EDI Reports



From the Director's Desk

In Crises There Are Opportunities



The devastating earthquake in Gujarat in January this year has destroyed human lives, physical infrastructure and the economy of Kutch and parts of Saurashtra. While the first critical phase of rehabilitation by reconstructing houses and rebuilding infrastructure is going on, attention has recently shifted to economic rejuvenation as well. Clusters of industries, household and cottage industries, other businesses and services have disappeared, not just disrupted. How to initiate and accelerate income and employment generation? This is a challenge and this offers an opportunity for those involved in new enterprise creation and growth interventions through entrepreneurship training and development.

There are of course parallels in the history. People displaced by invasions, wars or natural calamities have proved to be quite entrepreneurial, breaking barriers of occupation, community history and culture. Compulsions out of crises make people take risks and make extra efforts. The people of Kutch are in a similar situation.

When industries are destroyed, factories are shattered, rebuilding them offers an opportunity for better products, processes, technologies. New Enterprise Creation can bring environment friendly, less hazardous and more efficient processes. If groups of artisans have suffered, the new effort can bring in common branding, marketing and purchase arrangements as communities decide to work together. When faced with a common problem and challenge of survival, cooperation and collaboration have better chance of success than in normal situations. If debris of destroyed houses and buildings have created a problem of removal and storage, here is an opportunity for recycling these materials and converting them into bricks and tiles etc. for constructing houses there. Technologies are available for this purpose.

EDI has therefore decided to chip in with its own projects of economic rehabilitation of the region. A project submitted for international funding focuses on micro enterprise development for individuals as well as groups, resettlement of clusters of industries and artisans. Entrepreneurship Development Programmes will focus on creating new enterprises through potential entrepreneurs especially rural/urban youth in the region. And rebuilding of industrial clusters for small industries will bring in new and environment friendly technologies and new marketing arrangements. A massive effort visualised in this project can benefit directly as well as indirectly some 45,000 individuals. Similarly, the Netherland Management Cooperation Programme (NMCP) has offered technical help and technologies to set up a construction materials cluster to recycle the debris.

At this stage, however, funds are yet to be tied-up. Much aid has been promised to the state. But money for rebuilding confidence and capabilities of the people for restarting their economic life by reestablishing their enterprises which were destroyed has yet to attract a good dose of funds. Funds in the form of grants are required not for setting up or running the enterprises, but for rebuilding human resources, their confidence, developing skills, all leading to a stage where potential entrepreneurs and existing ones are ready to generate income and employment. People without assets or income cannot be expected to contribute at this stage.

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We hope we succeed in securing support and are able to contribute significantly towards economic rehabilitation of Kutch ad Saurashtra. This could well be our greatest challenge.

- V. G. Patel

ENTREPRENEURSHIP DEVELOPMENT INSTITUTE OF INDIA

SPECIAL FEATURE CORPORATE

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Making Children Craftsmen of their Lives

Workshops on VIKAS

(Victory through Improving Knowledge, Abilities & Self Confidence)



Participants of one of the VIKAS workshops seen with EDI faculty members

Some years back people would have scorned if a child psychologist had said that coaxing a child to memorize texts and then evaluating intelligence on the basis of how much the child could retain, could vitiate normal growth.

But today an increasing number of parents have come to realise that holistic development and growth in children can be brought about only by CREATIVE STIMULATION AND DEVELOPMENT as this helps a child see the full potential of his/ her creative abilities, triggers originality, the ability to acquire knowledge, generate new ideas and inherit certain unique personality traits.

Such an orientation in a child guarantees immediate accomplishments in school as well as success in far future.

Against this backdrop, and in view of the 3 month long vacation in Gujarat, EDI planned 4 workshops on "Victory through Improving, Knowledge, Abilities and Self-Confidence" (VIKAS) to develop creative abilities and latent potential in students.

More so, this year, with the killer earthquake of 26 January having bulldozed the confidence of most of the children thus paralysing mental growth in them, it became the foremost priority to counsel them and train them to fight with this crises, stimulate their creative energies and thus help them regain their lost confidence and self-worth. This workshops were, therefore, especially for the quake affected children of Gujarat, in the age group of 12-17 years.

The four workshop on VIKAS were planned as below (2 in Gujarati & 2 in English):

1" workshop	April 16 - 20, 20 01	in Gujarati	
2 workshop	May 14 - 18, 2001	in English	
3 workshop	May 21 - 25, 2001	in Gujarati	
4" workshop	May 28 - June 1, 2001	in English	

In order to benefit maximum number of students from the now deprived earthquake affected regions, several industrial houses were approached for sponsorship, and corporates like Vadilal Industries, Ahmedabad; Cadila Healthcare, Ahmedabad; Sardar Patel Sanskrutik Kendra, Ahmedabad and JMC Projects, Ahmedabad generously supported the cause. Dr. Tarun Naik, Professor, University of Wisconsin, USA also extended his helping hand to the quake affected children. Together 87 quake affected children were sponsored.

	Children Sponsored from Kuchchh	Not sponsored (From Ahmedabad, Mumbai & Gandhinagar)
1" workshop	28	6
2 workshop	20	3
3" workshop	15	18
4" workshop	24	6

The 5-day residential workshops focused on raising self-esteem, developing the ability to perceive, building communication skills, developing problem solving technique, goal setting strategy and providing guidance on career development. Psychological counselling was also an integral part of these workshops as it helped children overcome the fear that had ensued from the recent earthquake and had left a mark on the psyche of most children.

Children were also taken on industrial visits to companies like Pepsi Co, Sona Ceramics, Coke, Gujarat Tea Processors, Modern Food Industries and Vadilal Industries so that their exposure was widened and they learnt about the various processes in an industry, how a coherency is maintained by exercising good management and maintaining a schedule & discipline, the qualities in the entrepreneur that help him orchestrate all functions etc.

Through various exercises, motivational games and goal setting exercises, the participants were taught the importance of prioritizing and planning systematically to achieve their goals and objectives.

At the end of each workshop, a Parents' Meet was also organised to help them sustain this development and growth in children.

All students appreciated their 5-day stay at EDI and stated that they witnessed an over all change in their personality by the end of it. According to one of the students, Priyanka Kadkiya, who spoke on behalf of the students, "Before coming to EDI, most of us were afraid of speaking in public but now we are immensely confident. On having learnt about our strengths & weaknesses we feel highly motivated and confident enough to reach our goals because we have also mastered the art of transforming weaknesses into strengths and strengthening the strengths even further."

Ms. Mauli Patel, the Workshop Director opined that the success of the workshops lay in its methodology as the focus was not only on classroom teaching but substantial weightage was also given to educational/motivational games, drama, industrial visits and yoga. She added that all the children were made to participate and interact extensively. "Dealing with the psychology of these fear-struck children was a challenging task and I am happy that there was noticeable change in them", expressed Ms. Mauli.

A follow-up session for all workshops has also been planned in the month of August to give a further boost to the motivational level in children and cement the learning acquired by them.

YOUNG MINDS BECOME ENTERPRISING



Mahendra Trivedi, Hon'ble Minister of State for Youth Services,
Sports & Cultural Activities, Govt. of Gujarat, delivering his
valedictory address Also seen are (on his right)
Dr. Sunil Shukla, the Camp Leader & (on his left) Dr. B. B. Siddiqui,
EDI Faculty Member

"I can think, I can analyse, I am intelligent, then what is it that this ENTREPRENEURIAL CAMP will give me," inquired the perplexed, Akhil Oswal from Ludhiana.

Of the 32 youths who had come to participate in the Summer Camp during May 1 - 11, 2001, some had no idea about the meaning of 'Entrepreneurial Camp' but had heard of it; some could attach some meaning to it and there were yet others for whom the concept was absolutely new. All of them had come to attend the camp either out of curiosity to learn and experience more, or on insistence of parents. But there was one thing common in all -- 'the deep set desire to be recognised as a winner'. Some wanted to make it big in the field of business,

some in academics and some in sports. But what bewildered them all was the basic question -- 'Inspite of all commitment and hard work how to relive the life of their role models?'

And when their young minds discovered that the question 'How' formed the cornerstone of this camp, they knew they were at the right place. Only half-way through the workshop they gained confidence that they were mastering the art of promoting creative performances.

'Entrepreneurship' as all agreed was their 'winning tool' as it encompasses in itself the values of creativity, self-confidence, leadership, perseverance, spirit of enterprise that together induce holistic development and growth.

In planning a camp like this, EDI behavioural scientists, developmental psychologists and educationists especially focussed on helping youths realise their latent potential, counselling and motivating them to seek independent and challenging career options, fostering entrepreneurial traits in them and providing them with an opportunity to interact extensively with well-known achievers.

To achieve the aforesaid, the camp activities focussed on entrepreneurial motivation development exercises, evaluation and development of entrepreneurial traits and competencies, visits to institutions of repute, self-assessment and career & psychological counselling.

By the end of the camp all these young students from places far and wide, like Mumbai, Ahmedabad, Gandhinagar, Rajkot, Surat, Hyderabad, Ludhiana, Delhi, Boondi, Jabalpur, Jamshedpur and Baroda agreed on a few counts - that they had become spontaneous independent thinkers; they had developed creative genius; their growth was no longer inhibited by lack of confidence, fear and negative

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consciousness; their concern for excellence and power of innovation had got a tremendous boost; they learnt the significance of being entrepreneurial.

According to Dr. Sunil Shukla, the Camp Leader, "Our aim was to foster high achievement and enterprising values in youth and show them how a successful person is a combination of entrepreneurial traits. We were successful in our objectives."

The valedictory function of the camp was organised on 11" May 2001. Shri Mahendra Trivedi, Hon'ble Minister of State for Youth Services, Cultural Activities & Sports, Govt. of Gujarat, was the Chief Guest. The Minister urged the students to aim for creative eminence in whatever field they choose. Emphasizing

that there is no shortcut to hard work, he said that the foundation had been laid and it was now upto the students to build a successful future. Shri Trivedi appreciated the efforts of EDI in inducing a drive and urge in students. A poem written by Shri Trivedi and recited by him on this occasion further inspired the youth.

भारत के हम नौजवान, करते है सब को एलान,

दिप नये जलाना है, अंघेरे को मिटाना है,

आओ हम सब साथ मिलके, भारत माँ की शान बढाए.

(a stanza from the poem)

महेन्द्र त्रिवेदी

MASTERING THE SKILL OF 'THINKING'



Dr. Sunil Gupta imparting training to participants during one of the class-room sessions

"Thinking is a skill, it can be developed and improved if one knows how'.

- Dr. Edward de Bono

Dr. Bono is recognised as world's leading authority on direct teaching of thinking. He developed the original concept of CoRT Thinking or lateral thinking -- thinking across conventional patterns to come up with new ideas.

The utility of resources present in an organisation most often depends upon 'employee-capability.' 'Capabilities' or the 'winning attributes' of an employee is a major factor that plays a significant role in the performance of an enterprise.

However, more often than not, companies while assessing the skill level of employees give little or no attention to the enterprising and creative attitude in them. This enterprising and creative bent of mind in employees ensures that their existing skills are complemented and motivates them to be innovative and efficient in work environment. This skill can even be inculcated by well designed training.

With a view to giving such an orientation to employees in an organisation, EDI arranged a 3-day programme based on 'CoRT Thinking' in collaboration with IDEAS, UAE, a world class consultancy organisation that also has training expertise to he produce results that are unique.

The programme was organised during March 5-7, 2001

CoRT Thinking, a concept evolved by Dr. Edward de Bono, gives employees an insight into their creative abilities and motivates them to effectively apply their intelligence in any professional or personal situation.

CoRT, named after the Cognitive Research Trust established by Dr. Edward de Bono, in Cambridge, England is now the most widely used course in the world for direct teaching on 'thinking'. Today, several Fortune 500 companies are using CoRT to teach employees how to think. The programme was attended by around 20 professionals from reputed organisations and departments such as; National Institute of Design, Vadilal Industries Ltd., Bakeri Engg. Ltd., Navnitlal & Co.

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MICRO ENTERPRISES AND

ENHANCING PRODUCTIVITY BY IMPROVING WORK CONDITIONS



Mr. K.K.Shaw, Expert from EDI, (Second from right) counselling entrepreneurs from the Metal Handicraft Cluster. Also seen in the picture is (on Mr. Shaw's left) Mr. Chaman Dhanda, National Programme Co-ordinator, Moradabad Brassware Programme, International Labour Organisation (ILO)

Among the special attributes of a growing small & medium enterprise, good working conditions and flexible environment acquire a significant place. Healthy working conditions ensure higher labour productivity, continuous improvements, almost nil accident rate and increased performance. Unfortunately, however, small scale industries attach least importance to these factors. One such conglomerate which is in dire need of improvement on this front, is the Brass Metal Handicraft Cluster at Moradabad.

In view of this International Labour Organisation (ILO), in association with EDI, launched a project, 'Entrepreneurship Development & Productivity Improvement'. This is sought to be achieved by improvement in working conditions.

The broad spectrum of activities include:

- identification and implementation of productivity improvement measures of 90 enterprises.
- selection of a model unit with best working conditions
- imparting training to entrepreneurs on the concept of 'entrepreneurship'
- providing on-the-job training to practising technicians for improving productivity
- creation of a core group of resource persons for carrying ahead such activities.
- preparation of 'Enterprise Training Manual' and 'Trainers' Training Manual'.

A part of the project has been successfully completed, i.e. improvement and positive change has been brought about in 30 enterprises. The work is presently in progress to achieve the target of 90 units. Besides



Mr. K.K.Shaw an EDI Expert imparting on-the-job training to entrepreneurs

guidance and training to improve work environment and conditions, entrepreneurs were also imparted training on Entrepreneurship and Business Management in Micro & Small Enterprises covering the aspects of marketing, money management, cost consciousness, networking and group formation and business plan preparation.

The results of the training are reflected in, networking amongst entrepreneurs for common marketing, common purchase of raw material and common access to institutional finance. These together result in substantial reduction in operational cost of micro enterprises as also help in developing their bargaining strength and notional differention.

MICRO-ENTERPRISES: SALVES TO POVERTY AND UNEMPLOYMENT

For an economy which is engulfed in the problems of poverty and unemployment, high levels of growth and efficiency cannot be achieved without promoting a culture of entrepreneurship among people, i.e. the need of the hour is to orient efforts towards creation of a society where people think of establishing enterprises as a career and thus contribute to the socioeconomic growth of the country.

A strong entrepreneurial orientation in people will see effective utilisation of resources of a region besides generating opportunities for employment. Thus in order to fight most socioeconomic ills in the society by creating an entrepreneurial milieu, the Department of Science and Technology, Government of India, implemented in association with EDI, the Science and Technology entrepreneurship Development Project (STED) in the newly formed districts of Hazaribagh, Pithoragarh and Moradabad.

The main objective is to raise the socio-economic levels of the weaker sections of the population in the region by helping them set up micro-enterprises. With technological advancement becoming the yardstick for measuring any kind of organisational progress, it was felt that the enterprises thus set up would have a strong technical base.

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

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

Achievements in Moradabad - Inspite of being a prominent SME cluster of the country, Moradabad has not been able to emerge out of severe economic decline. Competition from international markets is one major factor considered detrimental to economic growth in the region. In such conditions where the market potential is substantial but competition, immense, it was felt that existing activities should be technologically updated and new enterprises should be launched with technology to back it up.

The STED team here, first conducted an Industry Potential Survey. Since Moradabad is already a major centre for brass handicrafts with immense potential for growth in the cluster, substantial focus was placed on exploring this area for setting up micro enterprises. The survey team made a detailed research on all aspects of successful organisational functioning like technology, marketing, finance, etc. Linkages were also established with local institutions and departments. Besides,

NGOs were also actively involved on account of their good reach at the grassroots in the area.

The district is the main centre for brass handicrafts but unfortunately in the brassware cluster itself, the existing production processes are inferior which makes the products uncompetitive in the international market. In view of this as well as the potential which the sector has, ILO also came forward to actively support EDI in its efforts to promote & strengthen the cluster. Several other opportunities were also identified and project profiles were prepared for ready reference of trained potential entrepreneurs.

The areas includes, Bone & Hoof Handicraft Items, Mineral Water, Screen Printing, Dairy Products, Offset Printing Process, Repair of Two Wheelers, Durry Weaving, Buff Making, etc.

Subsequent to Entrepreneurship Awareness Camps, several Skill Development Programmes were also organised wherein master craftsmen and technical experts were invited to deliver inputs. As a result, target of 4 years was completed in just a span of one year. 209 new enterprises were set up in the region.

Achievements at Pithoragarh - Pithoragarh is a distimi predominantly inhabited by the tribal population and the primary economic activities of the people are agriculture, horticulture, dairy, carpet weaving, wool knitting, rabbit rearing, herb collection and tourism related activities. The STED team at Pithoragarh conducted an Industry Potential Survey to acquire information on areas that had growth potential. The clusters identified were : weaving, fruit processing, IT hardware, electronic goods assembling, inland fisheries, turpentine & varnish manufacturing, drug manufacturing, goat rearing, tourism, etc. Networking was established with local institutions to gain information on the prevalent conditions. The STED team, after delving into local requirements, needs and potential, prepared 6 project profiles so that the entrepreneurs thus trained could use them. The project profiles were prepared in Angora Rabbit Rearing for wool production and making finished products like shawls, sweaters, caps, etc., Mushroom Cultivation, Off-Season Vegetables using poly house technology with hybrid seeds, Bee Keeping, Fisheries and Vegetable Cultivation using high yield variety seeds. After training and counselling potential entrepreneurs, 30 enterprises were set up in the regi during the year; the target being 200 enterprises in 4 years.

Achievements at HAZARIBAGH - On the basis of an industrial potential survey, the STED team shortlisted a few potential clusters; brass metalware, food processing, ready-made garments, earthen pottery manufacturing, information technology and ancillaries for Videocon & HFCL manufacturing units. Linkages were also established with local institutions and departments in the region so that information on the local conditions, people, technical expertise available could be acquired. Subsequently capacity building programmes, entrepreneurship awareness camps and demonstrations on certain upcoming technologies were organised. As a result, the STED team succeeded in establishing 33 enterprises during the year, in various areas such as, paper conservation, silk reeling, readymade garments, cyber café, etc. The target is to set up 200 enterprises in 4 years.

ENSURING AN EXCELLENT CORPORATE FUTURE

Every organisation has its growth graph indicating booms as well as recessions. It is, however, a tough challenge to keep performance sustainable as also grow by seizing opportunities, even during the times of recession.

There is, however, one significant factor in all organisations that can either break the process of corporate excellence or accelerate it manifold. This is the workforce of an organisation; its executives. The skills, behaviour, attitudes of company executives not only contribute significantly to its performance but also give a vision and a purpose to the organisation.

Many corporate houses are now increasingly coming forward to get its workforce trained so that the organisation experiences a skill-driven as well as an attitude-driven change or should we say, growth.

Recently in two batches, i.e. during March 29 - 31,2001 and April 26 - 28, 2001 EDI conducted a programme titled 'Challenges Ahead for a Better Tomorrow' for Executives of Zydus Neurosciences. 33 executives comprising the Regional Sales Managers, Zonal Sales Managers, Field Sales Managers and Product Specialists, were imparted training.

The workshop aimed at training Executives to maintain an unrelenting focus on growth, responsibilities and results. Keeping this in view they were given insights and understanding on topics, such as, Team Building, Challenges Ahead: Roles and Responsibilities for Business Executives, Motivating Self & Others: Social Perception, Personal Effectiveness, Communication & Transactions, Interaction with Customers and Dealing with Difficult People, Organisational Adaptability, Change Management, Work Values and Intrapreneurship.

The participants found the workshop immensely beneficial and stated that the skills acquired will help them go beyond just their specialized roles. They claimed that their perspective had undergone tremendous positive change which will certainly be emitted by way of distinctive performance.

The workshops were inaugurated by Dr. Chandra Prakash, DGM, Marketing, Zydus Neurosciences and Mr. M.A. Suryanarayana, GM, Training, Zydus Cadila Group of Companies. Both Dr. Prakash and Mr. Suryanarayana were confident that the training would give a new focus and drive to Executives thus bringing about enhanced performance in work processes. The workshops were conducted under the leadership of Dr. Sunil Shukla.

REVITALISATION PROGRAMME FOR RUBBER CLUSTER AT KOCHI & KOTTAYAM - Impact Generated

The programme, during January - April, 2001 imparted training and consultancy to about 40 entrepreneurs. The results were reflected in the following:

- Formation of one consortium at Changannassery involving about 25 SSI enterprises largely
 manufacturing Rubber mats. The consortium is a Private Limited Company and registered as an
 exporter viz. a marketing consortium. The consortium company has developed a common webpage,
 CDs for marketing and a common pricing stratagem. Tremendous savings on marketing cost & scope
 for building brand equity has been developed.
- Formation of one consortium of tread rubber manufacturers. The objective of the consortium is to serve as a raw material purchase consortium. The Private Limited Company will operate as a broker unit to implement a mutual credit guarantee scheme, solving working capital problems of member enterprises. By cash and credit discounts of upto 15% cost of raw material purchase would be reduced tremendously. This would in turn lead to significance in margin.
- The consortium is expected to develop into one large raw material purchase consortium benefiting the whole sector with membership of over 200 enterprises in future. The issue of equity shares by the company to those interested in availing its services will facilitate resource mobilization for the same. Preliminary project report seeking funding assistance from SIDBI and banks have been submitted.
- Formation of one consortium of rubber mat manufacturers at Kottayam which will serve as a raw material purchase cum international marketing consortium.
- Common participation in national and international Trade Fairs that facilitated development of brand
 equity initially. Participation in "RUBBER EXPO" at Mumbai has resulted in ideal pricing, packaging
 and marketing strategies. An objective of participation has also been to explore cheaper sources for
 raw material inputs from the rest of India and abroad. Good responses have been received by
 participants.

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INTRAPRENEURSHIP AND CORPORATE GOVERNANCE

- Dr. Sunil Shukla

Corporate governance is considered as a system by which companies are directed and controlled. It involves a set of standards, which aims at improving the company's performance, credibility and social responsibility. Good corporate governance enables organizations to compete and prosper. Though relevant in all organizations, but in business organizations in particular, the significance of good governance includes optimal use of resources. Corporate governance focuses on corporate excellence that protects stakeholders' interests.

Any strategic intervention that facilitates corporate governance contributes to corporate excellence. Intrapreneurship is one such intervention. Gifford Pinchot (1985), who has done extensive work on intrapreneurs and intrapreneurship defines the concept "the people who do entrepreneurial work within large organizations are called intrapreneurs and the process by which they affect change, intrapreneurship". 'Intra' is a term that means 'within'. Thus, intrapreneurs are people who are employed by entrepreneurs and who work within the constraints and support of complex organizations. Intrapreneurs' work takes place within the context of organizational job responsibilities and relationships. Intrapreneurs exist at all levels in an organization.

However, the work of intrapreneurs and the exact process of intrapreneurship differ from organization to organization, from idea to idea. While there is no one formula to understand the intrapreneurial process, there are common elements to this process and common behaviour that intrapreneurs engage in wherever they work and whoever they are.

In this article, an attempt is being made to explain the concept and relevance of intrapreneurship. Since, intrapreneurship aims at optimally utilizing the resources and benefiting the organization, it contributes to the corporate governance.

What is Intrapreneurship?

Intrapreneurship can be understood as the development within an organization, of internal markets and relatively small autonomous or semiautonomous business units (similar to the commonly known strategic business units or SBUs), producing products, services, or technologies that focus on optimum utilization of company's resources. Intrapreneurship provides the executives (of a corporate house) the freedom to take initiatives and try out new ideas. It is, therefore, entrepreneurship within an existing firm.

Why Intrapreneurship?

Existing businesses allow intrapreneurship because top executives in the corporate world generally recognize that the macro environment and the marketplace change much faster than a corporate bureaucracy can. Intrapreneurship provides large corporations the opportunity to adapt to the increasingly dynamic, hostile, and heterogeneous environment businesses face today.

Moreover, to grow smoothly, an organization needs efficient policy-makers and a hard working team. Whereas, to grow in geometric progression it needs entrepreneurial functionaries at key levels, who are able to perceive growth opportunities on time and are capable to innovate, keeping the current enterprise and its available resources as a base. This process involves 'speeding up innovation within the organization by making better use of entrepreneurial talent'.

Besides, intrapreneurship also helps an organization to diversify from its core business. Many firms find it difficult to try new technologies and products. At the same time, diversification by acquisition and merger is often considered risky. Internal development is, therefore, preferred because it allows the firm to manage the process and control its costs. Opportunities for market researches may also come through this process.

Keeping in view the need for growth in geometric progression in corporate organizations and meeting the challenges posed by the changing environment, it requires conscious advance planning informed by a long-term vision to develop intrapreneurial attributes in the employees.

How Intrapreneurship is different from Entrepreneurship?

Intrapreneurship is quite similar to entrepreneurship in the sense that both intrapreneur and entrepreneur act as entrepreneurs. Both try to bring in core concepts of entrepreneurship on the job. Both seek autonomy and freedom-and have fairly long-term perspectives. Intrapreneurs, however, are more sensitive to the corporate hierarchy and the way of doing things. As a result, they keep an eye on events both inside and outside the organization.

Both intrapreneurs and entrepreneurs don't believe in status symbols in the short term. Their priority is getting the work done. Entrepreneurs' primary motive is achievement though they can be tempted to have more autonomy and independence in decision-making. It may be so as their financial resources are at stake. Intrapreneurs' primary motive is freedom and autonomy, They have skills for persuasion as they have to sell their ideas to their own companies first before worrying about the external market.

Opportunities and Barriers in Intrapreneurship

Corporate organizations have more opportunities and resources for intrapreneurship as compared to smaller organizations. They also have advantages in perceiving and seizing intrapreneurial ideas though many of them use only a tiny portion of their potential productivity, talent and drive of their members.

In large organizations, set of necessary resources is readily available. Marketing, engineering, personnel, legal and accounting are available to support the intrapreneurial venture. Corporate organizations have the visibility and credibility to be extended to the new venture. The system helps in providing legitimacy for intrapreneurial effort. Although no corporation has unlimited resources, most have resources well beyond the capabilities of smaller organizations or individuals. Resource accession hastens the process of innovation and at the same time lowers personal (particularly financial) risk for

intrapreneurs. Of course, there is an element of personal risk if an intrapreneur is unable to make the new venture a success. Overall, a supportive environment in the corporation is often more forgiving than the external environment facing many independent entrepreneurs.



Participants of one of In-company Executive Development Programmes seen during a class room session

Along with the resources, the corporate organizations have certain inherent intrapreneurial barriers. The major barrier is the corporate bureaucracy. Corporations have several levels of management, and system demands that if not all at least some important levels must approve the use of company resources for the intrapreneurial venture. This affects the pace of intrapreneuring. Internal product competition and competing demands for resources could be another barriers. This becomes more dominant when the new venture threatens another product that the company produces, and incumbent product managers put up resistance. The discrepancy here is that the encouragement corporate organizations provide that enables a manager to take risk also discourages him/her from taking any risks. Because of this discrepancy and the bureaucracy for which corporate environment is known, creativity among employees is often not as prevalent as in entrepreneurial environment. Resistance to change on the part of decisionmakers is another barrier. This resistance could be for the products/ services or for the system. In either case, it discourages intrapreneurship. Absence of internal venture capitalists could also affect exploitation of intrapreneurial opportunities, as venture capitalists are very important contributors to the success of new ventures. They bring with them technical expertise, contacts and experience initiating new ventures that most corporate executives lack.

Similarly, employees' lack of ownership reduces commitment. The incentives and risks are different from those of independent entrepreneurs. Corporate organizations often lack system of compensating everyone involved in intrapreneurial ventures. It demands the removal of unnecessary bureaucratic procedures that is not that easy. The corporation, therefore, either abandons projects prematurely or escalates commitment to projects that have little chance of success.

Though intrapreneurship could do wonders to the corporate excellence, there are a very few organizations genuinely committed to attracting, hiring, and developing the creative talent they will need in the future. They consider creative

people a pain in the neck who disrupt the established order by asking embarrassing questions and experimenting with new ways of doing things when well established procedures are available to provide direction. Intrapreneurs' need for autonomy and freedom are also not appreciated by many. Therefore, when faced with choices between long-term needs and short-term priorities, corporations choose the latter. The feeling of insecurity adversely affects intrapreneurship. Even at

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In a bid to help organisations attain the flexibility and dynamism that an intrapreneurial milieu ensures, EDI conducted 27 programmes on Intrapreneurship for various corporate houses, thus imparting training to owner-managers, business managers and other executives.

Some prominent programmes include:

- (a) For Zydus Cadila Group of companies, a leading pharmaceutical company of Ahmedabad, EDI trained and retrained 525 officials, in a series of programmes. The impact of the programmes was not only in terms of increase in knowledge but also in the groups market position from ninth earlier to fourth now. The company regards EDI training as one of the major factors that contributed to this mileage. According to Mr. Madhav Kulkarni, Sr. Vice-President of the group, "The entire programme was very thought provoking, with the participants probing their attitudinal responses to various tasks and issues and the changes that must be effected".
- (b) Three SIDBI sponsored programmes for owner-managers where the participants opined that the programme had given them new perspectives and new competencies thus making them contribute greatly to the performance of their respective organisations.
- (c) Officials from the Industries Department, Jammu & Kashmir, to refurbish the state of J&K and reinforce dynamism in employees.
- (d) At Kuala Lumpur for officials of Perbadanan Usahawan Nasional Berhad, Malaysia, to help them review their tasks, roles & responsibilities, thus revitalising the organisation.
- (e) IDBI sponsored programme for Corporate Executives, organised by the Institute of Company Secretaries of India - Centre for Corporate Research & Training, Mumbai; EDI, as a resource organisation to conduct the programme, trained 16 corporate executives from IDBI, IDBI bank, ICICI, HUDCO, Department of Company Affairs and from PSUs.
- (f) Besides similar short duration programmes have been conducted by the Institute for Romik Group of Companies, Ahmedabad and Parle Group, Mumbai.

Broadly, the course curriculum of a basic week-long programme in intrapreneurship is structured in a way to focus on internalisation of roles and responsibilities, competencies required for becoming an outstanding entrepreneurial manager, leadership qualities ad effective team building skills. The inputs aim at increasing productivity by motivating people to identify and utilize their latent potential for the organisations they are working for.

STRATEGIC NTERNATIONAL PROGRAMMES

HONING BUSINESS SKILLS IN PROFESSIONALS FROM THE ARAB REGION



Participants of the programme seen with EDI Faculty, Mr. Umesh Menon (1st row, 2nd from right) and Mr. Raman Jaggi (3rd row, 1st from left) and some key officials.

A regional training seminar entitled 'Industrial Project Identification, - Formulation and Screening' was organised during May 25 - June 5, 2001 in Bahrain under the supervision of the United Nations Industrial Development Organisation's (UNIDO) Arab Regional Centre for Entrepreneurship and Investment Training (ARCEIT). It was conceived, planned and implemented by Entrepreneurship Development Institute of India, Ahmedabad.

The programme was fifth in the series and aimed at developing a core group of professionals equipped with the skills to identify investment opportunities, prepare opportunity studies and screen them so that the entrepreneurial community can be encouraged to invest in them. The main focus areas were: Project Development Cycle (PDC), Industrial Opportunity Identification, Project Formulation and Screening. The participants in the programme were from Bahrain, UAE, Lebanon, Kuwait, Sudan, Jordan and Palestine.

The programme was designed to train at least 70 Bahraini entrepreneurs by the end of 2001 along with 80 - 90 counsellors in the region.

Six more training seminars in Bahrain and four more in the Arab world would be conducted by the end of this year. These programmes are being run in co-operation with the Ministry of Commerce and Industry Affairs and the Bahrain Development Bank.

Subsequent to the training programme, the participants are required to work in small teams. The field work involves information collection for investment opportunity identification, analysis of the information and screening of the opportunities short-listed.

According to Dr. Hashim Hussein, Country Officer of UNIDO's Investment Promotion Services, "the need for diversifying economic activities in the Arab countries is well-recognised and accepted. There are two essential prerequisites for the process. Firstly, entrepreneurial potential amongst the community has to be identified and nurtured to exploit investment opportunities. Secondly, existing entrepreneurs need to be assisted in expansion/ diversification. This training programme on opportunity identification and screening aims to develop these skills in the professionals".

The Programme Director, Mr. Umesh Menon said that the ultimate focus is on targeting investment and technology promotion and entrepreneurship development in Bahrain and in the Arab world.



EDI organised the 8th Summer Camp on Entrepreneurial Stimulation for Children, in the age group of 12-16 years. The Camp was organised during April 23-28, 2001.

Seen above is Mrs. Pannaben Lalbhai, Director, Rachna School, giving away the Certificate to one of the participants during its valedictory function

MASTERING THE SKILL OF THINKINGContinued from page 4 Sitcon Consultants Pvt. Ltd., Nirma Ltd., Government of Karnataka and EDI.

The 3-day programme mainly aimed at enabling the participants to become more proactive rather than a reactive thinker, developing 'operacy' skills in them, helping them realise and utilise their creative, innovative and analytical talents, optimally, and imparting skills to look for new meanings in familiar situations by developing their latent, innovative and creative instincts.

The module comprised six carefully designed focus areas titled: **Breadth**, to broaden the perception of employees; **Organisation**, to help them organise their thinking; **Interaction**, to enable employees to observe the thinking involved in arguments; **Creativity**, to help them change concepts and patterns for great results in thinking; **Information and Feeling**, to teach them how to get maximum information by raising the right questions and **Visual Symbols**, that can be used for direct action.

The programme was well-received by the participants. They felt that it had opened up new vistas of creativity for them and had brought them face-to-face with the factors which inhibit them from using their creative potential to its fullest. They, therefore, felt confident of dealing with these inhibiting factors and contributing manifold in their respective areas of profession.

The faculty for the programme was Dr. Sunil Gupta from IDEAS, UAE, a certified trainer/ consultant by Dr. Edward de Bono

INTRAPRENEURSHIP AND CORPORATE GOVERNANCE

Continued from page 9

IBM, a corporation noted for building an entrepreneurial culture, there are people who worry that encouraging too much creativity will only result in higher turnover of critically valuable employees.

In India, many corporations are reluctant, afraid, even unwilling to make a strategic commitment to developing creativity and innovation among their employees. Very few have the system of encouraging and compensating creative employees. Though, inadequate compensation is one of the major barriers to intrapreneurship in modern corporations, it can't be done with just monetary resource. Along with monetary rewards, an open environment that is conducive to creativity and innovations may prove to be critical in encouraging intrapreneurs.

Intrapreneurship is an important strategic intervention for corporate excellence and essential even for effective organizations. This may be better than conventional growth strategies as only this can assure consistent growth. With the

practice of intrapreneurship, organizations can significantly improve the cost effectiveness of innovation. It gives an opportunity to the organizations to perceive unrecognized business opportunities. Also latent entrepreneurial potential of employees, which often remains dormant, could be utilized for the benefit of the organizations. Hence, the need for promoting intrapreneurship.

Promoting Intrapreneurship

In practice, if intrapreneurship is to be developed in a corporation, several specific strategic moves must be made. Implementation of these requires more positive-attitude than skill. These are:

- The CEO and other high-level managers must make frequent public statements reinforcing the importance of intrapreneurship to the corporation.
- When formal goal-setting systems are used, creativity and innovation must be given high priority for concrete and symbolic reasons.
- A comprehensive reward system must be designed to encourage practice of intrapreneurship.
- Top management must recognise that creative people are driven as much or more by the ethic of creation as by the ethic of competition.

REVITALISATION PROGRAMME FOR RUBBER CLUSTER AT KOCHI & KOTTAYAM

Continued from page 7

- Support in terms of counselling on information technology, as has been offered on inventory, financial and international marketing. This ensured efficiency and cost reduction in management of consortiums.
- A proposal for Mutual Credit Guarantee Scheme for bulk raw material purchase is also being explored.
- Proposal for a minimal common facility centre at Kottayam is being finalised.

The demonstration initiatives highlight the measures that may be replicated for the rubber cluster as a whole, reduce cost and increase efficiency in production, capital management and operations. It also provides sustainable revitalisation options and market linkages for the clusters.

Cost and reductions and efficiency are expected to lead to competitive advantage of 25% in enterprises. They can hence successfully ward off the threat from Chinese and South East Asian enterprises.



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For Prospectus and application form pay cash or send demand draft of Rs. 250/- in favour of EDI, Ahmedabad to Course Director (PGP) at any of the below mentioned addresses.

Bangalore Office

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Entrepreneurship Development Institute of India

Near Village Bhat, Via Ahmedabad Airport & Indira Bridge),

P. O. Bhat 382 428, Gujarat, India

Phone: (91) (79) 3269163, 3269153 Fax: (91) (79) 3269164 E-mail: ediindia@ad1.vsnl.net.in Website: http://www.ediindia.org

: No. 133, XI 'A' Cross, I Main Road, II Stage, West of Chord Road,

Bangalore 560 086 Telefax: (080) 3496580, 3490384

E-mail: ediro@giasbg01.vsnl.net.in

Lucknow Office : 432/36, Kala Kankar Colony, Old Hyderabad, Lucknow-226 007.

Phone: (0522) 780820 Fax: (0522) 780856 E-mail: ediro@sancharnet.in

Guwahati Office : Karam Chandani Building, 2nd Floor, Maniram Dewan Lane, B/h Skylab

Ulubari, Guwahati-781 007

Cuttack Office : Friends Colony, Barraka Bati Road, Cuttack-753 001 : Publicity & Promotion Cell, EDI

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