

Entrepreneurship Development Institute of India

(Sponsored by IDBI, ICICI, IFCI & SBI)

FROM DIRECTOR'S DESK
MANAGERS FOR SMALL SCALE INDUSTRY

In the last 3 months, our Institute has conducted a series of Performance Improvement Programmes and Growth Seminars for existing entrepreneurs in various parts of the country. A great deal of income, output and employment potential is lost to the economy because of a large number of failures of small scale industries. Similarly, the failure of many existing small and medium entrepreneurs to grow from their existing level of performance also poses a problem. Many entrepreneurs pointed out that they are afraid to grow. There are many reasons for not growing. One of them is of course, the fear of losing benefits attached with small scale in terms of incentive and concession. Second reason is indeed, a fear of not being able to manage growth or larger size of the enterprise in terms of markets, employment and overall responsibilities.

Since most small scale entrepreneurs do not "Delegate" responsibilities, they fail to create and expand a team which is necessary when the enterprise and its management responsibilities become too large for the one single entrepreneur to effectively attend to. A film prepared by the Institute on Delegation Crisis and the discussion which subsequently followed had

a significant impact on the otherwise successful entrepreneurs.

But these discussions also brought out the problems faced by small scale entrepreneurs in finding or grooming the second line of management. Despite a large number of management and business graduates with MBAs coming out from universities and business schools, small entrepreneurs are not able to attract them since salary expectations are simply too high (more than Rs 2500/- for a raw MBA). These graduates naturally find jobs in larger enterprises. On the other hand, BAs and BComs, with large scale unemployment among them, are looking for jobs but are found to be unsuitable in industry since their education does not develop useful knowledge of skills. This is most unfortunate. This is where a critical man-power gap offers employment opportunities in thousands if we can match the manpower needs of small scale industry with the large pool of unemployed non-technical graduates.

In the long run the curriculum in our Arts, Commerce and Science streams will have to be suitably modified with essential, industrially useful knowledge and skills so that a new graduate can immediately find a job in

a small enterprise with a salary of say Rs.1000/- or Rs.1500/- This is a price which a small scale industry can afford to start with.

In the short run, short duration training programmes to develop managers for small scale industry are needed. Since more than 30% of the time of a small scale entrepreneur is spent in dealing with various statutory obligations, providing information to financial institutions and outside leg work, industry will be happy to have trained graduates who are familiar with the multiple procedures, formalities and the institutional and statutory interactions.

When the entrepreneur himself has to go out, he needs a person in the plant for routine supervision, dealing with customers, office management, etc. In short, a trained assistant is needed which can save a small entrepreneur the trial and error type on-the-job training to an absolutely raw and blank graduate.

In Gujarat, a couple of training programmes to develop managerial assistants for small scale industry were very well received. A two to three months class-room training supplemented by a 2 or 3 months placement can turn out in less than 6

months useful graduates, employable with a price tag of Rs.1000/- to Rs.1500/- to begin with. He will find ready job opportunities in small scale industry.

At a time when the Indian youth is perturbed about job prospects, and self-employment is not an easy option for most non-technical graduates, it is time a scheme is formulated for training (re-educating) the youth for thousands of ready jobs which are awaiting in the small scale sector.

With necessary training grants from national and state governments, a large number of Universities and Colleges, Business Schools, SISIs, TCOs, IEDs, Industry Associations, Chambers of Commerce and those dealing with training can take up this short duration course after carefully developing a need based programme to meet the managerial assistance needs of the local existing small scale entrepreneurs.

We in EDI, have prepared a frame-work of such a course and will soon approach Department of Small Scale Industry and other relevant organisations to consider a national programme.

Dr. V. G. Patel

PERFORMANCE IMPROVEMENT PROGRAMMES

The Institute has made significant contribution in the area of developing new entrepreneurs and is now focussing on existing entrepreneurs by formulating approaches to help small scale ventures to be on the growth path.

As a result, a series of 10 Performance Improvement Programmes (PIPs) - short term training programmes targeted at existing entrepreneurs in the small scale manufacturing sector have been organised by the Institute which have been funded by a German Voluntary Organisation viz. Friedrich Naumann Foundation (FNF).

The mission of these programmes is to evolve a training approach that can be replicated by local agencies for which the programmes are being conducted in association with local Entrepreneurship Development Agencies/Industries Associations in various parts of the country.

The first programme was held at the Institute in June 1990 for manufacturers of Dyes & Intermediates. Twenty-three participants registered

for the programme, where specific technical issues were identified and German technical help through FNF has been sought for the same.

The second programme was organised at Lucknow from 1st to 8th August, 1990 in association with Institute for Entrepreneurship Development for plastic industries.



Participants of the Performance Improvement Programme (PIP) held at EDI Campus in June 1990 for manufacturers of Dyes and Intermediates seen along with EDI Faculty.

The third programme was held at Baroda from 3rd to 8th Sept., '90 in association with Small Scale Industries Association, Baroda for plastic and engineering industries. The fourth such programme was held at Aurangabad from 24th to 29th Sept., '90 in association with Maharashtra, Centre for Entrepreneurship Development where

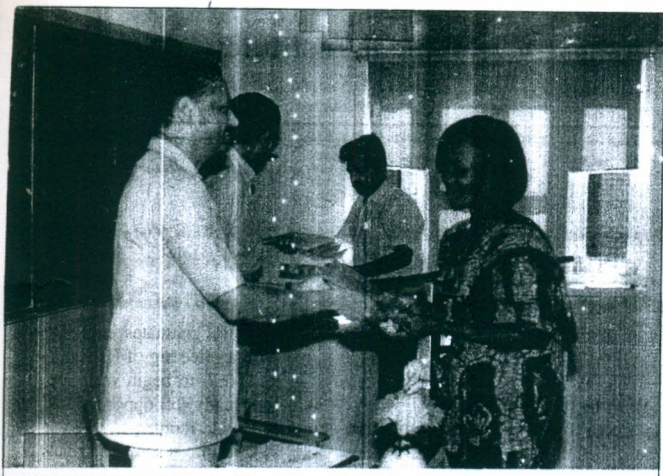
the target group was heterogenous in terms of Industry background. The fifth Programme was scheduled from 22nd Sept. to 6th Oct., '90 for electronic industries.

This programme was being conducted in association with Consortium of Electronic Industries of Karnataka (CLIK), Karnataka State Electronic Development Corporation Limited (KEONICS), state undertaking and TECSOK.

All these programmes had about 50 hours of inputs covering four major themes viz. Technology, Marketing, Finance and Entrepreneurial Competencies.

The weightage was given in line with the requirement of the target group as evident from the discussions with the Industries Associations, prospective entrepreneurs and responses to a specially designed questionnaire. Real life practitioners delivered the inputs by giving better appreciation for key aspects of venture management and growth.

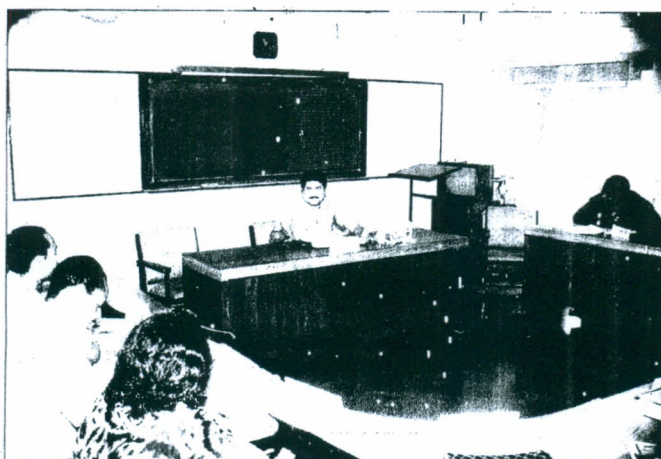
TRAINING PROGRAMME FOR GHANIAN ENTREPRENEUR TRAINER- MOTIVATORS



Shri S.K. Shelat, IAS, Additional Chief Secretary, Govt. of Gujarat giving away Certificates to the participants of the Entrepreneur Trainer-Motivators' Programme for officers of NBSSI, Ghana.

Ghana has been one of the first African countries to initiate, Entrepreneurship Development Programmes and has also established a National Board for Small Scale Industry (NBSSI) to accelerate the ED movement.

The NBSSI entered into an agreement with the Institute to train Entrepreneur Trainer-Motivators who would help the Board in conducting EDPs in Ghana. So far, the Institute has trained ten ETMs. The second batch of the Trainer-Motivators from Ghana were given training at the Institute from 17th August to 14th September, 1990. The batch comprised of 10 ETMs 5 men and 5 women. The programme aimed at increasing the strength of trainer-motivators from NBSSI to help them spread the EDPs in Ghana for different target groups. For this, the Institute took-up the task of developing and equipping these personnel with requisite knowledge, skills and behavioural attributes for initiating, planning and implementing ED activities in their country. The Institute also provided them adequate exposure in the area of small industry



Shri L. Mansingh, Joint Secretary, Ministry of Industry Govt. Of India discussing with the participants of Entrepreneur Trainer-Motivators' Programme, NBSSI, Ghana on the role of developmental agencies of the Government in promoting SSI.

Training Programme for Teachers of Engg./Science Colleges & Polytechnics of Assam.

EDI is going to conduct a training programme for Teachers of Engg./ Science Colleges & Polytechnics of Assam at Guwahati during 29 January to 9 February 1991 in association with North Eastern Institute of Bank

Management, Guwahati. The programme is sponsored by Department of Science & Technology, Govt. of India, IDBI, ICICI & IFCI.

To deal with the problem of unemployment, if we inculcate the concept of entrepreneurship when the students are graduating, this will help in converting creative energies, technical and scientific capabilities into productive resources.

To make the students aware of the concept of entrepreneurship, DST intends to incorporate the same as a course in Science & Technology institutions. Before effective introduction of the course, it is felt necessary to have qualified human resources.

This programme would help the teachers appreciate and extend the process of entrepreneurship. It is hoped that based on their understanding, they would initiate entrepreneurship activities in their respective institution.



A participant of the Entrepreneur Trainer-Motivators' Programme sharing his observations on the training imparted.

technology suitable to the environment of Ghana.

In addition to classroom inputs and audio-visual presentation, special emphasis was given to interactions with successful entrepreneurs from the small scale sector. A number of field visits to SSI units were arranged with the view to acquaint the participants not merely with the technology but also with the profile of the small scale entrepreneurs in India.

Visits were also organised to the Gujarat State Finance Corporation, Gujarat Industrial & Technical Consultancy Organisation Limited and Industrial Extension Bureau in order to expose them to 'planned intervention' by the Govt. of India. Group discussions after these field visits were held to gain feedback from the participants in order to help the Institute provide them with better inputs.

The training programme included inputs on Concept and Evalu-

ation of ED activities in India, Small Scale Industry and Entrepreneur Promotional Institutions in India, Identification & Selection of Entrepreneurs, Skill Development, Business Opportunity Guidance, Role of Trainer-Motivators, Entrepreneurial Motivation and Competencies, Project Report Preparation as also different Managerial inputs relevant to the small scale industry.

Shri L. Mansingh, Joint Secretary, Ministry of Industry, Govt. of India had fruitful discussion with the participants. He gave them information on the history of small scale industry in India, role of developmental agencies of the Government in promoting small scale industry, Government schemes for various target groups, product reservation, special benefits and incentives for small scale industry in general and for specific target groups like science & technology graduates and women.

A practice of taking weekly feedback on the inputs of the programme enabled the Institute to know the reactions and opinion of the participants which would help the Institute to make necessary modification and addition to the EDI training model. The participants of this particular programme felt that they had gained much insight into the ED activity and the programme had raised their level of confidence in themselves as ETMs and they looked forward to conducting EDPs in their country.

The programme concluded on 4th September, 1990. The valedictory function was chaired by Shri S. K. Shelat, IAS, Additional Chief Secretary, Govt. of Gujarat. While talking to the participants, he commended their interest and involvement and their commitment to the cause of Entrepreneurship Development in their country. He encouraged them to make all efforts to inculcate the spirit of Entrepreneurship in their people leading them to be self-reliant and reducing their dependency on other countries for their requirements.

VIDEO FILM ON DELEGATION CRISIS

The Friedrich Naumann Foundation has funded a video film on 'Delegation Crisis'. This film of forty minutes has through dramatisation clearly depicted the need for delegation at a stage when an entrepreneur has succeeded in getting through the teething troubles, has gained a firm-foot hold in managing his small scale venture and is on the threshold of growth- a time when one-man-show would do no more.

The film has captured the essence of delegation providing useful clues on what to delegate, whom to delegate and how to delegate. The film is inspired by Dr. V.G. Patel's book- 'Strategy of Success in Business and Industry (Hindi).

Seminar on Entrepreneurship in Mauritius : A Report

UNIDO
RECOGNITION TO EDI

The Institute has contributed substantially in the sphere of Entrepreneurship Development movement in the country as well as abroad by creating awareness about the need and possibility for developing indigenous entrepreneurs as also giving rise to the new cadre of Entrepreneur Trainer-Motivators through specially designed programmes.

The Institute had interactions with the Development Bank of Mauritius during 1985 through a visit of its team on a training mission. With the welcome changes in Mauritian economy leading to increased purchasing power indigenously and opening-up of export markets, Mauritius is now on the process of rapid industrialisation.

The Institute's interactions with the Development Bank was again revived through an Entrepreneurship Development Seminar held in Mauritius in August, 1990.

This Seminar was organised by the High Commission of India in Mau-

ritius in collaboration with the Ministry of Industry and Industrial Technology, DBM Ltd., Mauritius Export Development & Investment Authority, Mauritius Chamber of Commerce and Industry, Bank of Baroda, Life Insurance Corporation of India and New India Insurance Company.

Forty five participants representing existing entrepreneurs and potential entrepreneurs as well as representatives from Ministry of Industry & Industrial Technology, senior officials of the Development Bank of Mauritius as also representatives of the Indian High Commission participated as observers/resource persons.

The Seminar aimed at creating awareness among potential entrepreneurs in small scale industry in Mauritius on exploitable business opportunities, counselling the existing entrepreneurs on possibilities of expansion/diversification, initiating the process of development of key entrepreneurial competencies, acquainting the partici-

pants with approach to prepare business plans and also to undertake market survey as a prelude to setting-up a manufacturing unit and expanding/diversifying an existing venture.

The seminar inputs included business opportunities in Mauritius, business plan preparation, appropriate technology and entrepreneurial competencies. Efforts were made to include inputs in tune with the requirements of the target group. For example, the business opportunities discussed during the seminar are carefully selected to reflect the investment capacity of the participants, man-power availability position, strength of Mauritian economy i.e. quota-free and tariff-free access to European market. Overall impact of the seminar was evident from the request made by the Mauritian Institutions specially SIDO for long term collaboration with EDI as also the Indian High Commission's interest in repeat programmes within the next year in response to local needs.

The Institute has been selected to implement the UNDP funded UNIDO project on Managerial and Entrepreneurial Skill Development. Six Institutions from India, Malaysia and Thailand have been selected from Asia and South-east Asia to host seven Modules of the Project initiated to significantly increase supply of competent men and women entrepreneurs from all strata of society from developing countries like Bangladesh, India, Indonesia, Malaysia, Pakistan, Philippines and Thailand. This pool of entrepreneurs will be trained and motivated to set-up new small and medium industrial enterprises for accelerated growth, increased employment and improved income distribution.

For the most critical task of development of competent Trainer-Motivators for the task of Entrepreneurship Development in these countries, UNIDO has selected EDI for the eight weeks Module of Entrepreneur Trainer-Motivators' Programme for twelve participants from India and Twelve from Malaysia, Thailand, Bangladesh, Pakistan, Indonesia and Philippines. This programme will begin at EDI in February 1991. Mr. Aroon Basak, the UNIDO Consultant who assessed the Asian and South-east Asian Institutions for the UNDP project had this to say about EDI: "One eminent apex institution which is supported by development banks is the Entrepreneurship Development Institute of India (EDI) at Ahmedabad..... By any standards, the EDI is one of the finest schools in the field of Entrepreneurship Development Training....."

"Of all the Institutions visited by the Consultant, EDI created the highest impression with its capacity in the field of Entrepreneurship Development. First, it is an institution focussed entirely on Entrepreneurship Development training and not a management school which also offers some courses on Entrepreneurship as most other institutions happen to do. Second, EDI is housed in an excellent modern campus built in 1986, which apart from operational buildings also includes high standard air-conditioned residential accommodation, class-rooms, conference/meeting rooms and auditorium, are all well provided with electronic and audio-visual equipment.

Only the Asian Institute of Technology (AIT) in Bangkok has physical and infrastructural facilities comparable to EDI."

"EDI's greatest strength lies in its programmes for turning out Entrepreneur Trainer-Motivators which form the backbone of any national plan to increase the supply of entrepreneurs." "EDI would by far, be the most qualified institution to host module of "Training of Entrepreneur Trainer-Motivators" for participants from all seven countries".

REDE PROJECT

The final phase of the REDE project was launched by the Institute in Bidar district of Karnataka on 16th May, 1990 in collaboration with AIKYA, Bangalore. The training programme commenced with sharing of experiences with local entrepreneurs followed by field visits and information inputs.

Twenty-six participants were selected for the training programme and were advised to initiate collection of documents required for submitting their loan applications with financial institutions so that procedural formalities for launching their projects would not hinder their performance. It is heartening to note that 20 participants have successfully completed the

training programme, out of which 18 have finalised their project reports.

In August, 1990, nine more applications have been filed with financial institutions and the participants who required technical training were attached with tiny enterprises so that by the time their loan applications are processed, they would acquire necessary skills for operating their chosen projects.

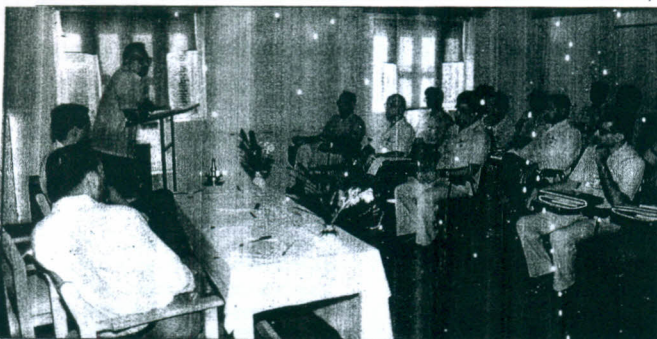
However, the problems of rural finance remains. Almost all banks/financial institutions demands collateral security/guarantee. The Institute, has therefore, requested CGM, NABARD to help the budding entrepreneurs in this direction.

Institute Faculty Attends International Seminar

The Network Consultancy Services, Hyderabad in association with Indian Institute of Chemical Technology, Hyderabad organised an International Seminar-Cum-Exhibition on Chemicals and Pharmaceuticals on 20th July, 1990 at Hyderabad. A faculty member of the Institute presented a paper on 'International Scenario for Export of Dyestuffs and their Intermediates'. The paper was well received by the 500 delegates from various parts of the country as also developing countries like USSR, UK, France, Germany, etc. The paper was also published in the Chemical Weekly which is the national magazine in Chemical trade and business.

Spreading Entrepreneurship Through Open University

Indira Gandhi National Open University (IGNOU) has plans to introduce a new course on 'Management of New and Small Enterprises'. This course will be offered to those students taking-up management course as a part of distant education programme. The Institute was approached to contribute towards the course material considering its experience in the field of Entrepreneurship. Accordingly, a senior faculty member of the Institute and the Director have contributed two key papers titled-(i) Entrepreneurial Competencies (ii) Entrepreneurship: Small Scale Enterprises-Role in Economic Development.



Participants of the "Rural Entrepreneurship and Small Business Orientation Programme for NABARD Officials" was inaugurated at EDI Campus on 24th September, 1990. Nineteen officials from NABARD participated from all over India.

Programme on Assessing an Entrepreneur for Bank Officials of North-East

EDI has successfully introduced a technique called 'Focused Behavioural Event Interview (FBET)' to assess the Entrepreneurial capabilities and competencies of the first-generation as well as the existing entrepreneurs. This technique will be useful to the bank officials as and when the entrepreneurs approach them for financial support.

EDI-I, in collaboration with Small Industries Development Bank of India, is organising a 6-day intensive training programme on 'Assessing an Entrepreneur' for the Senior Branch/Credit Managers of commercial banks and officers of the State Financial Corporation in the North-East from February 18 to 23 to make them aware about FBET.

For further details, please contact at Guwahati :

Mr. P. Shyam, Programme Director (EDI)

C/o. Small Industries Development Bank of India, North-East Regional Office
Udyog Vikas Bhawan, G. S. Road, GUWAHATI-781 005

Companies are like
babies-fun to conceive
but hell to deliver

-Anonymous

ORTHCOMING PROGRAMMES

1. Accredited Course for Development of Professionals in Entrepreneurship from December 17, 1990 to January 26, 1991 for Small Enterprise Counsellors, Entrepreneur Trainer-Motivators and Self-Employment Guides. The Programme intends developing skills, competencies and knowledge inputs of these participants for assessing entrepreneurial competencies, advising potential entrepreneurs on product selection and viable business plans, motivate initiation of small enterprises, creating self-employment through IRDP, TRYSEM, SEPUP, SEEUY and the JAWAHAR ROZGAR YOJNA and encouraging students for entrepreneurial career.

2. Modular Programmes for Entrepreneurship Practitioners (i)-Business Opportunity Identification & Guidance from January 7 to 9, 1991. This programme aims at developing competent EDP Trainers, Small Industry Counsellors, Development Officers, Bankers, Teachers, Industry Officers, Industrial Consultants and Entrepreneurs, for assessing viable opportunity and counselling entrepreneurs in the area of the selection of opportunities and acquainting them with new sources of information for opportunity identification and appropriate technology and knowhow.

(ii)-Project Report Preparation Techniques from January 10-12, 1991. for field trainers in EDP, project counsellors in department of industries, banks, and TCOs. To acquaint them with computer aided project feasibility study particularly in financial calculations, and train them in critical areas to project report preparation like assessment of product demand export market, break-even analysis and estimation of cost of production and profitability, assessment of process know-how and technologies, selection of equipments, etc.

(iii)-Entrepreneurial Competencies : A New Approach To Selection And Development of Entrepreneurs from January 15-20, 1991, for Trainers in EDP to acquaint them with entrepreneurial competencies that differentiate top and average performers, expose the trainers to Focussed Behavioural Event Interview (FBEI), a tool for assessing competencies among existing and potential entrepreneurs and thereby helping them to be more effective in training and counselling entrepreneurs.

Perseverance and hard work without losing heart or despairing in the face of set backs are essential for an aspiring entrepreneur

EX-SERVICEMEN EDP IN COCHIN

The Institute undertook an experimental EDP for Ex-Servicemen based on a research study for entrepreneurial potentials of ex-servicemen. This programme was conducted in collaboration with Kerala Industrial & Technical Consultancy Organisation Ltd. (KITCO), Cochin from 9th May to 10th August, 1990.

Fifteen persons were given EDP training and all of them have prepared their project reports. Two of them have already started their trial production while one more trainee has submitted his loan application.



Dr. P.N. Misra, faculty member of the Institute has taken over as Executive Director, Madhya Pradesh Centre for Entrepreneurship Development (Bhopal).

TOURISM EDP IN MARGOA



Shri Mauvin Godinho, Minister of Industries, Govt. Of Goa, addressing the participants at the Inaugural Function of Tourism EDP in Margoa.

The Industrial Finance Corporation of India sanctioned an EDP for entrepreneurs interested in tourism related activities in Goa. This is a joint programme between the Institute and Economic Development Corporation (EDC) of Goa at Margoa from 20th September to 1st November, 1990. The programme was inaugurated by Minister of Industries Shri Mauvin Godinho.

This EDP aimed at training entrepreneurs interested in amusement rides and water sports facilities. However, as their number was limited, participation was also invited from those interested in hotel, restaurant, travel agencies and taxi services etc.

In all, there are 35 participants who are undergoing EDP training. For

the budding entrepreneurs interested in setting-up amusement rides and water sports facilities, there posed a problem about availability of land on lease from the State Government.

EDC has been trying to get them land on lease from the Revenue Department of the State Government and meanwhile about 10 participants who are interested in these projects have already formed a group to buy private land and start their projects.

During the training programme, the participants have been equipped with inputs on Business Opportunity Guidance, Achievement Motivation Training, Communication Skill and Problem Solving which are most essential in tourism business.

EDI PUBLICATIONS & AUDIO-VISUALS

Publications

1. Entrepreneurship Development Programme in India & Its Relevance to Developing Countries - V.G.Patel
Pg. No. 97 Rs. 130.00 US \$ 25
2. Developing New Entrepreneurs
Pg. No. 226 Rs. 200.00 US \$ 40
3. Self-made Impact Making Entrepreneurs
Pg. No. 220 Rs. 250.00 US \$ 45
4. National Directory of Entrepreneur Trainer-Motivators (1989) Rs. 80.00
5. Entrepreneurship Bibliography Rs. 55.00 US \$ 11
6. Strategy of Success in Business and Industry (Hindi) -V.G.Patel, 1975, Pg. 153, Rs. 50.00

Papers

1. Potentials of Ex-Servicemen for Entrepreneurship : A Study -G.R. Jain, 1989, Pg. 53, Rs. 48.00
2. Course for Entrepreneurial Succession in Family Business : A Feasibility Study-GR.Jain, 1989, Pg. 46, Price:Rs. 43.00
3. The Missionaries-A Study of Entrepreneur Trainer-Motivators in India-Dinesh Awasthi, 1989, Pg. 85, Price: Rs. 72.00
4. Proceeding of National Workshop on Developing Research Agenda on Entrepreneurship -G.R. Jain & Dinesh Awasthi, 1989, Pg. 97 Price: Rs.81.00

Video Cassettes

1. Five Success Stories of First Generation Entrepreneurs
Rs. 1000/- US \$ 100
2. Assessing Entrepreneurial Competencies
Rs. 1000/- US \$ 100
3. Business Opportunity Selection and Guidance
Rs. 750/- US \$ 75