

## **Self employment**

### **What can be done for self-employment?**

A micro or small or medium enterprise can easily be set up for self-employment.

One can choose an activity depending upon their interest and suitability not only to become self-employed but also to generate employment for others.

### **What is a Micro, Small or Medium Enterprise?**

The earlier concept of 'Industries' has been changed to 'Enterprises'

- Enterprises have been classified broadly into:

(i) Enterprises engaged in the Manufacture / production of Goods pertaining to any industry; &

(ii) Enterprises engaged in providing / Rendering of services.

- **Manufacturing enterprises** have been defined in terms of investment in plant and machinery (excluding land & buildings) and further classified into :

- **Micro Enterprises** - investment up to Rs.25 lakh.

- **Small Enterprises** - investment above Rs.25 lakh & up to Rs. 5 crore

- **Medium Enterprises** - investment above Rs. 5 crore & up to Rs.10 crore.

- \***Service enterprises** have been defined in terms of their investment in equipment (excluding land & buildings) and further classified into:

- **Micro Enterprises** – investment up to Rs.10 lakh.

- **Small Enterprises** – investment above Rs.10 lakh & up to Rs.2 crore.

- **Medium** : Enterprises–investment above Rs. 2 crore & up to Rs. 5 crore

It is not necessary to engage in manufacturing activity for self-employment. One can set up service enterprises as well .

### **How do I select an activity for self-employment?**

For selecting an activity or enterprise, you will have to consider the following significant issues:

1. Where do you want to promote the enterprise?
2. What resources are available near the location of the enterprise?
3. What kind of market or consumer pattern exists near the site of enterprise?
4. What kind of contacts you have to exploit to your advantage for marketing of the product?
5. What infrastructure is available at the location of your enterprise?
6. How much capital is available?

There are many other considerations including availability of skilled manpower, raw material, technology etc. before you narrow down your choice for selection of industry or activity.

### **Who will assist in identifying the activity?**

MSME Development Institutes can assist you in identifying the activity based on the Industrial Potential Survey and product specific market studies. District Industries Centers/State Directorate of Industries also facilitate in identification of a suitable activity.

### **What steps are required for identifying the activity?**

A preliminary market study of product(s) or service(s) needs to be undertaken to analyse consumption and availability pattern. If there is a gap in demand and supply, the activity considered ideal for selection.

### **Where is market information available?**

Market information is available with MSME Development Institutes (MSMEDIs) and DIC's of respective states/areas. Market Survey reports on various items and Industrial potential surveys of particular areas provide the information about the market potential of items. Industry and Trade associations, specialized institutions like PPDC can also provide such information.

### **How can market potential be ascertained?**

Market potential can be ascertained by conducting preliminary study by prospective

entrepreneur to get an in sight of the product/ services to be setup. An entrepreneur can estimate local demand, demand within the state or country, export market and future prospects of product(s)/service(s). Visit to wholesale and retail markets, bulk consumers etc. provides accurate information on market potential.

**Is there any agency providing guidance on marketing potential?**

MSMEDl and State Governments agencies viz. DICs and SIDCs provide guidance on market potential. The gap in demand & supply can be established through potential surveys and market assessments with the help of these agencies.

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What are the inputs required for setting up an enterprise?

The following major inputs are required for setting up an enterprise:

1. Land, building or shed
2. Machinery and equipments
3. Raw Materials
4. Power and Water
5. Skilled manpower
6. Capital

**Are there any projects suitable for non-technical and inexperienced entrepreneurs?**

There are many projects, which are suitable for non-technical and inexperienced entrepreneurs. Skilled manpower and technical personnel can be hired according to needs. Entrepreneurs can also join special short term training programmes.

MSMEDl's, DIC's, NSIC etc. provide intensive consultancy to such first generation entrepreneurs.

**How can a new entrepreneur compete with the existing manufacturers?**

A prospective entrepreneur can take the advantage of opting for the latest technology and production process and operate at higher volume of operation. This leads to reduced production cost and production of quality goods and services. A new entrepreneur can thus provide improved quality goods and services at lower cost and further tap the market with innovative marketing approach