

Entrepreneurship Development Institute of India

The Spread of **Entrepreneurship** in Eastern India...

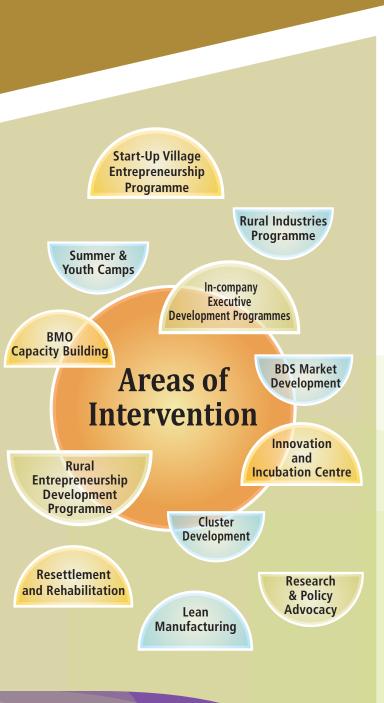
EDII's Interventions

Director's Message

The Eastern India is gradually unravelling its entrepreneurial potential with many youths voluntarily choosing to become entrepreneurs. Several cities such as; Bhubaneswar and Kolkata for instance, narrate success stories of many a start-up. A wave of start-ups, particularly by the young aspiring entrepreneurs is an encouraging sign. The new breed is ready to take up the challenges and does not get bogged down in crises. Technology and innovation fascinate them, and their business model emphasizes this aspect. The investors are finding them interesting and the government is supporting them. We at EDII are always on the job of scanning the environment to institute programmes that align well with aspirants' inclinations so that they get trained suitably and tread on the path of entrepreneurship. I am glad the results are showing up.



- Sunil Shukla



The Eastern region of India abounds in opportunities and resources. Entrepreneurship Development Institute of India (EDII), Ahmedabad, recognizing the region's potential aptly initiated activities in this region, to support market demand and display social responsiveness. The results have been heartening and continue to move up the ladder. The entrepreneurial contours are fast shaping up in the region, including the innermost sections.

EDII, as a national resource institute with the onus of advancing the boundaries of Entrepreneurship, has been contributing to holistic growth of the region, and is geared up to match pace to spur focused marketoriented interventions. To oversee work in the entire eastern region, the Institute has set up offices in Kolkata and Bhubaneswar.

MSME Cluster Development

The business environment is never static, it is forever changing, demanding groundbreaking solutions to wade out of competition and create a niche. However, several times it becomes difficult for a micro/small entrepreneur to individually employ global thinking and strategies but if entrepreneurs in a homogenous line of products, employ coping strategies in a conglomerate, benefits result for all. There are ample examples which elucidate how by working together under cluster approach, MSMEs survive market competition and at the same time grow and take their businesses on a higher growth path. Therefore, the Eastern Region Office of the Institute undertook cluster development wherein efforts were made to bring the enterprises to work together so that there could be development on all fronts of business for MSMEs. The office also conducted Cluster Level Intervention Program (CLIP) in selected MSME cluster in West Bengal. A series of capacity building programmes in diverse areas were conducted under the aegis of CLIP which benefited MSME entrepreneurs and their employees.

The Cluster Development Model primarily revolved around five components classified under three heads of:

Training and Capacity Building

• Cluster Development Executives' (CDEs) Training: In order to put in place a cadre of resource persons who could stabilize and also streamline cluster development initiatives at the State and Regional level, the Institute conducted Cluster Development Executives' Programme. Training was imparted to resource persons working with Micro, Small and Medium Enterprise Development Institute (MSME-DI), District Industries Centre (DIC), National Bank for Agriculture and Rural Development (NABARD), Weavers Service Centre, Textile Committee etc. These programmes helped the participants in understanding the principles of cluster development and how to implement a Cluster Development Programme.

Implementation

• *Cluster Development Programme (CDP):* The model involving soft and hard interventions started with workshops for awareness generation, sensitization and one-to-one counselling and expanded to encompass

research and development targeted at quality and productivity improvement, technology upgradation, cost reduction, market and export development, design development, credit rating, enterprise resource planning, social capital development etc.

- Common Facility Centre (CFC): This significant initiative under the cluster development intervention assured technology upgradation for all MSME entrepreneurs of a given cluster, irrespective of their financial affordability. Appropriate machinery/technologies were housed in a special Centre on a private public partnership (PPP) mode so that all the cluster entrepreneurs availed easy access to modern machinery/ technology. EDII has facilitated establishment of common testing laboratory, dye house etc. in different MSME clusters in the eastern region. With the objective of addressing pollution and environmental issues, modernization of Common Effluent Treatment Plant (CETP) in the leather cluster at Bantala, Kolkata was also successfully undertaken.
- *Raw Material Bank:* Creation of Raw Material Bank addressed shortage of raw material issues in clusters of the region. The entrepreneurs did not have to pay exorbitant amounts to source raw materials during periods of unavailability.

Project Management Consultant (PMC) & Policy Advocacy

With the objective of streamlining MSME cluster development initiatives in their respective States, Government of West Bengal and Government of Orissa have engaged EDII as Project Management Consultant (PMC). In this capacity, the Institute started closely working with the Industries Department of respective States and helped them in developing comprehensive strategy and action plan to foster MSME Cluster Development in the State. The Institute was involved in conducting diagnostic study, prepared vision, strategy &





Italian consultants giving valuable tips to designers on trends and patterns

EDII delegation visited Tokyo & Osaka, Japan

action plan and implemented the same to usher in holistic development of MSME clusters in the regions. EDII also got engaged in conducting Cluster Mapping Exercise in Bihar and provided advisory services to the State Governments in terms of promoting MSME clusters in the State. The Office has also effectively represented to affect policy change or action.

BDS MARKET DEVELOPMENT

Development of Business Development Services (BDS) market has been a pioneering project of the Institute's Eastern Region Office. The objective was to develop BDS market so that MSMEs operating in clusters were able to derive benefits of quality services provided by private and public BDS providers. The BDS market holds the potential of refurbishing the MSME sector by streamlining not just the regulatory aspects in MSMEs but also in terms of making available strategic and embedded services that they look for. The Office conducted capacity building programmes for existing BDS providers and started linking the BDS providers (BDSPs) with the MSME sector. Higher value addition and increased competitiveness of initial few MSMEs impressed upon others to follow suit. Introduction of business development services in operational and management areas further propelled the market for business development service providers, while significantly improving the quality of MSMEs.



Impact of BDS Market Development Project in Leather Cluster, Kolkata

- No. of persons trained 1799
- Employment created 1295 (71% growth)
- Enhanced turnover Rs.608.34 crore
- Enhanced export Rs. 216.43 crore
- Improvement in productivity 26%
- Improvement in quality 22%
- Average energy saving per MSME 20000 to 45000 KWh per annum
- Credit rating of MSMEs 50
- No. of firms adopting better environment compliance measures 300
- No. of BDSPs trained 153
- New strategic BDSPs developed and linked to the MSMEs 88
- Adoption of environment compliance measures by MSMEs 300 nos.

IN-COMPANY EXECUTIVE DEVELOPMENT PROGRAMMES

Arriving at a sound business strategy, identifying and exploiting opportunities, effectively influencing team behavior and other management actions are traits that depend on a framework of crucial skills and competencies. EDII has decades of experience in placing corporates on a high growth trajectory by training its employees to maximize productivity within the existing resources. The Eastern Region Office successfully replicated these programmes by modifying the model to suit the requirements of renowned corporates. These programmes helped the executives in understanding the conceptual framework of deriving a sound business strategy, reaching critical decisions, appreciating the turbulent industry structure, thus achieving increased performance and efficiency.

BMO CAPACITY BUILDING

The role of Business Membership Organizations (Industry Associations or Chamber of Commerce and Industry) as facilitators of business (of MSMEs), by extending a range of meaningful value added services to their members cannot be understated. Proactive BMOs can efficiently bridge the market imperfections due to information asymmetries by acting as good data resource. For this, however, capacity building of the BMOs is important so that their functional and organizational performance is improved. Capacity building programmes for the BMOs operating in the Eastern Region of the country were highly successful leading to improved performance of the BMOs and quality services to their members.

INNOVATION AND INCUBATION CENTRE

Entrepreneurship, innovation and incubation are interrelated. Innovation based incubators are a must to trigger the phenomenon of new age entrepreneurship. Against this backdrop, the Eastern Regional Office started providing technical support to the Centre for Entrepreneurship Development (CED), BRAC University, Bangladesh for establishment of an Innovation and Incubation Centre there. A capacity building programme on how to establish and manage an Incubation Centre was conducted by the Institute. This was followed by a visit of Incubation stakeholders from Bangladesh to India to observe 'best practices' in Incubation management. After imparting all-inclusive information and developing competencies, the Institute developed a business plan and manual for operational efficiency of an Innovation and Incubation Centre.

RURAL INDUSTRIES PROGRAMME

Eastern Regional Office of the Institute successfully conducted Rural Industries Programme (RIP) to promote micro enterprises in rural hinterlands. Business opportunity profiling of rural areas, selecting potential entrepreneurs, providing training on new venture creation, preparing business plans and establishing financial linkages were carried out by the Office, thus ensuring industrial development in rural locales.

LEAN MANUFACTURING

Lean manufacturing focusses on reducing the lead time, so as to lessen costs and increase operational efficiency. The Office introduced several MSMEs in the Eastern region to lean manufacturing practices and they have endorsed its role in improving overall productivity. The various strategies under its umbrella include; audit of the cluster, preparation of diagnostic study to fix the gaps and action plan based on it.







(L-R) Mr. A O Kuruvila, Deputy Director, MVIRDC World Trade Centre and Mr. C R Patnaik, EDII Bhubaneswar, exchange signed MoUs. Also seen here is Mr. A K Sharda, Leading Entrepreneur in Odisha



Youths engaged in the Centring of Job on the lathe machine during the Skill Development Training under Personality & Workmanship Development Programme

ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

(New Enterprise Creation)

Entrepreneurship Development Model, evolved by the Institute over three decades back, has been recognized as a strategic development tool and also positioned as a pillar of economic growth. For over more than two decades the Institute has conducted EDPs with resounding success, in all provinces of the Eastern Region. Starting with the selection of entrepreneurs, achievement motivation training, business opportunity identification, market survey, technology identification, business plan preparation and financial linkages, the Office has played a pivotal role in developing large number of micro entrepreneurs in various areas of the North Eastern Region. Hand-holding support was provided subsequent to the training to ensure an appreciable start-up rate. Some milestone projects also include specialized programmes on Micro Enterprise Development, Value Addition & Marketing for support system officials to create a cadre of facilitators of livelihood promotion for the community as well as for critical natural resources, such as the one undertaken for conservation of forests at the behest of the Government of Orissa.

RURAL MARKETING

Rural areas produce goods that have a strong consumer base but most of the time their inability to reach the consumers and the right markets, keeps them away from getting their due. Rural Marketing thus needs to be focused upon so that the producers tap the right avenues. EDII Eastern Region Office not just introduced entrepreneurs to the concept of rural marketing but also trained them in understanding the pulse of the market and accordingly bringing about innovations in their area. The training involved lessons on how Rural Marketing can be used as a mechanism of change by focusing on qualities of networking, employing modern marketing tools and thus communicating effectively.

CADRE OF BUSINESS DEVELOPMENT SERVICE PROVIDERS (BDSPs) FOR WOMEN SHGs

The Institute conceptualized and created a cadre of BDSPs, locally known as Shakti Sahayikas, by identifying and training women belonging to rural communities to enable them to provide handholding support on a consultancy basis to Women SHGs.



Students studying in the areas affected by TSIL Project, participating in Road Safety Week, an initiative under social change and awareness programme at Angul

VOCATIONAL EDUCATION

The rural architype presents great scope for intervention to ensure entrepreneurial opportunities to youths. Vocational training in the areas of marketing, business plan preparation, business management, networking etc. were covered in specialized sectors to orient youths towards new enterprise creation. One such landmark programme was sponsored by Tata Steel and ensured 57 enterprises from among the 104 youths trained.

WORKING WITH SHGs

Self Help Groups (SHG) are important constituents of local economic fabric in many areas in our country and the Eastern Region is no exception. SHGs contribute income generation, raw material sourcing, materials and establishing market linkages for rural products. Keeping in mind their contribution in Local Economic Development (LED), SHG formation (with building and engaging them in value addition, market development and systematically undertaken by the Office. The Institute has closely worked with a large number of SHGs in many of its projects to reach out to people in the remotest corners of the region.

Working with VEDANTA ALUMINUM Ltd.

EDII worked with VAL to enhance employability of the displaced families of the Company. The training metamorphosed the youth through vocational skill inputs, technical skills, soft skills, thus evolving them as a capable brigade, ready to take the challenges of life.

The project continued for a period of 5 years and within this period could effect a noticeable change in skills, behavior and attitude. All the youths trained under this programme have been employed by VAL. Some have even emerged as 'star performers'.

RESETTLEMENT AND REHABILITATION (R&R)

Rehabilitation and resettlement project has been conceived, designed and implemented in Orissa. The basic objective was to rehabilitate and resettle those displaced by industrialization of rural segments of the region. For this, the Institute successfully conducted Micro Entrepreneurship Development Programmes (MEDPs) in Orissa. These were conducted under the umbrella of CSR project supported by the Vedanta Group wherein apart from training, the local people were provided hand-holding support so that they could start their micro enterprises. The success of the rural Resettlement and Rehabilitation (R&R) project has earned accolades from stakeholders including government, private sector and local people.



START-UP VILLAGE ENTREPRENEURSHIP PROGRAMME

The Start-Up Village Entrepreneurship Programme was announced by the Hon'ble Finance Minister in the budget speech 2014-15. The Programme envisages creation of sustainable self employment opportunities for a large number of rural youths, thus enabling them to engage with the market and help generate wealth locally. The project also looks forward to bringing banks and financial institutions closer to the village entrepreneur. EDII, as National Resource Organization (NRO) for the project, is implementing the project in ten states of the country. Odisha and West Bengal will also shortly see implementation of the programme and ensure self-employment opportunities for rural youth.



FACULTY DEVELOPMENT PROGRAMMES/ TRAINING OF TRAINERS

Faculty Development Programmes were implemented successfully across the region to train the faculty group and develop them as resource persons who could guide and motivate young students to take up entrepreneurship. On the same lines a cadre of trainers has been created through structured training so that they initiate development interventions at the grassroots and in the remotest corners of the region. This has imparted sustainability to the interventions.

PERFORMANCE IMPROVEMENT PROGRAMMES AND GROWTH PROGRAMMES

For existing entrepreneurs, it becomes very important to periodically analyze their performance and plan a growth-strategy keeping in view the developments in the field. Performance Improvement cum Growth Programmes train them to gauge the market and strategize accordingly. The programmes infuse management proficiency and growth – oriented competency to ensure rejuvenation and progress of existing enterprises. Programmes in this area have noticeably given a boost to existing enterprises.

ENTREPRENEURSHIP CAMPS FOR CHILDREN & YOUTH

EDII has been imparting entrepreneurial skills and competencies to children and youth to goad them on to higher-order achievements. Children in the age group of 12 to 16 years and youth between 16 to 21 years undergo classroom learning, simulation exercises, role plays, discourses by achievers and field visits that break their stereotypical thinking by inculcating entrepreneurial traits as well as high achievement motivation quotient in them.

POLICY RESEARCH AND ADVOCACY

EDII has always remained conscious of the importance of knowledge generation through research and donned the cap of an applied research cum development centre in entrepreneurship. Its research projects on contemporary issues have been widely acknowledged. Outcomes of these research projects have also been disseminated at bigger platforms and have enhanced our understanding of issues. In the context of the Eastern Region, research on Value Chain, Cluster Dynamics and BDS have facilitated further concrete and tangible action. The Government of India had also engaged the Office to conduct evaluation study on Rural Business Hub, Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) etc., which have been successfully completed. Techno- Economic Feasibility Study was conducted in eight natural fiber clusters in eleven districts of West Bengal. Simultaneously, Policy Advocacy has also been a significant engagement.

NATURAL RESOURCE MANAGEMENT

EDII has the experience of conserving natural resources and protecting forest resources through its various projects undertaken under Odisha Forestry Sector Development Project (OFSDP). This project has also enabled VSS and SHGs of the region, undertake various forest based livelihood programmes.

Govt pulls cobblers out of daily drudgery

Jhimli.Mukherjeepandey@timesgroup.cor

Kolkata: A thousand odd people, belonging to 150 families, living in the heart of the city for nearly 200 years have suddenly found a parent. The elders would make Rs 20 a day, not enough to feed hungry mouths at home, but finally someone is handholding them to a better life. The cobblers off S N Banerjee Road, settled here as a colony on Uma Das Lane, have been adopted by the state MSME department to become self-sufficient and come out of economic slavery.

Popularly called the Muchi Colony, these people are traditional cobblers from Bihar who have lived here for four generations. They buy tanned leather from middlemen on credit and make shoes according to specifications. This might sound innocuous but the real story is something different, they are never able to re-pay their credit, which keeps mounting and the middlemen do their best to exploit them. There is a close link between the suppliers of raw materials and the buyers of finished products. This also helps to dictate the low price at which the cobblers are forced to sell their shoes. On an average,



a man makes as little as Rs 20 per shoe after slogging at it the whole day.

This week, the cobblers were given a loan without any collaterals by a commercial bank, which is a first in its own right. "We are trying to develop this cobblers' cluster of Janbazaar as a model, but what was important was revenue. On the one hand, the cobblers needed skill development and a decent working capital and on the other, we have to develop a completely mechanized modern shoe making unit that can be utilized by all."



Bank officials hand over a cheque to a cobbler; (left) cobblers at work in Janbazaar

said state MSME secretary Rajiva Sinha.

Ahmedabad-based Entrepreneurship Development Institute of India (EDI) was involved to train the cobblers, but many of them were initially unwilling to devote time for such training. "We thought that we are so poor already, how can we waste time in training? What we needed was money and we told the sahibs that we need food before we can even think of training," said Ramswaran Ram, a 70-year-old cobbler. MSME officials went from one bank to another with their idea seeking loans sans collaterals but most refused till they reached the Dharamtolla-branch of Indian Bank. It not only agreed to give personal loans worth Rs 50,000 each, but also fund the completely mechanized footwear making centre in Beliaghata. "We realized that if the cobblers have to reach a breakthrough, just a soft loan and bettering their traditional skills will not help. They needland to build a new mechanized centre. But since the cobblers are too poor; we got the West Bengal Small Industries Development Corporation to buy a one-bigha plot at Beliaghata and give it on perpetual lease to the cobblers," explained Sinha.

Indian Bank (Dharamtolla Branch) general manager, Amil Banerjee said the cobblers have to pay back the loan over six years. "But the bigger challenge is to develop the centre with specialized machines. It entails a cost of around Rs 5 crores," he said. Kaushik Mukherjee, a faculty of the

Kaushik Mukherjee, a faculty of the EDI, who is training the cobblers, has already involved the Indian Institute of Footwear Technology at Bantala to help them switch over to machines.

CREATING AGRIPRENEURS

To develop youths of the region as potential agri entrepreneurs, EDII has associated with CARE, NABARD and other development organizations. Forests abound in resources and could prove to be a haven for tribals and forest dwellers but middlemen make these people collect the rich forest resource and buy at very cheap price. EDII has worked towards conservation of some species by converting the collectors into agripreneurs. This was achieved by training and motivating them to cultivate the species on the verge of extinction. They were taught scientific methods of cultivation.

ENTREPRENEURSHIP EDUCATION

EDII is a pioneer in entrepreneurship education and research. The Institute is the forerunner in launching structured educational programme in new enterprise creation, family business management and the development sector. The regular post graduate courses that the Institute has been offering are Post Graduate Programme in Management – Business Entrepreneurship and Post Graduate Diploma in Management – Development Studies. The Institute also offers Open Learning Programme in Entrepreneurship so that working professionals who have paucity of time can benefit from the training. EDII's wide network of branch and regional offices facilitates in organizing these programmes. The Eastern Regional Office plays an integral part in the implementation of educational programme and as a counselling centre to guide students.

FUTURE DIRECTIONS

Clusters have established themselves as a potent solution for all-round growth of MSMEs. The eastern office would continue with tangible efforts in this area. Efforts would also be directed towards introducing entrepreneurship in the formal education system in the region. The Eastern Region Office also looks forward to conducting several short duration programmes to enhance the competencies of entrepreneurs in specific areas of business including export promotion. While the existing projects would continue getting diversified, new areas would be delved into in keeping with the need of the hour. For instance: Trade Facilitation would be taken up as an important area to ease the procedural complexities for globally operating entrepreneurs so that the delays do not deter them. In the same vein, programmes on Export-Import would be focused upon to help entrepreneurs look beyond the national boundaries. The vast and significant domain of health and safety of workers would receive emphasis through projects on Occupational and Health & Safety. Other issues of contemporary relevance, such as; Climate Change Issues, Cluster Twinning and Research on topical subjects would be focused upon.



EDII Governing Board

(as on 30.09.2016)

SHRI KISHOR KHARAT

President-EDI Managing Director & Chief Executive Officer IDBI Bank Ltd.

SHRI K. P. NAIR Deputy Managing Director IDBI Bank Ltd.

SHRI MALAY MUKHERJEE Chief Executive Officer & Managing Director IFCI Ltd.

SHRI ANAND T. KUSRE Nominee Member & Former GM-ICICI Bank Ltd.

SHRI G. K. Kansal Chief General Manager (SME) State Bank of India

SHRI P. K. TANEJA, IAS Additional Chief Secretary Industries & Mines Department Govt. of Gujarat

DR. YOGINDER K. ALAGH Chancellor Central University of Gujarat DR. SAILENDRA NARAIN Chairman Centre for SME Growth & Development Finance, Former Chairman &

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Secretary Ministry of Micro, Small & Medium Enterprises Govt. of India

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Founder Chairman Dalit Indian Chamber of Commerce & Industry (DICCI)

DR. SUNIL SHUKLA Director Entrepreneurship Development Institute of India

THE INSTITUTE

An acknowledged National Resource Institute for Entrepreneurship Education, Research, Training & Institution Building.

Entrepreneurship Development Institute of India (EDII), an autonomous and not-for-profit institute, set up in 1983, is sponsored by apex financial institutions - the IDBI Bank Ltd., IFCI Ltd., ICICI Bank Ltd. and the State Bank of India (SBI). The Government of Gujarat pledged twenty-three acres of land on which stands the majestic and sprawling EDII campus. To pursue its mission, EDII has helped set up twelve state-level exclusive entrepreneurship development centres and institutes. One of the satisfying achievements, however, was taking entrepreneurship to a large number of schools, colleges, science and technology institutions and management schools in several states by including entrepreneurship inputs in their curricula. In view of EDII's expertise in Entrepreneurship, the University Grants Commission had also assigned EDII the task of developing curriculum on Entrepreneurship and the Gujarat Textbook Board assigned to it the task of developing textbooks on Entrepreneurship for 11th & 12th standards.

In order to broaden the frontiers of Entrepreneurship Research, EDII has established a Centre for Research in Entrepreneurship Education and Development (CREED), to investigate into a range of issues surrounding small and medium enterprise sector, and establish a network of researchers and trainers by conducting a biennial seminar on entrepreneurship education and research.

In the international arena, efforts to develop entrepreneurship by way of sharing resources and organising training programmes, have helped EDII earn accolades and support from the World Bank, Commonwealth Secretariat, UNIDO, ILO, FNSt, British Council, Ford Foundation, European Union, ASEAN Secretariat and several other renowned agencies.

The Ministry of External Affairs, Govt. of India assigned EDII to set up Entrepreneurship Development Centers in Cambodia, Lao PDR, Myanmar and Vietnam and Uzbekistan. Five such centres in African region will be established very soon.

For more information, please contact:

East : Bhubaneswar: Naibedya, Plot No. 1855/2168 Ground Floor, Damana Square, Chandrasekharpur, Bhubaneswar-751 016. Telefax : 0674-2744100 E-mail : ediero@ediindia.org Kolkata Project Office: C/o. Mr. Desh Bandhu Gupta, 6/259, Atghara, Rajarhat Road, P.S: Baguiati; P.O: R. Gopalpur, Dist: 24 Pgs (N) Kolkata - 700136. Mobile: 09674515075 / 09830505876 E-mail: edikolkata@ediindia.org

Head Office:

Entrepreneurship Development Institute of India

P.O. Bhat 382 428, Dist. Gandhinagar, Gujarat Tel : (079) 23969159, 23969161, 23969163 Fax : (079) 23969164 E-mail : info@ediindia.org Website : www.ediindia.org/www.ediindia.ac.in