

Module – 03

ENTREPRENEUR**1. MEANING OF ENTREPRENEUR**

- An entrepreneur is defined as a person who innovates, organizes, operates and assumes the risk for a new venture.
- The term entrepreneur is derived from old French word *entreprendre*, which means to undertake.
- A venture is a business enterprise involving risk in expectation of gain.

INNOVATE	Coming up with a new concept, product or service.
ORGANIZE	Initiation or starting a new business venture.
OPERATE	Running a new venture and strive hard to sustain and grow it.
ASSUME THE RISK	Takes the responsibility of (positive or negative) outcomes of a business enterprise.

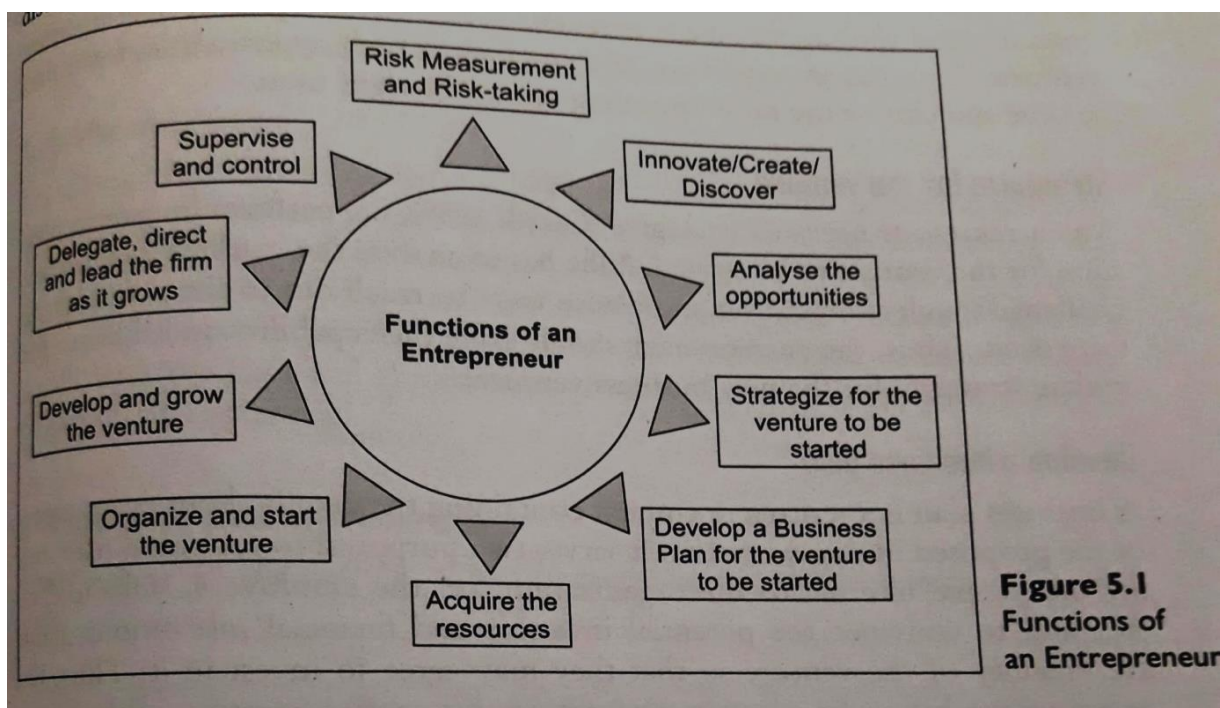
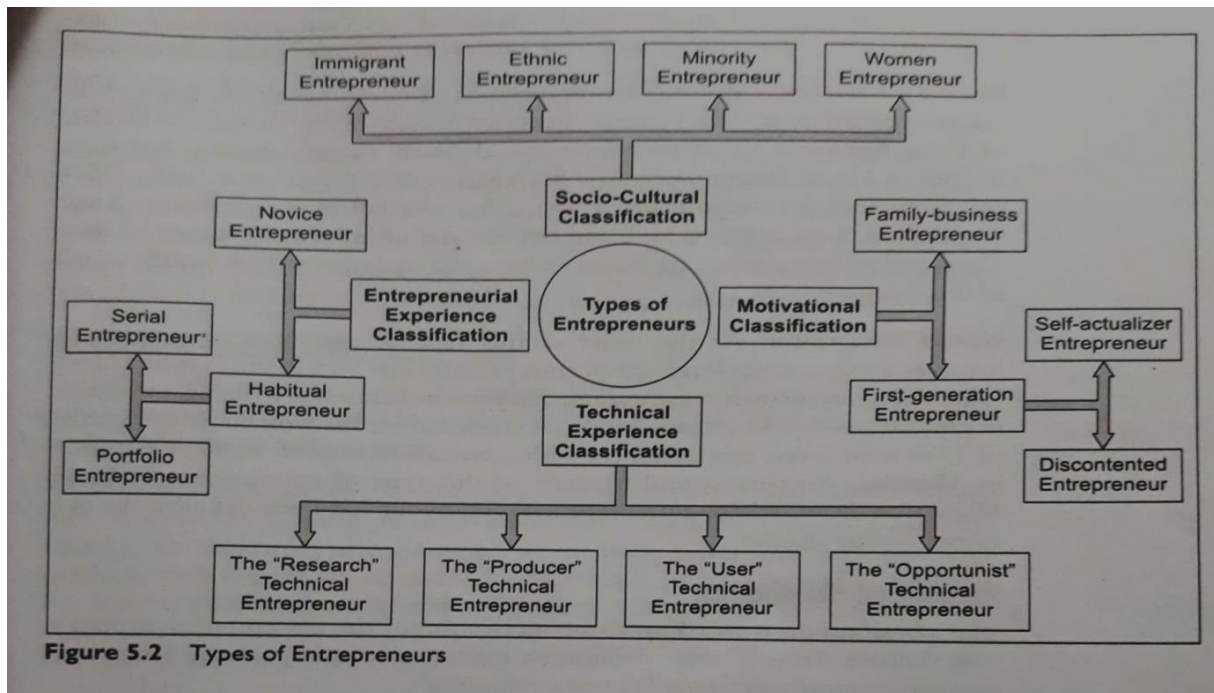
2. FUNCTIONS OF AN ENTREPRENEUR

Figure 5.1
Functions of
an Entrepreneur

Risk measurement and risk taking	<ul style="list-style-type: none"> Palmer suggested entrepreneurial process involves risk measurement and risk-taking. Risks are not only in relation to the uncertainty to the success of the new business venture but also on the personal and professional front like career opportunities for the sake of starting the new venture, family relations and psychicwell-being.
Innovate/Create/Discover	<ul style="list-style-type: none"> Innovation, creativity and discovery are the heart functions of entrepreneur. According to Schumpeter, the key material of entrepreneurship is innovativeness of the individual and may not involve ownership at all.
Analyze the opportunities	<ul style="list-style-type: none"> Entrepreneur has to have the opportunity to seek style of management that ignites innovation. The environment may throw various types of opportunities for him/her to take advantage in creating a new venture.
Strategize for the venture to be started	<ul style="list-style-type: none"> Entrepreneur needs to strategize which means perform long-term plans for the venture to be started. He/she has to analyze markets to penetrate, challenge tough competitions and devise ways to reach to the potential customers.
Develop a business plan for the venture to be started	<ul style="list-style-type: none"> A business plan is a written document containing the details about every aspect of the proposed business venture. It helps for two purposes- to provide a road map for the people internal to the organization and to convince the potential investors and financial institutions about the viability of the venture so that they may agree to invest in it.

Acquire the resources	<ul style="list-style-type: none">• The entrepreneur must acquire various types of resources like capital, manpower, machinery, land, building to start a venture.• Many of these resources may not be available for the proposed new venture.
Organize and start the venture	<ul style="list-style-type: none">• An entrepreneur should be a good organizer. He should deploy suitable resources in the right activities at the right time in order to avoid wastages and to optimally utilize the resources in starting the new venture.
Develop and grow the venture	<ul style="list-style-type: none">• Starting a new venture does not complete the role of the entrepreneur. Many of the start-up ventures are not able to survive for long. So active involvement of the entrepreneur during the development and growth stage is important.
Delegate, direct and lead the firm as it grows	<ul style="list-style-type: none">• During the growth stage of the start-up firm, it starts growing its size and thus requires the entrepreneur delegates the routine matters to other colleagues in the organization, providing a strategic direction to the firm as a leader.
Supervise and control	<ul style="list-style-type: none">• Delegation of authority and responsibility of routine matters to the subordinates does not mean the entrepreneur should not exercise any control.• Sometimes suitable control mechanisms are placed so that entrepreneur may track the overall health of the enterprise.• Occasional personal supervision is also required to be done by the entrepreneur to ensure that all is well in the firm and the standard procedures created are being followed by one and all.

3. CLASSIFICATION AND TYPES OF ENTREPRENEUR



1. Socio-Cultural Classification

Immigrant Entrepreneur	<p>An individual who has a recent arrival in a country and starts a new business as a means of economic survival is called an immigrant entrepreneur. Example: Sabeer Bhatia of Hotmail.com</p>
Ethnic Entrepreneur	<p>They are the entrepreneurs who have “a set of connections and regular patterns of interaction among people sharing common national background or migration experiences”.</p> <p>The Marwaris who migrated from Marwar in Rajasthan to West Bengal. Examples include Birlas, Singhanias, Kishore Biyani (Big Bazar)</p> <p>Similarly, Parsi businessmen in the western part of India originally hailed from erstwhile Persia. Tatas are the best example with their founder Jamshetji Tata as the first-generation entrepreneur.</p>

Minority Entrepreneur	<p>Minority entrepreneur is an entrepreneur who is not of the majority population.</p> <p>U.S. Federal categories include Black, person of Hispanic or Latin American ancestry, person of Asian pacific islander, American Indian or Alaska Native descent.</p> <p>There are many Indians who fall in this group like Amar Gopal Bose, a professor at MIT and the founder of successful Bose Corporation (leading edge audio systems)</p>
Women Entrepreneur	<p>It involves women at the forefront of the entrepreneurship.</p> <p>Shri Mahila Griha Udyog Lijjat Papad is one such organization which pride in being a women's organization- of the women, by the women, for the women.</p> <p>Kiran Majumdar Shaw of Biocon</p>

2. Motivational Classification

- This classification is based upon the motivation of the entrepreneur to start anew venture.
- They can be broadly classified as
 - First generation entrepreneur
 - Family business entrepreneur
- First Generation Entrepreneur:
 - A first-generation entrepreneur does not have any family business prior to starting his/her own business venture.
 - Kiran Majumdar Shaw (Biocon), Dheerubhai Ambani (Reliance), N. R. Narayana Murthy (Infosys), Naresh Goyal (Jet Airways) are some examples.
- First generation entrepreneurs are classified as
 - Self-actualizer entrepreneurs
 - Discontented entrepreneurs

Self-actualizer entrepreneurs	<p>They are those who started their business driven by thirst for achievement and a sense of independence and autonomy.</p> <p>For example- Sunil Bharati Mittal (Airtel)</p>
Discontented entrepreneurs	<p>They are one who are unhappy with the present working condition in the organizations where he is serving and decides to move on to start his own enterprise.</p> <p>The MD of Taj Hotels, Ajit Kerkar was ousted by Ratan Tata in 1997 due to growing discontent between two. Afterwards Kerkar set up Tulip Star hotels as an entity to manage and own properties.</p>

☐ Family-Business Entrepreneur

- They are the followers of family tradition role models.
- A typical example is Aditya Vikram Birla, who created about 75 factories for his business group in a span of 25 years.
- Aditya Birla was the son of industrialist Basant Kumar Birla. His group is now known after him (Aditya Birla Group). His group is now known after him and managed by his son Kumar Mangalam Birla.

3. Entrepreneurial Experience Classification

- This group of entrepreneurs is based on the extent of entrepreneurial experience.
- There are two broad categories in this classification
 - Novice entrepreneur
 - Habitual entrepreneur

Novice entrepreneur	<p>They can be viewed as individuals with no prior minority or majority business ownership experience either as business founder, an inheritor or a purchaser of an independent business, but who own a minority or majority equity stake in an independent business that is new, purchased or inherited.</p> <p>N R Narayana Murthy was a novice entrepreneur when he founded Infosys in 1981 along with six of his colleagues.</p>
Habitual entrepreneur	<p>They are most often described as persons who have experience owning at least two different firms whether temporarily (serial entrepreneurship) or simultaneously (portfolio entrepreneurship)</p>

Habitual Entrepreneurs are categorized as

Serial Entrepreneur	<p>They can be viewed as individuals who have sold/closed a business in which they had a minority or majority ownership stake, and they currently have a minority or majority ownership stake in a single independent business that is either new, purchased or inherited.</p>
Portfolio Entrepreneur	<p>They can be viewed as individuals who currently have minority or majority ownership stake in two or more independent business that are either new, purchased and/or inherited.</p> <p>Kishore Biyani is the example. He owns Big Bazar, Pantaloons, Central supermarkets simultaneously</p>

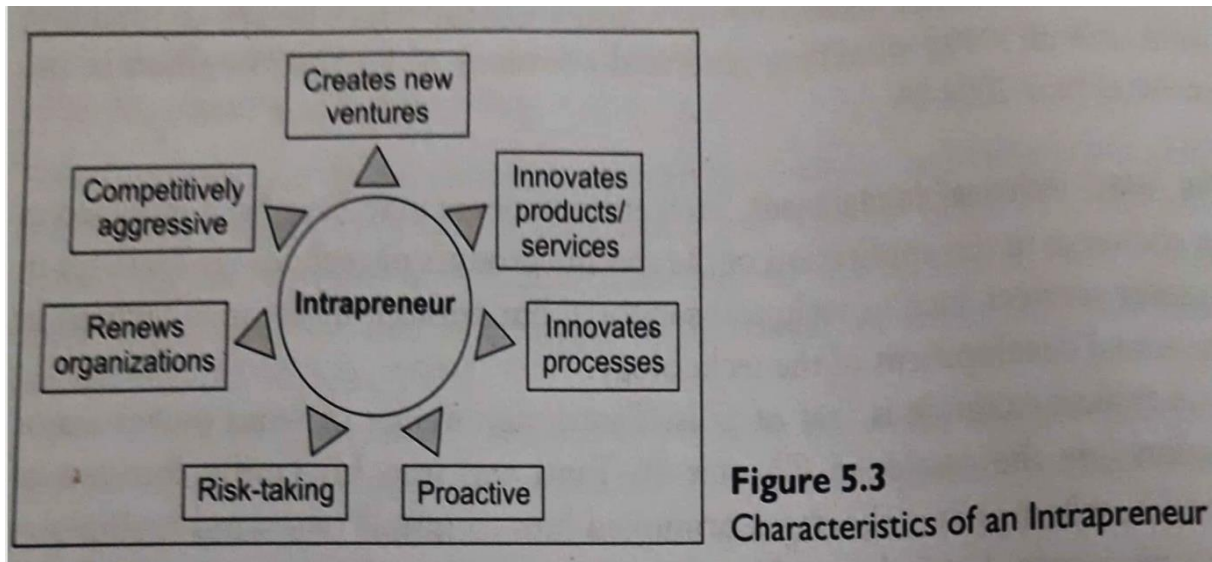
4. Technical Experience Classification

- Jones-Evans came up with this classification based upon the previous occupational background of entrepreneurs in the technology sector.
- A technical entrepreneur is defined as founder and current owner-manager of a technology-based business.
- Primary responsible is planning and establishment and currently having some management control of the organization.

The “research” technical entrepreneur	<p>These entrepreneurs are involved in technological research activities at an academic institution or a research laboratory prior to creating a new venture.</p> <p>Amar Gopal Bose of MIT is a typical example of this category.</p>
The “producer” technical entrepreneur	<p>These entrepreneurs have the history of involvement in direct commercial production or development of a product or process usually in a large organization.</p> <p>Subroto Bagchi, the Co-founder of MindTree Ltd. is a typical example of this type.</p>
The “user” technical entrepreneur	<p>These entrepreneurs may have been involved as end-users in the application of the specific product or technology, but without direct involvement in the actual development of the technology.</p> <p>Tulsi Tanti, the founder of wind power major Suzlon is an example of this type.</p>
The “opportunist” technical entrepreneur	<p>These entrepreneurs are the individuals who identified a technology-based opportunity and while initiating and managing a small technology-based venture, either has little or no technical experience or whose previous occupational experiences was within non-technical organizations.</p> <p>For example, Azim Hasham Premji of Wipro</p>

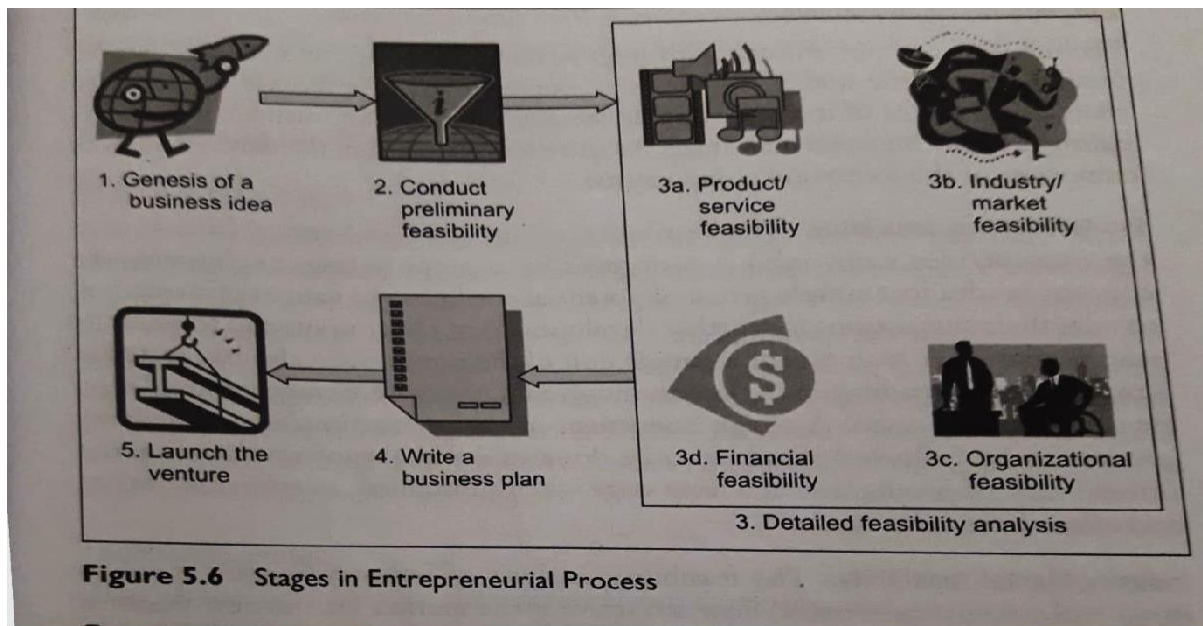
SLT: Intrapreneur - An Emerging Class

- Intrapreneurship is defined as entrepreneurship within an already existing organization.
- It is also referred to as **corporate entrepreneurship**.
- A typical example is Dr. Pawan Goenka, who designed and developed the immensely successful Scorpio model for Mahindra and Mahindra (M&M) and redefined the way new car design and development was done.



Creates new ventures	Giving birth to new business within the existing organization is the typical characteristic of an intrapreneur
Innovates products/services	Continual innovation of product/service is desirable part of an intrapreneur
Innovates process	Business processes need to be reinvented time and again by the intrapreneurs for better efficiency, productivity, quality
Proactive	They attempt to lead rather than follow the competitors through proactiveness
Risk taking	They have the risk-taking attitude with regard to investment decisions and strategic actions under situations of uncertainty
Renews organization	An intrapreneur is expected to transform the organization through renewal of key ideas on which they are built
Competitively aggressive	He/she has the propensity to directly and intensely challenge his organization's competitors to achieve entry or improve position

5. VARIOUS STAGES OF ENTREPRENEURIAL PROCESS



<p>❖ Genesis of business idea</p>	<ul style="list-style-type: none"> • This is the first step in the entrepreneurial process and requires critical thinking on entrepreneur to select the most viable business ideas from a set of available options. • It not only includes critical analysis of the merits and demerits of the innovative products or service created by the entrepreneur but also includes the study of market potential, marketing, human resources and operational issues related to business idea.
<p>❖ Conduct preliminary feasibility</p>	<ul style="list-style-type: none"> • The preliminary feasibility involves a quick assessment about the potential of the business idea and screening out a business idea with the highest potential. • This step is necessary to ensure that comprehensive and detailed feasibility analysis is done for the single best idea. • Selecting the high potential idea within a couple of hours is on the basis of following four criteria <ul style="list-style-type: none"> ➤ Market and market related issues ➤ Competitive advantages ➤ Value creation and realization issues ➤ Overall potential

❖ DETAILED FEASIBILITY ANALYSIS

- Having screened out an idea with high potential, it is subjected to detailed feasibility analysis which may take a couple of days or weeks.
- The detailed analysis is helpful in making suitable modifications in the business idea before taking it to the business plan stage.

PRODUCT/SERVICE (TECHNICAL) FEASIBILITY STUDY

- The feasibility of the product or service is performed by concept testing.
- Concept testing is showing the concept or idea to a sample group of potential customers to gauge their reaction, to take their suggestions for further development of the concept and to assess its sales potential.
- A **prototype** or a sample unit of the product can also be created in simple form depending upon the cost involved or else computer simulation can be used.

INDUSTRY/MARKET FEASIBILITY STUDY

- The feasibility analysis of industry or market involves three considerations.
- Firstly, how attractive is the market for the new business idea or concept. Basically, a market segment experiencing growth, with high profit margins and less competition would naturally be attractive for the entrepreneur.
- Secondly, efforts should be expanded to identify the position within a large market.
- Lastly, a candid assessment of the overall market potential of the new concept should be made in a realistic manner.

ORGANIZATIONAL FEASIBILITY STUDY

- Two issues should be addressed here. An assessment about the organizational prowess and capability of the initial management team which is small for a small start-up including the entrepreneur and the availability of non-financial resources.
- **Organizational prowess** means passion for the new business idea, professional managerial qualifications, prior experience and understanding of the market in which the venture would be created.

FINANCIAL FEASIBILITY STUDY

- The total initial cash needed for starting the venture and overall financial attractiveness of the investment are at the heart of the financial feasibility.
- Very rarely new start-up ventures can secure funding from the financial institutions as debt or able to find equity investors.

- The financial attractiveness of investment should be assessed by estimating the expected rate of return on investment.
- This estimation for the new concept would be subjective and can be based upon the comparison with similar existing business.

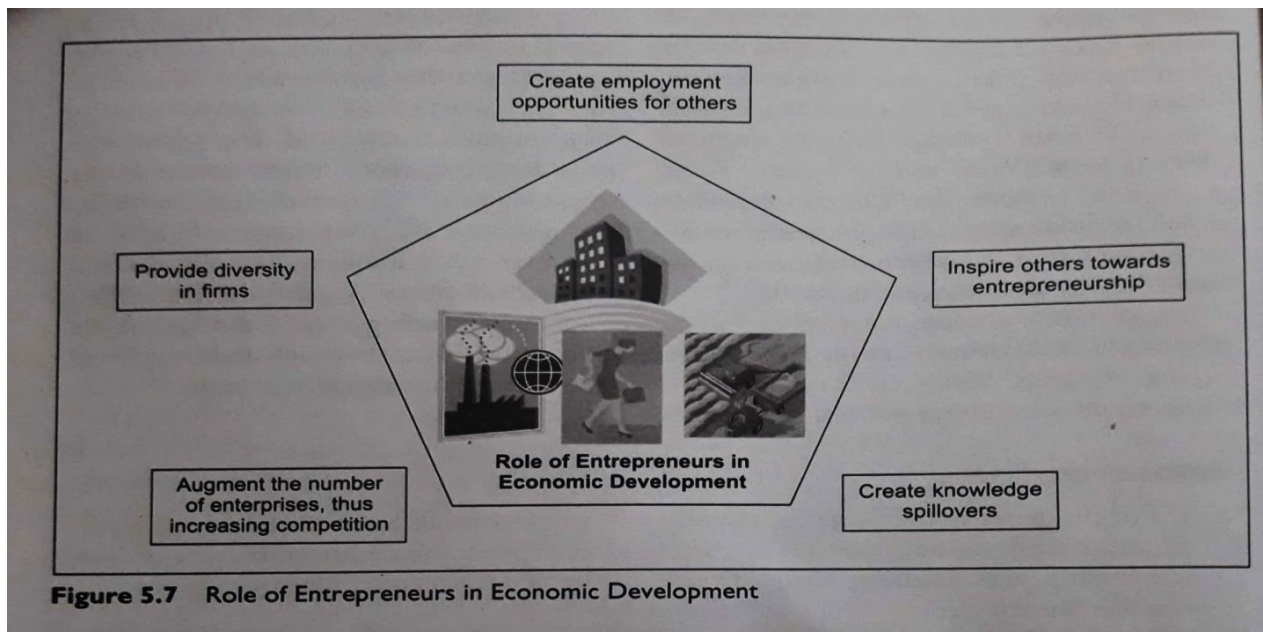
SOCIAL FEASIBILITY STUDY

- Social feasibility study is important to assess the receptivity of the local population of the region to business activity.
- This is especially true in certain tribal areas, where the government is trying to promote industrial activity in its pursuit of equitable distribution, while the local community is still not prepared for the same.
- This is not restricted to local tribes. Even in big cities, common public rallies against industrial activities which results in different types of pollution. Therefore it is important that the entrepreneur makes a realistic assessment of how the new business would have an impact upon the local population.
- The positive social aspects related to the project should be properly identified like employment generation, use of local natural resources, provision of affordable products/services produced by the venture to the local population etc.
- If the production processes involves the usage of natural resources of the region, proper planning for restoration should be done in advance and associated costs should be taken into consideration.

<ul style="list-style-type: none"> ● Write a business plan 	<ul style="list-style-type: none"> • A business plan is a written document containing the details about every aspect of the proposed business venture. • It helps for two purposes- to provide a road map for the people internal to the organization and to convince the potential investors and financial institutions about the viability of the venture so that they may agree to invest in it. • A business plan should preferably include details about the screening process and feasibility studies conducted by the entrepreneur to augment its authenticity and appeal.
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<p>● Launch the venture</p>	<ul style="list-style-type: none"> • This is the final step in the entrepreneurial process and involves launching the venture as per the business plan. • Due to uncertainties of the business environment, the entrepreneur should be prepared to face hurdles and challenges during the launching of the venture as well as in the subsequent periods of time.
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6. ROLE OF ENTREPRENEURS IN ECONOMIC DEVELOPMENT



- Entrepreneurs play a very important role in the economic development of a region.
- From the fall of Rome in AD 476 to the 18th century, there was virtually no increase in per capita wealth generation in the West.
- With the advent of entrepreneurship, per capita wealth generation and income in the west grew exponentially by 20% in 1700s, 200% in 1800s, and 740% in 1900s.

<p>Create employment opportunities for others</p>	<p>By creating new ventures, entrepreneurs generate employment opportunities for others. Unemployment is a major issue, especially in the context of developing economies like India. Thus entrepreneurs do a service by not only employing themselves into their ventures, but also by employing others.</p>
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Inspire others towards entrepreneurship	<p>The team created by an entrepreneur for his new venture often provides the opportunity for the employee-cum-teammates to have experience of getting involved in venture.</p> <p>This leads to inspiration by their earlier experience of working for an entrepreneur.</p>
Create knowledge spillovers	<p>When a scientist, an engineer or a knowledge worker leaves an organization to create a new firm, knowledge acquired by her in the organization gets spilled over to the new firm. Hence entrepreneurship serves as a mechanism by which knowledge spills over to a new firm in which it is commercialized.</p>
Augment the number of enterprises	<p>When new firms are created by entrepreneurs, the number of enterprises based upon new ideas/concepts/products in a region increases. Increase in the number of firms enhances the competition for new ideas but greater competition across firms facilitates the entry of new firms specializing in a particular new product.</p>
Provide diversity in firms	<p>Entrepreneurial activity in a region often results in the creation of variety of firms in a region. These firms operate into diverse activities and it has been found that, it is this diversity in forms which fosters economic development and growth rather than homogeneity.</p>

7. SLT: ENTREPRENEURSHIP IN INDIA

- India has a long history of entrepreneurship. During ancient times, muslin from India was exported to Egypt, where it was used in mummification.
- India was known for its spices and many entrepreneurs in ancient India were into barter (exchange) of goods from other countries.
- The EEIC (English east India company), which was incorporated in Great Britain established trade relations with Indian rulers in Masulipatnam on the east coast in 1611 and west coast in 1612.
- During 1880s, local firms with established reputation were defrauded by their British partners, an action which led to more withdrawals from the business sector.
- The Marwari entrepreneurs in Bengal seem to have won the confidence of British, who allowed them to prosper in a diversified Indian economy.
- Parsi community in western India managed to survive and grow during British rule.
- After India got independence in 1947, a ray of hope for entrepreneurship in India

received a big blow when the Indian constitution created in 1950 indicated that government-owned enterprises would play decisive role in extending national economy.

- The technician scheme introduced in the year 1969 by two state-level agencies of Gujarat visualized 100% finance without collaterals.
- The National Institute for Entrepreneurship and Small Business Development (NIESBUD) was established in 1983 by the ministry of Industry, Govt. of India as an apex body for coordinating the activities of various institutions engaged in entrepreneurship development particularly for small industry and small business.

8. BARRIERS TO ENTREPRENEURSHIP

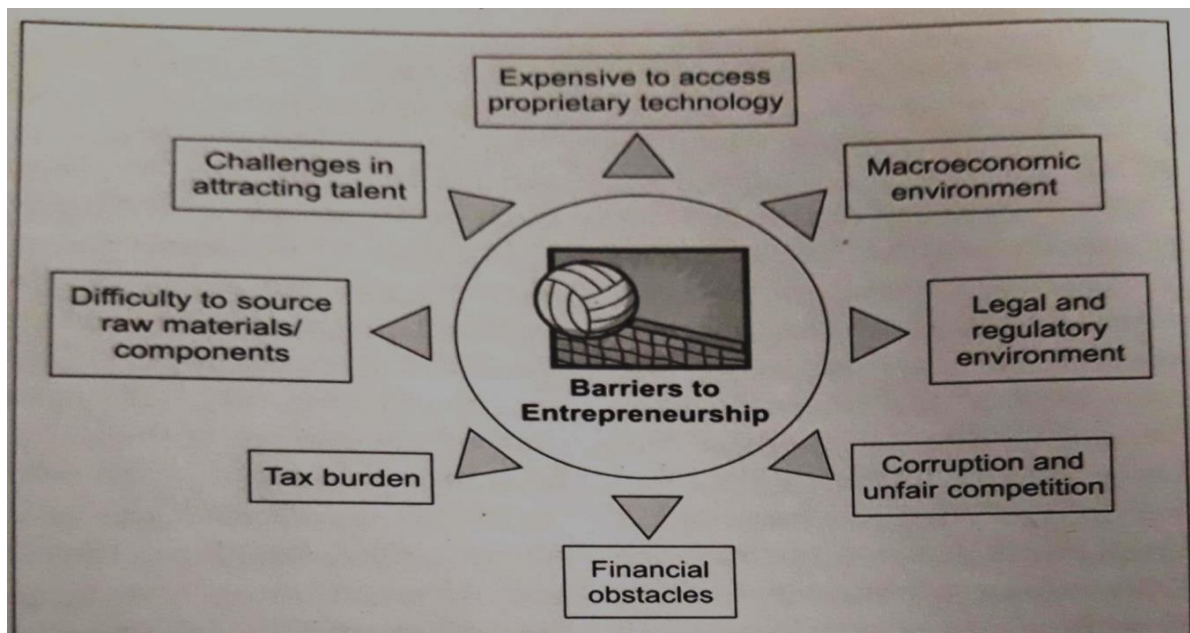


Figure 5.8 Barriers to Entrepreneurship

Macroeconomic environment

- Macroeconomic environment conducive to entrepreneurship is dependent upon the policies of the government in supporting private participation in business. Macroeconomic refers to the larger view of economy.
- This policy affects the entrepreneur's decision to invest, especially in projects that require a longer time to produce a return.

Legal and regulatory environment	<ul style="list-style-type: none"> • The legal and regulatory environment for entrepreneurship is formed by the registration and licensing procedures, commercial and contractual laws, property rights law, bankruptcy and collateral law, real estate regulations and labor laws. • If the laws are unclear, time-consuming and cumbersome, they would pose problem to entrepreneurship. • If these laws are frequently revised or changed, it will create a sense of uncertainty and risk for them to establish anew business venture.
Financial obstacles	<ul style="list-style-type: none"> • Start-up venture are usually dependent upon capital sourced from banks and financial institutions. It has been observed that many economies, banks are reluctant to give loans to small start-up loans. Often banks seek high collateral amounts or charge high interest rates that pose a major problem to entrepreneurs.
Tax burden	<ul style="list-style-type: none"> • In many regions, government charges high taxes from even small start-up ventures and has complicated procedures for compliance of tax submission formalities. • High taxes in a region pose an entry barrier to entrepreneurship.
Challenges in attracting talent	<ul style="list-style-type: none"> • This is another big issue faced by small start-up ventures. The best talent in engineering, management and other disciplines wants to work in MNCs rather than for small start-ups. This attitude of professionals makes it difficult for entrepreneurs to attract them for their entrepreneurial ventures.
Difficulty to source raw material	<ul style="list-style-type: none"> • For entering a market with a product, an entrepreneur has to identify if the suppliers of raw materials and components existing in the market have the adequate capacity or willing to expand capacity to meet the requirements of a new player in the industry. • This difficulty to source raw materials and components often deters entrepreneurs to enter the market.

Expensive to access proprietary technology	<ul style="list-style-type: none"> • Kuratko and Welsch cite the expenses to access proprietary technology as one of the barriers to entrepreneurship. • Entrepreneurs find it hard to arrange for such staggering license fee and thus, face entry barriers in such fields.
Corruption and unfair competition	<ul style="list-style-type: none"> • A corrupt economy would lead to unfair competition which in run becomes a major problem entrepreneurial activity. • Excessive rules and regulations and approvals from the government required by entrepreneurs make govt. officials corrupt. This develops an attitude of asking bribes from entrepreneurs for speedy approvals. So honest entrepreneurs suffer due to unfair competition from other entrepreneurs who get early approvals due to “under the table” payments.

9. CONCEPT OF ENTREPRENEURSHIP

Entrepreneurship is the process of creating something different with value by devoting the necessary time and effort. Assuming the accompanying financial, psychological and social risks and receiving the resulting rewards of monetary and personal satisfaction.

EVOLUTION OF ENTREPRENEURSHIP:

The evolution process is broadly classified into two stages.

1. Ancient and Medieval roots
2. Modern Entrepreneurship thought

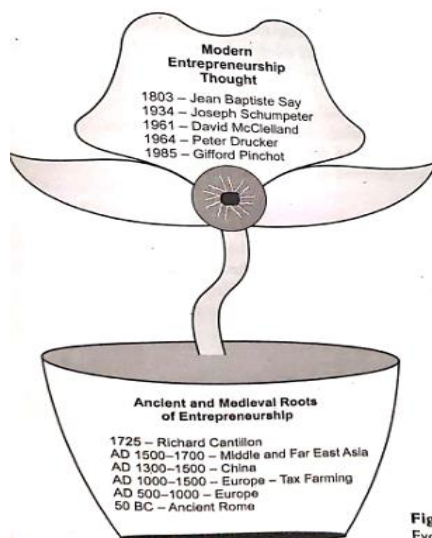


Figure 5.4
Evolution of Entrepreneurship

Ancient and Medieval roots of Entrepreneurship:

Murphy, Liao and Welsch (2006) have vividly captured the pre-historic bases of entrepreneurship.

- 50 BC. Entrepreneurship started from time immemorial, however in recorded history, the oldest references can be traced back to ancient Rome around 50 BC. During that time, entrepreneurship and business activity was not considered prestigious. It was usually left to the former slaves to get into commercial activities. Wealth generation happened primarily, either by renting the land or by earning interest on loans (Baumol, 1990).
- AD 500-1000. Europe experienced a radically new expression of entrepreneurship during AD 500-1000. This was in the form of acquisition of land, castles, and other assets through warfare. Thus, kings and barons took winning battles and wars as an entrepreneurial means to wealth and prosperity (De Roover, 1963). AD 1000-1500.
- During AD 1000-1500, Europe witnessed a drastic revamping of entrepreneurial activity, and fields like architecture, engineering, and farming provided healthy bases for entrepreneurship. A new innovation in tax collection called tax farming came into existence during this time. In this approach, bidding for tax collection on behalf of the monarch was done and the highest bidder used to get the contract. If the winner of the contract used to collect more tax than the bid offered by him, the excess amount used to be net profit for him (Hebert and Link, 1988).
- AD 1300-1500. During AD 1300-1500, entrepreneurial activity experienced major setbacks in China, as the rulers used to confiscate the assets of wealthy businessmen during times of financial difficulties faced by the empire. Engaging in commercial activities was deemed as wealth accumulation and was looked down upon (Baumol, 1990).
- AD 1500-1700. Middle and Far East Asia were witnessing the prime of experiential and skill-based knowledge during this period when the Western world was still catching up with this trend. The status of the merchant became high in the Muslim dominated Arabic countries (Middle East) and entrepreneurship flourished in this region with common language and central location in the world (in between East and the West) (Russell, 1945).
- AD 1725. Richard Cantillon (1680-1734) was an Irish economist, who spent a major part of his life in France. He is credited with highlighting the role of the entrepreneur in economics. He was the first to define an entrepreneur as the "agent who buys means of production at certain prices in order to combine them into a new product" (Schumpeter, 1951).

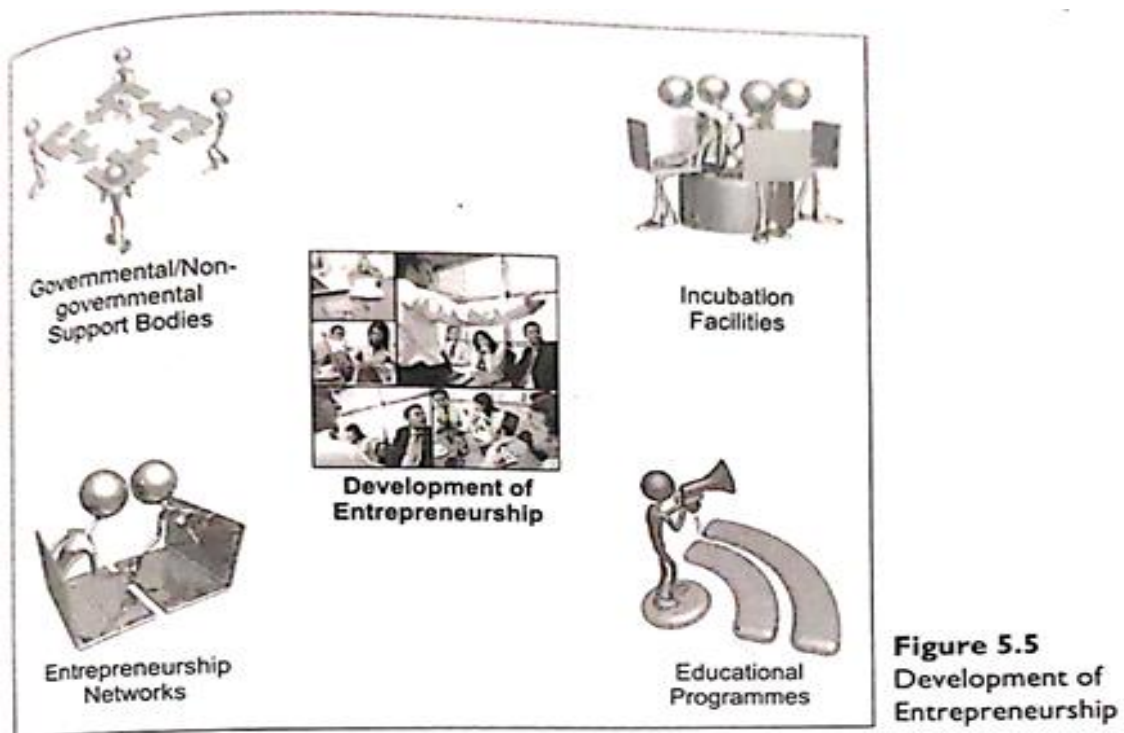
Modern Entrepreneurship Thought:

- Jean Baptiste Say (1767-1832), a French economist and businessman, is known for his idea that ownership is distinct from entrepreneurship. Thus, in his view, a person can be an entrepreneur despite somebody else providing the capital for the entrepreneurship venture. He was a staunch supporter of free trade and competition.
- Joseph Schumpeter (1883-1950) was an Austrian economist (he taught at Harvard in his later part of academic career), who is known for the term creative destruction coined by him. In his view, entrepreneurs, by virtue of bringing about radical innovations/transformations, render the existing systems of established organizations obsolete. This phenomenon is called creative destruction.
- David McClelland (1917-1998) was an American psychological theorist, who defined an entrepreneur as "an energetic, moderate risk-taker." In his view, an entrepreneur is primarily motivated by an overwhelming need for achievement and strong urge to build. His contributions to the field of entrepreneurship focus on the attributes of an entrepreneur and the motivations behind entrepreneurial behavior. His masterpiece "The Achieving Society" (McClelland, 1961) hinges on these ideas.
- Peter Ferdinand Drucker (1909-2005), an Austrian American scholar, portends that entrepreneur maximizes opportunities. He emphasized that entrepreneurship is about taking risks (Drucker, 1970).
- Gifford Pinchot is an American entrepreneur and consultant, who coined the term intrapreneurship and defined it as "an entrepreneur within an already established organization." He is known for his best-selling book-"Intrapreneuring: Why You Don't Have to Leave the Corporation to Become an entrepreneur" (Pinchot, 1985).

10. DEVELOPMENT OF ENTREPRENEURSHIP

- The origin of programmes for the development of entrepreneurs in India can be traced to the pioneering efforts of the Small Industry Extension Training Institute (SIET), now known as the National Institute for Micro, Small and Medium Enterprises (NIMSME) with whose collaboration, Prof. David McClelland attempted to establish that achievement motivation (a key factor in entrepreneurship) could be developed among adults.
- The effect of such training on entrepreneurial activity was assessed in comparison with control groups.

- Results revealed that those who participated in the courses showed more active business behavior, worked longer hours, made more definite attempts to start new business ventures and actually did start more such ventures.
- In a developing country like India, there ought to be some issues in entrepreneurship development. According to Prahlad (2004), inability and inconsistencies in enforcing laws, bureaucratic interpretation of rules, lack of firm political commitment, lack of accountability, hooliganism and political musclemanship, lack of rule of law, lack of control of corruption are significant deterrents to entrepreneurship development in developing countries.
- Following figure shows the way in which entrepreneurship development has been done in India.



1. GOVERNMENT/NON-GOVERNMENT SUPPORT BODIES:

- The National Institute for Entrepreneurship and Small Business Development (NIESBUD) was established in 1983 by the ministry of Industry, Govt. of India, as an apex body for coordinating and overseeing the activities of various institutions/agencies engaged in entrepreneurship development, particularly in the area of small industry and small business.
- In 1983, the Entrepreneurship Development Institute of India (EDI), an autonomous body and not for profit institution was set up. It was sponsored by apex financial institutions namely IDBI Bank Ltd, IFCI Ltd, ICICI Ltd and SBI.

- The possibility of establishing a mechanism to develop entrepreneurs may have originated from the encouraging results of an innovative scheme of financing new entrepreneurs begun in India in 1968, that relied on the competence of the individual and the viability of the proposed project rather than on the more conventionally applied criteria relating to the applicant's financial background.

2. INCUBATION FACILITIES:

- Premier business schools and technical institutions in India have entrepreneurship centers, many of which provide incubation facilities to start up small businesses.
- An incubator is a facility designed to assist startup companies generally wrt providing knowledge and technical assistance.
- For ex: Nadathur S. Raghavn Centre for Entrepreneurial Learning (NSRCEL) at the Indian Institute of Management Bangalore (IIMB) provides such incubation facilities in the form of office, computing and telecommunication facilities and faculty consultancy support at nominal charges.

3. EDUCATIONAL PROGRAMMES:

- Entrepreneurship is increasingly becoming a popular choice as an elective in the MBA programmes of business schools in India.
- For Ex., about 8% of the MBA students at ISB Hyderabad recently majored in entrepreneurship.
- With an aim to undertake training, research and consultancy activities in the small industry sector focusing on entrepreneurship development, the Indian Institute of Entrepreneurship (IIE) was established in the year 1993 at Guwahati by the erstwhile ministry of industry, Govt. of India as an autonomous national institute.

4. ENTREPRENEURSHIP NETWORKS:

- TiE-The Indus Entrepreneurs was founded in Silicon Valley in 1992 by successful entrepreneurs and professionals with roots in the Indian subcontinent (Indus region). TiE is also known as Talent Ideas and Enterprise and is today spread over 53 chapters in 12 countries.

- It has over 12,000 members and 1800 plus charter members including top entrepreneurs, venture capitalists, private equity, angels, law firms, technology and management professionals.
- TiE's mission is to foster entrepreneurship globally through mentoring, networking and education.
- It claims itself to be the world's largest not for profit organization for entrepreneurs.
- The National Entrepreneurship Network (NEN) founded in 2002, is a not-for-profit initiative of the Wadhawani foundation, working to inspire educate and support the next generation of high growth entrepreneurs in India.
- NEN was co-founded by five of India's premier academic institutions: IIT Bombay, IIM Ahmedabad, SP Jain Institute, Mumbai, IBAB Bangalore and BITS palani.
- NEN works with over 425 top-tier academic institute members, growing the number from 50 across the country has launched more than 350 student e-cells and reaches over 400,000 young people across 30 cities in India.

MOKSHAGUNDAM VISVESVARAYA

The entrepreneurial function can be performed by a relatively small number of people and can have a major impact. As an illustration, we may note the role played by Dr Visvesvaraya in India, particularly in the (erstwhile) State of Mysore (now Karnataka). Here was one man who was responsible for many new industrial enterprises, without his providing equity capital himself or actually running an enterprise (Schloss, 1969).

"Remember, your work may be only to sweep a railway crossing, but it is your duty to keep it so clean that no other crossing in the world is as clean as yours."

The obsession for perfection and excellence, which is clearly reflected in the above quote, is none other than that of the matchless dreamer, achiever, the great Sir Mokshagundam Visvesvaraya (1860–1962). Any endeavour that he embarked on, he executed with a great degree of perfection (State Bank of Mysore, 2009).

Visvesvaraya was born in Muddenahalli village in Karnataka. His father expired when he was just 15 years old. After completing his high school from Bangalore and Bachelor of Arts from Madras University, he studied engineering at the College of Science (now College of Engineering) at Pune.

After completing his studies, he worked in Bombay before joining the Indian Irrigation Commission. He implemented an extremely intricate system of irrigation in the Deccan area. He also designed and patented a system of automatic weir water floodgates, which were first installed in 1903, at the Khadakvasla reservoir near Pune. These gates were employed to raise the flood supply level of storage in the reservoir to the highest level likely to be attained by its flood, without

causing any damage to the dam. He designed a flood protection system to protect the city of Hyderabad from floods. He was also instrumental in developing a system to protect Visakhapatnam port from sea erosion.

Visvesvaraya retired in 1908 and Sri Krishnarajendra Wodeyar, the then Maharaja of Mysore, was eager to secure the services of Visvesvaraya to serve Mysore. He joined as Chief Engineer in Mysore because he wanted challenging opportunities. He supervised the construction of the Krishnarajasagara dam and the famous Brindavan gardens across the Kaveri River from concept to inauguration. This dam created the biggest reservoir in Asia at the time it was built. He was responsible for building the very first electricity generation plant in Asia at Shivanasamudra near Mysore in 1894. During his period of service with the Government of Mysore state, he was responsible for founding, under the aegis of that government, the Mysore Soap factory, the Parasitoid laboratory, the Bhadravati Steel factory (now a part of the Steel Authority of India), the SJP Polytechnic Institute, Mysore University, the Bangalore Agricultural University (now University of Agricultural Sciences), the State Bank of Mysore, the Mysore Sugar Mills, and numerous other industrial ventures. He was instrumental in the founding of the Government Engineering College (now called University Visvesvaraya College of Engineering) at Bangalore in 1917, one of the first engineering institutes in India.

Visvesvaraya belongs to that small band of eminent Indians whose ideas and achievements have been among the truly creative and formative force of modern India. Visvesvaraya's slogan was "Industrialize or Perish" and

Mahatma Gandhi's view was "Industrialize and Perish." In 1921 Gandhi launched his non-cooperation movement which Visvesvaraya did not agree with. Visvesvaraya wrote to Gandhi urging him to be dressed well in view of the upcoming Round Table Conference. Visvesvaraya himself used to be immaculately dressed always (Karnataka.com, 2009).

While he was Diwan (equivalent to the current time's Chief Minister) of the State

of Mysore, Visvesvaraya was made Knight Commander of the Order of the Indian Empire by the British for his myriad contributions to the public good. After India attained independence, Sir M. Visvesvaraya was given the nation's highest honour, the Bharat Ratna, in 1955. He was also awarded several honorary doctoral degrees from various universities in India.

Discussion question

How difficult, in your view, is it to inculcate the virtues of honesty, ethics, and integrity like that of Visvesvaraya? Did these virtues

help him to exploit entrepreneurial opportunities? Discuss.