

Entrepreneurship

Entrepreneurship is the process of developing hidden potential in a person to become an entrepreneur. Generally anyone who runs the business is called an entrepreneur

“Entrepreneur is an action oriented, highly motivated individual, who takes risk to achieve goals.”

Entrepreneurs are the people who have the ability to see and evaluate business opportunities, to gather necessary resources, to take advantages of them and initiate appropriate action to ensure success.

Characteristics / Qualities / Competencies / Trials of an Entrepreneur

One the basis of different studies the following common points have emerged which are essential for a successful entrepreneur:

1. Initiator: As per the demand of the situation, the entrepreneur takes initiative to start a new enterprise.
2. Opportunity seeker: The entrepreneur like a watch log, always remain in search of right business opportunities to convert them into projects and profits.
3. Calculated risk taker: Entrepreneur enjoys the excitement of challenges but do not gamble. He avoids low risk situation because there is a lake of challenges in it. He also avoids high risk situation, because he wants to succeed.

4. Persistent: An entrepreneur follow the saying “*try and try again, you will succeed at last*”. He is always ready to make extreme efforts to get rid of obstacles coming in the way of reaching the ultimate goal.
5. Committed to work: An entrepreneur accords the utmost priority to accomplish (finish successfully) the work.
6. Proper planner:
7. Self-confident:
8. Leadership:
9. Saving habit:
10. Good Human Relation:
11. Innovativeness: An Entrepreneur is more than an inventor.
12. Courageous: An Entrepreneur must have courage to face the problems in all situations. He must have confidence and faith in himself. He should be prepared to bear the risk and uncertainties in the enterprise.

Functions of an Entrepreneur

1. Innovative
2. Risk taker -
3. Organization Building – *An entrepreneur brings together various factors of production, organizes them properly and performs the decision making functions of administration.*

Components of Entrepreneurship

1. Technology
2. Finance
3. Sales and marketing

Features / Characteristics of Entrepreneurship

1. Entrepreneurship is **a creative activity** as it involves innovation or introduction of something new and better.
2. Entrepreneurship is **an innovative function** as it involves doing things in a new and better way, it may be in the form a new product, a new source of raw material, a new market or a new method of production.
3. Entrepreneurship is **a risk bearing function**. Risk is an inherent and inseparable element of entrepreneurship.
4. Entrepreneurship is a dynamic process as it operates as per changes in the society which bring useful opportunities for business.
5. Entrepreneurship is **a goal oriented activity**.
6. Entrepreneurship is **a gap filling function**. The gap between the human needs and the available products and services gives rise to entrepreneurship.

CRM

CRM (Customer Relationship Management) is a business strategy to select and manage the most valuable customer relationships

or

CRM is a policy and process of dealing with customers.

Need of CRM

1. Growth of business:- CRM helps business organizations to gather more and more information about their view and preferences related to their products and services .
2. This helps organizations to modify their products and services as per the requirement of the customer which leads to growth of business.
3. It helps to maintain good relation between the company and the customer. As a result the company does not waste unnecessary time and money which results into **lower lost of marketing**.
4. It helps the company to design the products according to customer's need. It increases the **profit of the business organization**.
5. Customers are more satisfied if they find that the company is full-filling their specific needs. A satisfied customer gives good reference to his friends and well known. It raises customer satisfaction level.

Functions of CRM

1. To identify and target best customers.
2. To maintain personalised relationship with customers.
3. To provide highest level of services between company and customers.
4. To know their customer's requirements.

5. To conduct customer satisfaction surveys.
6. To earn goodwill of customers.

Benifits of CRM

1. Growth in number of customers which altimatly results into growth of business.
2. Increased customer satisfaction/become they getting exactly what they want.
3. Decrease in marketing administrative cost.
4. Highlighting poor operational processes for remedial action.
5. Enhanced customer service and support

Types of CRM

1. Operation CRM : The operational CRM enables efficient interaction with customers. For this purpose various tools are used.
2. Analytical CRM : In analytical CRM, data gathering within operational CRM are analyzed is viewed as a continuing and iterative process. Ideally, business decisions are refined over time, based on feedback from earlier analysis and decisions.
3. Collaborative CRM : the various departments of company like the sales, technical support and marketing, share the information they collect about customers. The objective is to improve the quality of customer service and increase customer loyalty.

Stages of CRM strategy

1. Interacting
2. Analyzing
3. Learning
4. Planning.

Types of customers

1. Loyal customers : loyal customers want individual attention. These customers are regular visitors of the organization. They expect polite and responses from the suppliers.
2. Discount customers : they purchase products only when discounts are offered on products. They buy only low priced products. Focus on this these types of customer is also important.
3. Impulsive customers : they buy what they find good and productive at that point of time. Handling these customers is a challenge. If impulsive customers are treated with courtesy, they could be very beneficial for the organization.
4. Need based customers : These customers are product specific, they buy only these items to which they are habitual or have a specific need for them. If their need is not full filled, they leave the shop. These customers should be handled polite and with lot of patience. They can also become loyal customers if they are well treated and convinced.
5. Wandering customers : These are the least profitable customers. They themselves are not sure what they to buy when they enter the store. These customers visit the

suppliers just to confirm the availability of the product in the market.

Quality control

Art of checking the variation in the quality of the product produced is called quality control.

Inspection

The act of checking whether a product to be manufactured satisfies quality parameter or not is known as inspection.

Inspection is needed to maintain quality standards.

TQM (Total Quality Management)

TQM is the control of all transformation process of an organization to satisfy customer's needs in the most economical manner

Or

TQM is a strategy for continuously improving performance at every level and in all areas of responsibility.

Or

TQM is doing things right in the first time and every time.

Or

TQM means how to effectively and efficiently manage and improves performance.

Quality

The totality of features and characteristics of a product or service that satisfy customers is known as quality.

Who is father of TQM

W.E. Deming is known as father of TQM.

Quality assurance

Quality assurance is a quality management system which focuses on providing confidence that quality requirements for a product or service will be fulfilled.

What is PDCA cycle?

PDCA(Plan Do Check Act) cycle is known as 'Deming wheel' which is used for implementation of TQM in an organization.

What is full form of JIT(Just in Time)

Just-in-time is define as “a philosophy of manufacturing based on banned elimination of all wastes and of continuous improvement of productivity.”

IPRs

Intellectual property rights

List different types of work / innovations covered under IPRs.

- (i) Patents
- (ii) Trademarks
- (iii) Copyrights and related rights
- (iv) Industrial design
- (v) Trade secrets
- (vi) Layout design for integrated circuits.

Define patent

A patent is a grant made by the govt to an inventor that excludes others from manufacturing using or selling the invention for a specific period of time and in a specific geographical area.

Define copyright

Copyright is a form of protection to the author of original works authorship including literary, dramatic, musical, artistic and certain other collectual works, both published and unpublished.

Which are the works protected by copyrights?

Work protected by copyrights are as under :

- (i) Original literary, dramatic, musical and artistic works.
- (ii) Cinematographic film.

- (iii) Records.

What do you mean by infringement of copyright?

Infringement of copyright is the commercial exploitation of the work in any form by a person without authority.

Define trademark

Trademark is any word, slogan, design, picture or other symbol used to identify or distinguish a specific product from others of the same nature offered in the market.

What are the functions of the trademark

- (i) It identifies its product and its origins.
- (ii) It ensures the guarantee of its quality.
- (iii) It advertises the product.
- (iv) It creates an image of the product in the mind of the public particularly the consumers or the prospective consumers of such goods.

Management scope in different areas

Human resource development (HRD)

It is a part of human resource management that special deals with training and development of employee in the organization.

Who developed the concept of HRD ?

Prof. Len Nadler (in 1969) developed the concept of HRD.

Which private company was the pioneer in India to start the concept of HRD ?

Larsen and Toubro Ltd. was the first to start concept of HRD in India.

Which tools are helpful in implementing the concept of HRD ?

Following tools are helpful in implementing HRD. :

- (i) Performance appraisal.
- (ii) Feed back.
- (iii) Career planning.
- (iv) Training.
- (v) Organizational development.
- (vi) Quality of work.

What is manpower planning ?

Manpower planning means deciding the number and types of human resources required for each job unit. It is the process of determining manpower requirements.

What is the other name of manpower planning ?

Manpower planning is also known as human resources planning.

Define recruitment.

Recruitment refers to process of searching, attracting, motivating and selecting qualified people for jobs in an organization.

Internal sources of recruitment.

The internal sources of recruitment are transfer, promotion, upgrading, retired employees, casual employees, dependents of present employees.

Which are the external sources of recruitment.

- (i) Educational and training institution
- (ii) Private employment agencies
- (iii) Public employment exchanges
- (iv) Professional organizations
- (v) Date banks

What is performance appraisal ?

Performance appraisal is a method by which the job performance of an employee is evaluated (in terms of quality, cost and time).

Define Material management.

Material management is concerned with control of materials in such a manner which ensures maximum return on the working capital of the enterprise.

What is the aim of material management ?

The basic aim of material management is to provide material with minimum total cost.

Importance of Management

Management is a real force behind production. The success of an organization largely depends upon management. A good and scientific management ensures maximum output from a given amount of input. The importance of a good management is due to the following reasons:

1. **Tough competition in the market:** The growing industrial competition has necessitated that maximum economy should be obtained in production. This calls for an organized management to secure the best results.

- 2. Production efficiency:** A good and scientific management is a dynamic force behind an industry. It helps in increasing plant efficiency by reducing wastage of time, materials and money.
- 3. Limited financial resources:** Due to limited financial resources, it is very essential that factors of production are controlled efficiently. This is possible only if industry is run by a well organized management.
- 4. Expansion of industries:** As the size of an industry increases resulting in increased labor, machinery and building, it essential to concentrate more on proper management to harvest the benefits of large scale production.
- 5. Complexity of industries:** Modern industries have grown quite big in size and a large number of jobs are to be performed. For this, a large number of departments are required which can be governed only by a good industrial organization.

Sole Properties

According to wheeler the sole proprietorship is that form of business Organization which is owned controlled by a single individual.

Partnership

A partnership is the relation between peers who have agreed to share the profits of a business carried on by all or anyone of them acting for all.

Characteristics of Partnership firms

1. Two or more persons
2. Agreement – written or oral
3. Lawful business
4. Sharing of profits
5. Unlimited liability
6. Restriction on transfer of interest.

Barriers in Entrepreneurship/ Causes of Entrepreneurial Failure

1. Management factors
 - i) Incompetency(ayogyata)
 - ii) Inexperience(anubhavhintta) in management
2. Product factors
 - i) Poor raw materials
 - ii) Lack of production
 - iii) Labour problems

- iv) Wastage in material
 - v) High rate rejection
 - vi) Frequent(barmbar) power cuts
 - vii) Insufficient quality control
 - viii) Frequent mechanical breakdown(kharab)
3. High fixed cost
- i) Heavy investment in land and building.
 - ii) High administrative and other overhead expenditure.
 - iii) Market borrowing at high interest.
4. Marketing problems
- i) Competition from larger and already established enterprises in the same line
 - ii) Low quality of finished goods
 - iii) Recession
5. Financial problems
- i) Sale on credit
 - ii) Utilising short term funds for long term uses
 - iii) Wilful diversion of funds for investment in assets not connected with production
6. Neglect of business, fraud or disaster ect.

Various Institutions Providing Support to Small Entrepreneurs

1. Commercial Banks
2. State financial Corporations
3. District Industry Centers (DICs)
4. Small Industries Service Institutes (SISIs)
5. Small Industries Development Bank of India (SIDBI)

6. National Bank for Agriculture and Rural Development (NABARD)
7. National Small Industries Corporation (NSIC)
8. Small Industries Development Organization (SIDO)
9. Small Scale Industries Board (SSIB)
10. Entrepreneurial Guidance Bureau (EGB)
11. Khadi and Village Industries Commission (KVIC)
12. Technical Consultancy Organization (TCO)
13. Small Industry Development Corporation (SIDCO)
14. Small Industry Extension Training Institute (SIETI)
15. National Research Development Corporation of India (NRDCI)
16. Technology Business Incubator (TBI)
17. Science and Technology Entrepreneur Parks (STEP)

DICs

The 'District Industry Centre' programme was started by the central government in 1978 with the objective of providing a focal point for promoting small, tiny, cottage and village industries in a particular area and to make available to them all necessary services and facilities at one place.

NSIC

The national small industries corporation was setup in 1955 with the objective of supplying machinery and equipment to small enterprise on a hire purchase basis and assisting them in procuring govt. order for various items of stores.

NRDCI

NRDCI makes available various process which have been developed by various laboratories in the country

SIDBI

Small Industries Development Bank of India

With a view of ensuring large flow of financial and non-financial assistance to the small scale sector, the govt. of India setup the Small Industries Development Bank of India.

NABARD

The national bank for agriculture and rural development was established in 1982 for providing credit for promotion of agriculture small scale etc.

Commercial bank

In the growth and development of economy in general and the enterprise sector, in particular the role of banks in promotion and development of business and more important in post liberalization era.

KVIC

Khadi and Village Industries Commission was established in 1953 with the primary objective of developing khadi and village industries and improving rural employment opportunities.

TCO (Technical Consultancy Organization)

The network of TCO's was established by all India financial Institutions in collaboration with state level financial institution in order to provide consultancy to entrepreneur setting up small and medium scale units.

TBI (Technology Business Incubator)

TBI are a powerful economic development tools. They promote the concept of growth through innovation and application of technology.

STEP (Science and Technology Entrepreneur Parks)

A major problem faced by the emerging group of new entrepreneurs is the lack appropriate testing facilities. This gap can be bridged by establishing science and technology entrepreneur parks.

Market Survey

During the parliament stages of project planning a new entrepreneur needs lot of information on various aspect of the proposal project.

Business

The study and interpretation of the political, economic, social and technological events and trends which influence a business, an industry or even a total market.

Project Report

The document which contains the required details like the personal bio-data of the entrepreneur.

Economic feasibility

Economic feasibility analysis is the most commonly used method for determining the efficiency of a new project.

Market feasibility

A market feasibility study determine the depth and condition of a particular real state market and its ability to support a particular development.

Technical feasibility

The technical feasibility study as the logical plan of how yours business will produce store, deliver and track its product or services.

Management

Management may be defined as the art of getting work done through people with satisfaction for employer, employee and public.

List of function of Management Planning

1. Planning
2. Organizing
3. Staffing
4. Co-ordinating
5. Directing
6. Motivating
7. Controlling

Organization

An Organization structure is important because it defines how jobs are formally divided, grouped and coordinated is known as organization.

Industrial Organization

Industrial Organization is a field of economics dealing with the strategies behavior of firms regulatory policy a large scale business activity.

Line Organization

Business structure with sole contained department Authority travels downward from top authority upward from bottom along the chain of commands.

Staffing

Staffing is the employee, screening and selection performed within an Organization or business.

Staff Organization

It supports the organization with specialized advisory and support function.

Function Organization

This is an Organization in which we can define as a system in which functions department are created to deal with the problem of business

Leadership

Leadership is the ability to seek defined objectives enthusiastically. It's human factor which binds a group together and motivates it towards goals.

Manager

Manager plans, organizes, directs, controls and leads the business activities.

Leader

Leader has limited scope. He is only a part of management.

Motivation

The activity of regulating the behavior of employees to achieve best result called motivation.

Human Resource development

Human resource development is the part of human resource management that specially deals with training and development of the employees in the Organization.

Manpower

Manpower planning means deciding the number and types of human resources

Requirement

Requirement refers to the process of searching motivating and selecting qualified people for job in an Organization.

Selection

Selection process keeping in mind the urgent of people and the job vacancy

Material Management

Material management is concerned with central of material planning manner which ensures maximum return on the working capital of the enterprise.

Performance appraisal

Performance appraisal is a method by which the job performance of an employee is evaluated quality cost and time.

EOO

EOO method is based on each management model one of the important decision to be taken by a firm in inventory.

ABC analysis

ABC stands for always better control. ABC is form of control our store

Store management

It is the person ultimately responsible for the deny to day operation of a retails store.

Marketing

Marketing is the process of discovering and translating consumer needs and wants into products and services and then expecting their demands.

Sales

A sale is a transaction between two parties where the layer requires goods services and assists in exchanges for many.

Sales promotion

It is one of the important tools used to wider the customers network.

Financial management

Financial management is branch of general management which looks after the financial of a business.

Income tax

It is an important and most significant source of revenue of the govt.

Sole tax

It is a tax imported on sales of goods or resources.

Excise duty

Excise duty is the tax necessary on those dutiable goods which are produced manufactured in India.

Customer duty

Customer duty is a duty which levied by govt. on the import of goods into and export of goods from India.

VAT

Values assed tax is a form sale tax.

CRM

Customer Relationship Management is an approach to manage a company interaction with current and potential customers.

TQM

A core definition of total quality management describes a management approach to long term success through customer satisfaction.

JIT

Just in time is defined as a philosophy of manufacturing based on planning elimination.

Authoritarian leaders

It also known as authorization leadership style characterized by individual control over all decision and users inputs from group.

Job satisfaction

It is defined in many different ways some believe it is simply how content on individual is with his or her job.

Project

A Project is an activity to meet the creation of unique product or service and thus activity that cannot be considered projects.

Industrial relations

It defines as relation of individual or group of employee and employer the productivity activities.

Capital

Capital refers to financial asset or then financial factor productions machinery etc.

Personal Management

Personal Management can be defined as antainey using and maintained a satisfied work force.

Inventory Control

It is a method designed by the top level of Management of a company.

Small scales industry

It is difficult task become the definition of small scale industry varies from country to country a from one time to the another on other some country by industry.

State financial corporation

The state financial corporation are the part of institutional financial structure in the country.

National finance Corporation

It is the larger Interconnected network of alternated teller machine (ATM) in India. This system was develop by institute of development and resource banking technology hydrerabed

Product Selection

Customer

Customer may be define as a person who buys goods or services from a shop or business.

NSNE

Need of institutional support for new entrepreneur. An entrepreneur interested to share a new entrepreneur for has to fale a no of problems.