Entrepreneurial Talent

(Signing of MoU between EDI and Gujarat Chemical Association)

Gujarat Chemical Association (GCA) and EDI signed a Memorandum of Understanding under GCA's 'Industry-Institute Academia Programme'. The MoU was signed between Shri Jaiminbhai Vasa, President, GCA and Dr. Dinesh Awasthi, Director, EDI. The signing ceremony was attended by the office bearers of GCA and the distinguished faculty of EDI. The objectives of this association are to provide state-of-the-art experience to the students and faculty of EDI on industry projects and in the field of engineering and technology.

Dr. Awasthi, in his speech, greeted all the office bearers of GCA and explained the role of EDI in preparing entrepreneurs by implementing application-oriented curricula in its Post Graduate programmes as also other courses. He emphasized the significance of inculcating the spirit of entrepreneurship in youth. Shri Vasa informed the dignitaries about the activities, future plans, the vision of GCA and promised his support towards creating an entrepreneurial society.



Seen during the MoU signing ceremony are (L-R) Dr. Dinesh Awasthi, Director, EDI and Mr. Jaimin Vasa, President, Gujarat Chemical Association.

ENTREPRENEURSHIP EDUCATION

Soft Skill Upgradation and Vocational Training



Displaying social responsiveness, EDI has, during times of natural calamities and crises, come up with a development model ensuring revival of the crisis-struck region.

The Vedanta Alumina Limited (VAL), a sister concern of Vedanta Research, a London Stock Exchange listed corporate house, is committed to increasing the employability of the people displaced due to the commissioning of its project. EDI is involved in imparting suitable hard and soft skills to the displaced families and making them employable / self-employed through tie-ups with reputed ITIs / technical institutions for their technical training. The developmental model is need based comprising entrepreneurship related training – both hard and soft skill upgradation training and striking suitable tie-ups for the benefit of trainees.

The second programme under the Vocational Guidance & Skill Development Project of Vedanta Alumina Limited, Jharsuguda, ensured training to 34 participants. The programme was conducted in the Lanjigarh area of Orissa and aimed at imparting a combination of skill development inputs along with vocational training and entrepreneurship education to train a group of displaced families for self-employment under Vedanta Alumina Limited. Shri C. R. Patnaik, Project Incharge feels that the biggest achievement of the project is that it has made local people appreciate the significance of knowledge in setting up an enterprise. Shri Patnaik also expressed satisfaction over the start-up rate and hoped that the same would increase with follow-up support.

A Vision for Tomorrow

Inspired by the renowned Management Guru, Prof. C. K. Prahalad's vision of what India can achieve in the next 15 years building upon its success of the first 60 years, Confederation of Indian Industries, Gujarat Council has pitched in to sketch a long term winning vision for India. CII, in collaboration with EDI organised the first stakeholders' workshop on 27th September 2008 at the institute's campus. The objective was to understand the aspirations of people from all strata of the society and evolve a comprehensive vision.



Dr. Sunil Shukla, Chief Faculty, EDI addressing the distinguished gathering during India@75 Stakeholders' Workshop – A Visioning Exercise. Also seen on the dias are (R-L) Ms. Manjula Pooja Shroff, Founder, Calorx Foundation; Vimal Ambani, Chairman, CII Gujarat Council, Mr. Jay Ruparel, ED & COO, Azure Knowledge Centre.

Zydus Officers Develop Skills

In order to impart intrapreneurial skills to Zydus Group officers, EDI has designed the 'Post Graduate Programme in Corporate Entrepreneurship and Management'. The programme is aimed at developing entrepreneurial, managerial and leadership skills besides knowledge and attitude for effective sales and marketing functions. Contact sessions of five day duration each are an important component of the course as these bring the participants face-to-face with experts and impart necessary training that keeps these professionals abreast with the needs of the market.



Participants of the contact session seen with (5th from R) Dr. Sunil Shukla, Project Director; (7th from R) Mr. Suryanarayana, Vice President (H R), Zydus Group and esteemed members of EDI associated with the project (1st from R) Mr. Rajeev Joshi and (6th from R) Dr. B. B. Siddiqui.

Achievement ! Achievement !

Vikash Kumar, an eighth batch student of EDI's Post Graduate Diploma in Management of NGOs, set up his organisation named, 'Micro-Finance Focus', a knowledge management and advisory services institution. The organisation, through its magazine and activities, focuses on various issues surrounding micro-finance, which has emerged as a successful anti-poverty strategy. It also plans to launch various e-learning, training and capacity building programmes and advisory services in the area of microfinance.

INTERNATIONAL INTERACTIONS



An Upthrust to Nations Across the Globe

The economic changes across the world tell a story of tough challenges, and to find opportunities amidst these, requires specialized skills and competence. Developing human resource to give rise to positive trends in a country, has been accepted as a worthwhile strategy.

Programmes supported by the Indian Technical and Economic Cooperation, Ministry of External Affairs, Govt. of India and conducted by EDI, put in place practices and strategies in select areas, indispensable for advancement of a nation. The following programmes, conducted over the past few months together equipped 53 officials in different areas.

Governance & Management of Non-Profit Organizations (NPOs)/NGOs

Effective management of NGO resources in a manner that is transparent, accountable and responsive to people's needs is the requirement of the hour to ensure effective governance and to keep apprehensions of external stakeholders at bay.

A professional approach to achieving social goals is a must for tangible impact. And, only adoption of good

governance practices can ensure such an enviable result of initiatives. The reigning spirit of volunteerism in NGO functionaries needs to be supported by "Best Practices" in governance. Such organizational capacity enhancement can be achieved by training leaders and key managerial personnel of NGOs.

This comprehensive six week training programme organised during July 21 – August 29, 2008 provided all the 21 participants with core knowledge, practical skills and tools to govern, manage and effectively lead a non-profit organization / non-government organization, thus strengthening governance and management practices.

By the end of this training programme, participants representing Iraq, Malaysia, Indonesia, Ethiopia, Afghanistan, Mongolia, Togo, Ivory Coast, Burkina Faso, Uzbekistan, Sudan, Uganda, Zimbabwe, Ghana, Tanzania, Sierra Leone and Peru felt confident about the structure and policy of NGOs / NPOs; measuring organizational capacity; good governance practices; strategic management, financial management, human resource management; project planning, design & implementation, networking with donor agencies, and fund raising strategies.



Participants seen during one of their field visits

Course Director, Mr. Subranshu Tripathy felt that norms of good governance as practiced in an organization decide the degree of professionalism, and in this direction, he stated, "the programme was well received by the participants."

Use of English Language in Business Communication

Communication as a tool continues to strengthen and establish itself as indispensable for organisational growth. The challenging technologies at workplace make it all the more necessary for professionals to acquire integrated communication skills.

INTERNATIONAL INTERACTIONS

Also, the world today extensively uses English as the primary tool for communication and business transactions.



Participants seen during a classroom session.

Sharpening skills in the usage of English in business would help professionals in striking effective communication with a multicultural audience leading to strong business to business linkages.

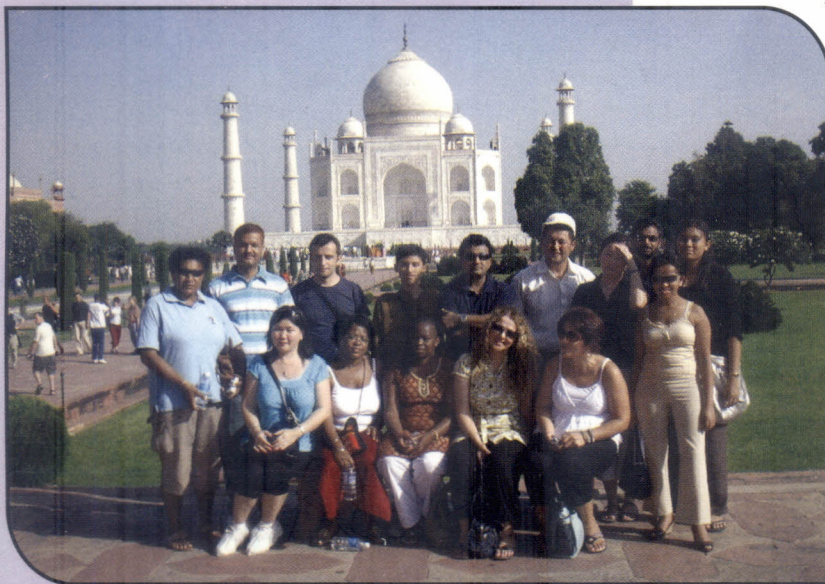
With this objective, EDI conducted a programme entitled 'Use of English Language in Business Communication' during September 08 – October 17, 2008 .

25 participants from Cuba, Afghanistan, Armenia, Bangladesh, Cambodia, Ethiopia, Indonesia, Kenya, Kyrgyzstan, Lao PDR, Mongolia, Nepal, Myanmar, Palestine, Papua New Guinea, Sri Lanka, Syria, Tajikistan, Turkey and Uzbekistan were at EDI to attend the programme.

The curriculum was divided into five modules. Subsequent to introducing the participants to the finer aspects of Communication and the Significance of English Language, they were provided inputs on topics such as Advanced Language Structures as used in Tools of Business Communication, Principals of Modern Business Writing, Organisational Communication and Effective Verbal and Non-verbal Communication.

Study visits to Departments of Business Communication at various institutes in Ahmedabad as also in Jaipur, Udaipur and Jodhpur reinforced the learning and also gave them all a peek into the Indian Institutional set up.

The programme was well received and as Programme Director, Ms. Julie Shah says, “the participants were equipped with advanced mechanics of Business Communication with emphasis on the usage of English Language, and they will now comfortably be able to expand as also improve their areas of work.”



A major component of the international programmes for capacity building in various areas is the study tour. The participants visited Agra where they got exposure to the medium scale enterprise set up, besides the experience of visiting one of the Seven Wonders of the World. Seen here are the participants with the Taj Mahal in the backdrop.

INTERNATIONAL INTERACTIONS



This is what the participants felt

“I got familiar with modern trends in business communication so much so that my confidence level has soared. The classroom sessions as also the field trips gave me exposure that I will cherish for a lifetime.”

Mr. Muhammadjon Qosimov
Tajikistan

“The knowledge that I gained is very useful and I am sure I will be able to implement this learning in my area of work, mainly because the curriculum was very much in keeping with the modern day needs of the industry. I am glad I took the decision of doing this programme at EDI. I have a wonderful understanding of concepts.”

Ms. Salwa Kharma Barghouthi
Palestine

Organizational Entrepreneurship

Present day competition has given rise to several factors that need to be addressed in order to excel; especially so, for those leading or managing organizations. Moreover, until all these factors converge and are addressed collectively, success would just remain a far cry. It is important, therefore, for managers, policy makers and business owners to develop a wholesome understanding of business environment as also skills that ensure result-

orientedness of their initiatives. To impart such training to the developing world professionals, EDI conducted an international training programme, entitled, 'Organizational Entrepreneurship' during September 8 – October 17, 2008.

The primary objective of the programme was to devise an organizational framework that creates and fosters entrepreneurial strategy and culture ultimately leading to entrepreneurial actions at all levels of the organization.

Participants representing Kyrgyzstan, Turkey, Tanzania, Mongolia, Georgia and South Africa appreciated the curriculum content that focused on organizational entrepreneurship; individual and group correlates; leading and managing entrepreneurial organizations; strategies for entrepreneurial organizations, and encouraging creativity and innovations at work place. Study visit to modern industry houses in Ahmedabad, Jaipur, Udaipur and Jodhpur further grounded the classroom teaching.

The programme helped the participants realize their's as well as their organization's entrepreneurial potential, and motivated them to be proactive, dynamic and responsive to change. “This way, they would be practicing and encouraging entrepreneurship within”, said Dr. Sunil Shukla, the Programme Director. Dr. Shukla also highlighted the module where learning was imparted on current trends in organizational strategies and working styles, expressing hope that this would lead to better alignment of individual and organizational goals.

A participant opines...

“This course was a kind of an assurance to me that entrepreneurial traits in me can help me tap my potential to the fullest; and significantly enough, much to the benefit of my organization. Today I am armed with competencies that have changed my attitude and approach to work. I plan to spread this knowledge.”

Ms. Nino Tevdoradze
Georgia



The participants of the programme seen with (3rd from R) Dr. Dinesh Awasthi, Director-EDI; (1st from R) Dr. Sunil Shukla, Programme Director and EDI faculty members.

INTERNATIONAL INTERACTIONS

Afghani Officials Develop a Nurturing Outlook



Participants seen with (3rd from R) Dr. Dinesh Awasthi, Director-EDI; (4th from R) Mr. D. M. Parikh, Programme Director and (2nd from R) Mr. Mayank Upadhyay, Distinguished Visiting Faculty-EDI.

Afghanistan is a nation that is collecting all its fraying edges to emerge as much stable to promote all round development. India is extending an helping hand to aid the growth of this nation.

Sponsored by the Aga Khan Foundation, a training programme for 10 Afghani officials working as Enterprise Service Providers was organized by EDI during 30 July – 6 August 2008. The programme exposed the participants to Group Entrepreneurship Model covering enterprises operating in the areas of dairy, poultry and food processing.

Covering the finer nuances of group entrepreneurship, its philosophy and principles, the training programme focused on opportunity identification, selection and business plan preparation for each of the three sectors. The participants were also provided with necessary information on quality certification process, packaging requirement and branding parameters relevant to the said sectors.

As a part of the field visit, the group was taken to the production center of Lijjat Papad, Rajkot; production & marketing sections of AMUL, Anand, and SEWA and its tiny units operating on group entrepreneurship principle. The field visits along with learning, infused immense confidence in the participants and convinced them about the success of group entrepreneurship even at the country level. That Lijjat Papad has 42000 sister concerns across the country was a testimony to their understanding.

Expressing satisfaction, Programme Director, Mr. D. M. Parikh said, “The programme was well received and the participants were confident about preparing business plans for group entrepreneurship oriented initiatives in their country.”

“I am particularly impressed with the strategy adopted to impart the training. The programme was carefully divided into three segments with emphasis on classroom as also field level inputs. I am confident about planning and organizing group entrepreneurship oriented initiatives in my country. I thank EDI for this insightful exposure.”

- Mr. Jalaludin Dashli
Director, Baghlan Provincence
Entrepreneurship Initiatives,
Afghanistan

The Entrepreneurial Sector is in the Making here



With its distinct advantages, the Small Scale Enterprise Sector assigns a perceptible standing to the economy of any country. All that is required is to nurture and render them resource enabled so that they do not lose out on account of lack of scale of operations.

The Greater Mekong Sub Region (GMS) comprises Cambodia, Yunnan Province of People's Republic of China, Lao People's Democratic Republic, Myanmar, Thailand and Vietnam. The GMS has great potential for development, particularly in the SME sector. The region, however, needs a 'force' that possesses an understanding of business and an inkling to progress as entrepreneurs. But, over the past few years, the GMS countries have been facing challenges towards creating new entrepreneurs, enhancing competitiveness of existing enterprises, creating awareness on WTO related issues, increasing the share of these countries in the global market and promoting inter/intra regional trade cooperation between the GMS countries.

To create an environment conducive to entrepreneurship, the Global Issues & Sustainable Development & Cooperation (SDC), commissioned EDI, India for a project termed, "Unleashing Entrepreneurship for Development and Trade" to harness the entrepreneurial potential of GMS countries. The project comprises awareness workshops, research projects and seminars to disseminate the findings and share the experiences.

So far three workshops, i.e., one each at Bangkok, Vientiane and Cambodia have been conducted.

The prime objective of the workshops has been to spread and strengthen entrepreneurship in the GMS through capacity building, research, networking and increasing regional and global trade of the GMS under the prevailing WTO regime. The delegates were exposed to the ways of tapping the entrepreneurial potential of the GMS; and reinforcing the need to enhance competitiveness of the SME sector. They also acquired an understanding of WTO provisions and their implications on SMEs. Deliberations on trade negotiations, advocacy and policy influencing were thought provoking.

The workshops were attended by officers representing the government, industry, academia, trade associations, chamber of commerce and the media from all the six countries of the GMS.

Project Director, Dr. Sunil Shukla feels that the initiative has been successfully generating standards, procedures and processes that go into creating an entrepreneurially inclined environment. 75 policy makers have so far been imparted knowledge and they are already on the path of working towards creating an environment rife with entrepreneurial occurrences. This, feels Dr. Shukla, is a positive signal.

Giving an Entrepreneurial Orientation to Iran

Countries across the world are today going through a phase of assessing their skills and talents so that they can maximize the promising opportunities. Such analyses have often pointed towards exploring the prospects of entrepreneurship. But as myths and misconceptions about this discipline do exist, a structured training intervention is required to put a country on the progressive path of entrepreneurship.

Envisioning success on the premise of entrepreneurship in Iran, Instructors' Training Centre (ITC) - Technical and Vocational Training Organisation (TVTO), Iran approached EDI to conduct Trainers' Training Programme to build capacity of its resource persons in promoting Entrepreneurship. The Institute, therefore, conducted a Trainers' Training Programme during 18 October-16 November, 2008.

The participants were given complete idea on the subject of Entrepreneurship. The programme curriculum was divided into eight modules viz., Entrepreneur, Enterprise & Entrepreneurship Development; Motivation & Competencies; Business Counselling & Intrapreneurship; Business Plan Formulation; Accounting & Financial Management; Business Opportunity Identification & Guidance; Assessing, Selecting and Analysing Competencies of Potential Entrepreneurs and Follow-up Support Services.

The training was imparted using different pedagogical methods, such as; classroom lectures, simulation exercises, syndicate discussions, group assignments etc. Three senior level faculty members of the Institute viz., Dr. Sunil Shukla, Mr. S. B. Sareen & Mr. D. M. Parikh were involved in imparting training inputs.

25 participants representing eleven provinces of Iran participated in the programme. The inputs were well received and highly appreciated by the participants. Mr. Nasser Shams, Head of TVTO highly appreciated the programme. He felt that EDI had built a solid knowledge infrastructure which would help a lot in promoting and strengthening entrepreneurship in Iran.

Mr. Shams and Dr. Dinesh Awasthi, Director - EDI discussed the various possibilities of joining hands to promote entrepreneurship in Iran. As an outcome of this programme, TVTO is all set to enter a long term (three years) Memorandum of Understanding with EDI. A roadmap charting out the strategies to create a strong entrepreneurial base has been developed and submitted to the TVTO to help them make necessary arrangements for future course of action.



Seen during the valedictory function of the training programme are (R-L) Mr. Nasser Shams, Head, Instructors' Training Centre (ITC) – Technical and Vocational Training Organisation (TVTO); Dr. Dinesh Awasthi, Director-EDI; a programme participant and Mr. S. B. Sareen, Faculty Member-EDI.

MICRO ENTERPRISE, MICRO FINANCE AND SUSTAINABLE LIVELIHOODS

Rendering Prosperity to Families



Talking about the magnitude of poverty and unemployment in the country, one does get alarmed and realizes the need to put in efforts that generate productive employment opportunities. However, it is heartening to note that the government and other development agencies have woken up to the need, and are addressing it on war footing.

Government of Kerala, with support of the Government of India, National Bank for Agriculture and Rural Development and UNICEF, has launched a State Poverty Eradication Mission, termed as 'Kudumbashree', which means 'prosperity of family'.

The project aims at visibly lessening the rigours of poverty in the state.

Aiming at setting right the developmental imbalance of the state, the project encompasses;

- Empowerment of women through community based organizations
- Formation of informal bank of poor women operating round the clock throughout the year
- Formation of micro enterprises
- Convergent community action
- Establishment of rural marketing network throughout the state.

EDI has been roped in to build capacities of implementing officers of Kudumbashree project and support organizations, besides imparting training to stabilize and improve the performance of existing micro enterprises.

Micro enterprises have tremendous potential to give a fillip to the developmental process of a region. In view of this and to reach its goal, Kudumbashree aims at setting up enterprises that have a potential to generate

atleast Rs. 1500 per month, per member either by way of wage or profit or both. The minimum turnover should be 2 to 10 times of the total capital investment. Under the project, as of now, nearly group units have already been established.

In order to create as well as develop existing entrepreneurs, EDI has designed a training package, comprising Performance Improvement Programmes; Entrepreneurship Appreciation Programmes for Project Officers / Community Organizers of Corporation / Municipalities; Trainers' Training Programme for District Mission Coordinators; Entrepreneurship Sensitization Workshops for Senior Officials of Kudumbashree and other support organizations.

Performance Improvement Programmes

The Institute, as of now, has organized 93 Performance Improvement Programmes for Kudumbashree and the total number of PIP-trained entrepreneurs stands at 4995. A successful enterprise has a prominent entrepreneurial culture. As an enterprise grows, it becomes important for its entrepreneurs to progressively enhance abilities so that opportunities are made maximum use of.

Performance Improvement Programmes target this need of entrepreneurs and help them analyze and redefine the business processes by scrutinizing the current performance and the potential base of the enterprise. The programmes conducted by EDI, therefore, focused on inculcating skills in entrepreneurs thus helping them develop core competencies and strategic awareness leading to Performance Improvement and Growth.

MICRO ENTERPRISE, MICRO FINANCE AND SUSTAINABLE LIVELIHOODS

Classroom lectures, group discussions, games / simulation exercises, role-plays, case studies and field visits revolved around aspects such as strategic planning and vision, business profiling, performance audit, entrepreneurial competencies, group dynamism, marketing, and technology related inputs.

The participants also underwent a vision building exercise and prepared their action plans incorporating their vision for the next 5 years.

In all 4943 women entrepreneurs in the areas of ready-made garments, umbrella making, coir products, food processing and information technology, derived benefits from the training inputs.

Entrepreneurship Appreciation Workshops

The Institute has also conducted Appreciation Workshops to sensitize Kudumbashree officials to the need for creating a conducive environment for promoting micro enterprises, and to deliberate on successful initiatives towards development of tiny and small enterprises.

The Institute has also been extending support for EDPs organized by Kudumbashree. It is heartening to note that after a recent EDP on 'Responsible Tourism', enterprises have been set up at prominent tourist spots like Kumarakaum, Kovalam and Calicut. During EDPs, EDI extends support in the areas of entrepreneurial competencies, business plan preparation, understanding working capital requirements, existing business opportunities in a given sector, basic accounting, marketing, communication skills and negotiation.

.....And the results have started showing up in this project which is characterized with remarkable clarity of approach.

MICRO ENTERPRISE, MICRO FINANCE AND SUSTAINABLE LIVELIHOODS



Opening the Gates for Handloom Clusters

Office of the Development Commissioner (Handlooms), Govt. of India has launched an Integrated Handloom Cluster Development Programme in 20 selected handloom clusters spread over 12 states of the country. The programme launched in 2006 has attempted to revive the clusters by introducing new products and designs with the help of reputed designers from NID and NIFT. In addition, the quality upgradation of the processes has also been taken up to help the clusters match pace with the modern market trends. Efforts have also been put in to form Self Help Groups, Consortiums and Producers Company so that the sellers work in accordance with what is in vogue.



Products displayed at the Ahmedabad Handloom Cluster Products' Exhibition

To provide a platform to cluster actors to catch the pulse of the market and interact with the buyers directly the strategy of exhibitions has worked well. In the past exhibitions at Delhi, Ahmedabad and Mumbai have yielded worthwhile results. Continuing with the same objective, the institute organized an exhibition of all 20 clusters in Ahmedabad during 18-26 October, 2008.



Exhibition of designer products of 20 clusters at Ahmedabad yielded appreciable results

The major highlights of the exhibition were:

- A Review Meeting under the Integrated Handloom Cluster Development Scheme was conducted during 18-19 October 2008 at the exhibition venue in Ahmedabad. During the meeting, representatives from EDI, Technical Resource Persons, Cluster Development Executives and Designers deliberated on the ways and the means which must be adopted to give the clusters a winning face.
- The first two days of exhibition were devoted towards holding Buyer-Seller Meet. During the buyer-seller meet, besides the sellers getting a first hand experience of the buyers' requirements, a large number of orders were also placed.

The exhibition was a grand success with total retail sales and orders worth Rs. 87,03,230.35.

MICRO ENTERPRISE, MICRO FINANCE AND SUSTAINABLE LIVELIHOODS

A Progressive Initiative

The Ministry of Panchayati Raj, Govt. of India has adopted the concept of “HAAT to Hyper Market” – an initiative aimed at moving from mere 'livelihood support' to promoting 'rural prosperity', thus increasing rural non-farming income and augmenting rural employment. This inclusive growth will be facilitated with the help of private, public and panchayat participation.

The prime objective of Rural Business Hub (RBH) initiative is to promote at least one product in each block panchayat of the country by bringing it to the attention of business houses in both public and private sectors. The role of panchayat is to facilitate the convergence of various schemes of the state and central governments with initiatives of bank/financial institutions and promotional bodies. The Ministry of Panchayati Raj has adopted the model of China's Township and Village Enterprises and Thailand's OTOP (One Tambone-One Product) model. The scheme aims to identify rural products which have the potential for national/international markets and standardize their quality; ensure value addition in rural products and increase production volume levels, and promote Rural Non-Farming Enterprises (RNFE) to utilize local skills and/or resources and promote rural employment.

EDI has been selected as a gateway agency by the Ministry, for Palakkad district in Kerala and Devenagere in Karnataka. The Institute will identify at least one product per block (e.g. there are 13 blocks in Palakkad district) in consultation with the officials of development department at the district level; identify schemes/institutions which can be up scaled to the level of RBH; arrange meets of potential investors with members of the Industry; prepare profile of products, and help the panchayat plan for common infrastructure using the fund available to them.

CLUSTER COMPETITIVENESS FOR GROWTH & TECHNOLOGY



Making a Statement with the Cluster Approach

It's said that 'change is the only permanent phenomenon', and who can endorse this better than the community of entrepreneurs. They are the ones who know that technology, markets and all things related to business change constantly and that, they must change to keep pace. More often than not, there is awareness about this among entrepreneurs but they lack resources to implement most of what they wish. However, on the flip side, sometimes the entrepreneurs themselves are uninterested in delving into the ways & means that enhance their status. And, this because they feel their limited resources would not permit any business expansion experimentation.

The cluster approach has come up as a savior for such entrepreneurs. Evidences suggest that if entrepreneurs operating in a particular product line are addressed in a conglomeration, the advantages are manifold and accrue to all.

Both nationally and internationally, the power of clusters has been greatly recognized. More than 2500 cluster initiatives have been mapped globally. They differ across sector, region and process, and exhibit their own unique characteristic. The approach has emerged as an effective economic development tool and can be strengthened still, to positively impact SME competitiveness, growth and innovation. To understand the finer nuances of cluster approach and to deliberate on increasing its effectiveness, a Global Conference on Clusters was hosted at Cape Town, South Africa during 28 – 31 October, 2008. The Conference was organized by The Competitiveness Institute (TCI), Spain.

TCI is involved in cluster and competitiveness promotion activities in North and South America, Asia Pacific, Europe, Middle East and Africa. EDI, on account of its success with cluster initiatives in a host of areas had been invited to present a paper during this conference on "Cluster Based Development Approach instilling Innovation, Competitiveness among local firms and contributing towards Local Economic

Development." The presentation was made by Mr. Sanjay Pal, Faculty Member at EDI. The presentation was appreciated by cluster practitioners, enterprise development specialists, consultants, business analysts, academicians and policy makers who were attending the conference.

Nationally also EDI has been appointed by the Govt. of India to revitalize several clusters. Achievements in various clusters over the past few months are as follows:

Power-loom Cluster:

Two Cluster Development Officers' Programmes were conducted by EDI to develop a cadre of trained professionals who could aid cluster revitalization. EDI cluster experts visited nearly 30 locations in the country. During these visits the CDOs were explained the ways to conduct Diagnostic Study; elicit information by devising a structured questionnaire so as to learn about their problems and prospects; analyze business opportunities and conduct SWOT analysis. They were briefed about preparing Diagnostic Study Reports and finalizing Action Plans. During the third phase of the CDO programme, the CDOs made presentations about the findings of the diagnostic study



Mr. Sanjay Pal (1st from L) in conversation with (R-L) Prof. Raphie Kaplinsky, one of the leading cluster proponents in the world and Mr. V. S. Rathore, Executive Director, SIDBI.

CLUSTER COMPETITIVENESS FOR GROWTH & TECHNOLOGY

including the action plan. The action plans were finalized in consultation with cluster and domain experts. The trainers learnt all about implementing cluster development programmes so as to get the best possible results.



Seen during one of the Cluster Development Programmes are (L-R) Mr. Sanjay Pal, Programme Director; Mr. K. K. Shaw, Associate Senior Faculty, EDI; Mr. Nagesh Mugadur, Joint Textile Commissioner (Personnel), Office of Textile Commissioner, Mumbai; Mr. S. P. Varma, Deputy Director (I/c), Regional Office of Textile Commissioner, Ahmedabad and Mr. D. M. Parikh, Programme Director.

CDE Awareness Workshop:

A 'Cluster Development Awareness Workshop' was organized by the Industries Department, Government of Maharashtra on 7 August 2008 at Pune. About 80 leading entrepreneurs, representatives of banks and financial institutions like NABARD, SIDBI, IDBI, officers of the Industries Department, Government of Maharashtra; GMDIC attended this workshop.

The objective of this workshop was to create awareness about the significance of Cluster Development Programme and establish its need. Experts from EDI were invited to impart learning.

Benchmark Study in Seven Clusters, Kerala:

The bench mark study in seven clusters in Kerala, taken up in collaboration with the Foundation for MSME Clusters, New Delhi, has been successfully completed. The validation meetings were held at the cluster levels. The final report will soon be submitted to the sponsor, Kerala Bureau of Industrial Promotion (KBIP). The seven clusters are:

Name of the cluster	Location
Garment Cluster	Allaphuzha, Ernakulam, Mallapuram
Wood Cluster	Kannur, Mallapuram
Home Furnishing Cluster	Ernakulam
Soft Toys Cluster	Kottayam

Handholding of 12 clusters:

Brass & Bell Metal Cluster, Khurda: Product diversification and design development work has been completed in Brass & Bell Metal Cluster, Khurda. As a result of this product diversification initiative, new items like dinner set, small artifacts and other utilitarian items have been developed. Specialized designers were hired to give new designs so as to improve the marketability of cluster products.

Leather Goods Cluster, Shantiniketan: In the Leather Goods Cluster, Shantiniketan, technology upgradation and skill development training have been taken up to ensure a better reach of the products. Technical experts from Italy are in the cluster to monitor the programmes and impart technical guidance.

The process of Special Purpose Vehicle (SPV) formation has been completed and the intimation has been sent to DC (MSME), Govt. of India. This will facilitate establishment of Common Facility Center (CFC) in this cluster. It is worth mentioning here that with the support of the state government towards land & building, for CFC, land for the same has been finalized.

Bearing & Bearing Components Cluster, Jaipur : In the Bearing & Bearing Components Cluster, Jaipur, Special Purpose Vehicle (SPV) has been formed and the feasibility report for preparation of Detailed Project Report (DPR) is also completed. DPR for CFC is under process.

Hand-loom Cluster:

A five day orientation training programme for Cluster Development Executives of the Handloom Cluster Development Scheme was organized during 18–22 August, 2008. A series of nine such programmes till 19 September 2008 were organized. Each programme had 30 participants. The objective was to introduce and familiarize the participants with the cluster concept. They were trained in cluster development approach, cluster diagnosis, value chain analysis, trust building activity, role of CDA and cluster development methodology. Case studies, field visits, monitoring and evaluation of cluster development interventions and action plans were also emphasized upon.

The cluster approach commits itself to providing an exceptional business environ as exhibited in the Jamnagar Brassparts Cluster, Jamnagar; Diesel Engine Cluster, Rajkot and the Autoparts Cluster at Jalandhar, Ludhiana and Phagwara. Analyzing, organizing, adopting and witnessing results have been the story at all the centres, and have gone into endorse that the strategy does generate overwhelming results.

A brief synopsis of the paper - 'Cluster Based Development Approach instilling Innovation, Competitiveness among Local Firms and contributing towards Local Economic Development'

The importance of Cluster Based Development Approach (CBDA) in enhancing competitiveness of micro, small and medium enterprises is getting increasingly recognized in India. Various State (Provincial) Governments, Union Government and development organisations are extending support to further the cause of developing industrial and artisan clusters in the country. However, there are differences in the implementation strategy and outcome. This paper, without pre-supposing any stylized cluster framework tried to analyse the impact of Cluster Based Development Approach (CBDA) in shaping competitiveness and 'innovation drive' of clusters.

It tried to delve into the finer points of the CBDA and how it impacts the overall performance of a cluster. It also tried to find answers to how CBDA is working under globalization. Is CBDA considered a facilitating factor for bringing firms together? Does this collectivization in anyway impact the success parameters of a cluster? Does it play any role in terms of shaping the competitiveness of a cluster? Whether this competitiveness is driven by cost factor or moulded by 'upgrading' factor? Does competition propelled by globalization unleashes the innovation potential of a cluster? And lastly, whether and how all these contribute in terms of ensuring development of the local economy?

A study was commissioned in two select clusters based in a completely different socio-economic setting which had witnessed implementation of CBDA. The findings suggest that there are similarities in the attainment of outcome. Upgrading manufacturing processes and strengthening specialization propelled the 'innovation drive' of the brass parts cluster at Jamnagar. Design development, value addition and market development at Shantiniketan improved competitiveness of the leather goods manufacturing units operating here. The collectivization process and joint action ensured that the 'development momentum' becomes sustainable in the long run. Through carefully nurtured activities and programmes, local firms became increasingly capable to meet accelerated competition in this era of globalization. Lastly adoption of 'decent work' and inclusive growth supported the cause of Local Economic Development (LED).

PERFORMANCE IMPROVEMENT OF EXISTING ENTREPRENEURS

A Vision for the Future

Terms such as, 'competitive advantage', 'creativity', 'corporate excellence' and the like are associated widely with those that are considered 'role models' in the society. However, deep down everybody nurtures a desire to accomplish these traits and be an achiever. A direction is what they look for. EDI has pitched in with support in this area.

The Visionary Leaders For Manufacturing (VLFM) Programme was launched in September 2006 under the aegis and cooperation of National Manufacturing Competitiveness Council (NMCC), Govt. of India and Japan International Cooperation Agency (JICA) to develop entrepreneurs who could play the role as role models and pull behind a trail of similarly successful entrepreneurs amongst the SMEs in India. To interact with the Japanese entrepreneurs and to learn from their successful experiences, Mr. S. B. Sareen, an EDI Faculty along with faculty members of IIT-Kanpur, IIT-Madras, IIM-Calcutta, senior officials of CII-New Delhi and Joint Secretary, NMCC, Govt. of India, visited Japan recently.

The Visionary Small and Medium Enterprise (VSME) Programme targets potential SMEs of India so that these could be made to work as world-class 'Locomotive' SMEs, i.e., they pull behind them a similarly successful group of enterprises. The programme is an intervention of the Opportunity-D under the Visionary Leader for Manufacturing (VLFM) strategy. This is a unique programme tried for the first time in the world to identify competence. It is being nurtured with the support of the Government, Academia and the Industry. The companies and businesses to be targeted under the VSME programme are mid-sized ones with good growth features that guarantee world-class competitiveness. "As the main focus is on competence with global benchmark, in the initial stage, a limited number of SMEs (10 to 15) that surpass the laid down definition of the SMEs and are much bigger in size, will be identified," informed Mr. S B. Sareen.

A SUCCESS STORY

It's all about the Tenacity of 'that' Spirit



If only anybody can stand by the dictum – 'To win without risk is to triumph without glory' it has to be the renowned Siddhi Group of Ahmedabad. The walls of Siddhi's massive plant tell a story... a story of victory amidst numbing crises.

When Bhagwat Patel and Prashant Gandhi, two ambitious young men landed as roommates at Vallabh Vidya Nagar's, Birla Vishwakarma Mahavidyalaya College for mechanical engineering, little did they know that they would bond for life. Their sojourn started as they discovered a unique similarity in their personalities..... a passion to make a mark as entrepreneurs.

While in their course, they dreamt...dreamt realistically; weighed all avenues...weighed with their strengths and weaknesses in mind. And finally when they graduated they knew they had much in common to think about a venture together.

Equipped with knowledge, they felt the need to fine tune it before they took the plunge.

Subsequently after a degree in Management from the B. K. School of Management, Prashant joined the marketing division of Gujarat Steel Tubes, manufacturing precision steel tubes whereas Bhagwat joined a unit manufacturing welding machines.

It was in 1986-87 that after much brainstorming, the duo decided to give shape to their dream and started work on their project.

As if proving that opportunity knocks the doors of the committed, ICRISAT, an agriculture equipment making unit at Hyderabad floated an enquiry for special equipment that supports agriculture. Bhagwat and Prashant pitched in and also won the order but their inclination was towards making import substitutes and

industries related products which hardly anybody made in India. Following this was their entry into manufacturing aluminium tubes, widely used in TV antennas which were in demand during that time. As Bhagwat puts 'we hit the iron when it was hot' as our market research showed that aluminium tubes were in demand but there was nobody manufacturing these in the region.

Moreover, Prashant with his experience in a precision steel tubes manufacturing concern found the idea worth all their toil and sweat.

Despite the biggest asset of 'knowledge in the area' on their side, the two spent almost one year researching the process and inventing ways of perfecting it. During this one year they visited Jamshedpur several times, a place then known for aluminium tube drawings.

Finally in 1988, they gave shape to their dreams and launched their Aluminium Precision Tubes manufacturing unit, the Siddhi Engineers in Chhatral, Dist. Mehsana (Now Dist. Gandhinagar) on strict ethical parameters. 'We decided never to compromise with quality and to work on 100% billing system', emphasised Bhagwat. GSFC's New Entrepreneur's Scheme (NES) with effective equity of 5% (Required equity is 25%, but subsidy of 20% considered as a part of equity) came as a blessing and they depended on it to float their unit. So with 6 lacs of investment, of which 95% comprised GSFC loan and subsidy, Siddhi Engineers saw the light of the day on 703 sq. meter of plot area in Chhatral.

They had their share of crises

Managing the initial bit of finance was difficult but their perseverance saw them through. They generated 5% of the initial finance by selling specially designed book stands with M.S. wire. Procuring machinery was

also a major task as the prime centre for it was Ludhiana, which was then engulfed in the Khalistan turmoil. Both had to stay in the curfew hit Ludhiana city for months together and monitor the making of the machinery.



(1st from L) Mr. Prashant R. Gandhi and (3rd from L) Mr. Shailesh R. Patel in conversation with their officers at Vadsar factory.

Also, both Bhagwat and Prashant swore by business ethics and simply refused to supply without proper bills. As Prashant recalls, “the customers initially compared our rates with those who supplied without bills, and not just rejected our offer but sometimes even cancelled orders that had been already placed. We, however, were very firm on this issue and did not relent. Finally, it was our outstanding quality that gave us an edge over others and convinced our customers”.

As we delved into the situations of crises that had been as part and parcel of the setting up of Siddhi Engineers, Prashant looked up, and made a gesture as if thanking God that he could today discuss 'those' days across the table.

And then as Bhagwat recalls another incident which had put them both in a 'do or die' situation, he slightly thumped the table as if to say, “We emerged victorious.” In 1989, the excise authority issued a show cause demanding that they pay a tax of Rs. 11 lacs, citing the reason that their process amounts to manufacturing and, therefore, had to pay excise duty. The partners tried to convince that their unit was into increasing and strengthening surface finish which did not amount to manufacturing. But all their arguments fell on deaf ears. But determined as they were, the duo made a presentation before the Asst. Excise Commissioner and succeeded in convincing him. The good news was that the entire excise duty imposed was waived off.

From here there was no looking back... spirits were high... and their soaring confidence made sure that there was nothing but success.

Statistics that say there's no stopping the determined:

- 1988 : Set up the unit
- 1990-91 : Doubled the production capacity
- 1992 : Purchased land to set up a new unit - Riddhi Plastics
- 1995 : Set up a unit for manufacturing Special Textile Spares
- 1996 : Put up two more units for Textile Machine Accessories and Aluminium Precision Small Diameter Tubes

Name	Year of establishment	Location	Product
Siddhi Engineers	1988	Chhatral, Ahmedabad	Aluminium Precision Tubes
Riddhi Plastics	1993	Vadsar, Ahmedabad	Engineering Plastic Extrusion Products
Samruddhi Engineering	1995	Vadsar, Ahmedabad	Cops and Bobbins for textile yarns
Siddhi Enterprises	1996	Vadsar, Ahmedabad	Aluminium small diameter and thin walled tubes

They carved their way up:

The promoters of the Siddhi Group always had an eye on entrepreneur-friendly government policies. They planned strategically, caught the pulse of the market and grew within a short span to own four units.

Riddhi Plastics, the second unit was set up to benefit from Government subsidies and benefits. It was initiated by Shri Shailesh R. Patel, younger brother of Shri Bhagwat R. Patel.

Today, the group has come a long way in domestic, as well as international trade. From their first export in 1993 to Thailand, today the Group has a presence in Germany, France, Italy, U.K., Poland, Romania, Turkey, Spain and many South East Asian countries. The Group is also the largest exporter of textile accessories from India.

Three cheers to their winning spirit and resolve.

Future Plans :

The group has decided to diversify into Engineering Plastic special profile and Tube Extrusion for Industrial Applications. The Precision Drawn Aluminium Tube is the business of future and those

entrepreneur's eyes, they want to spot opportunities and grow in this field. Aluminium is replacing Copper and Brass, so, as they put it, "with all our hard work, we will certainly be among the top 10 of the Aluminium Precision Tube manufacturers on the world".

Felicitations and Honours

- Export Award by Engineer Export Promotion Council.
- All India Trophy for Export Performance All India Textile Machinery and Accessories Manufacturers' Association.
- Best Entrepreneur Award by the Government of India.

They started from a scratch and built an empire. Group turnover of 10 crores in 2007-08 as against Rs. 13 lacs in the first year of operations is indeed true to the adage –'remaining focussed on the journey to greatness is the key'. They are the role models for the aspiring youth of today. There's happiness and contentment writ large on their countenance. And, what is even more exhilarating is that they want to see the youths of India in the forefront of the world economy and are doing their bit for that.

Matching Success Keys with Entrepreneurial Traits

Competition in the knowledge economy, as we hail the present times, has become large scale and intense. Banks and financial institutions (FIs) are also not sheltered from such stiff competition.

Today, the parameters for measurement of risk need to be enlarged so that banks are able to retain business as well as evolve a **Credit Risk Assessment (CRA)** system. With the enforcement of 'Basel Committee's Norms for Banking Supervision', Credit Risk Assessment (CRA) based project appraisal and entrepreneur assessment has become mandatory.

The solution lies in the efficacy with which banks and FIs carry out Credit risk assessment based appraisal of project proposals as well as the assessment of person-behind-the-project i.e. the entrepreneur. This entails skillful matching of the success requirements of a project with the entrepreneur's traits, leading to sound investment decisions.

Over the years, EDI has designed and conducted training programmes on skill and attitude development of bank managers and officers engaged in project appraisal as also the entrepreneur-behind-the-project.

To upgrade the skills of banks' and financial institutions' personnel in formulating and appraising projects evolving risk assessment the Institute conducted a programme during 20-25 October, 2008. 19 officers from financial organisations from India and Sri Lanka participated.

By the end of the six day programme, the participants developed skills in

- evolving risk assessment framework covering financial, business, industry and management risks;
- overall project formulation and appraisal, and
- identifying competent entrepreneurs using specific behavioural tools and techniques.

Complementing inputs by EDI faculty members were the experts from industry, financial institutions and banks, who provided special insights. Experience sharing with successful entrepreneurs was also appreciated. Programme Director, Mr.D.M. Parikh said that all efforts were directed towards making the programme address the bewildering dynamics of investment and financial decision making. The two modules, i.e. 'Project Formulation and Appraisal' and 'Selection and Assessment of an Entrepreneur', he said, were all encompassing and highly appreciated by the officers.



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