

# EDI Reports

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## From the Director's Desk

## NEDB and FEDI: Can we synergise?



When the National Entrepreneurship Development Board (NEDB) was set up by the Ministry of Industry, Government of India, hopes were raised among all institutions, individuals and practitioners in entrepreneurship about the Board playing the crucial role of a national braintrust, a promoter and monitor of the entrepreneurship movement. We expected it will have substantial funds to support entrepreneurship training, research, institution building and innovations to explore new ways and means to give a massive thrust to self employment and widen the base of entrepreneurship in the country. While it is for the founders of the Board to ask how useful the existence of the Board has been, a verdict from the field is that it has hardly made any difference. That the Board has not even met (on an average) once in a year is the saddest part. That it has no funds and hence any leverage to create a national impact is the weakest part. And despite national

entrepreneurship experts as its members, they have to play a subservient role to the government officials is the most annoying part. Any organisation which needs to define its mission and search for objectives in every meeting, does not inspire confidence.

And yet, the Board must continue, rise from slumber and begin to play its critical and nationally significant role. Why?

Firstly, the country has now entered the age of entrepreneurs, high achievers. The country needs a large supply of competent entrepreneurs to accelerate growth, generate productive employment. The existing SMEs and Indian entrepreneurship behind it needs to be strengthened, supported, revitalised to face a completely different environment of competition, markets, quality, technology and efficiency. Since planning in India has not been able to create enough jobs, unemployment is rising and will continue to rise. Self employment in urban and rural areas has to be accelerated. For all these tasks ahead, the NEDB can be and should be a focal point for debating and formulating strategies, programmes and interventions for new enterprise creation, performance and growth of existing SMEs and changing the mind-set of Indian middle-class and college going youth towards job creation rather than job seeking.

Secondly, world's largest and finest network of entrepreneurship institutions with 3 exclusive national and over 13 state level entrepreneurship organisations has been functioning for more than a decade; they are backed-up by 800 entrepreneurship motivators, 200 NGOs with their own trained manpower for micro enterprises, 600 plus teachers teaching entrepreneurship courses in colleges and universities; and the large SIDO network providing training and counselling for new entrepreneurs and SMEs across the country. NEDB has such huge national capabilities on entrepreneurship development for getting things done.

And now the Federation of Entrepreneurship Institutions (FEDI) is formed. It is a focal point for developing strong linkages with all entrepreneurship organisations around the country as well as state govts., banks and national policy formulators. It is a ready bridge between NEDB and problems and needs of grassroots entrepreneurship organisations. It can help NEDB set an agenda and priorities for serving the country.

Of course, we can build a strong case to closedown the Board and save time, energies and resources. If no significant dent can be made in the vast area of entrepreneurship and the "engine of growth" cannot be pushed faster, it is better to call it quits.

On the other hand, there is an even stronger case to save the Board by taking timely corrective actions which are not difficult or complex. The govt. in SSI Department must secure a handsome budget for the Board (not less than Rs.50.00 crores), set up a professional, exclusive secretariat, meet regularly, get the best out of the Braintrust and keep it free from administrative restraints. Under the present dynamic, no nonsense, Minister of State for SSI who presides over the Board, none of the corrective and substantive actions like these can pose a problem. The national Budget is being formulated. 5-year plans are being reviewed. EDI has already provided proposals for NEDB Budget and programmes. Here is an opportunity for the Department of SSI, GoI, and those responsible for running the Board, to once-and-for-all decide which way they want the Board to go?

- V.G. Patel

ENTREPRENEURSHIP DEVELOPMENT INSTITUTE OF INDIA





**ENTREPRENEURIAL CAREER BECKONS  
65 MORE YOUTHS**



*The then President - EDI and Chairman - IDBI, Shri S. K. Kapur welcoming the Chief Guest of the Convocation, Shri Sunil Mittal, Chairman & Group Managing Director, Bharti Enterprises*

Understanding the intricacies of today's industrial scenario, developing a calibre to survive in such a competitive environment and the ability to face future challenges, are essential for any entrepreneur who starts a business.

If the recent peripeteias of the global economy have made the business world intensely competitive and knowledge-driven, it has also on the other hand, opened up a host of new opportunities for entrepreneurs.

Such a diverse scenario, however, necessitates that the dynamics of enterprise launching and managing be mastered by those who have the desire to explore new viable avenues thrown open. Even those planning to join family business need to acquire entrepreneurial and managerial skills to be able to gauge the constraints and opportunities and consolidate the enterprise further in the wake of changing business environment. This necessity acquires more significance, against the backdrop that in India around 90% of the businesses are family-owned.

EDI, in the year 1998, launched the prestigious Post-Graduate Diploma in Business Entrepreneurship and Management (PGDBEM) and Post Graduate Diploma in Management of NGOs (PGDMN). The courses successfully completed their 3<sup>rd</sup> year on 31<sup>st</sup> August 2001.

PGDBEM had 42 students with 26 in its New Venture Creation Stream : The objective of this stream is to provide comprehensive knowledge and develop competencies to start own independent business. This stream is useful for those who want to launch their own business, wish to become small-medium industry consultants, counsellors or teacher-trainers with specialised post-graduate qualification.

16 in Family Business Management Stream : This stream is designed for students interested in the issues, problems and unique concerns of family business involvement and management. The course draws heavily on the personal experience of students in the class. During this phase, the students are guided on developing an action plan for the growth of their family business.

PGDMN had 23 participants : Recognizing the growing importance of non-government initiatives in solving grassroots problems of income and employment generation, the PGDMN has been designed to develop young men/women to either launch their own NGOs or join an NGO and contribute to the growth of the national economy. It is necessary that NGO functionaries possess adequate skills to plan systematically and have in them the 'will do' spirit.

**Proceedings of the 3rd convocation of PG courses**

The 3<sup>rd</sup> convocation of PGDBEM and PGDMN was organised on 23<sup>rd</sup> August 2001. The Chief Guest for



the function was Shri Sunil Mittal, Chairman & Group Managing Director, Bharti Enterprises, New Delhi. In all, 65 students successfully completed the course and were awarded the certificates: 26 in New Enterprise Creation, 16 in Family Business Management and 23 in Management of NGOs.

Dr. V. G. Patel, Vice President & Director, EDI delivered his welcome address, subsequent to the details of the courses by Dr. KVSM Krishna, the Course Director.

Introducing Mr. Mittal, Dr. Patel said that his telecom empire has become the biggest of all new entrants, with 12 big circles, 8 lakh subscribers and interests across the telecom spectrum. Shri Mittal has been called the telecom's toreador, the bullfighter and mobile phone czar of India, added Dr. Patel. He further highlighted that after China mobile which covers 1 billion people, Bharti has a foot print of around 700 million people covering 85% of the country's telecom market.

Bringing forth the future plans and achievements of Shri Mittal, Dr. Patel complimented him, on his unique strength in implementing projects at record breaking speed. He urged the students to draw lessons from his exemplary performance.



Students of PGDBEM & PGDMN seen during the Convocation Function

The then President of EDI & Chairman of IDBI, Shri S.K. Kapur, endorsed the views of Dr. Patel and joined him in congratulating Shri Mittal for his unique accomplishments.

He further added that EDI's entry into the field of education through this one-year diploma is a strategic departure from its earlier short duration training programmes on Entrepreneurship Development. And it is an important initiative in the context of our country's changing economic and business scenario, he emphasised.

Shri Kapur made a special reference to the specialisation of Launching and Managing an NGO, adding that EDI is among the very few institutions to offer a one year programme to groom & develop young men and women for economic activity and developmental tasks.

### PGDBEM Students felicitated for Meritorious Performance

Awards for scholastic performance in Family Business Management was presented to Ms. Heta Sheth and in New Enterprise Creation, it went to Mr. Mihir Gajrawala. Mr. Mitul Shah bagged the award for Best Five Year Growth Plan for Family Business. Shri Rajnikant Worah Gold Medal for Best Detailed Project Report was awarded to Mr. Laval Bhatt.

### PGDMN Students felicitated for Meritorious Performance

Award for scholastic performance in NGO Management and medal for the Best Dissertation in NGO Management was presented to Mr. Prasen Rapthan. The State Bank of India medal for Project Work in NGO Management was awarded to Ms. Tejas Merh.

Expressing concern over the problem of unemployment, Shri Kapur said that the answer and an opportunity is found in creating enterprises which will create jobs, and added that it is entrepreneurial individuals and entrepreneurs who can and will have to set up enterprises.

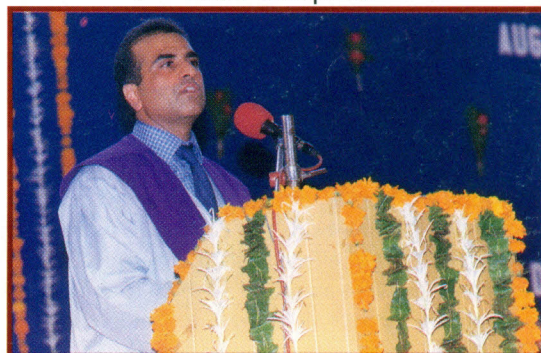
The President concluded by specifying that the young graduates were entering a complex and challenging business world, but they had

been groomed and moulded to succeed even in tough times and so they should implement their learning to achieve results. With this he wished all students success in future.

Shri Sunil Bharti Mittal, the Chief Guest for the occasion awarded diplomas to all 65 students and the medals for Best Performance to meritorious students.

### CONVOCATION ADDRESS

- By Shri Sunil Bharti Mittal,  
Chairman & Group Managing Director,  
Bharti Enterprises



"When I received the invitation for this function, the first thing that struck me was the unique work that this institution is doing. I am indeed impressed. Besides, my visit to Ahmedabad was long overdue. And a lot has happened in relation to Gujarat, since I accepted this invitation. So this invitation indeed proved lucky for me and we have won the licence to provide mobile telephony in the state of Gujarat.

The stars of today's evening are the graduating students and it is with them I would like to particularly share the pains and the gains of my 25 years of entrepreneurial career.

Gujarat is the fountainhead of entrepreneurship and the place where I hail from, i.e. Ludhiana is also very much alike. Ludhiana is a reservoir of entrepreneurs, so to say. When I decided to enter the world of business, in Ludhiana, practically everyone was into the bicycle business and so it was bicycles for me as well. With a small investment of Rs. 20,000 and with a friend as a partner, I ventured into bicycle parts manufacturing in the year 1976. Let me tell you that the first 2 - 3 years were tough. But I knew I had to move ahead and so in 1979 I left for Bombay and got into the import of a variety of products to be used in the country. Money then had a lot of value.



I saw an opportunity in import of portable generators - an opportunity which I eyed upon during one of my visits abroad. We became the largest importers of portable generators and remained at this position for 3 years, until one fine day the government banned the import of portable generators.

I was again in search of an opportunity and one thing that I was certain about was that whichever product I took up, it had to be new and innovative; something that none had taken up before. And around this time during one of my visits to Taiwan, I chanced upon push button telephones. I immediately knew this would work because it was a new idea for India then. We started importing push button telephone sets. First wave of liberalisation came in the form of manufacture of push button telephones and every big company jumped into telecommunications. There was not a great chance to succeed but we were the first to launch push button telephones and today we are manufacturing 4 million telephone sets a year. We are one of the largest in Asia now.

In the year 1991, we were doing well and manufacturing good telephones but still struggling. Bharti had sales of Rs. 19 crores then and today it is at Rs. 2000 crores.

It was in the year 1992 that I got a unique opportunity. I believe every entrepreneur gets one opportunity in his lifetime, which he has to grab. This may involve taking risk also but then without risk there is no success in business. So for 3 months I took leave from office. I told my two brothers, who are working with me, and other officials of the company that I should not be asked for anything; no one should ask as to where am I. This opportunity had come in form of licences of 4 metro cities for mobile phones.

We formed a loose consortium. Did all the necessary surveys spending around Rs. 1 crore, did our analysis and put in the bid. Practically all the big names of the corporate world were our competitors here. But our efforts paid and the result of this went in our favour and we were awarded all the 4 metro licences, so much so that the government had to intervene with the argument that all 4 licences could not go to one single company.

We were the first to launch mobile telephony with an investment of Rs. 300 crores. Today, Airtel is the most successful mobile company. The Delhi AirTel success took us 20 years ahead.

But there is one thing which we have never forgotten in our success and that is to sustain this success. In the last couple of years I have seen so many of my friends rise like stars and also fall to the ground in no time. To fall is very easy and therefore one must constantly be on guard and keep changing and growing constantly. I am aware about this aspect and have an eye on this always.

In the last few years of my career, there have been times when I have required large amount of money and I have succeeded only because the risk taking spirit and the conviction were there.

There is a general talk about the prevailing recession, but Bharti has raised 1.05 million dollars in the last 9 months. This has been possible only because of high level of credibility that we have developed in the eyes of our investors.

Even in my office, we have created a wonderful environment. We have this Monday morning syndrome, where each one is eager to come back to work on Monday. Every employee, right down to the level of a peon has a right over the company. If at all I wish to insist on my right as an owner, it can only be by way of a shareholder's right and no more. There is complete transparency in the system at Bharti. I do not remember having signed a cheque for a very long time now. Even cheques worth several hundred crores have been issued by the senior finance functionaries of the company.

The students who are passing out today are lucky to have gone through this training. There is no short cut to success. All aspiring people should have both, the short term and long term vision, as both these are indispensable for success. The will to perform should be there because the only way to succeed is through performance. Fear and Greed propel individuals towards performance and success. One of these things is always at play. When we are young we perform in schools out of Fear of being admonished by parents and when we grow up Fear of losing what we have acquired drives us; or sometimes performance is also encouraged by Greed, i.e. a Greed for Recognition, for Wealth.

I am happy that this Institute is grooming young people, so perfectly. The course 'Management of NGOs' particularly struck me because the right NGOs can become the right kind of pressure groups. It is remarkable that some students here are following this. I wish them luck.

Once again reverting back to Bharti, I would say I am a first generation entrepreneur and it is unlikely that my children or my brothers' children will succeed me. Ours is a very professional company and I believe in professionalism. I also have faith that entrepreneurs are born as well as can be trained and developed. Personally I am an impatient man; anything that is of interest will hold me.

Today Bharti is covering 15 states and 700 million people and for the next few years also we have a massive execution challenge which we are committed to meet.

To the students here I would like to reiterate what Mr. Kapur (EDI President) has already mentioned, i.e. one should not be concerned about one's own health because only a healthy mind can work well. Leaders need high energy levels whatever be the age. An energetic mind is one of the formulae for success. Amongst the other formulae I would say that in every area an aspiring person should be 1% ahead of competition. Then there is Speed versus Perfection. If one has to choose between the two, Speed should always be the first choice because if we concentrate on maintaining Speed, Perfection will always follow.

In the present times, the graduating students are actually needed or should I say, these entrepreneurs are needed to break the 5% - 6% G.D.P range bound growth and contribute to the success of the nation. I wish you all the best for your future."

#### **The 4<sup>th</sup> Batch of PGDBEM & PGDMN**

The new batches of PG courses commenced on 3<sup>rd</sup> September 2001 with 51 students in PGDBEM and 29 in PGDMN. All 80 students represent 14 different states of the country.



**EXECUTIVES OF RECON HEALTHCARE LIMITED :  
PRE-SETTING STANDARDS OF EXCELLENCE**



*Mr. O.P. Arya, Chief Operating Officer, Recon Healthcare Ltd, Zydus Group, addressing the participants and the Guests during the inaugural function of the Programme. Also seen are (R-L) Shri M.A. Suryanarayana, GM, Training, Zydus Group, Dr. B.B. Siddiqui, Faculty Member, EDI and Dr. Sunil Shukla, Programme Director*

As globalisation gains momentum, it becomes indispensable on the part of companies to equip themselves to face the ever-increasing competition. An entrepreneur's endeavour to grow is either promoted or hindered by several business influencing factors. But one factor that plays a definite role in the success of an enterprise is its 'work force'. A work force, substantially powerful in managerial and technical fields as also with high motivation levels can prove to be the driving force of a company.

With the need to match pace with increasing competition, changing consumer behaviour, global standards underlined with advanced knowledge, information and a positive attitude, corporates, the world over, are beginning to recognise the role of work force as an efficient instrument of growth. They are, therefore, making attempts to develop entrepreneurial attitude and skills in their employees.

The process of inculcating entrepreneurial traits, in employees is termed as 'Intrapreneurship'. EDI has been regularly conducting 'Intrapreneurship Development Programmes' addressing mainly the managers/officials of corporate houses.

Broadly an Intrapreneurship Development Programme for officials of a company aims at inculcating entrepreneurial attributes, knowledge and skills in employees which then improve the company's performance, credibility and social responsibility.

Against this insight, the Zydus Cadila Group of Companies has got around 550 of its field managers trained and retrained in various intrapreneurship development programmes, focussing on different modules.

In the recent past, the Institute organised 3 Executive Development Programmes (July 16 - 22, 2001; August 6 - 12, 2001 and October 8 - 14, 2001) for Recon Healthcare Limited, Bangalore, a wholly owned subsidiary of the Zydus Group. In all, 75, General Managers, Regional Business Managers and Area Business Managers (ABMs) attended the training programmes. The course mainly focused on internalising roles and responsibilities, competencies required for becoming an outstanding entrepreneurial manager, leadership qualities and effective team building skills. The inputs centered around increasing productivity of sales force and equipping them with performance management techniques.

The participants also prepared their action plans and asserted that setting tall targets and achieving these, now appeared easy as they now had a long term vision besides knowledge on making the best of challenges and opportunities.

Dr. Sunil Shukla, the Programme Director was of the view that intrapreneurs could do wonders to corporate excellence and that these trained managers would certainly redefine corporate excellence.

According to Mr. O. P. Arya, Chief Operating Officer, Recon Healthcare Ltd., "Investments in human resource development has always been a policy of Zydus Group. This programme was also on similar lines emphasizing on developing capabilities of people to envision upgrowth in their respective fields."



## INCULCATING ENTREPRENEURIAL VISION IN SUCCESSORS

An inherent dimension of business/enterprise management is evidently the capabilities of its owner-manager. An entrepreneurial concern underlies all aspects of a successful business. A competent entrepreneur renders high maneuverability and flexibility to the firm and makes it capable of drawing the best from this intensely competitive business scenario.

Experiences and evidences suggest that successful entrepreneurs wrongly presume their successors to be capable of ensuring continuum of dynamism within the enterprise. They do not attach much importance to presence of entrepreneurial traits / characteristics and managerial skills in their successors.

But the fact remains that in the absence of grooming of the future leaders, a successful enterprise of forefathers can fall an easy prey to any demanding situation or competing force.

Recognising the need to groom successors, Entrepreneurship Development Institute of India (EDI), Ahmedabad in the year 1990, developed a training capsule titled 'Succession Planning for Entrepreneurial Continuity.'

The 13th programme in the series, organised during October 29 to November 9, 2001, was attended by those in line for top leadership in a business concern such as sons and daughters of first generation entrepreneurs.

The aim of this training is to prepare nominees of family businesses in such a way that they acquire entrepreneurial and managerial skills to ensure success of their enterprise during the times of booms and recession alike.

In consonance with the objectives, the curriculum of 13th programme mainly focussed on giving the participants an insight into the entrepreneurial environment and possibilities for product innovations; structural changes in Indian industries; government regulations, project and corporate planning; sources of finance on regional, national and international levels and networking with financial institutions; problems of transition management; relevance of basic business strategies; motivational competencies and communication skills.

The participants of the programme opined that they got a deeper insight into tackling some commonly ignored yet critical issues and learnt that diversification is just as important as maintaining the present position .

Dr. KVSM Krishna, the Programme Director, opined that he along with his team of faculty members was successful in ensuring that entrepreneurial vision resulting in the birth and consolidation of an enterprise was transmitted to the next generation of leaders.

## INDUSTRY ASSOCIATIONS ADOPT NEW DEVELOPMENTAL APPROACH

Flourishing Industrial Clusters are clear examples of the effectiveness of collective and cumulative action. They play an important role in enlarging the production base, triggering growth, alleviating poverty and thus promoting economic growth. This unionization certainly imparts an inherent strength to the small-scale enterprises. SSEs also experience the much-required upsurge on account of the business solidarity that ensues from this collective action.

However, the demanding business scenerio has necessitated new initiatives within industrial clusters and this calls for a proactive role on the part of Industry Associations. Industry Associations could be an important source of product and process innovations, and also popularise among the clusters the latest trends in business.

UNIDO, therefore, in conjunction with EDI organised a training programme during 24th to 28th September, 2001, for Executives of Industry Associations' to improve their professional capabilities so as to ensure a dynamic developmental role on their part, thus enabling them to provide customised services to members.

The programme had 22 participants (with 2 international participants) and aimed at improving understanding on cluster methodology, thus helping Industry Executives to use and promote the methodology in order to ensure systematic development of firms in their network.

The programme was interactive in nature and ensured full participation of executives. Each participant was asked to make

a presentation on the activities of their association and this exercise brought to the fore some important features of various associations such as; details on its conception, its management and the developmental role played by them. These presentations were analysed and then preceded by lectures and inputs imparted by UNIDO & EDI experts. Focus was on bringing about improvement in participants in areas like Knowledge, Management and Presentation Skills, Dynamics, Impact of WTO, Identification and Formulation of Projects, Fund Raising Skills, Approaches to Group Marketing etc.

Experience sharing sessions on Industry Associations and Clusters were also held where experiences of CII, Namdah Cluster, Tirupur Exporters' Association and Rubber Cluster in Kerala were very informative and insightful.

The participants were highly appreciative of the programme and opined that this unique programme had laid substantial focus on 'networks', 'clusters' and 'association' and that this knowledge will help them in improving the position of small scale enterprises in terms of raising the standards of production and promoting business widely.

Mr. Umesh Menon was the Director of this programme and felt that the programme was successful in developing knowledge on aspects that facilitate improvement in work performance, thus leading to increase in competitiveness. "The participants now felt confident about performing their role as able agents of change", said Mr. Menon.



## ENTREPRENEUR TRAINER-MOTIVATORS : SERVING THE CAUSE OF ENTREPRENEURSHIP



*Participants of the programme seen during a session on Achievement-Motivation Training. This training helped the participants come face-to-face with their latent entrepreneurial potential.*

Entrepreneurial Dynamism forms the cornerstone of a progressive society. It is mainly the governments and social organisations that take measures and intervene through enterprise-friendly policies so that a potential entrepreneur's entry into the world of business is facilitated.

The most fundamental aspect towards creating a culture of entrepreneurship, however, is to train people on setting up and managing an enterprise, change their mindset, increase their motivational level and inculcate in them the spirit of achievement. It is in this context that Entrepreneur Trainer-Motivators (ETMs) play a significant role. ETMs become important agents that foster entrepreneurial process in the society by training, guiding and motivating potential entrepreneurs on the processes culminating in, and the consolidation of new ventures.

Keeping in view the role of an ETM in training a potential entrepreneur to enhance his/her individual capabilities, thus facilitating implementation of new ideas, products & processes, EDI organised an International Trainers' Training Programme during October 01 to November 02, 2001. The aim of the programme was to strengthen the existing skills of ETMs by giving them an insight into hard and soft skills.

The programme was sponsored by the Indian Technical and Economic Co-operation, Govt of India and was attended by 11 participants from 5 countries, viz; Kazakhstan, Egypt, Zambia, Sri Lanka and the Kyrgyz Republic.

The major objectives of the programme were to train the participants to identify and analyse constraints and barriers to entrepreneurship development and devise appropriate strategies; train them to initiate, plan and implement entrepreneurship development activities for creation of small enterprises; inculcate skills in them to help sensitize the environment; groom them to effectively counsel the entrepreneurs on various business-specific issues and share with them the Indian experiences in small enterprise creation, its sustainability, entrepreneurship development and its relevance in developing countries.

Some of the significant inputs imparted to the participants included, an overview on entrepreneurship; analysis of competencies and assessment of potential entrepreneurs; business opportunity identification and action plan preparation; small business management; managing support services for potential entrepreneurs.

Besides classroom lectures, role-plays, simulation exercises and learning through intensive interaction, the participants were also taken on field visits, i.e. on visits to successful enterprises, support agencies etc. so that they could get practical insight into innovative schemes as also workings of an enterprise, problems and constraints faced and the approaches adopted, etc.

One of the participants, Elmira Faizova who teaches at the Taraz State University in the Republic of Kazakhstan opined, "I have learnt a lot and once I go back to my country, I will work towards starting a similar centre at the university." Another participant, Mubita Amakoka, working with the Zambia Centre for Accountancy Studies expressed happiness over the knowledge gained and was confident that he



would now be able to give a definite thrust to the entrepreneurship development movement in his country.

What increasingly benefited the participants and facilitated them in crystallising their ideas, were action plans which they prepared at the end of the training programme. The action plans stated as to how each participant would go about conducting more such result-oriented programmes in their respective

countries, thus revivifying the economy of his/ her country.

Mr. S.B. Sareen, Programme Director said, "EDI has, as of now, successfully organised 15 such trainers' training programmes. This 16<sup>th</sup> programme equally succeeded in its objectives and I can see confidence reigning high in participants who have resolved to initiate similar activities in their respective regions".

## EDI INTERVENTIONS TO BUILD CAPACITIES IN DEVELOPING COUNTRIES

Without entrepreneurship and a growing number of entrepreneurs, an economy is certain to become sluggish in growth. According to largely prevalent trend, people shy away from setting up own business for fear of scaling the cliffs & hillocks associated with the world of business.

Realising the upsurge that an entrepreneurial economy gets, governments, across the globe, are now motivating people to come in the mainstream, by introducing business friendly policies and by easing the existing procedures and formalities. One significant and proven strategy to induce in people the confidence to set up enterprises is to impart training, guidance and counselling to them. Entrepreneurship Development Programmes precisely address this need.

Understanding this need of Investment Promotion and New Enterprise Creation, United Nations Industrial Development Organisation (UNIDO) through EDI as an implementing agency, planned a series of Entrepreneurship Development Programmes in Asia, Africa, Central Asia and Arab regions so that the indigenous capacities of these countries could be developed and strengthened.

As a strategy to achieve desired results, regional focal point countries were identified and it was then aimed at strengthening the capacities of institutions of such countries for multiplier effect. EDI's efforts on the international scenario include:

### At Maputo, Mozambique

**New Enterprise Creation Programme :** As a part of UNIDO integrated programme for Investment and Technology Promotion in Mozambique, New Enterprise Creation (NEC) Programme for potential entrepreneurs was launched in Maputo, Mozambique. Out of 105 nominations received, 45 candidates were found suitable and finally, through the Institute's selection tools and techniques, 25 participants were selected for participation in the training programme, which was organised during September 17 to October 11, 2001. Training inputs focussed on giving maximum information and knowledge, thus covering topics, such as; business opportunity identification and selection, achievement motivation, personality development, management inputs and business plan preparation. Presence of EDI faculty during this training programme conducted by EDI trained trainers, ensured that there was thorough review of the progress made by all trainers for conducting EDPs. EDI faculty also extended faculty support besides facilitating the trainers in imparting the inputs effectively.

**Training Programme on Industrial Project Preparation & Appraisal :** A 3-week training programme on Industrial Project

Preparation & Appraisal (basic version) was also organised in Maputo, Mozambique. Ten participants who had already undergone 5 modules of Project Development Cycle attended the training programme. They represented Engineering & Economics Departments of University and various national level institutions like the Institute for Export Promotion, Centre for Promotion of Investments in Mozambique, National Institute for Quality, National Directorate of Industry and the Centre for Studies in Industrial Statistics and Environment. The programme inputs covered Market Analysis, Technical Analysis, Financial Analysis and usage of UNIDO Software viz. COMFAR III Expert for financial and economic analysis of industrial and infrastructure projects. The training inputs sharpened their skills in the area of sound investment decision making.

### At Khartoum, Sudan :

A basic training programme on Industrial Project Identification, Preparation and Appraisal under the aegis of Management Development Centre (MDC), Khartoum, an autonomous organisation, promoted jointly by UNIDO & ILO, was conducted by EDI during September 8 - 19, 2001. Focus was on generating awareness and wide-based interest in key interventions for investment promotion. Accordingly, the programme inputs covered project development cycle, socio-economic context of investment decision, an overview of investment opportunity identification process and market analysis, technical analysis and financial analysis of industrial project. In all, 15 participants, most of them from Management Development Centre, Khartoum and the rest from developmental institutions including Investment Authority, participated in the programme.

### At Jordan :

**Trainers' Training Programme for New Enterprise Creation :** The Arab Regional Centre for Entrepreneurship and Investment Training (ARCEIT), a centre established in Bahrain as a result of rigorous efforts of EDI in the region, aims at effectively organising and supporting investment and technology promotion and entrepreneurship development initiatives in the Arab Region. ARCEIT, with an aim to promote investment promotion in Palestine and Jordan, organised a training programme for Resource Persons (i.e. Entrepreneur Trainer-Motivators) during September 2 - 13, 2001. Under the aegis of ARCEIT, the programme was implemented by EDI.

16 participants attended the programme; they represented two groups - one from Palestine and the other from Jordan, including those from Universities, Industrial Development Bank, Ministry of Industry and Chambers of Commerce.

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## ED INSTITUTION AT TAMIL NADU

- Prof. V. Padmanand  
EDI Faculty Member

A study on the feasibility for establishment of an apex Entrepreneurship Development Institution at Tamil Nadu was pursued by EDI during January-April, 2001. The study was carried out under the auspices of the Small Industries Department of the Govt. of Tamil Nadu.

### Scope for industrial development:

Tamil Nadu has been relatively successful in the promotion of Foreign Direct Investment (FDI). FDI, essentially foreign savings, effectively enhances growth of State Gross Domestic Product given an incremental capital - output ratio. FDI need, however, not necessarily reflect on enhanced scope and potential for SME sector. For instance, if the multinational auto majors in the state source their components from elsewhere, smaller enterprises in the state derive scant benefit.

The FDI of US\$ 36.4 Billions (Projects proposed / under implementation) as on December 2000 is skewed towards chemicals and petro, mining and electricity and infrastructure sectors and to a smaller extent towards food, machinery and metals sectors. Investments in power and port sectors and unbundling of infrastructure projects offer scope for smaller projects and enterprises catering to upstream and downstream demand.

Similarly, at the macro level, resource based opportunities exist given potential in the state for mining and mineral based projects. Lignite, granite and non-ore reserves give scope for related downstream projects. The manpower resources in software, bio-technology and electronics sectors with major projects on stream and policy thrust offer scope for related smaller enterprises.

Tamil Nadu has always had a strong base in auto-components industry with the state manufacturing 35% of all India production. However, a few large domestic groups cater to most of the requirements sourced by auto-majors in India. Developing the large number of smaller auto-component manufacturers into an efficient sub-contraction pocket has not been an off. Sub-contraction pocket development does not imply mere compilation of a database of potential domestic vendor units. Rather, it warrants the development of their competencies in terms of productive integration to offer critical volumes of technology, standards and prices required by the long players. The latter are open to sourcing from the far-east and the rest of the world. Smaller enterprises in Tamil Nadu should not miss out on this opportunity for sustenance if not survival.

Similarly, in the agro and food-processing sector, the state has tremendous potential, being amongst the major producers (in India) in Banana, Tapioca, Coconut, Mango and Groundnut, for example. An important need is of developing common branding options as to promote rational differentiation in such products similarly, Govt. policy and support may ensure infrastructure and development of industrial parks. However, mere promotion of enterprises in parks without considering supply chain efficiency is hardly sustainable. In circumstances where groundnut oil, certain leather products, engineering and machine tools and electronic products are internationally

available at 60% of domestic prices to what avails is mere resource and demand based identification of sectors and programmes for New Enterprise Creation (NEC). Options of reducing cost of production by means of enterprises working on raw material purchase, finance and marketing consortiums need be explored.

Thus, given the opportunities, the need of the hour is to 'efficiently' tap available resources and take advantage of the scope for upstream and downstream demand.

### Need for an efficient, integrated Business Development Service Provider :

Smaller enterprises constitute the overwhelming majority of enterprises in the State of Tamil Nadu. In industries in the diminishing stage of their life cycle (at least in product form) in sectors where labour accounts for most of the variable costs and, in industries with relatively little scope for reaping scale economies of large manufacturing, smaller enterprises may survive and thrive. However, the scenario presented earlier and competition from South East Asia and other regions highlights the need for efficient Business Development Services (BDS) for existing industry. One important intervention is to understand that while manufacturing may be the forte of small enterprises, marketing and raw material purchase and management warrants the muscle of scale. Development of brand equity and channel motivation in marketing and in reduced costs of bulk purchase warrants the same. Cost of production in manufacture of standard leather products like shoes, for example is low in South East Asia as they incorporate this approach. Many in fact also reduce labour costs by taking the sub-contraction philosophy to households. Fixed labour costs are hence minimalised. Other than these measures to minimalise costs, efficient BDS need be provided on various fronts.

There is need to conceptualise scope for product or market led diversification to minimise risk in entrepreneurship. For instance, an export oriented cold storage for shrimp and lobster should not be allowed to erode its working capital margin if raw material is not available. Counselling on converting a split-cold-storage into one that can also store fruits and vegetables for the same market need be offered. Changes in temperature and humidity controls may suffice. Similarly, scope for focus on market niches or customised products for leather goods manufacture rather than manufacture of standard garment and shoes could be explored and facilitated through counselling support. Cost structure analysis for deciding optimal economic size in manufacture need be made. All these interventions need be made by an efficient BDS providing institution. The institution may hardly be all encompassing in terms of services offered. But, it should have the competence to conceptualise necessary interventions and synergise intervention of specialised institutions.

In fact, a sector need be considered as an interdependent network comprising small, medium and large raw material

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## KUDUMBASHREE : TACKLING MULTIPLE DIMENSIONS OF POVERTY

*People enervated with poverty and hunger! For them a day's meal is enlaced with the condition of hunger for several days to come. They are even oblivious of the smallest of measures that can redeem their sorrowful plight!*

*Such is the face of a major part of India. The unfortunate and the under-privileged - they necessarily need to be enshrouded in the advancement policies formulated in the economic sphere.*

Kerala, the land of celestial beauty that beckons people from across the world, needs multifaceted action on the developmental front. Poverty and unemployment are bitter facts of Kerala.

Government of Kerala, with active support of Government of India, National Bank for Agriculture and Rural Development and UNICEF has, therefore, launched a State Poverty Eradication Mission, termed 'Kudumbashree', which means 'Prosperity of Family'.

The project aims at visibly lessening the rigours of poverty in a span of 10 years.

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

- ◆ Empowerment of women through community based organisations
- ◆ 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's interventions become significant in the areas of capacity building of Kudumbashree and support organisations, thus stabilising and improving 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 together. The minimum turnover should be 2 to 10 times of the total capital investment. At this point, it is worth mentioning an incredible achievement of Kudumbashree. Under the project, as of now, nearly 700 group units have already been established.

In order to create as well as develop the existing entrepreneurs, EDI 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 Co-ordinators, Assistant District Mission Co-ordinators; Entrepreneurship Sensitization Workshops for Senior Officials of Kudumbashree and other support organisations.

### Performance Improvement Programmes

The Institute, as of now, has organised 10 Performance Improvement Programmes. 145 Group Enterprises formed under Development of Women and Children in Urban Areas (DWCUA) received training.

A flourishing enterprise has a pronounced entrepreneurial culture. As an enterprise grows, it becomes important for the entrepreneur to progressively enhance his abilities and strategy execution techniques so that result yielding opportunities are made maximum use of.

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

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, 600 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 also conducted 2 Appreciation Workshops, at Trichur and Trivandrum to sensitise Kudumbashree on the need for creating a conducive environment for promoting micro enterprises, and to deliberate on successful initiatives for tiny and small enterprise development.

Subsequently, EDI will be conducting :



◆ Sensitization Workshop on Entrepreneurship so that a conducive environment is created and pro-active involvement of development officials of the organisation is ensured when potential entrepreneurs seek support.

◆ Entrepreneurship Appreciation (Sensitization) Programme for district level project officers. Such training coupled with counselling & motivation etc. will hasten the pace of enterprise launching.

## FACILITATING THE GROWTH OF MICRO FINANCE SECTOR

Although the vast rural contours of the country abound in business opportunities, growth and development of these regions have become abiding concerns for planners and various developmental committees. This condition mainly results from lack of awareness, knowledge and human motivation in rural areas to set up own enterprise. People remain subservient to the environment and seem to have accepted poverty & unemployment as harsh realities of life.

The Institute has, therefore, developed a Rural Entrepreneurship Development Model to teach and motivate rural youth to start their micro enterprises. However, experiences reveal that one of the major hurdles faced by trained potential entrepreneurs in setting up their enterprises is lack of finance or problems in accessing finance. Although the formal banking system is well - established in India, rural India continues to depend on money lenders for their credit needs. Servicing of micro credit is not seen as economical from commercial banks' view point on account of difficulties that arise in appraisal and transaction costs.

EDI, therefore, conducts programmes on Micro Finance Delivery System to train NGOs, who are active agents in the developmental scenario, to acquire knowledge on the formation of Micro Finance Institutions (MFIs). Micro Finance Institutions take loan in bulk from apex financial institutions and then on-lend to Self-Help Groups and individuals.

One such programme sponsored by SIDBI, was organised during 27<sup>th</sup> August to 1<sup>st</sup> September 2001 and aimed at imparting necessary knowledge to NGO executives for the formation of MFIs. Training and Guidance to the executives of NGOs to develop financial systems & procedures for the management of micro finance delivery projects was focused upon. 28 executives of NGOs, involved in implementing micro finance projects participated in the programme. They represented 11 states of the country, viz. Gujarat, Jharkhand, Karnataka, Maharashtra, Tamil Nadu, Uttar Pradesh, Uttaranchal, Manipur, Orissa, West Bengal & Rajasthan.

The inputs mainly imparted insights into strategic and

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### ED INSTITUTION AT TAMIL NADU

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providers, machinery suppliers, customers, consumers and support institutions that face common challenges and opportunities. This highlights the need for an institution that can pursue 'integrated' interventions on all actors. This will ensure sectoral efficiency.

Outside the state and abroad, a mutual credit guarantee scheme of financing for example offers safer and more feasible schemata for financial institutions while resolving financial problems of smaller enterprises. Such win-win situations may be developed only by an efficient BDS providing integrated institutions.

The report incorporates a study of about 30 relevant ED institutions, industry associations, related R&D / policy research and academic institutions, financial and developmental financial institutions. This scrutiny involved an analysis of activities, thrust, funding patterns, scope for synergisation and capacity building and impressions on proposed Tamil Nadu Centre for Entrepreneurship Development (TANCED). These actors here found to be rather

narrowly focussed on specialised areas of activities be it policy research, Entrepreneurship Development for New Enterprise Creation, and so on. No actor offers integrated and efficient Business Development Service (BDS) warranted by the industrial economy. Few institutions intervene on existing entrepreneurs other than to the extent of conducting short duration workshops. Sustained and integrated interventions targeted at existing entrepreneurs and at other actors including bankers, consultants or support institutions, are conspicuous by its absence. Gaps in interventions are also perceptible.

Following institutional analysis, the study also analyses certain activities being pursued by ED institutions. An analysis of EDP, PMRY training conducted by different institutional typologies as also the institutional analysis pursued reveals the necessity for accreditation of trainers, filling gaps in the selection process, the need for regionalised standardization of programme structure amongst others.

The analysis carried out over the study, establishes the need for an apex, efficient and integrated ED institution in Tamil Nadu.

### EDI INTERVENTIONS TO BUILD CAPACITIES IN DEVELOPING COUNTRIES

*Continued from page 8*

The participants were imparted learning on how to train and motivate local youths so that they opt for a career in entrepreneurship and come into the economic mainstream. The programme aimed at imparting training on areas that address the needs of entrepreneurs and promoting the desirable aspects of entrepreneurship.

The main focus areas were to train participants to identify and analyse constraints and barriers to New Enterprise Creation; initiate, plan and implement entrepreneurship development activities for creation of small enterprises; equip them to assess entrepreneurial competencies and evaluate project plans and inculcate in them strategic skills to sensitize policy makers so that a conducive environment for self-employment is created. Towards the conclusion of the programme, the participants prepared their action plans giving concrete idea, about the kind of activities they would be taking up, besides also indicating the expected outcome of their planned initiatives.



## TRAINING PROGRAMME ON MACRO-MEDIA TOOLS FOR THE WEB

Information Technology (IT) is, today, regarded as an indispensable tool for companies to remain competitive and a step ahead in the corporate world. To be called 'IT-enabled & advanced' is a compliment in this IT age; no wonder professionals from varied fields are trying to catch up with new technologies. And in the midst of it all is the dotcom hype which has taken everyone in its grip.

Web-sites are becoming increasingly popular today, mainly on account of the ease with which they pass on information to the explorer. The corporate world is largely resorting to this effective medium to reach its target group. A web-site speaks volumes about the image of a company, helps market it and, if impressive, increases its appeal manifold in the eyes of the target group. Industrial houses hire renowned web designers to create their web-sites. But what most of us never thought is the fact that we too can learn the elements of web designing and admirably excel in this very creative job.



Ms. Kate Dixon, an internationally acclaimed Instructional Designer from the U.S. was at EDI during Oct. 3rd - 24th, 2001. Besides conducting a programme on Web-Designing and taking sessions in PGDBEM, Ms. Dixon also prepared an interactive CD for the Distance Learning Programme of the Institute, titled, 'Open Learning Diploma in Business Entrepreneurship'. Ms. Dixon's visit was sponsored by the American Centre, Mumbai.

EDI, therefore, organised a one-day Seminar on October 19, 2001 to help participants acquire knowledge on creating web-sites.

The prime objective of this seminar was to impart learning on the tools and tricks of creating user-friendly and appealing web-sites. Those planning to take it up as a career participated to acquire further proficiency in the field. This enhanced knowledge sought to give the participants a cutting edge over others in the field.

Inputs were provided on some of the macro-media tools for the web:

**Dream-weaver** is a professional HTML editor for visually designing and managing web-sites and pages. Dream-weaver provides advanced design and layout tools and generates the Java Script code needed to create animated layers and behaviours. The seminar imparted knowledge on how to create layers that appear or disappear on click, insert and modify tables, create dream-weaver templates, and many other things.

**Fireworks** is a powerful graphic design programme that focuses exclusively on the production of images for the Internet. Training was provided on how to draw and paint, edit existing images and create interactive features such as roll over buttons and image maps.

**Flash** is a tool that enables one to create high-impact animated Web experiences. Flash can be used to create entire web sites or elements such as animated logos or 'movies' for use within HTML pages. Among many other things, focus was on how to create a ball that bounces across the screen and the button that makes it start and stop.

The seminar was conducted by Ms. Kate Dixon.

### FACILITATING THE GROWTH OF MICRO FINANCE SECTOR

*Continued from page 11*

operational planning, monitoring/evaluation, loan product designing and loan administration in micro finance institutions.

According to the Programme Director, Dr. Naresh Singh, accessibility of the poor to formal credit channels is extremely important. I am glad that NGOs are taking initiatives to become micro finance delivery channels to the poor. This programme, as I can judge from the responses of the participants, has succeeded in equipping them with necessary information on formation of MFIs."

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