

DR. V.G. PATEL
DIRECTOR
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TELLS TUSHAR BHATT
OF "THE DAILY TELEGRAPH"
HOW PROPER TRAINING
HAS HELPED TO BREAK

THE MYTH

THAT ENTREPRENEURS ARE BORN AS SUCH



"With a slightly receding hairline and big spectacles, Dr. Vihari G. Patel, 45, Director of the Entrepreneurship Development Institute of India (EDI) looks every bit a Professor. An economist with a doctorate from the University of Wisconsin, US, Dr. Patel has been associated for more than 14 years now with efforts at imparting a new kind of training—to make a successful entrepreneur. His pioneering experiments in Gujarat have led to the setting up of Asia's first Institute, EDI, to train potential entrepreneurs. Sponsored by financial institutions like IDBI, ICICI, IFCI, and SBI, the institute started functioning in May 1983, and has been busy organising several training programmes throughout the country. Enthused by the response to the training programmes even in areas with no record of entrepreneurship such as Sikkim and the Andamans, Dr. Patel sees great promise of young men and women becoming successful industrialists all over the country in the years ahead."

*Tushar Bhatt : Introducing
the following excerpts from his
conversation with Dr. Patel.*

Q. *What is the EDI trying to do ?*

A. The institute has been set to explode the myth that entrepreneurship is a matter of inheritance, a monopoly of a few castes or communities or something that is found exclusively in some states only. Viewed in relation to the employment problems, entrepreneurship development has assumed great significance in India. Dearth of this element is holding up the economic growth of backward areas especially. Efforts are being made by various agencies in different states at helping potential entrepreneurs through training programmes. EDI conducts demonstration entrepreneurship programmes in different areas to directly select, train and develop entrepreneurs, as also to develop local capability for conducting training programmes effectively. It is training the trainers/motivators through short and long term programmes at Ahmedabad so that these trainers can undertake training programmes for potential entrepreneurs in their own states. The institute also concentrates on research in various aspects of entrepreneurship, such as factors influencing formation and nurturing of local enterprise, selection of tools and techniques, behavioural and managerial inputs required to develop a "rounded" entrepreneur and issues related to support systems, follow-up mechanism and documentation of success and failure stories.

Q. *There is a belief that entrepreneurs are born, not made. Has any change come about in this belief ?*

A. This belief still prevails. But, the myth is being rapidly broken. The process of creating new entrepreneurs is slow and complex, particularly in regions where industrial or any kind of development has not been substantial for a long period. In the past 18 months, EDI's own work in diverse places like the Andamans, Kerala, Goa, Sikkim or Arunachal Pradesh has inspired confidence that entrepreneurship is no monopoly of any region or community and that the desire to improve one's lot is present in a latent form in every nook and corner of the country. Proper identification and selection of individuals with some entrepreneurial traits and potentials, quick counselling on opportunities, backed by a sound and committed approach for imparting various inputs to strengthen competence of the trainees and confidence building have proved that entrepreneurial potential can be found and developed in most places irrespective of age, qualification, experience or socio - economic background.

Q. *How successful has this experiment been in Gujarat ?*

A. The Gujarat programme, at the Centre of Entrepreneurship Development, has been quite successful and was soaring to new heights every year. A comprehensive evaluation in 1979 showed that 65 per cent of the selected and trained entrepreneurs in the Gujarat programmes had set up their own enterprises, as against 10 to 30 per cent in other parts of the country. Not only that, 85 per cent of those who launched their own ventures were successful financially, making profits and repaying their loans. A number of non-business communities had been brought into the main-stream of business ownership. Technical as well as non-technical employees, low income group workers, educated as well as non-educated jobless, small traders, sons of farmers, tribals, middle income group women have all successfully entered the tiny and small industry ownership. Significantly, the Gujarat CED has stopped training programmes in cities and major towns. Virtually all programmes are conducted now in no-industry talukas, villages, 'C' grade growth centres and tribal and backward areas. At present CED trains about 2,000 people a year, at least a thousand of whom will have successful enterprises.

Q. *Financial institutions are normally hard-nosed about educational activities. How were they convinced of the EDI's necessity ?*

A. The financial institutions which have sponsored the institute are national development banks. They fully recognise the importance of the "man" behind the project, the entrepreneur for the success of the project. They have recognised the deed for enlarging the supply of competent entrepreneurs, especially in backward regions of the country. Several independent efforts in training potential entrepreneurs have been going on in different states. The need for a national resource organisation was recognised by these institutions to provide a local point to pool and share experience in this field.

Q. *What are future plans of EDI ? How has it shaped over the past year and a half of its existence ?*

A. The institute will have to devise strategies on various fronts. In several areas like the north-east region or Orissa, Bihar and Jammu & Kashmir, EDI will itself have to conduct programmes. In the next two years we will be working in Orissa, Meghalaya, Assam, Manipur, Tripura, Arunachal Pradesh, Bihar, in backward

districts of Uttar Pradesh and J&K including Ladakh. In some states, like Rajasthan, Maharashtra, Tamil Nadu and Madhya Pradesh, we will conduct demonstration programme to strengthen the local capability. We also plan to study and research entrepreneurship among women because our experience in Delhi and Gujarat show that women can be as good entrepreneurs as men and perhaps more committed, honest and reliable.

Q. *Can you illustrate the difference EDI can make to a potential entrepreneur ?*

A. The first step in our training model comprises intensive promotional activity that inspires individuals to greater effort which means relatively idle or latent entrepreneurial material is harnessed. Second, our training programmes lay great emphasis on making an individual confident, aware of his strengths and weaknesses, looking for a goal and capable of undertaking calculated risks and making realistic plans. Then, we provide counselling in market research, project formulation and guidance in getting finance, technical help and other key factors involved in launching a successful business. Our programmes turn out a rounded, well-informed potential entrepreneur. Careful project selection consistent with his capabilities and resources avoids the kind of problems or failures that are common among non-trained entrepreneurs. Managerial counselling by practitioners of industry, trade and business provides him with tricks of the trade, while problems of long delays are avoided through better planning, and proper institutional support.



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