

FUNDAMENTALS OF ENTREPRENEURSHIP

INTRODUCTION ABOUT ENTREPRENEURSHIP

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OBJECTIVE OF THE STUDY

- Meaning of development
- Index of development
- Objective of development
- Functions of entrepreneurship
- Innovation in entrepreneurship
- Social enterprises and their significance
- Business skills and barriers to business.

2. Introduction of Entrepreneurship

All that is valuable in human society depends upon the opportunity for development accorded to the individual. Entrepreneurship creates opportunity for person to make a contribution to the economy. Healthy small business sector is highly considered to be the backbone of any developed economy. Entrepreneurship brings prosperity to economy.

The development of entrepreneurship in the economy depends upon two things

- External factors
- Internal factors.

Internal factors include

- Individual characteristics of organization as financial resources
- Characteristics of systems and human resources available.

External factors include

- Taxation
- Regulations
- Free trade policies
- Location and infrastructure of system.

Objectives to promote entrepreneurship

The basic objective to promote entrepreneurship is to

- accelerate industrial development and economy
- Attract people from different caste and communities.
- Have balanced regional development.
- develop abilities and empowerment of skills of people

Linkage between entrepreneurship and development -The entire change and development of civilization, to large extent is result of trade, commerce and industrialization. Human qualities which are responsible for this are

- interest in material gains
- techniques of innovation and ability to look ahead
- Ability to collaborate with the other organizations and people to enhance growth.

3. Meaning of Development

Meaning of development –

Ricardo identified machinery, capital, labour and other three factors of production, which give profits. These profits lead to savings and savings lead to wealth creation which helps in capital formation for economic development.

Objectives of development

The availability and distribution of basic life sustaining goods such as food, shelter, health and protection is important and this is done by entrepreneurs.

Development increases the basic standard of living of people. It expands the range of economic and social option and choices for people.

*Index of the development -*The common index of growth is

- Growth rate
- Per capita income

Index of development is also reflected by

GNP (Gross National Product) - The GNP of country is to take into account, ability of a nation to expand its outputs at a faster rate than the growth rate of its population. GNP is the economic well being of country.

Index of development is also reflected by

- Reduction in poverty
- Increase in level of employment
- Increase in quality of education and health services
- Increased individual and groups as team.
- Expanding human choices and reusing external dependence.

4. Functions of Entrepreneurship

Functions of entrepreneurship - are

- Exchange relationship functions
- Practical administrative functions
- Management and control functions
- Technological functions

Exchange relations functions - entrepreneur perceives opportunity in environment and tries to gain scarce resources by purchasing inputs, putting them into right combinations and giving the product and services to market.

Practical administrative function - includes dealing with public bureaucracy. It is management of human resources. Management of customer and supplier relationship is also important for the entrepreneurs.

Management and control function - Entrepreneur manages finances of organization. He controls profits, investment and rate of return on equity. The production function includes policy of production, collection of raw material and final production of product.

Technological functions- include acquiring assemblies for factory, upgrading engineering processes by enhancing product quality. The introduction of new products and techniques in system can enhance development.

5. Innovation of Entrepreneurship

Business is not a financial science. It is about trading, buying and selling. It is about creating a product or service with such a good quality that people are ready to buy it.

Magical combination of business success is = Planning + Intelligence + Hard work + Contacts + Follow.

Innovation in entrepreneurship - Entrepreneurs innovate. Innovation is crucial and central ingredient in economic development. In words of 'Peter Ducker' the entrepreneur always searches for change, responds to it and exploits an opportunity.

Entrepreneurs are responsible for commercial introduction of many new products and services opening in market

. A look at recent history shows that entrepreneurs were essential to many of the most significant innovations and revolutions. How people live and work from automobile to airplane to personal computers. Individual with dreams and determination develops these commercial advances. Innovation is a specific tool for entrepreneurs, the means by which they exploit change as an opportunity for different business or services.

Entrepreneurship is capable of being presented as a discipline for being learned and practiced. Entrepreneurs need to search purposefully for sources of innovation, changes and symptoms that indicate opportunity for successful innovations. They need to know and apply principles of successful innovations.

6. Significance of Small Scale Industries

Significance of small scale industries - small scale industries are important for economy because they

- Encourage philosophy of self development and self sufficiency
- Increase in employment opportunities
- Develop the rural areas
- Utilize local resources and ensure better earnings
- Help in up gradation of traditional skills of artisans.
- Help in equitable distribution of national income.
- Improve linkage between small scale industries and large scale industries.
- Stabilize and neutralize effect of recession and uncertainties happening in environment.

Types of small scale industries

- Cottage industries
- Tiny units
- Ancillary units
- Service establishment

Cottage industries are established in rural areas, where most of women allow themselves to engage in manufacture of handloom products or textile products. They are also related to agricultural growth of many products.

Tiny units - are those units which require investment of 1 to 5 lakhs. These units relate to production of daily life sustaining goods.

Ancillary units - are those units which support big industrial powers by providing raw materials and sub assembly parts.

Service establishments - are those establishments, which are innovating in character and give services to people in form of parlour, laundry services or tailoring or boutiques.

Challenges for small sector business-

- Technological obsolesce
- Inadequate supply of raw materials.
- Lack of organized formal marketing systems
- Imperfect knowledge of market.
- Inadequate credit available
- Inadequate infrastructure and deficient of marginal and technological support
- These basic challenges which most of entrepreneurs face in Indian and e global economical systems.

7. Need for Entrepreneurship

Need for entrepreneurship and self employment - The need for entrepreneurship and self development or self employment is important because the government has to increase national production, help in balance regional development, disperse economic power and reinvest profits which are earned by business.

*Increase in national product -*The gross national product of country increases, if export potential of country increases. The balanced reasonable development is needed for rural and urban sector. This development gives a multiplier impact, by which other sectors of economy also develop

*Dispersible of economic power -*If small scale industries develop, then most of monopolistic organizations would have little power to economically exploit people. This will help in promotion of competitive entrepreneurs to produce goods at reasonable rate.

Reinvestment of profits- whatever is earned in business; some part has to be invested again. If, this is done, economy would grow and export industries will be promoted. It will be more flexible to bear the forces of recession or uncertainties which are happening in the market.

Local development is possible because this is important for economy to give value addition. It also helps in import substitution and gives skill up gradation. The facilities, infrastructure and support system also develop, if small scale sector develops.

8. Support Systems to Promote Entrepreneurship

Support systems needed to promote entrepreneurship- The basic type of support needed to promote entrepreneurship is to have good financial system. If financial management of a country is good, banking system or institutions are good, most of the problems will be solved. Access to relevant information could be through revolutionary technology of internet, computers or consultancy services hired by government.

Business management training programs and institutes are important in empowering people. The business plans have to be developed by experts and consultants. The business registration process has to be made simple. The quality management has to be proper. The environment has to be sustainable.

People have to develop new products and ideas which have to be acceptable by people. So they need to study and learn market ethics. To start a business, people need business idea or a plan. They have to deal with licenses, employees and workers.

Credit system - Protect investors, who are associated with business. People need to be good taxpayers because society and government is important.

After all this, sign a contract in order to start a flourishing business.

9. Women Entrepreneurs

Woman entrepreneurs - are important for society because they are better halves. Why do woman take employments or become entrepreneurs? There could be many reasons but we can analyze them in these following categories:

- Push factors

- Pull factors.

Push factors are those factors which force women to take up jobs or their own businesses. This could be due to

- Death of some family members
- No breadwinner for family
- Poverty or problems at home which can force them to take up business.

The kind of permanent poverty, which exists in family, gives strength to woman to stand up in society, and thus take up a stand for her and family.

Pull factors - could be woman's desire to value business or need to be recognized. She wants to stand up, for herself and gain recognition for her talent and values associated to self-esteem and social status.

Problems faced by women entrepreneurship –

- She faces lot of problems because society is male dominated. The problems which are associated to her growth and market are very slow.
- She has to perform dual role in society because she has to look after family and business also.
- She has to be subordinate to man and this is the price paid for being a woman.
- Non awareness of many aspects related to government subsidies, government taxes is a big hurdle to take business in right direction.

She needs education and technical skills to take business to right direction. There are many problems which women face due to lack of capital and credit. The understanding complexities of businesses are big hurdle for woman. Woman also has to compete with male dominated society with competitors. She has to buy materials from suppliers, where she has to communicate with male subordinates or superiors also. Problems related to marketing and distribution pose lot of problems and challenges for woman as being entrepreneurs.

Suggestions for government to incorporate

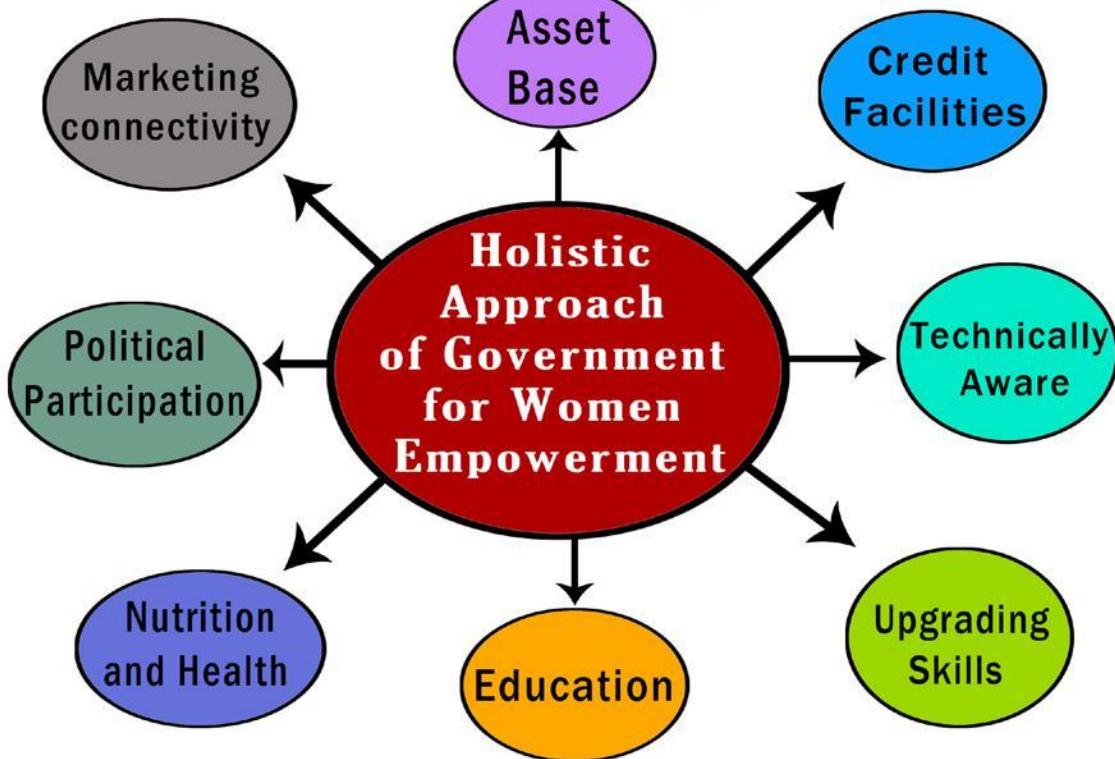
Government could form a policy by which they can grow in society. Society can prosper, because woman is educated and woman stands up as a force. Educated girl can educate a generation and develop an empowered society which reflects power, confidence and gift to future children.

Problems of getting finance – is the biggest problem. The government can promote banks to give special loans to woman at low rate of interest. It could also promote Programs and Yojnas for educating woman. The government could also link product, services and market distribution channels, in such a way, that they become easily accessible to all entrepreneurs working in the market.

Encouragement related to up gradation of technical and non technical skills is important for woman to stand up as entrepreneurs. Gender budgeting needs to be done properly to empower woman.

Diagram:

Gender Budgeting



Holistic approach -Government can adapt to make woman empowered by

- Giving facilities related to nutrition and health
- Educating her
- Upgrading her skills
- Making her technically aware
- Giving technological details to her career
- Giving credit facilities to her
- Making marketing easy
- Giving asset base to woman.

Women have got right to property, which has given empowerment and political participation to formulate policies and rules according to a particular sector. Focus should be on increasing general awareness and understanding of problems of woman entrepreneur's and it should be a top policy and priority for government to look after it.

Preference of male children to female children - This will require awareness, understanding and action. The best way is to educate children, orient teachers, examine text book, teaching age and ensure that next generation grows up with this new thinking that boy and girl both are equal in society.

Categories of woman as entrepreneurs could be classified as

- Woman working in organized sectors and unorganized sectors
- Woman could work in traditional businesses and non-traditional businesses.

- Women working in rural areas or urban areas
- Women working in large scale industries or small scale industries.

She could work as an independent or Joint Venture Company. Any kind of categorization of woman could also be classified as

Women working in big cities - are rich and empowered who has lot of financial abilities. She has technical qualifications and is involved in non traditional and sophisticated businesses. She is empowered woman, who understands society and complexities of businesses.

Woman is women working in medium cities – have limited financial ability. They work in both traditional and non-traditional business sectors. They could take up services like opening kindergartens, beauty parlours, health services or health service centres.

Woman could be illiterate& working in rural area - she is very poor, illiterate and does not have financial ability to succeed in business. Work is related to non-traditional businesses like agriculture, horticulture, animal husbandry, dairy, fishing, farming or kind of handloom or power loom businesses.

10 Business of Entrepreneur Plan

Business plan or entrepreneur plans – *Entrepreneurs* can build a project which is successful in market. Project planning is needed for particular product or area. Project is taken when a person wants to expand, grow, replace or improve for diversification and growth in market. There are the different stages for preparation of plans and projects.

- Origin of project idea
- Formulation of project
- Appraisal of project
- Selection of best project
- Implementation of project
- Commencement of project.

Origin of project idea -Identification of investment opportunities with regards to structure of government and country is important. Ideas are examined for viability and functionality for if they are possible or feasible in practical situation. Preliminary analysis is done to make the idea viable. The formulation of whole outline of project is based on idea.

Appraise report - Appraisal could be done on the basis of cost & benefit analysis. Investment, returns and gestation period. After how many years, project would give results is estimated.

Select the project - look into factors of production, manufacturing processes, sizes of unit and form of ownership by which people want to go for businesses. The machine, equipment, tools, people, site layout, everything has to be analysed. . The availability of raw materials, climatic condition, geographical location, labour supply has to be analyzed, before taking anything in market

Implementation of project - Engineering design has to be prepared, for negotiation to buy or sign contract with best cost possible options the construction and training of employees is done to start the project.

Commencement of project - would start with uninterrupted operations. It would give norms for production and marketing of goods. Set quality standards, to have market acceptance and to realize goals.

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OBJETIVE OF THE STUDY

The basic objective is to study:

- Characteristics of entrepreneurs
- Classical view
- Australian school of thought
- Steps to cultivate behavior to make an entrepreneur.

Characteristics of the entrepreneur

To become an entrepreneur, person must have

- Ability to win
- Firm dedication and determination to achieve goals
- Be driven by pursuit and resilience against adverse forces.

2. Characteristics of an Entrepreneur

The basic characteristics of an entrepreneur include that he must have

- Desire to win
- Farce dedication to achieve his goals
- Be driven and persistent
- Courage to face competition
- Daring and determination to achieve his goals and success in life.

Basic traits of entrepreneur are

He must be

- Risk taker
- Opportunistic
- Inventor
- Trader
- Innovator
- Flexible in his dreams
- Having an opportunity
- Self confident
- Proactive
- Visionary
- Needing desire of independence
- Having energy and ability to bounce back
- Result oriented and all-rounder
- Self motivated.

Classical view point of entrepreneur characteristics: According to classical viewpoint, entrepreneur must

- Be risk taker and innovator
- Have qualities like leadership and motivational skills.

- Have integrity of character.
- Have commonsense to give creativity
- Accept uncertainty in market.

Australian school of thought:

The Australian school of thought was shaped by five thinkers. ***Keens nor.***

- Entrepreneur must be alert to profitable opportunities and must have immediate knowledge of market and must know what others do not know.

Peter Schumpeter

- Entrepreneur must be an innovator, change through introduction of new technological processes and have extraordinary quality by which people can believe in him.

Knight –

- Entrepreneur must have calculated risk taking ability; profit is reward for his risk baring ability.

Sequel

- Entrepreneur must be creative and imaginative. He must have opportunities which must be original and imaginable.

Kasson

- Entrepreneur must coordinate with scarce resources and have judgmental decisions so as to reallocate resources. He must have power, over resources, personal wealth and access to his capital. He must be action oriented and motivated with great determination to accept responsibilities to get his work done.

3. How to Become a Good Entrepreneur

Cultivation of behavior to become a good entrepreneur

- Try not to be a man of success but try to be a man of value.
- Do what you enjoy.
- Take whatever you do seriously
- Plan everything, manage money wisely
- Ask for sale
- Remember it's all about customer.
- Become a self promoter
- Project a positive image
- Get to know customers.
- Level activates with technology
- Deal with top notch business team.
- Become to be known as expert
- Create a competitive advantage
- Invest in yourself.
- Be accessible
- Build a rock solid reputation.
- Sell benefits, get involved, grab attention
- Master the art of negotiations
- Design your workplace for success

- Get organized and take time off
- Limit the number of hats, you wear and follow up constantly.

These are the basic characteristics, which make the entrepreneur a successful person in business. If these habits are cultivated and entrepreneur believes in his abilities, then he can definitely change the world, in which he survives.

4. Skills of an Entrepreneur

The business skills to be an entrepreneur are

- Able to work in a team
- Good presentation skills
- Interpersonal skills and must be convinced in having networking relationships
- Assertive and must be a problem solving person with communication skills

5. Barriers for Entrepreneur

There are certain barriers, which most of entrepreneur face in daily life. There are some shortcomings or limitations **which** exist in any of society or economy.

Getting finances is difficult

- Not having access to relevant information
- Developing business plan
- Limitation of expertise
- Complexities of regulations are very tough
- Identifying opportunity is problem for many people, who are not educated. If a person wants to be involved, in a business, he must get rid of basic pressures, which comes from society and family.

6. Entrepreneurship Indicators

Entrepreneurship indicators of performance, determinants and impact

Performance indicators

- Firm survival
- Firm establishment
- Employment of new firms.
- Competitive contribution to economy .

Determinants

- Makes businesses to grow
- Market opportunities
- Assets to finance
- Technology
- Infrastructure
- Skills
- Culture and regulatory framework

Impact on economy

- Creation of better jobs,
- Better economic growth
- Productivity growth
- Increase assembly's competitiveness
- Leads to market creation
- Lead to poverty reduction.

Globalization challenges met by small entrepreneurs

- Technological changes are also utilized.
- Reduction of informal economic sector also is part of entrepreneur development.
- Enhancement of job satisfaction
- Growth of work for flexibility
- Immigration of talent is also stopped

7. Entrepreneur Culture

Collective programming of mind which distinguish one group of people from another

- Cultivate culture
- Entrepreneur culture fosters positive social attributes towards development.
- Culture of India or U S A is different because of policy promotion programs taken in both countries is different.

The author named 'Hops Tedor' who studied dimensions of culture.

Dimensions in details

- Individualism vs. Collectivism -Degree, to which people prefer to act as individuals rather than to groups
- Power distance - degree of inequality between groups of people is power distance
- Uncertainty avoidance -degree to which people prefer to avoid ambiguity, resolve uncertainty and try to take structured businesses.
- Muscularity vs. felinity -defines quality of life issues. Masculine virtues are like assertiveness, competition and success.
- Feminine virtues are modesty, compromise and cooperation.

Impact of IT on entrepreneur culture

- Forces of globalization have changed ethics of doing business.
- People need more quality and innovative ethics to promote themselves in market.
- Regulatory and legal framework has also become very tough.
- It puts pressure on businessman to understand basic values of business
- Need to be innovative and complex to have flexible system to respond to changes happening into market.

8. “Qualities of Entrepreneurs”: by Great People

Qualities of an entrepreneur

“Entrepreneur must have vision. When an object, a purpose scaling held in thought, its precipitation, intangible and visible form is merely a question of time. The vision always proceeds and itself determinacy the realization by linen whitening. The entrepreneur must have a fire; success is not the result of spontaneous combustion. You must set yourself on fire”- Raigee.

“*The most powerful weapon on earth is human soul on fire, by further and forb. The entrepreneur must have energy. You can have anything you want, if you want it desperately enough. You must wanted with an exuberance that irrigates through skin and joins energy that created world*” ‘Shelia’.

“*You must praise people around you. There is nothing else, that so kill's ambition of person as criticisms from superiors. I never criticized anybody, I believe in giving a person incentive to work. So I am anxious to pray but lots to find faults. If I like anything I am hearty in my approach and lavish in my prays*” by ‘Charles’.

The entrepreneur must think about success, learn to pat yourself on the back for past and present victory's, no matter how small, acknowledge anything and everything, small and large and use it to create vibration of success and achievement. In now which will age you in attractive further success- By John Coy.

“*The entrepreneur must have desire to win, knowing one wants is not enough wishing or hoping is little value, and it is desire that gives you the needed momentum and inspiration. Fuel your desire daily nothing else is more important and crucial to your success*” Again by John Coy.

“*The entrepreneur must have the creativity also. Self expression is the dominant necessities of human nature,*” William winter.

“*He truly successful businessman is essentially a dissenter are rebel who sell them if ever satisfied with the statuesque. He creates a success and wealth by constantly seeking and often finding new and better ways to do and make things*” By Jai Pol.

“*I must create a system or be enslaved by another man. I will not reason and compare my job is to create,*” By William.

“*As an entrepreneur, you must be crazy also. What every company need is crazy people reshaping strategies, coming up with ideas and constantly experimenting*” By Anita Roderick.

“*If you want to win anything a race, yourself, your life you have to go a little brusque*” By Jorge.

“*The entrepreneur must also have the willpower to succeed; the difference between the successful person and others is not a lack of strength, not lack of knowledge but rather in the lack of will. If you will not settled for anything less, than your best you will often get it. The entrepreneur must believe in action. The great aim of education is not knowledge but action, Harvest pincer. Genius is one person inspiration and 99% is perspiration*”- By Thomas an Anderson.

“Learning is also important for entrepreneurs. Develop a passion for learning. If you do you will never see to grow,” By Anthony.

“80% of learning difficulties are related to stress. Remove the stress and you will remove the difficulty”, By Jordan.

“The most successful corporation of the future will be something calls a learning organization, this is fortune international” Magazine.

“The entrepreneur must also have the role models, lives of great man all reminds us, we can make our life sublimes and departing leave behind us footprints of sand of times,” By Henry.

“Entrepreneur must also be able to think and he must also able to have a vision. The biggest lesson I have ever learnt is the spoondious importance of what we think? If I knew, what you think? I would know who you are? For your thoughts make what you are, by changing your thoughts, you change our lives”, Dale Carney. Temic

“Thoughts create a weak person, confident thoughts create a confident person, thoughts of self pity create a person filled with self pity, enthusiastic thought create an enthusiastic person. Your mind will always and forever creating your reality” By John Coy.

“The entrepreneur must also have the dreams, your vision will become clear only when you look into your heart, who looks outside dreams, which looks inside awakens” Carl Jeans.

“The poorest man is not the one without any money but one without a dream” By Barry brown.

“Entrepreneur must also have the persistence; if there is any one skill I have seen in champions, it is an unbelievable level of persistence” By Anthony.

“Persistence is the key to success any business. Persistence, in taking the nocks and learning from it and going back and correcting it” Gray Haric

“Nothing in the world can take the place of persistence; talent wills not, nothing is more common than unsuccessful man with talent. Genius will not, unrewarded genius is almost a probably. Education wills not, the world is full of uneducated failures. Persistence and determination alone are omnipotent, by cal wine collage. The entrepreneur must be able to overcome the fear, to conquer fear is the beginning wisdom”, By Bedran Rasule.

“Action feels and strengthens confidence in action in all form feats fear. To fight fear is to act, By David.

“The entrepreneur must also achieve satisfaction for the work he does. I believe, people work for satisfaction, I believe it is a big mistake to think that money is the only war to compensate a person for his work. People need money but they also want to be happy in their work and be proud of it”, By Aique.

“The entrepreneur must also have a habit of reading. I really had a lot of dreams, when I was a

kid and I think a great deal of them that grew out of the fact, I had a chance to read a lot”, By Bill Gates.

“You must be trusted and ethical, obviously, everyone wants to be successful but I want to be looked back on as been an innovative very trusted and ethical, unlikely making a big difference to the world”, By surgery brain.

“Moral intelligence which is very important for entrepreneur’s growth and abilities. There is admirable potentiality in every human being, believe in your strength and your youth. Learn to repeat endlessly to yourself, it all depends on me” Angry grich.

“Life is not easy for any of us but what of that, we must have perseverance and above all, confidence in ourselves. We must believe that we are gifted for something and that this thing must be attempted” By Marry query.

The moral integrity of entrepreneur is important because this is highest standards to get actions done. The integrity and the specialty of entrepreneur to achieve success is important

Moral intelligence is reflected for

- Respect of people in values
- Respect and esteem given to people.
- Encourage development and personal accountability to hold business.
- Social commitment in form of forming team
- Being good citizen
- Believing customer commitment
- Quality of work
- Situation which add beautiful qualities of successfulness in life

Moral intelligence - reflects in moral competencies. When people achieve these competencies, emotional maturity is achieved. This emotional maturity forms moral campus to guide through principles , values and believes. The purpose and goal has to define behavior in modified way by reflective thoughts, emotions and action taken in life. Integrity is that reflex ability to tell truth, to stand up for oneself, keep promises, to take responsibility and have passion to do work.

The secret of reaping greatest fruitfulness and enjoyment from life is to live dangerously. The moral character of entrepreneur is to modified behavior for

- Integrity, responsibility, compassion, forgiveness and commitment
- Justice and humbleness
- Care for people and care for society .
- Wisdom and courage will take to distances far away.

This is all about characteristics and qualities of entrepreneur to cultivate these abilities. The success in life is because of thoughts by great people to inspire to do good things in life.

9. Basic Ethics

Basic ethics entrepreneur need to cultivate

These qualities are very abstract abilities, which foster beauty in life. The abilities are

power, which give source of inspiration and joy to work. These abilities are as follows:

Achievement, Power, affiliation, triteness, creativity, wealth, autonomy, status, comfort, safety, wisdom, enjoyment, friendship, service, community help, independence, loyalty.

The entrepreneurs need to have a concept, for growth, curiosity, spirituality, perseverance, inner peace, gratitude, meaningful work, competence, influencing others, stability, competition, security and cooperation.

These are some of abstract values, which are able to cultivate personality can add up to growth in life. These abilities will foster ability to grow as an entrepreneur.

Entrepreneur has basic attribute, added to personality, can inspire themselves, people and society to develop in better way, because we need to create world, which is guided peace, progress and security. It is power of business, work which influences people.

These basic abilities generate reflection, attitude and confidence in people to take life to different meanings and agenda.

10 Social Entrepreneurship

Social entrepreneurship

- Working in market as an innovative and opportunity seeker
- Resourceful person or group of institutions, which leads to creation of enterprises or systems that give development programs to marginal sections of society. They are known as social entrepreneurs.

Social entrepreneurs are helping to create more peaceful, sustainable fair world. Entrepreneurship is subtle force challenging order of society. It is extraordinary force, by which most of revolutions are created, like energy source from crude oil.

Social entrepreneurship strategies involve four of forces

- Resource mobilization strategies
- Social inclusion strategies
- Intermediation strategies
- Empowerment strategies

If these strategies are formulated in a better way, then the social entrepreneurship will grow. In this marginal sectors of economy, community or people less empowered in money can take most of enterprises in their hands. The bottom line of these organizations is to give double profits but social benefits and up liftmen of empowerment, looking to down trodden society. These could be like NGO's or other social organizations.

Aim of social entrepreneurship is of distributive power, which caters to broadest segment of society and gives social benefits.

Role of social entrepreneur -is that he is leading to social change. There is one thing stronger than all armies of the world and that is idea, whose time has come. A person with vision

and drive to change society is known as social entrepreneur.

Entrepreneur in community

Entrepreneurship is style, and general method of operating set of business skills. Entrepreneur committees are significant because they are important for growth of entrepreneurs. This is social networking system, where values are collaborated for development of entrepreneur.

Entrepreneur's communities develop because it is group of people who recognize that development can come by team work or group effort. This of community builds social capital, human capital, clusters and public private partnerships to give innovative structures.

Social capital is built through trust, networks, reciprocal ideas of exchange, collective actions, horizontal and vertical exchange of relationships of product and services.

Human capital is built up by education by going to schools, colleges and community. So it is not benefiting one business but entire community. The knowledgeable people will become assets for future aspects of business.

Clusters- give economies of scale, large scale of production cannot be done by one business, so people need technology and knowledge transfer which puts to stage of growth.

Innovators structures are also part of community entrepreneurship because they give basic items, related to growth and survival, like day care or technology transfers to build support systems for growth.

Creating climate for community - community will embarrass and nurture entrepreneurs. It must have goal and supportive public relation policies and systems to train entrepreneurs.

Entrepreneur mentoring - Coaches are people, who train for some activity in life. Mentoring is to have role model, who can give advice to in life

Advocating -is promoting particular business related to own business, e.g. If people are supplying main material, they need support system or technical assistance from another person to start their own business and be supplier partnering

Partnership – if people find shortage of capital, they are able to build community support and awareness in society through education programs for community participation which helps entrepreneurs to grow in collective way.

Communities are helping in growth of entrepreneurs and society in better way.

FUNDAMENTALS OF ENTREPRENEURSHIP

THE THEORIES OF ENTREPRENEURSHIP

1. INTRODUCTION

Definition of entrepreneurship

Entrepreneurship involves, not only process that leads to setting up of business entity but also expansion and development of an ongoing concern.

The study of entrepreneurship is concerned with

- Entrepreneur behavior
- Dynamics of business set
- Expansions and development.

Evolution starts from Adam Smith in 1776, “An entrepreneur is a person who acts as an agent in transforming demand into supply.”

In 1803, Jean Baptiste said, “An entrepreneur is a person who shifts resource from area of low productivity to area of high productivity.”

According to John Stuart in 1848, “An entrepreneur is a prime mover of private enterprise. The entrepreneur is the fourth factor of production after land, labor and capital.

According to Carl Menger in 1871 “The entrepreneur acts as an economic agent who transforms resources into production services. The entrepreneur transforms and gives added value to the products.

Evolution of theory also starts with the Joseph Schumpeter in 1934 who said that entrepreneur is an innovator. The economy moves through leaps and bounds and prime mover is entrepreneur through the process of creative destruction. **Alfred Marshal in 1936** said, “The process of entrepreneurship of business development is incremental or evolutionary. It evolves from sole proprietorship to a public company.

According to Abdul Rahman, “The entrepreneur is seen as a knowledgeable individual and instrumental in development of city-state where enterprise will emerge.

According to David McClelland, “The entrepreneur is a person with high need for achievement. This need for achievement is that it related to the process of entrepreneurship.

These were basic thinkers who had put thoughts together according to needs of society, so as to develop subject for study. The theory of entrepreneurship is based on thoughts of these great thinkers, who had designed subject study and they had put e thoughts together build theories for total study of subject.

2. MODELS OF ENTREPRENEURSHIP

The total evolution of subject is divided into three phases:

- Neoclassical school
- Psychological school
- Austrian economic school.

We have shown you here 3 models in these blocks

Neoclassical school- This is fundamental science which attributes people and determines that entrepreneurs can become successful if they have ability.

Psychological school says that in addition to fundamental qualities, people must have *ability and initiatives and innovation* to design success.

Austrian school of economic says, ‘Not everybody can be an entrepreneur but it is process and combination of certain factors that determines, person to become successful entrepreneur.

Theories of various parameters

Sociological theory is derived into

- Religious theory
- Social change theory

Religious theory of beliefs by Max Weber, “We have six attributes related to it

- *Spirit of capitalism* - need money to grow then
- *Adventures spirit* - need adventure to determine variable business aspects
- *Protesting ethic* - religious belief to inculcate profit with high earning
- *Mental attitude* - to grow with profits and social status is earned by profits.

So society who believes in these attributes of giving status to people according to money, values, religious concern of people, for binding together to develop entrepreneurship in an art

Sociological theory as sub part of theory of social change by Wart Hegan. This says

- Presentation of total model of society is important. Social structure, status and perception are determined by culture of society.
- Shifting total initiating changes of processes.
- Rejection of follower's attitude and want to become master
- Physical environment determines parameters of success.
- Entrepreneurs do not need to imitate western ideas
- Build solutions of innovative ideas.

Six parameters governing success of person to biome and entrepreneur.

3. SCHUMPETER THEORY OF ENTREPRENEURSHIP

Schumpeter reduced his theory to three variables and need to have balance, the views are contradictory.

He believed that circular flow of money to maintain equilibrium is contradicted by change

1. Routine thing contradicted by equilibrium of change.
2. Static vs. dynamic view of society –
3. Entrepreneur vs. management view of society.

Theory reflects all the aspects & factors of

- Innovation
- Management
- Changing dynamics

These aspects put an impact on society.

Model of Schumpeter's theory of innovation

Entrepreneurship develops because they have ability to

- Design new products.
- Open new markets.
- Carry and invent new organizations
- Introduce new goods & services in society
- Conquer new sources of supply from market.

According to Schumpeter –

- Difference between invention and innovation
- Entrepreneurship is function
- An activity created by entrepreneurs
- Dream and private ownership designed

According to Harold and Mark, “They were people who design classification of the entrepreneurs.

Disease emerges as secular, to become endemic, then epidemic and pandemic
These are stages of evolution of diseases, in same way

1. Religion emerges from set to become a church.
2. Ecology emerges from group to become community
3. Normal science emerges from pre-paradigmatic to paradigmatic.
4. Entrepreneurship emerges from cluster, class to category.

Categories of entrepreneurs design is a study and subject to build:

Entrepreneurship of cultural theory

Entrepreneurship grows in religion and cult. It is impacted by

- Caste
- Place

- Region

There are various regions in Europe, China and India designed by various groups like local Hindu groups as Marwari, Sindhis emerging as entrepreneurs. In Europe, Jews religious group, support each other to emerge as community for distributing and exchanging goods together.

4. THOUGHTS OF VARIOUS THINKERS RELATED TO ENTREPRENEURSHIP

Psychological theory by Peter Ducker

- Entrepreneurship is designed by values and ethics
- New ventures are created by their dreams.
- Knowledge and physical resource availability dictates entrepreneurship as development
- Risk ability of people to take up success in life.
- Abilities of competencies of people to take up any activity related to business.

According to Richard Cantillon in 1755, entrepreneur undertakes jobs which give profit.

Profit are earnings and needs to earn them

According to Morris -The entrepreneur marketing has five forces of

- Customer intensity
- Resource leveraging
- Calculated risk taking
- Sustainable innovation
- Environmental protection

These forces design success for entrepreneurship.

Coordination of factors, design and evolved theories

Risk and uncertainty management behavior (Richard Cantillon 1755)

He said

- Entrepreneurs exchange results to buy something from uncertain prices and to sell things at a certain price.
- Certain raw materials are available at uncertain prices
- When prices are high in market, they sell goods.
- In this process, survival is of the fittest.
- Society loses entrepreneurs, when losses are happen
- When there are profits in markets, most of entrepreneurs grow
- Only perceptive, intelligent and willing people, who take risk, are able to survive in total evolution of market exchange process and emerge as entrepreneurs.

Kirzner in 1985, he emphasize that successful entrepreneurs notice, what others have not noticed. Profits are not exceptional abilities to judge success as an opportunity.

Frank Knight's - said that

- Entrepreneur is a worker who looks for job but if he gets more from another opportunity, he becomes an entrepreneur.
- He leaves job and becomes an entrepreneur himself. These thoughts were evolved in year 1921.

Gifford in 1998, said that

- Entrepreneurs are indorsed with high levels of manager's ability
- They optimally spend time for operating numerous projects
- In the operation of these projects, there is an opportunity cost involved in ventures. The variation is from low profits leading projects with high profits.
- Coordination of factors has to be designed.

Jean Baptiste in 1828 - Entrepreneur

- Works as contributor
- Combines and coordinates various factors.
- Is an economic force for designing coordinating various factors of production together
- Personal characteristics of judgment, experience and ability to make decision, makes him successful to design profits

According to Casson in 2003 -an entrepreneur is someone who specializes for taking judgment decisions about coordination of cash resources in market.

According to Schumpeter in 1934- entrepreneur

- Entails innovation and does not operate within conventional boundaries
- Works with technological constraints to design changes in market

Schumpeter's words, Entrepreneur, as an innovator is responsible for doing new things in new way this could evolves as creation of

- New product
- New production
- New market
- New source of supply
- New organization of industry

According to Lab Stein in 1968, he said

- Leadership and motivation is needed to emerge as an entrepreneur
- To bring out changes of gradual nature of existing products and process through combination of new ideas
- To motivate people according to their abilities and design
- Evolve with crises to emerge with market paradigms
- To give products with high level of success.
- Personal and psychological traits are important.

Barrett in 1989 –said

Physiological & psychological profile of entrepreneur has two parts:

1. Trait approach
2. Construction of trait approach.

Trait approach evolves with

- Need for achievement
- Locus of control
- Risk taking ability
- Innovation and creativity
- General personality scales related to emergence of personality as a successful person.

Construction approach is relates to

- Bias towards western culture
- Gender bias and ethnocentric

Chell in 2001 –

- Entrepreneurship is an innovative design by which individuals emerge.
- Any inclination or relation with society will not help to grow, but it is inner desire that makes person to grow as an entrepreneur.

Psychological profiling of entrepreneurship of various approaches as designed by Chell in 1991

There are conflicts and difficulties in total process of evolution of entrepreneur as person. It starts from childhood. May be person has lost his parents or facing difficulty in life. He is suffering from poverty, or illness which forces him to take up profitable venture.

To think about developing entrepreneur of ethical questions arise which is duly criticized by various other authors but then there are many other reasons behind the art of becoming entrepreneurship.

Cognitive study -related to evolution of entrepreneurs the purpose has to focus on

- Behavior of entrepreneurs rather than personalities.
- Behavior makes him success
- Attitude is needed to build business

According to Mitchell in 2002

Entrepreneurs have certain characteristics by which, they find existing opportunities in environment. The new and special thinking that makes them special persons.

Gartner in 1988 who said

- Focus on what entrepreneur does
- Focus on actions or activities

According to Chell

- Entrepreneur are made but they are not born
- It is an art which has to be designed by studies, consultancies and training

institutes.

According to Stevenson and Jarrillo in 1990

Entrepreneurship is a process but not an attribute of a person.

Individual is important to play game but team effort is needed. The possible stage of any life, to become entrepreneurship is not important.

The effort is generated by circumstances of society, which transform him to person. The entrepreneur processes consist of various activities.

- Motivations to make a difference in person. Opportunities need to be calculated. This gives emergence to person as an entrepreneur.
- Resources are required for this process.
- People need to deal with obstacles and control business.
- People have to manage risk, use networks and manage financial and social capital. The total process is designed by various authors, thinkers, who have contributed to science of entrepreneurship as a subject of study.

Concept of social entrepreneurship

- Recent concept giving community or vitality
- Social interaction is converted into social cohesion.
- When people interact, they get connected to each other and build cohesive society. This is a social capital.
- Social capital gives collective efficiency of being involved in organizing community abilities. The social enterprises are as mediating structures to connect with society.

Social enterprises as mediating structures

According to Burger in 1977

- Protect individuals from alienations by translating social problems.
- Enhance stage legitimacy like connecting public to problems to be solved by private means.
- Society has to be mediator to solve problems of people. Connect government with religion
- Church can connect many people to government
- Connectivity can establish to give solutions.
- Issues from non-profit bases have to be converted into political issues
- Government can design strategies as to design success and solution for people.
- Political theories of social enterprises relate that non-profit activities act as cohesive power for state.
- States have to take legitimate actions to give an issue based solution to society.
- The non-profits provide a space between individuals and states.

According to Locke, according to Wright Mills

The voluntary associations are force to fragment to act of society to transform.

Model of association according to Tocqueville's

Equality converted into civic association for building political association to

create democracy. These parameters are designed by entrepreneurs to build social aspects which create social capital.

5. SOCIAL CAPITAL

Social capital according to Robert Putnam – it is network norms and social trust that facilitates coordination and cooperation for mutual benefits.

According to Francis

- It is an institutional informal norm that promotes cooperation between one or two more individuals.
- Synthesis trust and social cohesiveness that promotes giving voluntary and participative support civil society.
- Basic model explains how social enterprises can be connected to design social capital.

The four classical scholars have designed total subject systematic way.

- Richard Cantillon who gave thoughts from 1680 to 1734.
- Jean Baptiste who gave thoughts from 1767 to 1832; we have Joseph Schumpeter who gave thoughts from 1883 to 1950.
- Israel Kirzner who gave thoughts from 1930.

Evolution has four pillars who had designed subject as science.

Richard Canutillo

- Entrepreneur is risk taker
- Entrepreneurship is function

According to Jean Baptiste

- Research is funded or supported by knowledge
- Research cannot be done without support of knowledge
- Applied knowledge is used as means of production and workers for manufacturing process. By this people can get success in life to emerge as an entrepreneur.

According to Joseph Schumpeter

- Entrepreneur is always an innovator, who uses mechanism of economic creator for using creativity to designed creative destruction. Creative destruction is emergence of new products so that existing products become out of use.
- Creative destruction emerges with new and better production ideas to enhance quality of life.
- People who create enterprises and businesses designed by their talents. It is interlocking of new products, processes and new methods of productions, which emerge to form new markets for solutions, which never existed before

According to Kroner

Entrepreneurship is an opportunity and entrepreneur is an opportunist who is alert and identifies key opportunities and tries to realize them. According to various authors, who have designed science with each impact and

solution to e parameters?

Say and Mill who said, “Entrepreneur has a specific tasks and entrepreneur salary which profit.

According to Canutillo, “The entrepreneur is a rest taker.

According to Smith and Ricardo, Entrepreneur is a capitalist.”

According to Schumpeter “Entrepreneur is an innovator.” **According to Marshall Keynes,** “Entrepreneur is an employer and decision maker.”

The basic model, tells impact of various thoughts and thinkers, who have abilities of people for emergence of entrepreneur.

Entrepreneurship has become a subject for business

Some countries have lot of contribution for designing cluster form of development for designing societies with evolution of business.

The impact of research has been studied and calculated with abilities given to people through training and consultancy.

The theories of technology development are designed to think about systematic sciences to create knowledge, resources and ventures required to design development for society.

Research of various scientist related to various areas

Donald in 1930 to 1997.

Gave emergence and relation of theories of technology development

David McClelland from 1917 to 1998,

Behavioral research is designed by William Gartner from 1953 designing Sociology.

David Birch and David Storey in 1937 and 1947

Research is an important parameter for entrepreneurship as an art to be studied.

According to Donald's Schon- The importance of entrepreneur is like a champion for technical development. The new ideas and facts could be dynamic but conversion in society is faced with resistance. To overcome resistance, they need to convince people. So selling goods can be done by convincing people. People, who represent new idea, work mainly through informal rather than formal norms. Technically one person who acts as change agent is the entrepreneur.

According to David McClelland

Society is developing more dynamically than other societies. It is because society has a need for achievement and development for an aspiration and desire to become better.

The standard of living of people is designed by their needs for achieving better lives. So it is behavioral attitude change in people which designs success.

According to William Gartner,

Entrepreneur is the creator of organizations. Entrepreneurs are important to create organization. It is entrepreneurs who are responsible for creation and invention of growth for organizations.

According to David Birch, “The job generation process is a pioneering work. The small businesses are part of society to build jobs and employment.

According to David Storey-The small business is growing is due to entrepreneur ability of society. The government is important for the development of small business sector in economy. There is more difference between frequencies of establishment of new firms in different regions of country because a country, which is rich in abilities and opportunities, is funded by e government. Entrepreneurship is an interdisciplinary subject.

The various aspects of entrepreneurship studied by various thinkers show that profits not a part of entrepreneurship but it is various benefits generated by entrepreneurship which design society. Profit is not only impact but it is standard of living, creative ideas and knowledge which designs development of society.

Entrepreneurs are important not only for market but for all spheres of human activity. They are part of society related to human needs, social needs, political aspects, to design democracies of country. They are important to look after environment, social responsibility and social issues of society.

Entrepreneurship is concept, which is deeply designed and imbibed in values of society. Any society without entrepreneurship is a dead society. A society has to be alive with vibes. People have attributes and characteristics to emerge as entrepreneurs who are successful for designing employment, opportunities and building wealth to give secure future for generations to come. Entrepreneurship is an art. Entrepreneurship is a science. It has to be studied, imbibed and practiced. Entrepreneurs are not born, but they are made, who need right training to design success.

Thank you students!

BEHAVIOR OF THE ENTREPRENEUR (Part I)

FUNDAMENTALS OF ENTREPRENEURSHIP BEHAVIOR OF ENTREPRENEUR I

Dr Meeta Nihalani

OJECTIVE OF THE STUDY

The basic objective is to study:

- Attitudes of entrepreneurs
- Personality and perceptions of entrepreneur

In words by John Jax “Be yourself, above all, let who you are, what you are, what you believe, shine through every sentence you write, every piece you finish, our inner strengths, experiences and truths cannot be lost, destroyed or taken away. Every person has an inborn worth and contribute to human community. We all can treat one another with dignity and respect provide opportunities to grow towards our fullest life's and help one another, discover and develop our unique gifts. Each deserves this and we all can extend it to the others”.

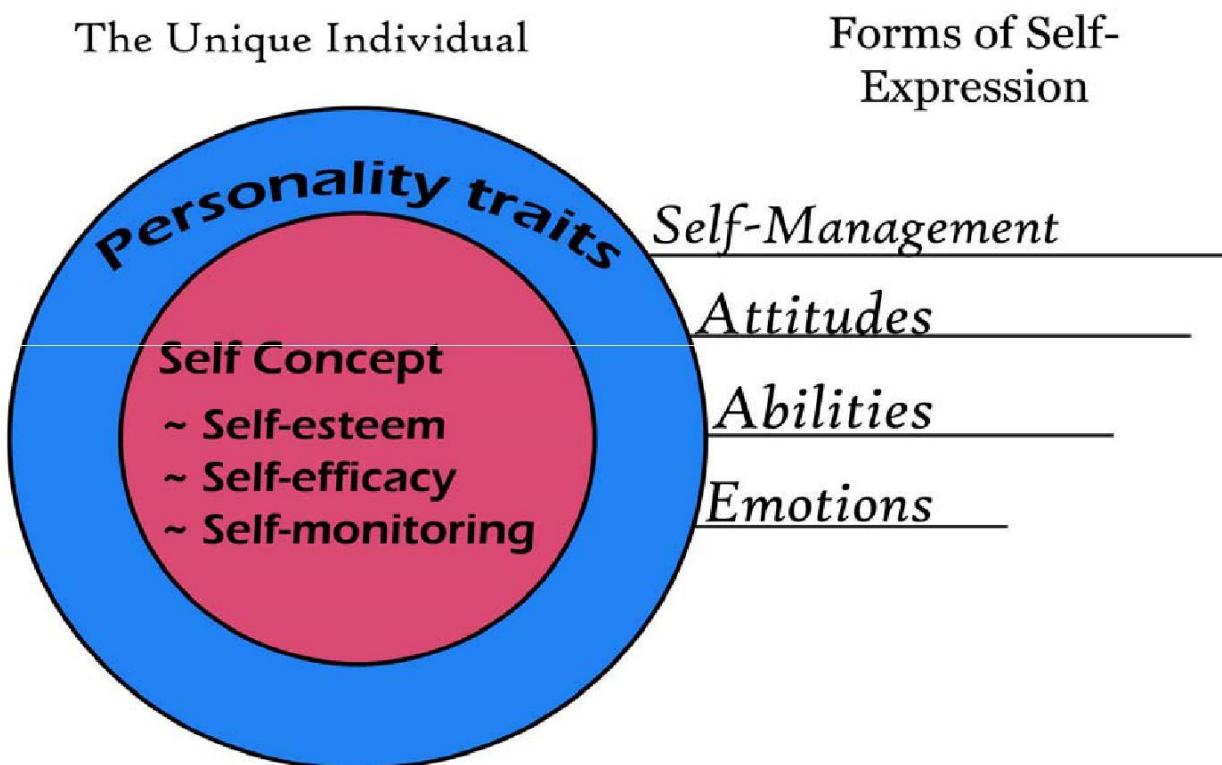
This expresses the self concept of a person. It gives power of individual which shapes business. Shaping of vision for business is important because it reflects personality and emotion of particular character.

2. CHARACTER OF A PERSON MODEL

Model for studying character of a person

Every individual is unique and these individual characteristics are displayed in this model. We have the inner circle

A Model for Studying Individual Differences



Inner circle - displays self concept.

The self concept consists of

- Self esteem
- Self efficiency
- Self monitoring.

Outer circle - consists of personality trends –which are form of expression. Self management is needed to build attitudes which will reflect a person’s abilities. The abilities will be perceived in form of emotions put in business to give beautiful shape.

Self efficiency is belief that person changes for goals and abilities. The model for self efficiency says Beliefs are shaped by experiences, behavioural models and persuasion from parents or teachers. This is assessment of physical and emotional state of mind which reflects in business.

The locus of control could be

- Internal locus
- External locus.

Internal locus is shaped by inner confidence and trust, a person has in his personality.

External locus is determined by circumstances, it could be fate, luck or chance.

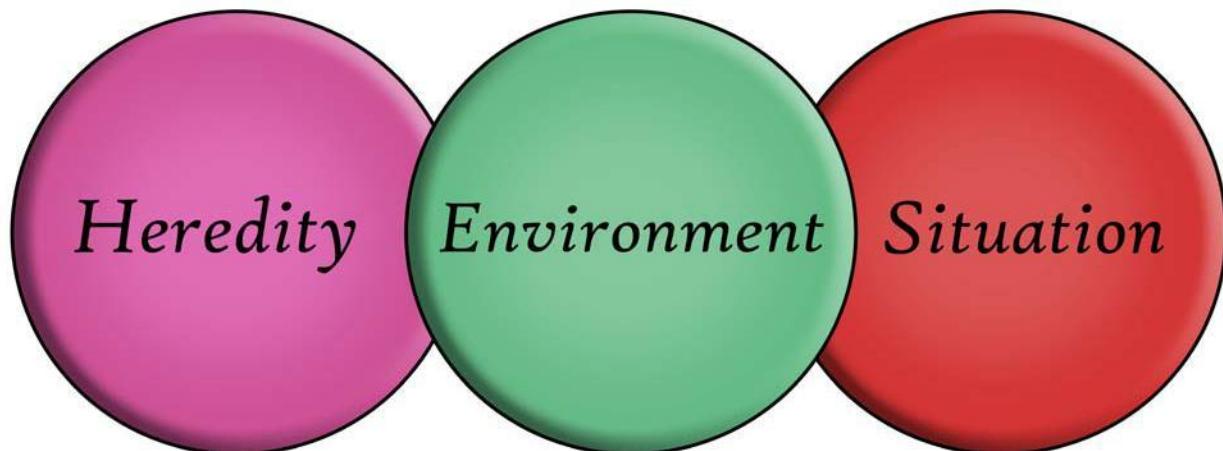
Major abilities of a person needed in business

- Verbal competency
- Word fluency
- Numerical abilities
- Subtle confidence

- Memory
- Perpetual speed
- Inductive reasoning.

These are basic aspects which are acquired by a person as he grows up. By this, people can measure and give meanings of words. They would be able to produce isolated words or a pattern to reflect the feeling and perceptions of self concept

Personality



Personality is made up of two aspects

- Heredity aspect
- Environmental aspect

Heredity aspect is derived from parents and it could be

- Physical appearance
- Colour
- Growth
- Body texture

Environmental aspects would determine

- Confidence
- Trust
- Attitude
- Knowledge skills.

Personality traits- designed by Myers Briggs. It is based on indicators relating to social interaction which can make people extrovert or introvert person.

Introvert - person never talks with many people

Extrovert person goes to people and is more social.

Preferences for gathering data or information can make him sensing or an intuitive person.

Sensing -sense a situation

Intuition- perceiving something in anticipation

Preferences for decision making could make person with feelings and thinking power.

Style for decision making can make him perceptive or judgmental person.

Big five personality model - consists of

- Extraversion
- Agreeableness
- Conscientiousness
- Emotional Stability
- Openness to experience

Extraversion – is an attitude, by which people have character and are outgoing, talkative, sociable and assertive.

Agreeableness -character consists of trusting, good nature, cooperative and soft heartiness.

Conscientiousness- is dependable, responsible and achievement oriented people.

Emotional Stability - consists of relaxed and secure people who have faith.

Openness to experience - consists of intellectual imaginative power and curiousness and broad mind.

Behaviour - of person is shaped by:

- Locus of control
- Self esteem
- Risk taking ability
- Self monitoring process

The environment which shapes personality is reflected by success, material wealth and achievement earned by a person gets in his life.

3. HOLLAND'S PERSONALITY JOB FIT THEORY MODEL

Holland's **personality-Job fit theory** model.

Holland's Personality-Job Fit Theory		
Type	Personality	Occupations
Realistic	Shy, Stable, Practical	Mechanic, Farmer, Assembly-Line Worker
Investigative	Analytical, Independent	Biologist, Economist, Mathematician
Social	Sociable, Cooperative	Social Worker, Teacher, Counselor
Conventional	Practical, Efficient	Accountant, Manager, Bank Teller
Enterprising	Ambitious, Energetic	Lawyer, Salesperson
Artistic	Imaginative, Idealistic	Painter, Writer, Musician

Model has three aspects.

- Type of personality
- Personality traits
- Occupations

Realistic - The personality traits of this person are shy, stable, practical. The occupation taken by people is of mechanic, farmer or assembly line worker.

Investigative - The person has traits like of being analytical or independent. He could become a biologist, economist and mathematician.

Social Personality - He has got traits of being sociable, cooperative. He can become a social worker, teacher or counselor.

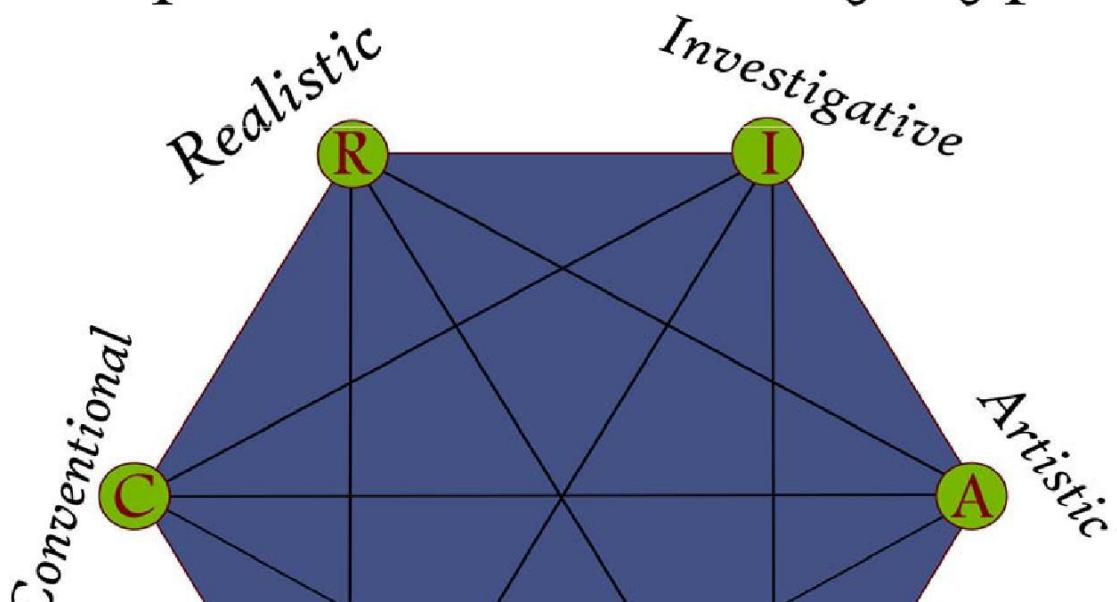
Conventional Personality – a person is practical and efficient. He can become an accountant, manager or bank teller. He could also be an enterprising person who has ambitions and energies to become lawyer and sales person.

Artistic Personality - He is imaginative and idealistic. He can become painter, writer or a musician.

Occupational Personality - The person has traits of being realistic or conventional and is shaped by investigative characters. They could be entrepreneurs with social personality. These emotions carry people in long term to reflect their behaviour in business and society.

The civilizations grow with these characteristics of individual people in a way that they sustain the future.

Occupational Personality Types



4. VALUES

Values -are concepts of beliefs that guide people to make your decisions about the evaluations of general behaviors of people who help it to do businesses.

There are two frameworks for values.

- **Rock each Value Survey**
- **Kent Hodgson Principals.**

Value is defined by the qualities, characteristics or ideas about a subject for which *they* feel strongly. This could affect their decisions, goals or ideas in businesses. It is a belief or perception for someone, who you value. It is a worth which people put on person, object or thing, which they want to acquire in life.

Value could be Infinite or could be Finite.

Finite value is calculated by money which a person could invest.

Infinite value could be things, which are beyond money values. It could be love for their child or business. It is perceptions, which people put into their business.

Values shape goals of business. The goals shape behaviour of people and this behaviour determines self concept and self value of a person. They give direction and consistency to business. They help to know, where they are and where they want to go. Values establish relationship between a person and the world. Value set direction for one's life.

Sources of the values - The sources of values could be

- Home & school
- Society & friends
- T.V., Media, Church & music
- Temple & books
- Culture & employment

Values in different eras have taken different shapes –

- *People born in nineteen seventies* - search for individuality.
- *People born in eighties* - look for money and growth
- *People born in nineties* - look for freedom and concept.

Values and behaviour are determined by situation and time in which person is born. Happiness and sadness comes from the concept, which they determine by shape of their behaviour. Values can change over life time, because may be earlier, you believed in something but market or situational forces do change values and concepts about any situation.

Types of Values could be

- Moral Values
- Material Values
- Aesthetic Values
- Intrinsic Values
- Extrinsic Values
- Universal Values

- American Values.

Values could be

- Terminal Values
- Instrumental Values

These have been described by ***Rockeach Value Survey***.

Diagram - instrument or survey or scale which is standardized pattern which is floated by this author.

Terminal values - are which people want to achieve in life. This is basis of their faith.

Instrument values - will be those which would allow to build path or they will shape. It will become an instrument to achieve that terminal value.

EXHIBIT 3-1 Terminal and Instrumental Values in Rokeach Value Survey

Terminal Values	Instrumental Values
A comfortable life (a prosperous life)	Ambitious (hard-working, aspiring)
An exciting life (a stimulating, active life)	Broad-minded (open-minded)
A sense of accomplishment (lasting contribution)	Capable (competent, effective)
A world at peace (free of war and conflict)	Cheerful (lighthearted, joyful)
A world of beauty (beauty of nature and the arts)	Clean (neat, tidy)
Equality (brotherhood, equal opportunity for all)	Courageous (standing up for your beliefs)
Family security (taking care of loved ones)	Forgiving (willing to pardon others)
Freedom (independence, free choice)	Helpful (working for the welfare of others)
Happiness (contentedness)	Honest (sincere, truthful)
Inner harmony (freedom from inner conflict)	Imaginative (daring, creative)
Mature love (sexual and spiritual intimacy)	Independent (self-reliant, self-sufficient)
National security (protection from attack)	Intellectual (intelligent, reflective)
Pleasure (an enjoyable, leisurely life)	Logical (consistent, rational)
Salvation (saved, eternal life)	Loving (affectionate, tender)
Self-respect (self-esteem)	Obedient (dutiful, respectful)
Social recognition (respect, admiration)	Polite (courteous, well-mannered)
True friendship (close companionship)	Responsible (dependable, reliable)
Wisdom (a mature understanding of life)	Self-controlled (restrained, self-disciplined)

Source: M. Rokeach, *The Nature of Human Values* (New York: Free Press, 1973), p. 56.

Terminal values - people believe and want

- Comfortable and exciting life
- Sense of accomplishment
- World at peace
- To believe in beauty of world.
- Equality
- Family security
- Freedom, happiness and inner harmony
- Mature love and national security
- Pleasure and salvation with the self respect.

They do want social recognition and true friendship in wisdoms which they belief.

Values which will allow these things to happen would be instrument values. The instrument values would be:

- Ambitions
- Broad mindness
- Capability

The abilities form a person who are cheerful, clean, courageous, forgiving, helpful, honest, imaginative, independent, intellectual, logical, loving, obedient, polite, responsible and who have power of self control.

These are standardized value given by this author and he believed that every person who exists in this world has a general reflection and pulse of this colour of values, which shapes his existence in this world.

Frederick Weber - divided people according to ranks by which they work as

- Executives
- Union members
- Activist or workers

After this, they decided need for terminal and instrumental values for each category.

Here we have shown this **table** for you,

EXHIBIT 3-2 Value Ranking of Executives, Union Members, and Activists (Top Five Only)					
EXECUTIVES		UNION MEMBERS		ACTIVISTS	
Terminal	Instrumental	Terminal	Instrumental	Terminal	Instrumental
1. Self-respect	1. Honest	1. Family security	1. Responsible	1. Equality	1. Honest
2. Family security	2. Responsible	2. Freedom	2. Honest	2. A world of peace	2. Helpful
3. Freedom	3. Capable	3. Happiness	3. Courageous	3. Family security	3. Courageous
4. A sense of accomplishment	4. Ambitious	4. Self-respect	4. Independent	4. Self-respect	4. Responsible
5. Happiness	5. Independent	5. Mature love	5. Capable	5. Freedom	5. Capable

Source: Based on W. C. Frederick and J. Weber, "The Values of Corporate Managers and Their Critics: An Empirical Description and Normative Implications," in *Business Ethics: Research Issues and Empirical Studies*, ed. W. C. Frederick and L. E. Preston (Greenwich, CT: JAI Press, 1990), pp. 123-144.

Executives

Terminal values for executives will be

- Self respect
- Family security
- Freedom
- Accomplishment
- Happiness.

Instrument values for executives will be

- Honest
- Responsible
- Capable
- Ambitious.

Union members

Terminal Values for Union members:

- Family security
- Freedom
- Happiness
- Self respect and mature love

Instrument values for Union members

- Responsible
- Courageous
- Independent and capable

Activists

Terminal Values for activists are

- Equality
- World of peace
- Family security
- Self respect and freedom.

Instrument values for activists are

- Honest
- Helpful
- Courageous
- Capable

5. ETHICAL VALUES

Importance of Ethical Values

Values are some basic power of being believing and being subjective about love affection. Ethics is a universal science of right or wrong.

The study of moral values and principals guides people's behaviour and informs people, whether their actions are right and wrong.

Ethical values are related to moral judgment and character, which are shaped by religion in which people believe.

Basic seven principals given by Kant Hudson are as follows

- Dignity of human life
- Autonomy
- Honesty
- Loyalty
- Fairness
- Humanness
- Common good.

Culture in relation to existence of person - these are reflected in perceptions, which people believe.

Power distance

- Distance between rich or poor and authority or worker

Individualism or collectivism.

Individualism - people believe in individual abilities

Collectivism - people do believe in group activities

Masculinity and Faminity values

Masculinity values –are freedom, assertiveness and confidence

Feminist values - are consecutiveness, love and faith.

Uncertainty aversion - every culture has people who want secured business and life.

Long term vs. short term orientation

Short term – benefits crystallized in short term is known as a short term benefit

Long term benefits which are crystallized in long term are known as long term orientation.

6. ASIAN VALUE SYSTEM

Asian value system

In continent like Asia, both things exist -

American Values and Dominant

Eastern and South Asian Values also exist over here.

America – There networked relationships are based on self interest. Relationships are viewed as source of gain or power. The enforcement of institutional law is very important for them to guide them. They are governed by guilt and internal pressures, which people do feel and then they believe in relationships

Asian or the south East Asian cultures -People build relations on basis of their faith and need, reciprocation and belief. Relationships are meant for long term sustainability. The enforcement is not by law but created by them. They are governing by character to carry that relationship.

Values across cultures whether it is America or Asia are guided by these forces. It is quantity, quality, power, uncertainty, long term effectiveness of these values that do shape perceptions people.

Dominant values

Dominant Values in Today's Workforce

Career Stage	Entered the Workforce	Approximate Current Age	Dominant Work Values
1. Protestant Work Ethic (Veterans)	Mid-1940s to Late 1950s	60 to 75	Hard working; loyal to firm; conservative
2. Existential	1960s to Mid-1970s	45 to 60	Nonconforming; seeks autonomy; loyal to self
3. Pragmatic (boomers)	Mid-1970s to Mid-1980s	35 to 45	Ambitious, hard worker; loyal to career
4. generation X (Xers)	Mid-1980s through 1990s	Under 35	Flexible, values leisure; loyal to relationships

Dominant Values - are reflected in work force, which are shaped by e career stage achieved in life.

Model -Career stage and approximate age with dominant values

Protestant work ethic worker-

Person in the age group of sixties or seventies. He is hardworking and loyal person, who is very conservative.

Exental

The person is the age group of forty five to sixty. He is none confirming and seeks autonomy.

Pragmatic

The person is the age group of thirty five to forty. He is ambitious, hard working and loyal to his career.

Generation X

The person is in the age group of fewer than thirty five. He is flexible, believes in leisure, happiness and loyal relationships.

7. VALUE EDUCATION

Value education is explicit attempt to teach about values. It includes the following steps.

- Inculcation
- Moral development
- Analysis
- Value clarification
- Action learning

Inculcation of values is done by society and parents. This inculcation of values shapes the behaviour of person and he becomes an individual who has social orientation. Social orientation will help in moral development.

Moral development has been discussed by *Kohlberg* in 1984 by a theory.

SOURCE: KOHLBERG, (1963,1981)

Kohlberg's Levels of Moral Development

LEVEL	STAGE	CHARACTERISTICS OF STAGE/LEVEL
A Preconventional	Stage 1	PUNISHMENT-OBEDIENCE ORIENTATION
	Stage 2	INSTRUMENTAL RELATIVIST ORIENTATION
B Conventional	Stage 3	INTERPERSONAL CONCORDANCE ORIENTATION
	Stage 4	AUTHORITY AND SOCIAL-ORDER MAINTAINING ORIENTATION
C Postconventional Autonomous, or Principled	Stage 5	SOCIAL-CONTRACT LEGALISTIC ORIENTATION
	Stage 6	UNIVERSAL ETHICAL PRINCIPLE ORIENTATION

He focuses primarily on moral values which are

- Fairness
- Justice
- Equity and Human dignity.

Diagram - divided into three levels.

- Pre-conventional
- Conventional
- Post - conventional stage

Pre - conventional stages – People can believe in Punishment and obedience which can be instrumental for orientation to shape the behaviour of person.

Conventional- would be building interpersonal skills and authority level of people.

Post conventional levels -could be making him a person as social and ethical person.

The moral development theory focuses that moral values are need consideration for development of people in long term.

Gilligan's in 1982 said Relationships are core of morality and criticized gender differences. Women have different values than men.

Orientation to self is important –for self interest. The morality of care is more powerful in women, where she looks after children, family and sacrifices lot of things in life. The morality of non- violence refers to self and others. She believes in, not hurting to anybody. So this was Gilligan's attempt to modify theory, in a way that the relationships are extended more deeply in women character.

Value clarification stage - involves an analysis, where people feel that whatever they are doing in life is right and institutional. They could study in institutes or do an analysis with their parents. There are big institutes which are focusing on studying values because in job conditions, people are forced to many competitive pressures that they need to believe inner peace.

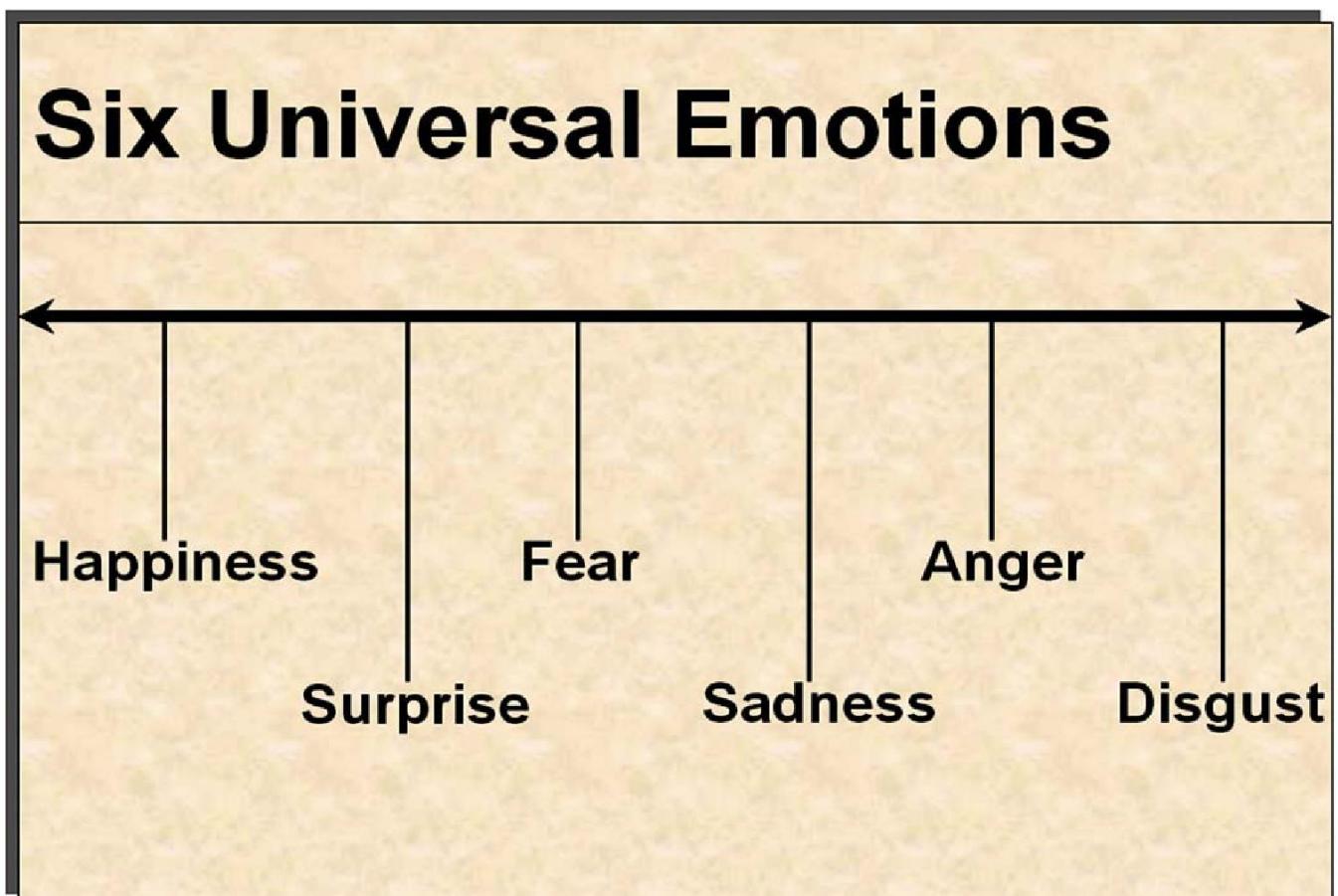
Values are reflected in actions, seen in form of interaction. It is a process of self actualization which definitely builds the self esteem

Problem solving stage - could be shaped by input phase, where processing phase to give output phase.

The importance of values in life - Values give capacity to judge, content to life; stability and security in beliefs which people carry through their journey.

8. EMOTIONS

Emotions - consist of moods and behaviour of person. There are six universal emotions which a person experiences in life.



They are

- Happiness
- Surprise
- Fear

- Sadness
- Anger
- Disgusting.

Emotions are complex pattern of organic reactions to how they think about and take efforts in life. They survive and flourish through stages of life in different ways. Every movement is different experience and emotional behaviour.

Emotions could be positive or negative

Negative emotions are reflected in form of

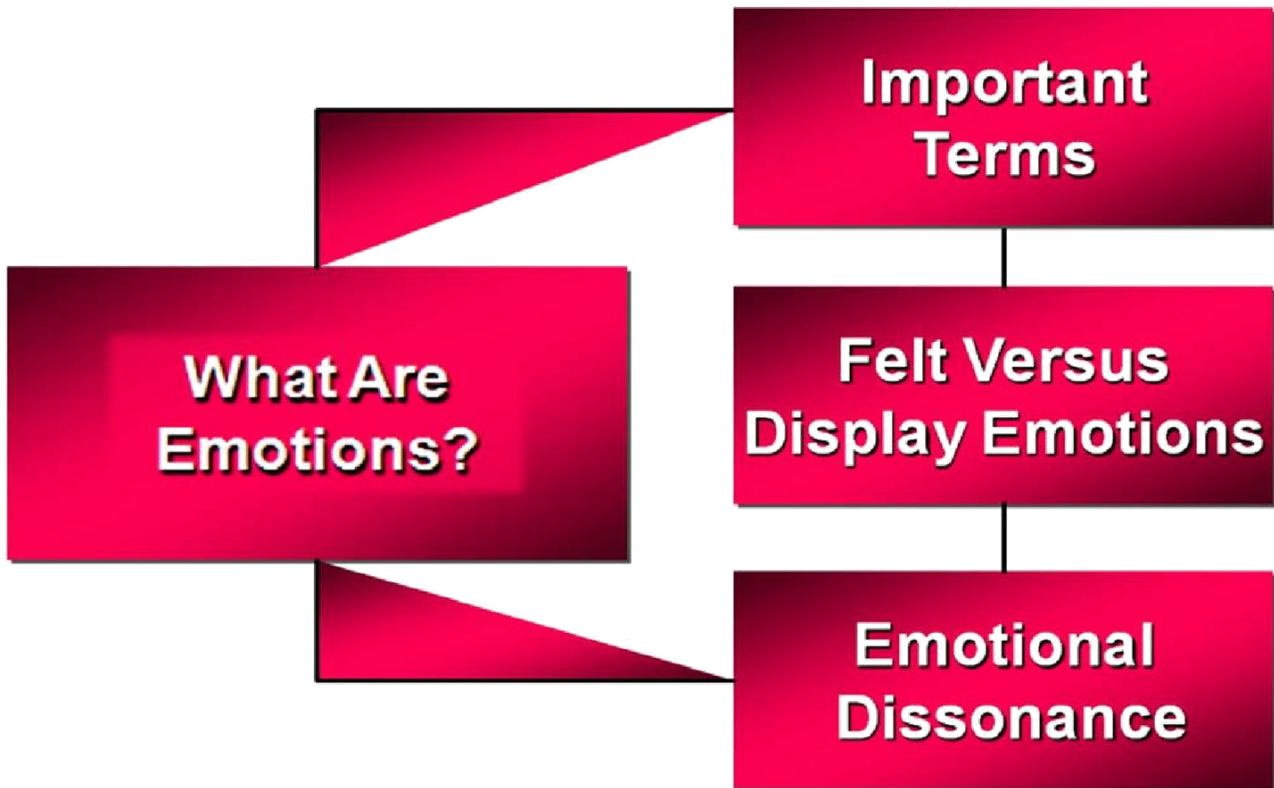
- Anger
- Guilt
- Jealousy
- Sadness

These negative emotions reduce productivity and give negative shape to personality.

Positive emotions are

- Love
- Happiness
- Belief
- Trust
- Pride
- Perception about an object or a feeling.

The positive emotions shape personality in a beautiful way. They are reflected in action and endeavours which people take in life.



Emotions are important because they are

Felt vs. Displayed - reflected in work situations.

Dissonance - in emotions could be conflict in conscious and belief level, which is calculative in mind.

Emotions in work place could be reflected by intensity of display towards employees or colleagues. It could be frequency and duration that how long people are happy or sad. The gender emotions are different where woman and man feel in different ways. There could be people who are emotionalist. It is difficult to connect with this category of people. Emotions are shaped by influences of organizations and culture.

Organizational influences could be

- Values
- Missions
- Goals of organization.

Cultural influences on emotions could be society in which they are brought up. There could be people who are very happy in life. In

American cultures, people believe in simplicity of life. The belief in spirituality or religion is important for Asian cultures...

Applications of emotions in life - If people are emotional person, this will be reflected in leadership abilities, their decision making powers, interpersonal conflict with employees and motivational aspect

The deviant behaviour can also be reflected in the ability and selection of careers which people take in life. Emotions do shape attitude.

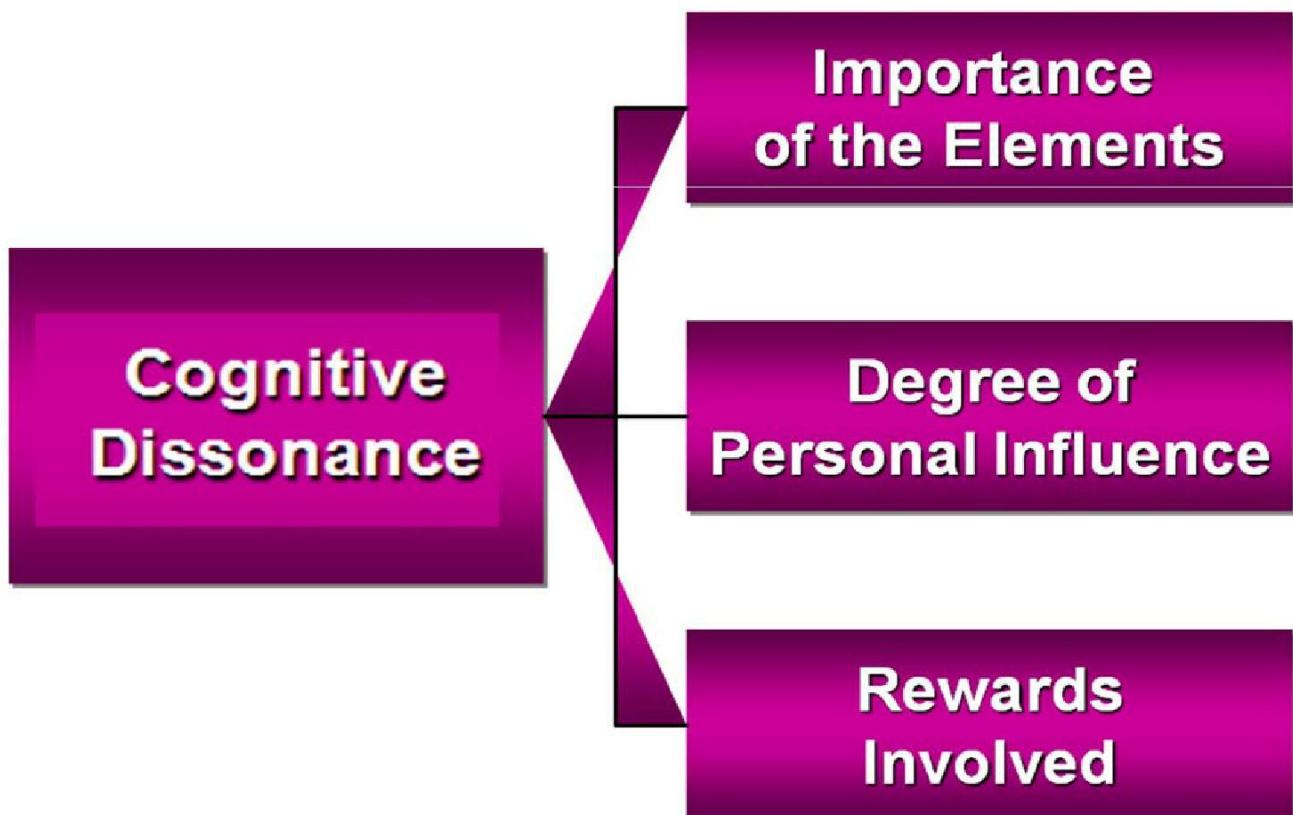
Concept of Attitude- it consists of components like

- Cognitive component
- Effective component
- Behavioural component.

Cognitive component of attitude - is belief

Effective component is- behaviour

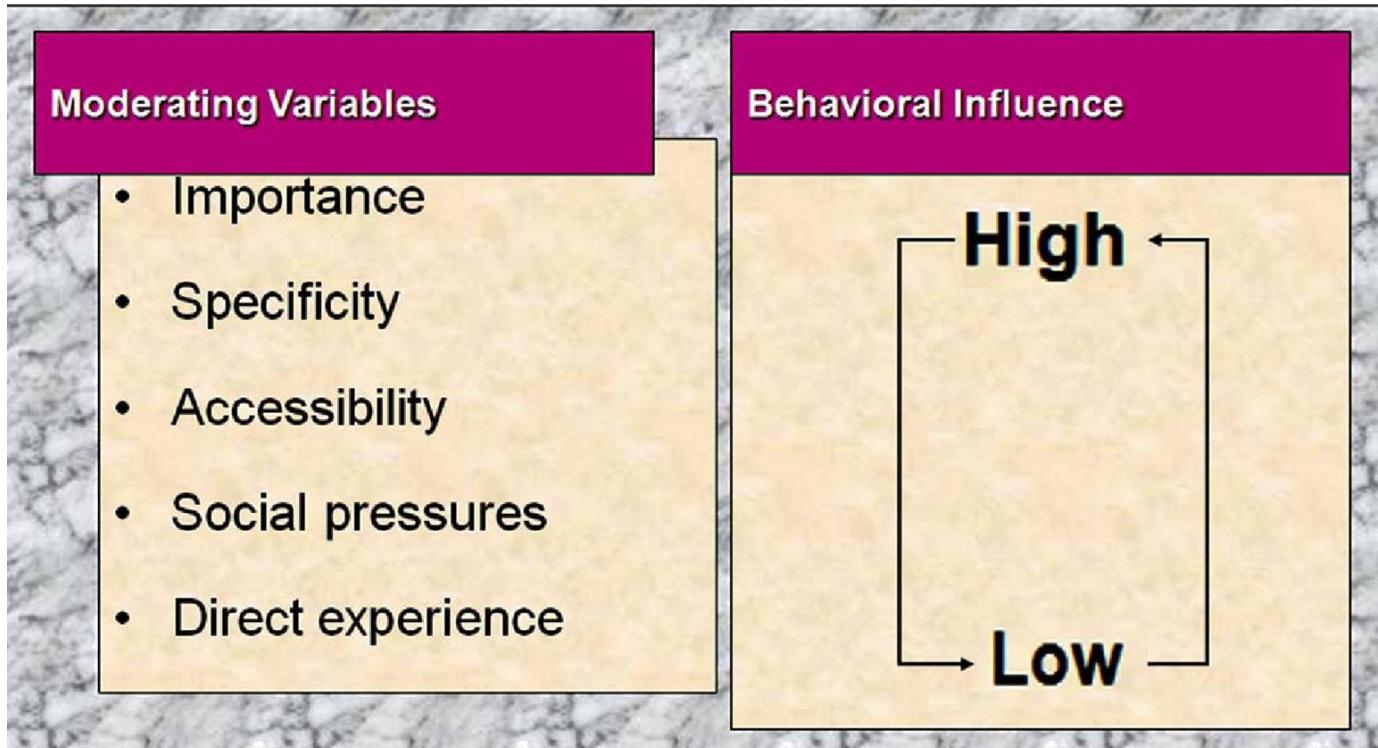
Behavioural component is - reflected in actions.



Dissonance-reflects degree of personal influences and rewards created by attitude and reflected in work place.

Attitude behaviour relationship

Attitude-Behavior Relationship



Attitude -Behaviour Relationship is shaped by

Level of specificity- how specific people are about particular situation

Accessibility - money power in life

Social pressures - pressures from peers or family.

The importance given to direct experiences in situations and businesses reflects level of job satisfaction

Job satisfaction is reflected in productivity, absenteeism, turn over or e customer satisfaction.

This attitude also reflects behaviour which has application in emotional intelligence, decision making power, leadership and Inter - Personal Conflicts.

9. INTELLIGENCE

Intelligence is of various shapes as

- Intelligent quotient
- Emotional quotient
- Spiritual quotient
- Cultural quotient.

These are different kinds of intelligence which are reflected in human behaviour and personality. They are also important for work life because it is not knowledge and efficiency which is important to carry a business but need emotional stability also.

Variables affecting behaviour- could be values, attitudes, personality or ability. They shape the forces of motivation which builds perception and learning process. The learning process is reflected in behaviour.

10. SELF IMPROVEMENT

Covey's seven habits for the process of self improvement.

- Improvement begins with inner self.
- The power of individual is very high so people have to be pro active, to begin with the end in mind
- Put first thing first, think win, win,
- First try to understand and then be understood.
- Try to synergize

These steps make balanced person and sharpen their personality.

The attitude behavior relationship is important, because you have some kinds of variables which do moderate the personality.

Moderation of personality is an exposure to social pressures and accessibility in life give and direct experiences. The behavioural influences of these pressures could be high or low. If the pressure is very high, then people are shaped as a person who has high achievement levels. If pressures are low, people result in failure.

The behaviour, personalities or attitudes build satisfaction which people get into job. The job satisfaction could result into a process in to increase productivity. But if people are not satisfied with job or business, then it could result into destruction.

Destruction could be active or passive. When people are involved in a dissatisfied process, this could result into neglect of business, disloyalty towards business. People could raise their voice against employers.

Job satisfaction builds perception which results into outcomes, treatment and procedures.

Attitude is important; attitude is 100 % in life. It makes people feel that work is important.

In business or enterprise, if there are customers, it means that entrepreneurs have positive attitude

Impact of attitude on businesses-There could be customers, who leave businesses for reasons like:

- 1 % people who die
- 3 % people who may leave you
- 5 % may adopt a new habit
- 9 % may find the price too high
- 14 % are disappointed with your quality
- 68 % of customers are dissatisfied by attitude of employees.

Attitude is important in building relationships and interpersonal dimensions

Attitudes could be

- *Dominant attitudes*
- *Submissive attitudes*.

Dominant attitudes shape and build hostile attitude.

Submissive attitudes build a friendly person

This is a mental position, which people build up in their minds. It is a habitual mode of thoughts and posture which people take up in their personality traits.

Human beings can alter their life, businesses and perceptions, if they have got right attitude.

A study in Harvard review shows that 85 % of time, you get success in businesses because of attitude. And it is only 15 % of time that your intelligence and knowledge work

Attitude is foundation of any successful enterprises.

Dominating factors which affect attitude could be

- Environment
- Experiences
- Education

Environment consists of home, school, workplace, circumstances, media, traditions, religion etc. The positive attitude in life can be built by increasing productivity towards work, fostering team work and cooperation. This attitude solves many problems in life because it

- Improves the quality,
- Make congenial atmosphere for working
- Breeds loyalty and increases profits
- Reduces stress and makes people happy and inspires others.

Negative attitude in life builds bitterness, reassessment or can give friction in life. This would build a bad image while businesses can fail

Maintain positive attitude and overcome negative attitude.

1. Change focus
2. Look for positive
3. Make a habit of doing it now
4. Develop an approach of gratitude
5. Build self esteem
6. Away from negative influences
7. Learn what to do and how to do.
8. Start the day with some positivity, training and retraining is important.

Attitudes can be altered by motivations.

Motivations - means an excitement or inducement which employers force into their workers. This is a design that encourages people to work positively in environment. Most people are good and can do better, and if they get an incentive.

The incentive could be an inspiration or a spark. It could be financial incentive or an abstract incentive.

Conclusion

In this lecture, we have discussed about emotions, personality, attitude and motivations. These are all important aspects which shape the behavior of an entrepreneur and this behaviour builds empire. Every success is shaped by a beautiful behavior.

Thank you Students.

Behaviour of an Entrepreneur (Part II)

FUNDAMENTALS OF ENTREPRENEURSHIP BEHAVIOUR OF AN ENTREPRENEUR.

The behaviour of an entrepreneur is designed by emotional intelligence, work values, team work and perceptions. Behavior is important because this is basic thing which gives success to entrepreneur in the business.

2. Emotional Intelligence / Quotient

In business sense, people have abilities of intelligence. Emotional maturity has also become important. Research shows that E.Q. is two times as important as cognitive abilities of any entrepreneur. It is almost 90% of success in leadership or business is due to E.Q.

Definition of emotional intelligence or quotient is – “Individuals differ from one another in ability to understand complex ideas, to adapt effectively to environment, to learn from experience, to engage in various forms of reasoning, to overcome obstacles by taking thought

Dimensions of emotional quotient –

- Social competency
- Personal competency.

Personal competency - is divided into three parts

- Self awareness
- Self management
- Motivation

Social competency is divided into two parts

- Empathy
- Social skills.

3. Personal Competency

Personal competency- is designed by awareness, management and motivation.

Self awareness - The concept of self is important for any individual or an entrepreneur, because personal strength estimation is one part which can be expressed as an important force to take business into different directions. Self awareness is also emotional awareness and an accurate assessment of oneself. It is self confidence and a level by which people define themselves for their creativity and ability to take task in different direction.

Self management -If people are not able to manage their emotions of control power, then they will not be able to build awareness or ability. Self control is important, because it builds trust; ability of adaptability to situation. This adaptability to situation can lead to innovation and creativity, where they need to express formations of products and ideas for society and market.

Motivation - enthusiasm and moral is important because this enthusiasm is commitment which gives an ideal shape to business. The initiative, positive thinking and optimism is needed to build motivational levels for one's personality and employees to give different shape to organization.

4. Social Competency

Social competency - is an ability of skills which people acquire to build interpersonal relationships with people.

Empathy-The basic meaning of empathy is that people have to put their feet in somebody else shoes and recognize, what could be pain and pleasure, the other person feels. It understands others. It is defining them in a form, where they express their own formations as individuals. So developing others is an important part of our team and business. Service orientation towards employees is important because if entrepreneurs care about their employees, they care about your people. If

entrepreneurs care about their team, they will be successful. People have to leverage diversity. Diversity could be in form of:

- Language
- Culture
- Abilities
- Sex
- Gender

Diversity has to be leveraged- innovator or entrepreneur has to recognize these differences and acknowledge and simulate them, in such a way, that they give shape to business.

Political awareness-people have to understand environment politics, to be empathetic to people, respect their political philosophies and build their social skills of respect. People need to have a behaviour, which they want for themselves. “Do to others, as you would want them to do to you.”

Social competency - social skills are important. It is ability to influence people

Communicate so that people are impressed and they start trusting you. If entrepreneurs have these abilities, customers would buy their products and ideas.

Ability for conflict management - wherever people are staying in organization as customers or employees, there will always be conflict. Conflict should not be taken to negative aspect, but it has to be managed in a way to give positive results to business.

Leadership is important, because if a person is of social importance, their ability to influence will give them shape and status in society where, they are recognized as a leader.

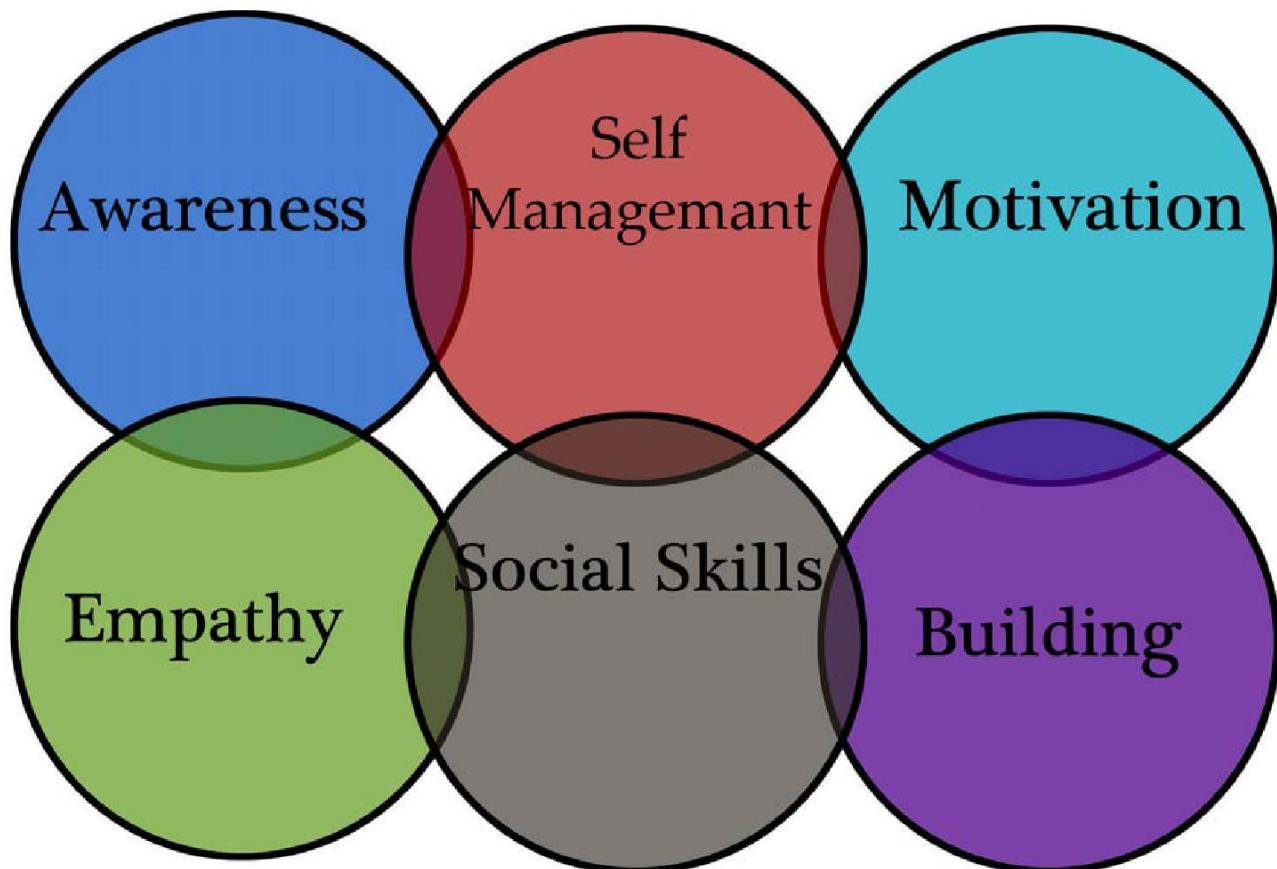
Change Catalyst - is a person, who has skill, where he changes people's perceptions and his levels of ideas to rhythmic or synchronize with their own ideas and work in team, in such a way that people respect their own beliefs and perceptions.

- Try to build bonds with people
- Try to collaborate because collaboration can build networks in business.

Team capabilities are important, because individuals cannot do everything and each individual in himself is not complete. Entrepreneurs need abilities of other peoples also. They need their skills, desires, and passions to build their own empires. So it is important, for innovators and entrepreneurs, to take-up these abilities and design the fabric of success for their business.

Emotional intelligence

Emotional Intelligence Map



Parameters of emotional intelligence are

- Self awareness
- Self management
- Motivation
- Empathy
- Social skills
- Building bonds

Bonds are built by collaborations and team abilities.

5. Strategies to shape Emotional Quotient

Strategies to shape emotional quotient

- Try to make an emotional inventory. Inventory is a list of qualities of emotional maturity.
- Analyze these skills and identify skills, which are needed to promote person as businessman.
- Enlist trusted friends, relationships and social acknowledgements and bring up list of friends
- Focus on new competency
- If any skill is missing in inventory of list, try to build on that area and practice it.
- Practice, patience and practice, will make person to grow with social competency.
- Try to observe for what people are not willing to cooperate. What could be missing ideas or things? Be adaptable to people's perceptions.
- Don't expect immediate results. It is habit, which has to be cultivated and will take time because building relationships needs lot of trust and empathy.
- Learn from mistakes, wherever there are broken relationship or fights, try to analyze these things and acknowledge. Be sorry to people and rectify mistakes, because if people are able to stitch those

broken relations in time, it will be a long term success for business because people are important.

It is only people who appreciate value who will build up empires. So give importance to people.

Nine strategies to build emotional intelligence.

- Take time for mindfulness
- Recognize and try to name each and every emotions
- Understand the causes and feelings of emotions
- Differentiate between emotion and the need, to take action
- Prevent depression through learnt optimism
- Manage anger through learnt behavior.
- Learning the lessons of feelings is needed
- Use gut feelings in decision making
- Develop listening skills.

These are basic nine strategies, by which people can shape their E.Q. It is important for businessman to promote feelings of empathy towards people.

Instruments of emotional intelligence are

- Take time
- Recognize and name people because if a person remembers names of others, they will feel important.
- Feelings of people and self and own personality have to be recognized and acknowledged.
- Differentiate and build emotion of doing something. Learn optimism, and techniques to shape behaviour
- Try to voice expressions, give a shape to expressions and develop skills of listening.

6. Intelligence

Concept of intelligence for entrepreneur

Intelligence is

- Analytical reasoning
- Verbal skills
- An ability to give attention
- Memory ability
- Judgmental ability.

This also builds basic abilities and behaviour of employees or innovators.

The I.Q is not so important for business because it gives 15% impact on success of business, but E.Q is much higher level of impact.

When people try to develop I.Q, they need to develop reading, analytical and design abilities. I.Q is developed at initial stages of life, when people go for training in institutes.

E.Q is learnt by the abilities to interact with people. Her family and social institution of friends and relatives put more impact on building relationships.

Emotional Quotient- is

Empathy

Understanding with society.

The greater is emotional quotient, greater is stability to personality. The interpersonal sensitivity which gives success to business.

E.Q. differs between male and female

There are gender differences like masculine part of personality has less E.Q., where as females have a higher level of E.Q. because they are more emotionally matured.

Emotional quotient in Man

They are more willing to compromise social connections for independence. They want independence, economic freedom as expression of achievement. In that race, they would compromise for family or social connections. They are less adaptable and are more physiologically overwhelmed by marital conflict

Emotional Quotient in woman

She is more connected to society and has wider range of emotions. She is better at reading people and developing social skills. She has more sacrificing social aspects. She can sacrifice anything, to build relationships, whether it is with husband, child, parents or organization. This feminine approach towards work puts them at higher level of success.

7. Art of Social Relationships

- Art of social relationships or managing emotions has to be deeply studied by entrepreneurs to be trained...
- Accelerate people skills, means and using competences to be an effective friend, a negotiator, a leader.
- One should be able to guide, interact, inspire, make others comfortable in social situations and influence and persuades others.

Subtle or abilities needed to understand people.

- Try to attain self by understanding attitude and emotions of other people.
- Promote comfort and social situations
- Use emotional display to show people that you need them more than they need you.

The development of emotional intelligences could be a genetic concept which is heredity. Most people are very comfortable and social people. They like to interact with people and extroverts. There are people who believe in destiny. Early expressions of people with good family atmosphere, is love and affection from parents which builds up E.Q. If people have been harassed in childhood days, then it is very difficult to build their E.Q.

Poor ability to read emotions in other people is due to inability of not being brought in calm and comfortable family environment.

8. Work Values

Work values- devotion put towards work. It is a process of:

- Self improvement
- Building faith in life.

A workers personal conviction about what outcomes one should expect from work and how one should behave at work is important. Because work is professional arena, in which matured behaviour is needed.

Work values could be:

- Intrinsic values
- Extrinsic values

Intrinsic values –People

- Find work as interesting,
- Find work as challenging
- Want to learn new things from work
- Want to make contributions to work
- Want to bear responsibility of taking up challenges and giving shape to work.
- Want to be creative for giving an expression to work.
- Have faith in work as an inbuilt desire which comes from heart.

- Put their soul in work environment which gives them confidence and attitude to take up things in different directions.

Extrinsic values could be attractive and most people do work for extrinsic values. These are not so important because may be at one level of life, when people reach a very high level, then these values don't have much importance of work according to Maslow's Theory.

Extrinsic values could be

- High pay
- Job security
- Job benefits
- Status
- Social contacts
- Time
- Amount of time which spent with family
- Time for hobbies

These are extrinsic values which people look from work.

Values are not so important, because one has to achieve a level, where they want self actualization. The intrinsic needs become important because they are dominant part of personality, which give expression to behaviour. Work values are shaped by work attitudes.

Work attitudes- are a collection of feelings, beliefs and thoughts about how to behave with people who are connected at work place. The attitudes could be more specific and long lasting for business. This could result into job satisfaction or commitment which people have for organization.

Job satisfaction - is designed by work value. It is collection of feelings and beliefs that people have about their current jobs. May be, a job

which gives satisfaction to one person may not give satisfaction to other person. An organizational commitment is a collective feeling for organization to become committed and take employees at their own family

Attitude of work values is affected by

- Affective aspects
- Cognitive aspects
- Behavioural aspects

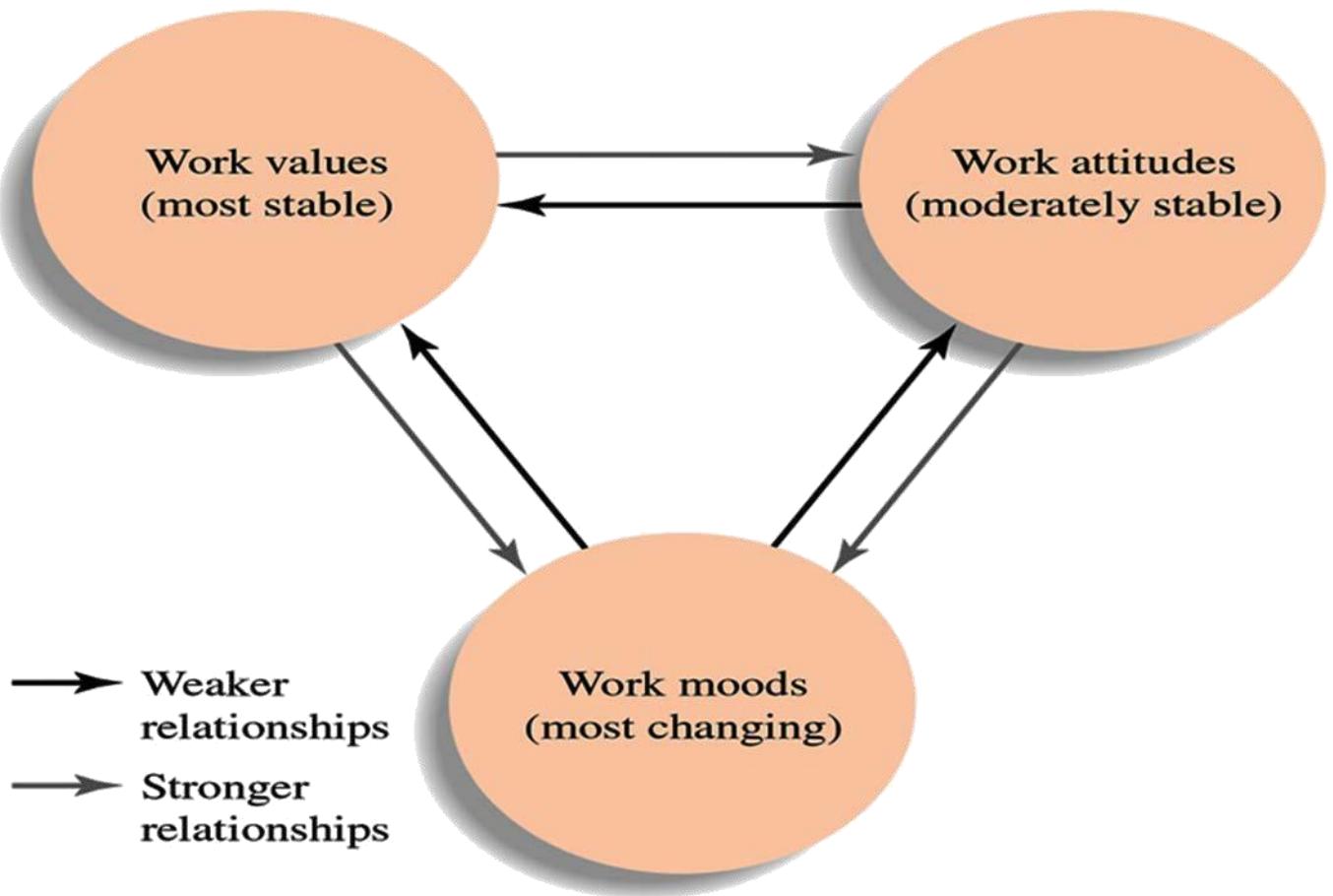
Work moods - are shapes and feelings, which people have about their work. This is a transitory feeling, which people pass through, when they do their work. It can be generally categorized as positive or negative.

There could be some situations in life, where people feel positively about work and there could be some situations when they have harassment. People feel negatively about work. Most of time, work moods are determined by their own personality. It is situation and circumstances outside the work.

Personality as an individual is shaped by way people perceive work important. If work situation is a more comfortable, challenging and motivating then it will build people with better shape.

Environment outside also influences work - this could be family problems or external environmental harassment, which can depress personality. This depression is reflected in job, which people are taking up in organization. So it is very necessary that people balance with values.

Now I'll show you in this **diagram**,



Work attitude, work moods and work values

Work values are stable and work attitudes are very moderate and work moods are not changing very fast- then they will give stronger relationships

Stronger relationships have shown by lighter lines and the darker lines shows that there is a weaker relationship.

Any imbalance in these three variables of values, attitudes or moods can change total perception towards job changes.

Work values what could be advice to businessman and can influence and shape business.

Don't try to assume that whatever perception person has, same perceptions employees and other people will have. Try to realize and make an attempt that people feel comfortable at work places. Make work environment more congenial and attractive so as to promote people.

Job satisfaction and work values- personality work situation, social influence and values, are important. All these aspects have interplay or an impact with different intensities.

The resultant impact on job satisfaction is level of positivity or challenge faced in job.

9. Four Theories of Job Satisfaction

Four theories of job satisfaction are

Facet Model

Herzberg Motivational Hygiene Theory

Discrepancy Model

Steady States Theory.

Facet Model of job satisfaction - focus is on situation. Situations are important because every work is divided into facets. Facets are phases and each phase will utilize ability of employee.

Amount of ability used up in each phase gives level of satisfaction to employee. If people are more matured and putting heart work, then they could be more satisfied and qualified.

Herzberg Motivational Hygiene Theory - there are two factors

Motivating factors

Hygiene factors

Motivating factor could be

Interesting work

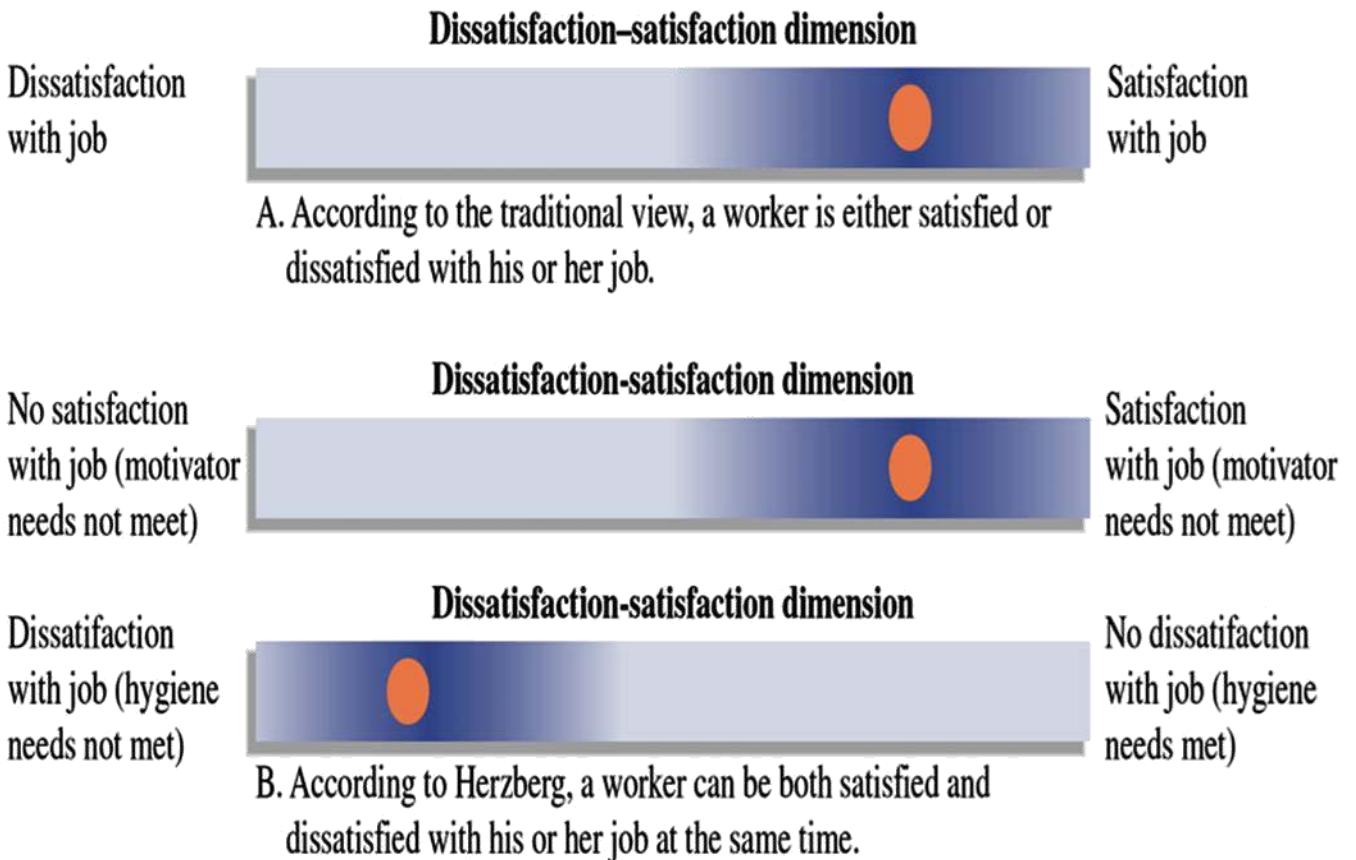
Autonomy

Freedom Challenges Creativity and expressions

Hygiene factors could be Environmental conditions and physical conditions related to lightning, availability of bathrooms, air-conditioning facilities which are available in organizations.

If hygiene factors are not there, people will not be satisfied but it is there, if the hygiene facilities are available, it is not that these facilities would motivate people to do work. So hygiene factors are important to take up job in organization but people are only satisfied with job when they have motivating factors.

Now when



Satisfaction and dissatisfaction about job

Both states exist simultaneously.

Sometimes, like employee will be satisfied with job and sometimes will not be satisfied with job.

The diagram shows dissatisfaction with job and hygiene factor. motivating factors.

Discrepancy Model - In this, gap between what one expects and what ones get is important. If the gap is very high, people feel dissatisfied.

Ideal job for a person- What one thinks that a job should be like, what one expects the job to be , what one wants from job, what ones from

job .So these are parameters which shape job satisfaction level, if it expecting very high from job and you are not getting it, this gap will cause dissatisfaction.

Steady States Theory- each worker has typical characteristics and level of job satisfaction. He may take up a challenging job. He may take up jobs in different situations but would satisfy and adjust him to level which gives him an optimum, steady and moderate satisfaction.

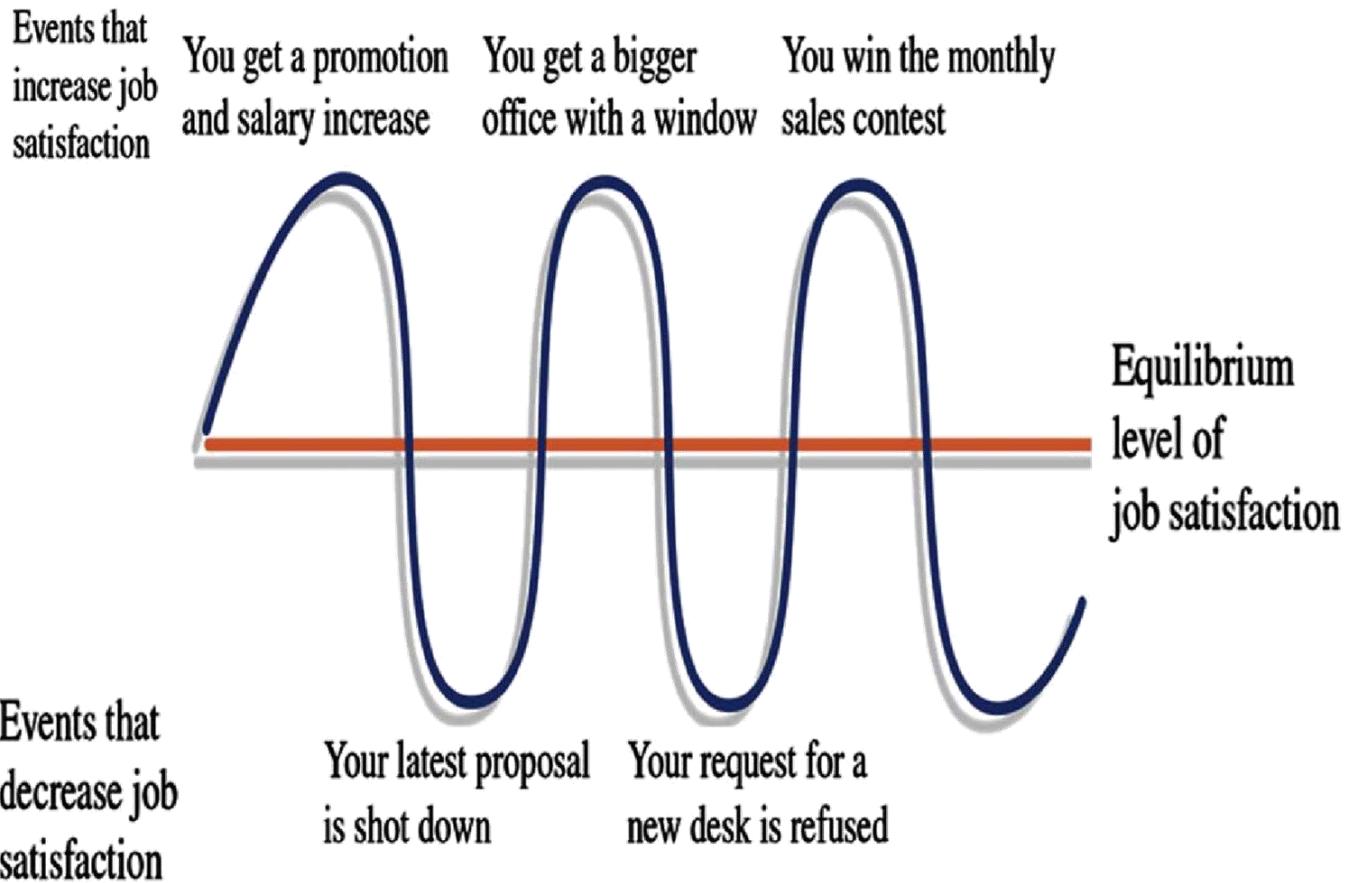


Diagram shows

- Level of equilibrium in job satisfaction status
- Events that increase job satisfaction
- Events that decrease job satisfaction

If people get promotion or salary increase, people are happy, bigger office and are happy.

Events which decrease job satisfaction would be rejected. These situations simultaneously put a level of ups, highs and lows, highs. But there would be an equilibrium status, to adjust oneself with work values or job satisfaction.

Advice managers or businessman -People have to realize what they want from job,

- Provide those parameters
- Make newcomers comfortable
- Build a team with people who have faith and positive thinking towards organization
- Recognize individual differences
- Determine job or levels of skills according to their needs
- Be more successful as a businessman.

Potential consequences- The resultant of these satisfaction and commitment are reflected in performance, absenteeism or turnovers

When performance is low- means employees are not satisfied in organization and if there is absenteeism, it also reflects bad character for e organization and if turn over or productivity of organization is low, we can concluded that there is dissatisfaction in organization.

Determinants could be - organization is not providing a good salary or environment which is required.

Potential consequences of positivity. These consequences could be

- Organizational citizenship behaviour
- Worker well being.

Organizational citizenship behaviour - The satisfied workers are more likely to engage in this behaviour in organization... This behaviour is above and beyond the call of duty. This is not necessary for organization survival and effectiveness. This means that, beyond duty, people should have more commitment for organization. People have to work for them, as it is their family. It is their own recognition. It is subordination of individual interest, in the interest of organization.

Worker well being is important because satisfied workers are assets for companies or organizations. If worker is happy, he is healthy and prosperous. He will give same thing and level of feelings to organization. The advice to managers is important; you have to build

these feelings and commitment in employees, so that they considered business and organization as family businesses. Try to manage absenteeism or level of dissatisfaction in company and build commitment in people.

Commitment could be

- Affective commitment
- Continuous commitment.

Affective commitment comes, when workers are happy to be members of organization and considered it as their family. They identified their status and brand recognition of organization but continuous commitment exists, when people who want to leave organization, have to pay very high for it. If people want to leave their job, they will be at a stage, where they are losing salary or promotion. So they are not in a stage to leave organization, they are continuing in organization but this commitment is out of necessity and not out of happiness.

Advice to managers and businessman is

- Build social responsibilities in organization
- Be conscious about organization's brand recognition
- Give empowerment feelings
- Be socially and environmentally consciousness.
- This consciousness will build a feeling of faith and trust in employees.

10. Perception

Perception -believes. I wouldn't have seen it, if I wouldn't have believed it. Success is an attitude in perception. I have people, who have great successes in life.

Stefan Coy- primary success comes from greatness i.e. character. If you are enjoying, what you do, if you provide service those benefits person, then success is a by- product.

Deepak Chopra, Seven spirituals of success

Joy is an attitude, and then success is attitude.
Passion to succeed -you have believe in something with such a passion
that it becomes a reality.

Anita Roderick-Success is an attitude build in teamwork. If you can define success by how many points you score. I don't defined success that way. It's for the team to define.

Burley Bread lay, success and attitude in form of motivation, getting self confidence is at the heart of success in every aspect of life.

Jack Wale, success is attitude optimism, successful people are optimist, they believe they can do and will do it.

Marshal Goldsmith, success is attitude go for it.

Occlusion –Entrepreneurs need to be optimistic and passionate for designing success in life. They have to be positive to generate optimism in people. Great teams made with humble people.

FUNDAMENTAL OF ENTREPRENEURSHIP.

IMPACT OF LEADERSHIP ON ENTREPRENEURS

OBJECTIVE OF THE STUDY

The basic objective is to study:

- Concept and importance of leadership
- The impact of leadership

Introduction

Entrepreneurs are people and leadership is all about managing people. Business is important for society, where entrepreneurs have to connect themselves with larger aspect or groups of society.

So in words of “Bill Gates”, I would explain you, the function of leadership is to produce more leaders, not more followers. As we look ahead into the next century, leaders will be those who empower others.”

Leaders have to

- Look for growth and development of people
- Build conviction of people.

Empires of future will be empires of mind - It is will power and confidence of people, which will take business to greater heights. Leaders have to motivate each and every individual in organization.

Individual commitment makes group efforts which make teamwork, company work, organization work, society work and civilizations to grow in a beautiful way.

The leaders have to be:

- Performance oriented.
- Personal performance or personal productivity influences people.
- Performance leads to recognition which brings respect to enhances power.
- Humility and grace enhances dignity of organization.

2. Spirit of Shri Dhiru Bhai Ambani / Some Words by Dhiru Bhai Ambani

“Reliance” has grown up by “Dhiru Bhai Ambani’s. The willpower, convection and belief have built an empire with trust. Dhiru Bhai Ambani was one of pioneers, who started from a scratch and to these heights of national importance and international recognition. "Growth has no limit at Reliance. I keep revising my vision. Only when you dream it you can do it."

- Think big, think fast, think ahead. Ideas are no one's monopoly.
- Our dreams have to be bigger. Our ambitions higher. Our commitment deeper. And our efforts greater. This is my dream for Reliance and for India.
- You do not require an invitation to make profits.
- If you work with determination and with perfection, success will follow

- Pursue your goals even in the face of difficulties, and convert adversities into opportunities.
- Give the youth a proper environment. Motivate them. Extend them the support they need. Each one of them has infinite source of energy. They will deliver.
- Between my past, the present and the future, there is one common factor: Relationship and Trust. This is the foundation of our growth.
- We bet on people.
- Meeting the deadlines is not good enough, beating the deadlines is my expectation.
- Don't give up, courage is my conviction.
- We cannot change the rulers, but we can change the way we rule us.
- 'Dhiru Bhai Ambani' will go away one day, but the reliance employees and shareholders will keep it alive. Reliance is now a concept in which the 'Ambani's' have become irrelevant.

These are the inspiring words, where the great leader with his vision had converted a small entity into such a big concept or an empire.

3. - The Fundamental Practices of The Leaders

Fundamental practices of the leaders.

Leadership is very challenging aspect. The leaders have to

- Search for opportunities
- Experiment with risk to envision future.
- Empower people to foster collaboration in society.
- Strengthen others to build the networks.
- Set examples and minutest details to carry basic activities of business and society and encourage individual contribution to success of organization.
- Celebrate each individual accomplishment.

Nature of leadership

- Imbibe to emerge as person with great abilities
- Leadership is process to build relationship aspect.
- The unity of interest of organizations has to be imbibed. The personal interest has to be subordinated in interest of organizational growth.
- Individuals are not important but business as entity is fundamental to organization growth. Integrate organization and business with other groups.
- The various combinations of groups can people in better situation.
- The qualities and abilities of various situations will build - mutual relationships.
- The mutuality of interest would foster leadership to motivate group with different skills to give multi facet and multi dimensional impact for various achievements of goals.

4. – Basic Functions of Leadership

The basic function of leadership is to

- Achieve goals and objectives of organization
- Build- up efficient administration and better management of activities.
- Build-up plans with expertise so that normal people can understand.
- Develop a sense of fraternity and belongingness of organization.
- Keep team of trusted and devoted people
- Inspire more followers.
- Achieve discipline which has to be strict and managed.
- Build moral and self confidence of people.
- Take initiatives based on innovations
- Understand problems of people
- Solve problems and reduce interpersonal conflicts of any organization.
- Bring about changes as society is changing and every change has to be dealt in details and sensitivities because peoples are not physical entities, but they a bundle of emotions and feelings, which have to be dealt in very sensible way.

5. - Qualities of Effective Leadership

Qualities of effective leadership.

According to Henri Fayola - leader is important because he has

- Good health
- Physical personality of attraction
- An ability to impress people.
- Physical health and mental abilities with deeper understanding of problems of people to manage people and understand their needs and inspirations.
- Ethical qualities of character is important
- To be ideal in nature to behave in a better way.

If leader don't have these characteristic, rejection from society comes in a very easy way. People don't believe people, who themselves don't have norms or situations which are very ideal for acceptance in the society. Knowledge is important to develop managerial abilities. Leaders have to lead people, to give them directions.

According to 'Adrovate' - "The physical and natural power is important but feeling of objectivity and giving direction with enthusiasm is also important."

- Friendly and affectionate behavior will attract people to form larger group.
- Technical skills will help to collaborate with people with better minds.
- Intellectual power will help to capture and explore in a deeper way with more profits.
- Sound character builds up with educational skills and abilities will give broader dimension of acceptance in society.
- Decisiveness and trust will build bonding in organization and with employers and customers.

Importance and role of leadership and entrepreneurship

Leadership is because

- Organization has to achieve goals
- People have invested money,
- People have to earn profits
- Profits are earned by people who relationship with others surrounding themselves.
- Success of enterprise depends on business with own capital.
- Performance is managed by functions,
- Additional effectiveness is required to build up a team.
- Execution in a collective way is needed.
- Development of personality transforms total entity into a social process.
- Social process needs co-ordination within organization and society like suppliers, stakeholders or competitors also.

Competitors can be converted into benefit, if leaders develop partnership with them.

- They could be inspiration for members to give collective efforts building - up a contended team.
- Building up good environment achieving co-operation and trust is important.
- This makes organization to grow in a spontaneous way.
- Eighty percent success of any organization is because CEO is trained and has better mind and capability. The rest of organization gets success. 80% success of any strategy or any plan depends upon capability of leader.

6. - Types of Leadership

Types of leadership - styles which people adopt and try to govern organization.

Autocratic – leader becomes dictator and tries to dictate people. They give orders and instructions to people. They manage a class of people, which is not very educated.

Democratic - leadership - participative style. The followers are given equal chance to build policies, rules, regulations. People are very educated and empowered to give better suggestions and help to build- up strategies which could give results. They own rules and policies to implement in a better way.

Manipulative style - manipulates people for interest, abilities and relates themselves in teams in which they are comfortable. For managing people, leaders have to study relationships, group behavior. If some people are not comfortable with other people, try making combinations to give productive aspects for building p informal relationship also.

Benevolent style - leaders are very soft hearted and try to understand with deeper emotions of people. They give benefits of their empowerment. If leaders empower people, the belief and faith builds very fast and organization also get success.

7. – Leaders and business or How to Manage Business

Leaders manage business by various functions

- Planning
- Set goals, schedule timetable
- Assign task and coordinate activities.

Staffing

- Develops the job description

Job Description - duty given person

- Describe the profile of job
- Take people in job
- Interview them
- Set future of people
- Invest in people because it is only people who appreciate in value.
- Do interview to perceive that person can be CEO after 20 years.
- Skills have to be hired in organization.

Training

- Get technical people are not trained according to organizational needs,
- Clarify duties which they have to take
- Hire experts from outsides
- Hire coaching people or mentors who would convert talents of people into abilities, by which they will relate to specific needs for helping workgroups at process by empowered people

Decision Making

- An ability to be inculcated in people.
- Define their problems
- Find out their alternatives
- Weigh each alternative for cost & benefits
- Develop procedures to select best aspect.

Functions require lot of paper work.

- Processing is reading mails, reading reports, writing reports and doing general desk work to give better decisions
- Enhance routine information procedure
- Prepare customers who are coming and not buying. Any person, who is entering organization, will ask for inquiry. Each inquiry has to be answered with respect and smile. Give requested information or buy this information or hire this information from the sources from where it is available.
- Giving routine information will empower organizations, because people will turn back if they are treated respectfully
- Monitoring performance
- Monitoring is a control procedure.
- Do inspection, by walking around organization, dictating task

- Do a preventive maintenance.

Preventive Maintenance

- If something goes wrong in organization, try to take remedies beforehand.
- Would prevent accidents or miss happening in organizations.

Motivating

- Encouraging employees to build moral by conveying appreciation and compliments.
- Give credit for work done. Listen to suggestions and give feedback

Disciplining

- Sometimes leaders have to give negative feedback to people in a sensible way. The strict rules and regulations are needed to maintain proper working environment in organizations.
- Sometimes people have to be fired as bad people would turn organization into a place, which is not good for other people. Take very severe aspects
- Interacting with outside world
- Good public relationships with customers, media and stakeholders
- Contacts with suppliers are like special relationship to work smoothly.
- Involve yourself in community services also
- Relationships of religion and caste will support business for a longer way.

Managing Conflict

- Conflict are in organization because of ego clash between employees or employers who have to be managed by interpersonal aspects
- Group members have to be managed to pacify their bitter feelings and conflict. The bitter conflict is converted into positive aspects to give higher productivity, profits and growth to organization.

Socializing-

- Become members of groups or various societies, religion groups
- Become members of universities, board of directors
- Build scope of influence to other societies or organizations
- People collaborate with other countries with multicultural team of people
- Each relationship will give benefit.

Function of leadership is to build people. Any person like why Infosys is successful, because they have an educated class of people collected. They have invested on training to build teams. Team is important to give results. So they have to invest on people. Manage people on basis of their sensitivity. The physical hiring can efficient by giving them salaries. People are based on emotions. Build a system of empathy to understand them. Leaders need to have and an ability to listen their problems, interest and ambitions. Convert people into entity, by which they could surround themselves with vision of company.

- Empower employees be effective leaders.

- Don't micromanage, try to delegate things
- People can achieve their own goals and objectives. This will give them a sense of achievement and power, by which they will be more associated to organization.
- Success depends on leader as mentor to give guidance to people
- People, Family employees, accountant, attorney and specialists build support for leaders. The team should consist of advisors, web masters, insurance brokers and commercial bankers and financial providers. The technical team, who governs organization

My will shall shape the future. Whether, I fail or succeed, shall be no man's doing but my own. I am the force; I can clear any obstacle before me or I can be lost in the maze. My choice; my responsibility; win or lose, only I hold key to my destiny . Leaders are important for business and team .The organization has owner like "Dire Bhai Ambani" and "Narayan murthy" It was one dream and vision, which they built organizations.

8. – Ways to Get Success

- Formula for success
- Organization have achieve leadership abilities
- Capture higher peak of their businesses.
- Inspire to build organizations.
- Abilities to achieve multi facets success.

Success is knowledge and skills into attitude give you performance

$$\text{Success} = \text{Knowledge \& Skills} \times \text{Attitude}$$

$$\text{Results} = \text{Understanding} \times \text{Efforts}$$

Understanding and efforts give results.

Knowledge and skills multiplied by attitude. The knowledge impact is only 20% but attitude is 80% which gives exults.

Understanding and Efforts/ Understanding is 20% and effort is 80% which gives results

Attitude and effort is needed to build organization.

Inspiration for leaders to take originations to heights.

- Make decision to achieve goal
- Believe to achieve goal.
- Write down goals on paper.
- Be honest with yourself.
- Analyze your present position.
- Use a deadline.
- Set targets
- Identify rocks that stand in your way.
- Identify skills you need.
- Identify those people from whom will you need cooperation
- Make a business plan.

- The business plan would include a vision, mission, values, and beliefs.
- The learning organization needs quality, competitive analysis, specialization and differentiation.
- The resource requirements are growth strategy, growth business units, driving force, crisis anticipation and strategy for external emergencies.
- With clear mission and goals, the customer is top priority.
- Strong momentum is sales
- Build patience
- Ability to take 360 degree feedback for diversification
- Ability to focus for clear competitive advantage i.e. people must be 10% cheaper, 10% faster and 10% nicer
- Give suited product to customer with excellent quality.
- Build ability to locate customers in the market mesh.
- Be proactive and not very reactive
- Try to complete marketing strategy with excellent sales program.
- Try to build good leadership in form of integrity and competence of key staff, key commitment and persistent.
- Good working capital management is needed.
- Build ability to analyze and to respond to trends.
- Build tight control on overheads.
- Complete business plan, good accounting records, good budgeting and tight controls of cash.

A focus on action with results is important

- Action follows decisions based on collection of information
- Good relationship with staff and employees
- Excellent communication
- Facilitate and empowered mentality.
- Achievement is important, financial rewards are important,
- Status of employee is important, give them recognition.
- Communicate to sales team.
- Caring and courteous attitude is important, relationship selling is important. Sustainable competitive advantage is important, to have a unique selling proposition
- Branding and bringing cheaper, faster goods is needed
- Try to overcome the market ignorance by overriding or overbuying. Creatively imitative your competitions.
- Practice price description
- More persuasion and more commodities will sell.
- More promotion more commodities will be sold.
- Educate customers, ask for reference.
- Attitude and activities genuinely increase the knowledge.
- Adding new customers is important.
- Try to handle objections, make up a deal. Develop winning a sales team.

- Establish, clear standardize programs, checkout outputs of sales people, rewards structure for motivation and useful formula for sales is
- Recognize number of units sold per day
- Increase turnover and sales will be easy.
- Customers are important, remembered them, build relationship.
- Stimulate competitors and try to activate your old customers
- Endorsements, complimentary products, commission on sales networking and distributors , cross selling, up selling and licensing is needed to make business successful

These are basic formulas for success. The organizations need to have success for entire existence to articulate these abilities and qualities to emerge as successful businessman. If leaders are able to take their business, with mission and vision, they are surely going to achieve better heights or results to give better productivity in market. Leadership is about building ability with talents, skills and temperament. It is to have knowledge supported by technical skills. This is all about leadership

Hello students,

welcome to the series on entrepreneurship today we are going to study technopreneurship and intrapreneurship now let's study the objective of this chapter the basic objective is to study the concept and definition of entrepreneurship and intrapreneurship. The impact of this type of entrepreneurship on markets and society also has to be studied now let's first study the concept and definition of technopreneurship. Technopreneurship is to manage the technology in order to achieve superior value and satisfaction for the customer it is also known as cyberpreneurship or netpreneurship on technology entrepreneurship, now technology in modern days is playing an important part in connecting people where they need technology to improve their lifestyle and their practices. So this is involving investment of money and also giving technical and knowledgeable people to establish their wages to earn wealth and status in society. This entrepreneurship involves a lot of study and investment of time and study in details to gain the knowledge which of technology so as to give better practices to the people.

Now let's study the impact of technology and innovation according to Scamper the most important function is to reform and reinvent the pattern of value generation by exploiting inventions. Ideas and technology can create unusual patterns of connecting with society, now because we are living in an era in which internet and technology has connected people where even the customers from great distances can be your local customers where we have made websites and applications to connect people for transportation service, for food services, we have apps like Ola, we have apps like Oyo who have given a lot of wealth and have created fortunes for people that is where there is a lot of employment in the lower section of the society where people through their applications are connecting their services to get their work done at a greater place.

So it the ideas and innovations of people which is making society a better place. Modern economic growth and technology is characterized by the context of globalization knowledge increase in role of innovation there is technological growth, for wealth creation and there is emergence of entrepreneurship ecosystem, now this kind of technique which is involving investment of money has given a kind of revolution in the society the ecosystem have connected in a way where we are trying to build sustainable business practices so as to save on the resources.

Resources in terms of petrol in terms of energy so that people get services at the point and they don't invest money on revert distances. If you have taxi services you can pool up your services like where there are rush hours people in Delhi, Bombay atleast 3-4 customers can hire a same car and go the same distances because through the applications you know where the seat is vacant, how do you connect to the applications of the hotels where there is occupancy is recorded so this kind of innovation and this kind of knowledge given to the people and given them empowerment to save their own resources to built sustainable practices in the society.

Now let's study the characteristics of this type of technology entrepreneurship as a style of business leadership involves identification of talented human resources high potential capitalization technology intensive commercial opportunities managing accelerated growth and significant risk taking now though technology is reaching to people with greater place and scale but involves lot of investment of money

because the connections, the basic infrastructure of creating optic fibers or connections of modems or computers themselves are costly so it involves a lot of mobilization of resources from sponsors investors and also knowledgeable people who can use these resources to give the services in a streamlined and accelerated way so technology has become a new area where people have started looking up even if they are not knowledgeable they are ready to invest money where talented people can grab up these ventures to design a niche for their own success.

Process of technological entrepreneurship is a process of assembling resources, technical system and strategies by an entrepreneurial venture to pursue the opportunities. Now in this kind of entrepreneurship obviously money required is high but we require talented people also so they will assemble the technical systems, they will design the softwares, they will design the strategies and they would design the markets to connect or understand the problem of the entrepreneur in a detailed way and would give them applications that can streamline the success if you are a software engineer you can have your own consultancy, you can connect to schools to give them bus services give them the school attendance but for this the softwares have to be designed even if you have one or two clients it can give you a lot of money, it can give you a lot of options and opportunities to work with this type of big clients who themselves are great entrepreneurs in giving other services.

Elements of technological entrepreneurship ecosystem it is who can get involved in these business are like communities and universities, corporations and markets capital and investments, bankers, business sectors and government professional and advisors incubators accelerators and hubs. So technology is impacting all the parts of the human society whether as universities, whether as markets, whether as professional or anybody who is working in a professional way cannot be untouched by the impact of technology. So technology as an input and as a process, as a product has become important to make life comfortable the motivational factor for technological entrepreneurship is the basic motivational factor is the kind of independence you get, the opportunities, the exploitation is high the value generation is high, the networks and technology can enhance the lifestyle process of the business now why people are working as techno entrepreneurs is because here the kind of independence of working from anywhere, anytime, in any place where it's a flexible kind of system that is you are empowered with your connected gadgets, you just have to give information through your WhatsApp groups, broadcast lists or you can connect to large scale of people even to the overseas markets in these markets so the kind of independence and the freedom of working and choosing with your own passions is important, using with your passion is important and the opportunities are immense the kind of value generation and the success and the kind of satisfaction is higher in this kind of business option.

Now let's study the role of universities in designing entrepreneurship universities they are the suppliers of qualified workforce they act as a node in network between corporations, incubators and research centers they create interdependence between economy, technology and society they identify most appropriate strategies for competitiveness in business sectors now universities have become important places where technical people are generally trained and are qualified to work in the sectors which are highly demanding, people who have the knowledge kind of the skills to understand the systems so we so we have centrally owned government institutions like IIT's IIM's we have NITS that is national institute of technological sciences who are investing a lot of money to churn out the talent which is

required in the market without technical people you cannot imagine this kind of system to work because a person who is not educated that is the masses cannot be connected, they can become the consumers but they cannot design the systems and the process so we need a huge human resource which have technical skills and engineering background to understand the techniques, software and the process to design the services which can make life comfortable. Technoentrepreneurship and applications helps in building new applications it helps in inventing and developing a new product it also impacts the social economic growth of the society it supports the new economic growth and the knowledge based economy.

Now we have entrepreneurs who as professionals, advisors designing websites, they are looking into social marketing they are working with technical teams to design software's which are very small but they are needed by many organizations so this kind of applications which is being designed by technical people is making others life comfortable it is very easy to book online tickets, it is very easy to process your money through banking systems its is easy to fill up an online application admission form it is easy to order to do shopping everything in your life has been impacted by, technical gadgets where phones and systems are become a part and parcel of your growing up that is these applications in terms of entertainments in terms of video generations or multimedia are not only giving you services but they are also making people learn about better life practices also giving you help in solving your problems. Technopreneurship is a kind of commercialization of science and technology it concentrates on alliances as economic development strategy, technology venturing is based on creative innovative ways off linking public sector initiatives and private sector resources it works within and across regional and national boundaries for promoting economic growth, now technology with technical people. We have companies like Infosys and companies like Wipro who very big parameters in terms of giving technology to India and to the global world but companies have worked with government, like Infosys have worked with government.

TCS (Tata consultancy services) also worked with government. Infosys has helped in designing the adhar card, TCS has helped in designing the passport services for the Indian government these companies are working with large scale operations of the government covering the huge potential of Indian markets making process is easy, helping in collection of subsidies, helping in collection of loans and making systems of police, making systems of governance easy so they have touched human life they have worked with public sectors, they have worked with universities, they have work with government to give a lifestyle with every other body of private sector also to streamline the process where society has covered to great detail. Now lets study the critical factor impacting technopreneurship technology venturing activities within a community are based on linking four critical factors that is talent, people, technology, ideas capital as resources, now how is knowledge so obviously when the governance system are working the administrations are working we need leadership in terms of talented people who can make groups who can make teams who can mobilize resources who can work with banking systems to collect money and make good use of digital ideas or digital ventures, one very good example where Reliance has been able to connect people has able to give a digital platform to people at a very low cost through their ventures where Jio services and mobile phones have attracted huge potential in terms of customers base, they have worked with government, they have collected money, they have collected

data, collected people and given services where lot of people in this process have gained empowerment as entrepreneurs as employees and as suppliers and as advisors and as consultants. Now let's study the advantages of technopneurship it helps in accelerating growth helps in transfer of technology it helps in increasing the availability of capital improving the availability of managerial talent giving the technical knowhow to people so the advantages of investing in technical entrepreneurship helps to accelerate growth in markets and it gives better services to people in mobilizing the resources where you can save on labor cost save on other cost and use this resources to generate other kind of employment which is comfortable for people you are reducing the hardships of people making life comfortable designing employment which actually can be done by people so we are reducing the hardships of the people and creating jobs which are more health conscious, which are more stress free and which can give a better way of expressing.

Critical success factors for cost productivity commercialization obviously the quality of commercialization services is actually needed by people the cost which is affordable and at the velocity that its had to be fast space with the scale of changes happening in the international markets now lets study with intrapreneurship refers to employee initiatives in organization to undertake and create something innovative. Intrapreneur focuses on innovation and creativity and transforms idea into a profitable venture while operating within the operational environments now critical success factors for

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the resources where you can save on other cost you can use these resources to generate other kind of resources comfortable for people you are reducing the hardships of the people making life comfortable designing employment which is actually can be done by people so reducing the hardships of people and creating jobs which are more health conscious which are more stressfree give a better way of expressing actually needed by people. Critical success factors for technopreneurship technology is the quality cost and velocity of commercialization your production the quality of services is actually needed by people at the cost which is affordable and at the velocity and it has to be fast based to the scale of changes happening in the international markets

Now lets study with intrapreneurship Intrapreneurship refers to employees initiatives in organization to undertake and create something innovative intrapreneur focuses on innovation and creativity and transforms idea into an profitable venture while operating in the organizational environment of commercialization obviously quality of services is actually portable and at the velocity it has to be fast based scale of changes happening in the international markets. Now lets study with intrapreneurship refers to employee initiatives in organization to undertake and create something innovative intrapreneur focuses on innovation and creativity and transforms ideas into a profitable venture while operating within the organizational environment. Now intrapreneurship is a different concept here the entrepreneur works with the organizational climate he is an intelligent person he has no resources because the kind of capital, platform and the ground which is needed is not available individually and the knowhow is needed not available to human beings so he uses the platform of organization to create something new to help

us to the society and in this process he is recognized he is empowered and he is given growth by the company and he is also the pioneer in designing those products we can take the example of sundermoti who basically works with google but he designs products which generally were very innovative, near to his heart, near to his knowledge and passion, though he had a platform of google where the products are known by his name and they are doing well in the market entrepreneurship and job design, entrepreneurship is an example of motivation through job design and this is exemplified by wipro in India a small vegetable company which ended up outsourcing powerhouse now intrapreneurship is like if you design the jobs of people in such a way that the creativity gets the freedom to express themselves so if a qualified person is there in the organization he can not only give advantage to the organization but he can build his personal wealth he can take up the process design something new and give comfort to the society wipro basically ended up with kind of being a technical company though it was not a technical company but with course of time with power of good people they gathered the resources and they are now specialized in this field practice impacting intrapreneurship they are employees and leaders of large scale organizations, they act similar to entrepreneurs with high level of self motivation creativity and proactivity that they are intelligent people working in the organization who have the power and the freedom and creativity to express themselves. Intrapreneurship and leadership skills along with strong leadership skills are needed to strengthen teams and to persuade others to follow and execute their ideas for creating sustained value through building entrepreneurship into an organization a strong management connection is essential. So here leadership is important they give employees the value, the power and the esteem and the freedom to express then these people can work wonders with the organizations now lets study the value determining cultures of intrapreneurs which comes from three key concepts having executive mandate, creative structure and patient capital what is executive mandate now executive mandate is promoting intrapreneurship. This is basically organization need to have talk down support for innovation what is creative structure it allows business to intermix more readily rather than being in defined cells. Patient capital is by the idea of innovation from either investors owners or from board, executive mandate is the leadership support from the top to down are the creative structure is to mingle and understand the problem of each department in a detailed way. Patient capital is that you can buy ideas or technology from other people like facebook has grown up because the base organization platform was of facebook but they have taken over the groups like whatsapp and instagram through other investors and other intra who had designed good platforms but because of the investment of huge amount capital money with this company it has become more powerful the kind of changes which are happening in the society you need to buy ideas from outside world also. Lets study the essentials of building the essential for building intrapreneurship in organization are leadership innovative culture willingness of employees to permit system wide resources sources effective governance process mandate scope for acceptance of ideas and entrepreneurship it a two way process the employees need to be committed to organization and the leadership needs to be committed with both the employees work together they can design better services better ideas and give innovations to the society now lets study inclusive organization structure with entrepreneurship face being involved in different parts of company Incorporating process and tools is important the matrix rewards required innovation cycle needs to be studied the availability of differential skills talent is mandatory the organization needs to include inclusive in terms of identifying the process and systems that's is how do we reward people what kind of money and incentives you are giving people for their growth and their

availability of differentiative talent that is you can employ doctors employee engineers both can sit together and design good practices for your hospital because the kind of technical talent and the knowledge required for this entrepreneurship skill is more as compared to general entrepreneurship.

SUMMARY

Now let's study the summary of this lecture technopreneurship it allows to get individuals to design their business buyers through technological innovations networks and to commercialize their knowledge. Intrapreneurship is helping employees create new products and ideas with the interest of organizations to make individual empowerment being felt and recognized by people so both the concept of technology and entrepreneurship and intrapreneurship are important for society. These concepts are helping in building people and they are making society a comfortable place that is you are getting huge products and services if there are knowledgeable and collected talented people had ability to mobilize resources they become independent entrepreneurs but if they don't have resources and facility they can utilize the platforms to generate wealth for both for themselves for the people and the organizations. I hope the students must have understood the concept of technopreneurship and entrepreneurship.

Thank you students.

Entrepreneurship

Culture entrepreneurship and international entrepreneurship

Objective of the Study

The basic objective is to study

- The concept of cultural and international entrepreneurship
- The issues and challenges
- The impact of entrepreneurship on society

This chapter will cover two concepts i.e. culture entrepreneurship and international entrepreneurship

Cultural Entrepreneurship

Concept of Cultural Entrepreneurship

- Cultural entrepreneurship refers to process of creation of high cultural products like
 - Museums
 - Opera houses
 - Symphony halls and theaters
- These cultural institutions are for building commercial popular-culture industry.

Culture has become very popular, as a product to be consumed by masses. People have started taking interest in collecting and participating in life performances, for which, they are ready to pay a certain amount of money. It is source of recreation and entertainment. People get lot of satisfaction, when they connect to culture and values of indigenous society

Art of Recombination

- The cultural products are created on the basis of creative ideas for designing valuable arts where these non material goods are used by mass consumers for intrinsic satisfaction as a source of entertainment
- The art of recombination extends to moral, cultural and social organizational also.

The cultural organization is promoting cultural products. The social and NGO's are looking into preservation and conservation of art and culture . Art and culture, as a popular form of product, is spreading as source of revenue for many people. This is emerging industry, where entrepreneurs are investing money to mobilize the concept of earning for people

Basic forms of cultural products

The basic forms of cultural products are:

- World fairs, travelling artists
- Film festivals
- The National regional local events
- The Visual art & theater
- The Music, and dance

These are various forms of cultural products, which may be performed. People are ready to invest. They are buying tickets and going to other destination to participate. Tourism industry is growing because of this and is a great source of money. People are investing. They are getting money, loans from banks. These people are ready to invest money. So this, is an emerging industry, where there are lot of opportunity to connect and grow

Characteristics of Cultural Entrepreneurship

- Cultural entrepreneurship helps in creating stories for the acquisition of resources.
- The cultural entrepreneurship is a *distributed* process.
- The cultural projects include diverse and discordant aspirations.
- The artifacts and materiality play a critical role in shaping or expressing artist beautiful emotions

Art is connected to emotions because it is expression of feeling of artist, who is involved in connecting or making that ultimate form of specialization and perfection. It can be a live performance, practice or time or commitment, where artist has recombined various emotions, and feelings. They are coming, era and collecting things from various destinations. The things or products are very diverse and intangible. People can feel, understand and connect by heart.

Methods of building and Creating Cultural products

- Crowd funding – the audience members can become the investors, customers, and suppliers at different points for caring and designing cultural products.
- Cultural entrepreneurship is an *intertemporal* process.
- Cultural entrepreneurship is an ongoing process affected by implicated actors, artifacts, and events which unfold over time.

The methods

Crowd funding -There is community or group of people, who are interested. They collect, get sponsors and themselves become creator's .They become performers. The best ideas can be generated in temples, church and institutions, which are connected socially for upliftment.These institutions try to organize and preserve values, which are locally promoted. Cultural entrepreneurship is diverse and continuous process, i.e. lot of efforts and time has to be invested to promote this product in market

Efforts of Cultural Entrepreneurs

- The cultural entrepreneurs continually make and recreate stories to maintain their identity and status in the market...
- The entrepreneurs can design new paths by going back to connect with the future
- The project narratives are constrained by past events

Cultural entrepreneurs - are investing time to earn their livelihood. They try to create narrative story of their emotions. They try to create identity by building something which is unique and indigenous to their own personality. The performance is very near to artist upbringing and his devotion which is to build that practice. So these events are very personalized. These activities have lot of commitment of artist. Audience gets attracted. Most of the artists get work, if they get connect to past narration i.e. past performance has to build identity and status in market

Per formative Cultural Entrepreneurship

- The past events also can be re-narrated with construct time.
- The concept of cultural entrepreneurship is itself per formative, where people are attracted to live performances and pay heavy amount of money

Per formative art - when artist try to give his performance, throw music, dance or any act, which makes audiences connect. So audiences can pay any amount of money for artist, who has given their time, life and personality for shaping this cultural act. The cultural activities are part of society. They help to connect people, bring communities for good things. They view positive emotions, preserve culture and values of people. They can dance and dine together. Per formative art is uniform which is being sold at heavy rate in market

Impact of Change Agents & Resourceful people

- Change agents and resourceful people who mobilize **cultural**, social and human capital generate revenue from a **cultural** events
- There are high culture organizations who design popular cultural products to preserve and conserve art
- The creation of an organizational base through investment is needed to collect various art forms

There are change agents, in market, who are heavy investors and pine of industry. There are international organizations and funded bodies, who are working on behalf of government and community supporters. The multinational companies are investing and promoting art, as a form of product. There is one big company in London, Sotheby's , who are art collectors .They auction art, collect art from various international destinations and give status and identification to artist for valuable work done. The peace of art for painting or statue or cultural piece is not only giving satisfaction to people but is also used as status symbol for designing them lifestyle. Art, as an industry is emerging and giving options to people to invest and group

INTERNATIONAL ENTREPRENEURSHIP

Concept of International Entrepreneurship

- International entrepreneurship is defined as development of international new ventures or start ups that from their inception are engaged in international business. The operational domain is international in form of exports or imports. They can also work in alliances with foreign companies

International entrepreneurship – Organizations are involved in exports and imports, directly connected for foreign companies. They start with joint ventures and can become suppliers to international companies. The startup organizations that have international connections or opportunities are known as international entrepreneurs

Process of International Business

International entrepreneurship is process of an entrepreneur for conducting business activity across the national boundaries. It may consist of

- Exporting
- Licensing
- Opening sales office in another country

International entrepreneurship - is to get connection in global world to increase business or options for growth and development of people in domestic regions. People are operating beyond international boundaries to increase business potential

Advantages of International Entrepreneurship

- Companies which are incurring high level of
 - Fixed costs can be reduced
 - Labor cost can be reduced
 - Sales can be high in foreign markets

The global world is distributed, where there is low labor cost, in some destinations and high resources in other destinations. There are capital intensive industries, in most of developing advanced countries but they get cheap labor in Indonesia, Bangladesh and India. They can utilize this resource base and make products, which are at low cost. The total process can be benefited because cost can be controlled and markets can get employment. Funds can move from one destination to other. This can give balancing act for connecting development of markets. The sales get increased and can enhance standard of living of people, all over the world.

Advantages of International Entrepreneurship

- Globalization of customers : purchasing foreign brand products
- Expansion of domestic market : international business causes domestic market to expand beyond national boundaries

Globalization of customers -Most of the customers are learning to use foreign products. They are updating skills and options to use technology, as part and parcel of their lifestyle, because most of high technologically intensive products & heavy gadgets of mobile are imported from forging countries, which are making life of people in developing countries suitable. So, most of customers, even, if they are living in less advanced destinations or rural backgrounds can advance to high technical products, because the goods can be sold in these destination. The options of sales for customers have become globalised. The domestic market is expanding i.e. product is overproduced in one market, can be exported to other markets and revenues can be earned, because there is some consumer in domestic market, who is consuming this product

Importance of International Entrepreneurship

- *Growth opportunity* - Expansion and diversification of business
- *The Utilization of talent* and managerial competence
- *There Advantage of cheap labor* : quantity and quality of labor is one of the major challenge for every business

When people expand or work with international market, talent availability will be more diverse. They will get people from all spheres and levels of life i.e. technical aspects. The mass talent and general people can be hired from other destinations with rural base. The balanced recruitment of people on cost of options can always expand business because opportunity for growth and development is high, when people across national boundaries

Globalization of Competitors

- Globalization of competitors : motivates companies to face competition from global entrants in market for pursuing global scale efficiencies

People are working in international market. People from foreign countries are also working here. They are selling their products. Because of liberalization, they have entered here. The indigenous companies, who are working are facing competition. They are also up scaling product, increasing efficiency and trying to come up with standards of international products. Most of companies,

who are coming up with startups products are matching with international competition. It is because product has to deal with professional aspect. People are working on this aspect. The globalization of competition has helped people to streamline cost to improve operation and efficiency to give best and valuable service to customer

Economic environment

- Economic system : of consists information about economic system of other countries like
 - Currency rate
 - Phase of business cycle
 - Financial policies

International entrepreneurs, work in global markets, where exporters are working in national boundaries. They need to understand; currency exchange with international rates or value of currency into dollar has to estimate to balance profits. People have to understand phase of cycle, which is moving in other countries like recession or boom. The foreign countries would also impact business of domestic markets. May be, domestic market is stable, where international churns of movement of cycle be growth of business, policies of other government also put big impact on sale of goods and services. It also depends on

- indigenous visa problems
- type of products being promoted in foreign market
- entry barriers
- Need of government to promote their countries.

The international term in economics has to be studied before people enter into entrepreneurship

Technological Environment in impacting entrepreneurship

- The business depends on
- Skills and abilities of entrepreneurs
- Technological variations & time of implementation
- Updating of technology is important
- Strength of technological networks

Business depends on social platforms. People are working with gadgets and internet access. The speed with which they are working because connecting to global markets and access to international data is only possible, if people have proper band width and gadgets to connect. The skills and ability of people need to have technical aspects to work on international suppliers so as to connect with international associations

Cultural Sensitivity which is impacting the international entrepreneurship

- Cultural sensitivity : entrepreneur operating at national level should understand
- Cultural issues of international countries
- Management of cultural diversity of employees

Many people are working with foreign markets. They need to understand their festivals and local options to do business with their taste and preferences. Their ideas of design and painting have to be understood for domestic enterprise. The design of goods has to be according to taste and preferences of international markets i.e. MNC's and foreign company. Even international entrepreneurs have to understand to deal with host employees because of cultural diversity can be a big issue to handle people in a sensitive way

Political & Legal Environment

- Political and legal environment consist
 - Politics and laws
 - Policies regulations

Politics is stability of government, in any other country. The change of government can put change in policy. If American government changes, it put impact on issues relating to industrial options. The industries, which are more prone to taxation or talent. The countries have big issue of H1 visa for employment because of American destination. It has changed people's mind for doing business with foreign country. The cost and investment depends on policies and impact of government governing issues in other nations also

Government Policy

- Government policy : entrepreneur going in for internationalization of business have to study domestic as well as international policy
- Restrictions are laid in home country for export of goods affect trade of entrepreneur and restriction in host country on entering of new entrepreneurs hinders the growth

The government policy puts big impact on workmanship of people, because when they work, they need to understand, impact of policy on work promotion. If people are working on basic product, which is short in domestic country, it will be banned for exports, like pluses. It is because these are not manufactured in large scale in India. They are banned for exports because government has to look after needs of local markets. People cannot make customers outside and deny for products, which are produced over here. First, people have to fulfill domestic demand and then they can go for exports. People need to study products, promoted by government for exports, which products have restrictions. Even when people are going for international business, they have to see other government's restrictions on import. The foreign governments also want that there domestic entrepreneurship has to grow. They are putting restrictions, which are prone to shortage. The agents and foreign investor need to understand patronage policy of foreign government for specific product and then according to specifications, they need to design products, which are accepted and promoted by domestic and international governments

Non Tariff Barriers

Non tariff barriers: are the obstacles to imports other than tariffs such as

- Testing
- The Certification
- The Bureaucratic hurdles
- The Administrative measures to discriminate against foreign goods

Even if, people are in food, electronics or other industries also, require high standards for testing and certification because these products should not harm safety, body and health of customers. In pharmaceuticals industry and other technical industry, the certification process is very difficult. These are barriers imposed on enterprisers. They have to study in details to make product very professional by entering foreign market

Tariff Barriers

- Tariff barriers :
- Duty levied by government on imports
- It Imposing tariff raises price of imported goods making

- High cost is less attractive to consumers

Sometimes, government is imposing high taxes on imports. So when, people are importing goods, they have to pay high custom duty. This will increase cost of production. If product is very costly, it will be less attractive for consumers. They are going to search for substitutes, which are domestically available. This is done by major government, all over the world, so as to protect products from foreign invasions. These are barriers, where international enterprisers before entering business, need to study and decide how they are going to design products, mobilizing limited option and opportunities, which they have

Cultural Barriers relates to

- Cultural barriers
- Language
- Education
- Tradition
- Religion, values of citizens
- Understand mindset
- Taste and preference of customer in market.

It is difficult to work in foreign market because problem of language restricts people to communicate with suppliers and customers. The labeling and designing of products becomes difficult, because people need translators, local help of people in destination to make products being acceptable. The cultural diversity is immensely a barrier to understand taste, idea and mind set of customers

Summary

- Cultural and International entrepreneurship is important for the economy to generate revenues.
- Global connections can improve options and opportunities for doing good business
- The power of entrepreneurs can be increased as they can access vast pool of knowledge and opportunities

These both concepts are important. The cultural entrepreneur is also a form of international connections. The international entrepreneur is also way of expanding markets through global world. I hope, student must have understood the concept of cultural and international entrepreneurship

Thank you students

ENTREPRENEURSHIP ECO ENTREPRENEURSHIP

Objective of the Study

The basic objective is to study

- The concept of eco entrepreneurship
- The role and functions of eco entrepreneurs
- The impact of eco entrepreneurship on environment.

Concept of Eco Entrepreneurship

- Ecopreneurs build sustainability in the environment. Their efforts driven for conservation of resources by maintaining profits for the organization.
- They need to create a society where there is a balanced use of finite resources to maintain harmony in the nature to preserve possibilities of good life for future generations

This is a new concept in entrepreneurship, field where eco- entrepreneur tries to build sustainability for environment. Their efforts do not need to compromise for profits but they need to search for substitutes to use resources, which can help in conservation of environmental wealth. They bring goodness in environment and they also resort to preserve possibility of good life for future generations

Green Entrepreneur

- Integrates environmental, economic & social parameters for building business vision
- He creates innovative solutions for designing nature oriented sensitive services.
- He Builds scope for scaling-up of business model to create a green economy

Integrate environmental quality - economic goals i.e. Profits are important for organization and also social wealth. If business is earning profits and creating lot of pollution for environment, it is not only environment being harmed but it also impacts social quality of life of people.

Social quality – if people become ill and most of people are in hospital, because of pollution, then they will not have good healthy people. People, who do not have good health, cannot be good citizens. They cannot be good workers for organizations. People are destroying options and opportunities of healthy life, which are important to create good business ideas. This is an integrated cycle, if we create pollution, it is not only people will be harmed but because these people they are consumers, vendors, suppliers, employers and employees will face the burn. People impact their own cycle by destroying wealth of nature and social fabric. The social capital reduces because of frustrations and violence in society

Balancing Three Components for Sustainability

Business has to balance environment, so as to reduce frustration in society

- The Environmental conditions - limits on resource supply, waste disposal and environmental pollution
- Economy -balances production and consumption processes within constraints
- Society - politically and culturally manages social effect for long term consequences.

Environmental condition - impacts business performance

Waste management - big operation of business, do create impact environmental resources and energy used. People need to use resources which are biodegradable. They should minimize use

of resources which have negative impact on environment. Economy has to balance. People have to do production to do business, for conservation of healthy way with less use of chemicals. If there are earthy resources, impact will be less to balance life. Earthy resource will enhance and fulfill consumption aspects of people. The organizers and society have to save and preserve their values, culture and social fabric of connections, because if there is lot of violence, conflicts, hate because of bad supply of goods and services from business houses, it will generate hate from society which is not going to build cultural capital of any economy

Eco premiership Builds Eco capitalism

Ecopreneurship creates eco-capitalism for

1. Identifying opportunities for improving environmental quality
2. Designing a balance and relationship with the ecosystem.

People need to have relationship to build balance with environment. They can use earth resources in such a way, that they are regenerated. We cannot do excessive exploitation of resources and use lot of wood, where all forest will be degenerated. Earth has a regenerative capacity but humble approach can give time to sustain these resources. They need to give time for regenerating resources. People should design speed in such a way, that when one jungle is grown, then only, they can take another jungle. They can use one sixth of wealth of environment, every year because that much amount of time is required to regenerate it

Issues related to Eco entrepreneurship

- Ocean pollution to recycling to food waste
- Cradle product design
- Triple bottom line accounting

These are the technical terms

Creating Sustainable Product Design

Try to maintain balance by creating designs, which are sustainable

Product design needs to be eco friendly. Incorporating sustainability can happen at any stage of business as:

1. Material extraction
2. Logistics
3. Manufacturing process
4. Disposal
5. Innovative technology or eco –innovation

When people extract material from earth through mining, extraction of natural resources, they have to be done in speed, which can maintain their regenerating capacity. Over exploitation of environment, would interfere with weather cycles. There could be excessive flood or shortage of rain fall. Both these aspects, would give drought and flood, which are difficult to be managed by government and public. The impact is deep down, to life of people. The product design should be such that they should not do over exploitation. The logistics, maintain ace, material design has to be in response to environmental quality. Less harm to environment and higher quality to product is logo of surviving and building empires for business eco entrepreneurs

Creating Green & socially responsible Attributes

Product development process needs to:

1. Minimize negative environmental and social impacts throughout the product's life cycle
2. Comply with the principles of economic, social and ecological sustainability.

Product design - specification of product associated with valuable physical presentation of packaging and of performance. The tangible product is based on many attributes like packaging from plastics involves chemicals which harm earth sensitivity. It gives negative impact to animal. If we try to go for textile packaging or paper packaging, which is bio degradable, can change product attributes and give comfort to citizen for easy waste management. The consumption and materialism has increased. Our needs have increased and made products more disposable. It creates waste pressure on environment. How to transport and manage this waste for recycling has become difficult. People should corporate designs, where product material and content can be recycled and should be suitable to give minimum harm to environment

Sustainable Product Design

The sustainable product should encompass right:

1. Selection of materials
2. Use of resources
3. Production requirements and planning for the final disposition
4. Recycling
5. Reuse & remanufacturing
6. Disposal

If product has been made, it has life cycle of 2 to 3 years. The impact will be thrown in environment. People need to pick design, where product would be recycled or materials should not be multiple. The use of material should not be integrated, in such way that people cannot segregate. If segregation of material is easy, recycling can become easy. Higher is product life cycle, lesser is pressure on environment

Socio Economic Issues

- Socio-economic issues need to be addressed by business organizations :
- Poverty
- Safety
- Inequity
- Health
- Working environment.
- Quality, cost, and functionality.

Business organizations are sustaining, because there is lot of wealth with entrepreneurs but if they have earned wealth from people, it is philanthropic need, that they should eliminate poverty. They should distribute wealth of organization to give healthy, notional food to people. It is duty of rich people to give protection to people who are living as under-privileged, because business thrives on society. It is the social acceptance that has given wealth to them. The safety of people is important. The product should not have impact on body and mind i.e. negative impact can create bad body and health. The inequality in society of conservation has to be managed, where cost has to be decided. The product reaches larger masses and balances. For example, if we use gas cylinder for doing cooking in our homes and if only urban population is using and rural population is not using, it is inequality. This is a privilege taken by rich people and under

privilege cannot afford cylinder which is Rs 1000 .So government should give subsidy to reach to those families, who cannot afford technology, which is very essential for body, mind and environment because if they don't give gas cylinder, then poor people will cut forest and use wood as fuel. This fuel, which is used for cooking, will put pressure on environment, by cutting more trees which is inviting disaster for environment, of floods and less oxygen for people. People will have suffocated and polluted environment, with more carbon-did – oxide. If they supply cylinder and create equality in society, where price is reasonably affordable or subsided by government, we can balance socio, cultural and ethical issues in environment. The prices, functionality and substitute, put less pressure on environment, have to be addressed by government. Even if, people are doing cooking in open environment. When women is using cow-dung and trying to cook food through this method, then it's not only environment which is being harmed but her body is also exposed to smoke, which is like smoking 100 cigarettes. So they will have to restore heath. It will be large pressure on government to manage health of people, who are associated with exposure to smoke. How do we manage this cost of health issues of giving medicines? So people need to address this issue because they are connected with profits, business, environment and compliances

Implementing Sustainable Designs

- Creating designs – using fewer materials by incorporating sustainable substitutes
- Procure materials sustainability – using eco friendly extraction & transportation techniques
- Reduce materials - reducing material weight or transportation volume can put less pollution & pressure on environment

When people try to design goods, in such a way that fewer materials are used then they are affordable and have less weight. The volume on transportation will be less. Lesser is transportation, higher is quality of environment. The value analysis for eco entrepreneurship was be in design phase to design goods and services with minimum use of gadgets and materials to give comfort of weight and designs

Optimizing & Improving Production

- Optimizing production can reduce harmful environmental side effects of toxic chemical release , reduce waste and emissions
- Improve distribution - use less or reusable packaging, transport and distribute products more efficiently

Optimize production –people have to reduce wastage. Reducing waste will not only save expenditures, but would reduce pollution. People should try to process materials, in such a way, that fewer chemicals are used and more bio degradable materials are used in fabricating designs of products; Distribution has to be done so that pressure on transportation is less. If it is globally distributed, people need to nearby choose destinations for sourcing. Materials could be sourced locally, designed locally and used locally. The funds of using resources locally, would be boom and impact on e local population to have less pressure on environment quality

Energy Conservation & Waste Management

The eco entrepreneurs

- Reduce energy consumption
- Use solar panels
- Wind power as substitutes.
- Improve durability and reliability of product
- Band options for re-purposing
- Help in managing waste
- Up-cycle products for high end uses & needs.
- Creation of Solar Panels

Eco entrepreneur will reduce energy consumption. If people are using electricity, as source of energy, they can resort to heat energy, solar energy, wind energy to perform many activities, which will save resources. This can improve durability of product and reliability so that people, do not have to buy again. If they buy again, they are putting waste pressure on environment. People need to design durable products which have suitability for longer period of life.

Creation of solar panels the entrepreneurs are innovators to

1. Design solar panels to decrease dependency on fossil fuels.
2. Battery operated cost effective vehicles for saving the use of finite and costly resource of petrol.

Solar panels will generate energy, which is much cheaper, free and generated from sun. People have wide resources of heat, water to cook food and build industrial process. This is an easy substitute. By this, people will not put pressure, by using coal. They will not use electricity as source of energy. If people are innovators, they can design activities, which use less energy to help public and environment. The battery operated vehicles will save petrol, which is finite resource and costly resource requiring lot of wealth. We are oil importers, i.e. import oil from other countries uses lot of foreign exchange, putting financial pressure for spoiling balance of payments

Impact of Cradle to Cradle Design

- *Cradle to cradle design* - can help in creating designs of products where can be options for continuously recycling for multiple uses.
- *Cradle to grave design* - uses different materials that cannot be separated in order to be recycled

Cradle to cradle design – People can segregate things, if they are trying to make each part in such a way, that after product has been used, they can reuse product in other options. For example, if laptop stops working, they can take hard drive and use it as pen drive. Laptop can use as TV screen. There should be multiple uses. They we can recycle and up cycle product. Even if product has stop functioning, e various parts can be used as resources for designing other products. This can give segregation of designs, where e product can be broken into parts. Each part can be used again. But *cradle to grave design*, they incorporate mix multiple materials which cannot be extracted and reused. Whe materials cannot be extracted, it is waste, which goes in environment and creates lot of wastage, which is of no use. If materials can be segregated, like

copper can be segregated and again used to make wires. If any alloy used is, can be extracted and used it can for designs in different way as resource for other industries.

Cradle to cradle design can be achieved by using eco friendly resources which can be recycled and regenerated. These resources put less pressure on environment. The components and designs of product can enhance durability. People are using eco friendly resources of jute, threads, cotton, environmental paper packaging and gum from environment, which is used in basic shapes. They are not using chemicals for making all derivatives. These materials can be given to earth to become soil, so it has less pressure. People will not have to manage waste

Bio Mimicry

- Bio Mimicry term was coined Otto Schmitt. It is an approach to innovation for sustainable solutions

Sustainable environmental friendly solutions can give services of consumption and need, when they want some resources, as an input for some production process

Triple Bottom Line

- Triple bottom line accounting was coined by John Elkington
- It is an accounting method that combines traditional accounting for measuring profit with the impact on social and environmental benefits as well.

Triple bottom line is an accounting practice, where people are deciding balance sheet of profits. Here they also calculate cost, which can be reduced by use of substitutes. This will give more quality balance sheet, by having an impact, where audit is done even to study social and environmental implications of usage, operations and activities.

Impacts Triple Bottom Line Accounting

- Builds human well-being and social
- Builds equity with reducing environmental
- Risks and ecological scarcities.
- Builds resource efficiency which is socially inclusive.
- The environmentally activities can build sustainable products and services.

This is an accounting practice. When people are using any operation, they can use resource from an environment. It will have impact on well being of human body i.e. if people take more antibiotics of manufacturing of medicines; they are doing more harm to body. There are natural remedies and aliments, which can cure body. If people use antibiotics, it is source of growth for pharmaceutical industry. It will be more help to people for giving remedy and mental balance impacted because once people have side impacts of curing aliments, chemicals will imbalance body and mind. There are many industries, which are based on knowledge, aspects, where people don't understand medicines or ingredients used in preservation of food. All this has negative impact. People can use fresh fruits, vegetables, source them locally and use locally. When things are designed from local resources, it will give consumption pattern, which will generate employment for local population.

Summary

- Eco entrepreneurship can help in creating goodness for people as they can live in less polluted environments. The positive and sustainable services can help in improving quality of life of people
- The opportunities for these entrepreneurs can create a good future where preservation of resources can add value to their life.

Ecopreneurship is all about preservation and conservation of environmental resources by reusing resources, so that recycling can create less pressure, pollution and wastage

- Thank you students

ENTREPRENEURSHIP
SOCIAL ENTREPRENEURSHIP
Dr Meeta Nihalani

OBJECTIVE OF THE STUDY

The basic objective is to study

- The concept of social entrepreneurship
- The role and functions of social entrepreneurs
- The impact of these groups on society

Now the objective is to study impact of social entrepreneurship on community and on society,

CONCEPT AND ROLE OF SOCIAL ENTREPRENEURSHIP

Social entrepreneurship to:

- Develop, fund and implement solutions to social, cultural, or environmental issues.
- Social entrepreneurs work for blending profit goals with generating a positive return to society

Social entrepreneurship is not charity; it is to sustain business on profits. These profits have to be channelized in such a way that they are derived and based on good work

Good work – community development and upliftment of people to derive strategies and solutions for existing problems at mass level

OBJECTIVE OF SOCIAL ENTREPRENEURSHIP

Social, cultural and environmental goals

- Poverty alleviation
- Health care
- Community development

If projects are viable in market to create good solutions for people, who have problems related to body, mind, technology or any other aspect. It would generate employment and goodness to world. We are not suppose to build and make projects, which cost and harm body by business related to alcohol, drugs, abuses. There are many aspects, where profits can be earned through smuggling and negative activities. So funds should be channelized into community upliftment

SEEKING SOCIAL CHANGE IN COMMUNITY

- They aim to expand social capital for individuals, communities, and organizations.
- Socio-economic enterprises include corporations that balance earning profits with non-profit goals, such as seeking social change for communities.

We are designing sustainability of business for funding to carry activities and operations which need require money.

For e.g. We are designing a hospital, so funds need to be channelized in such a way; the minimum amount has to be paid to sustain cost of business. We are not looking for abnormal profits, but nominal profit is required to balance organizational goals of giving impact of employment of people and hire experts from the industry. So, the aim here is to sensitize and respond to changing needs of society for giving positive-ness and development to society

TRANSITIONS FOR CATALYZING SOCIAL ENTREPRENEURSHIP

- Muhammad Yunus founded the Grameen bank in 1976. He is known as the father of microcredit and established the microfinance movement.
- Helped millions of people in rural communities to access small loans.
- He was awarded a Nobel peace prize in 2006

So efforts which revolutionize or channelize and idea to change life of people can be a parameter for survival of community. Mohamed unis was such a person who started the funding options for poor people because there is underdeveloped section of society who has no access to bank. So gamin banks are looking to small people who require less amount of mmoney to meeout their daily business activities

IMPACT OF INTERNET AND SOCIAL NETWORKING WEBSITES

Social websites have created resources for success and collaboration of many social entrepreneurs... Internet allows for the pooling of design resources using open source principles like using wiki models or crowd sourcing approaches, the social entrepreneur organization can get hundreds of people from across a country to build strategy for social entrepreneurship venture.

Social media is connecting people, Here designers, experts and philanthropists can gather and give their ideas and solutions at a cost which is negligible. People can access and design resources in such a manner, they can create their own models. If there is some gap or opportunity, we can connect with these people

If a person is designing his own website, it is going to cost about minimum of Rs25000. So it, is better that can people access and channelize efforts of others people for social activities. People can connect to these websites, at a cost, which is very minimum and give our activities for social change

SOCIAL MEDIA WEBSITES PROMOTE SOCIAL ENTREPRENEURS

- Social entrepreneurs reach to large number of people who are not geographically close, yet who share same goals. They encourage them to collaborate online. They can :
 - Learn about the issues
 - Disseminate information about activities
 - Raise funds through crowd funding

Crowd-funding – Even, if people give small gift or some amount of money like 10 rupees or 100 rupees, it can become big. Millions of people. When gather through online resources, can generate millions. This can channelize big organizations to do good efforts for people who are in need. So social entrepreneurship, as a revolution, has been mobilized through online communities.

BILL DRAYTON'S ASHOKA (1980)

- It supports social entrepreneurs. Drayton tells his employees to look for four qualities:
 - Creativity
 - Entrepreneurial quality
 - Social impact of the idea

- Ethical fiber

Drayton has founded Asoka, which is a pioneer organization, in raising and supporting social entrepreneurs. It is looking after people, who have ability of giving creativity to society with innovative ideas

COMPONENTS OF CREATIVITY

- Creativity has two parts:

- Goal-setting
- Problem-solving.

The ideas need to be target based, number of audiences or people covered, and they need to solve the problems of people associated with the particular issue. So it is important that when people design creativity it should be quantified to give goodness to the world.

There are people who are experts in science and technology, who understand the impact of conservation, who understand the substitutes of energy, overpopulation food problems and water scarcity these leaders and experts understand in deep way to connect together and bring funds to work on issues of global world. All over the world, the issues are same they to connect and they need to channelize the minds, resources and abilities of people to give social changes in society

ISSUES TO BE ADDRESSED BY SOCIAL ENTREPRENEURS

- Social entrepreneurs need to focus on :
- Overpopulation & food shortages
- Unsustainable energy sources

Today, we use energy, which is finite. So we need to design substitutes, to the needs of future generations also. The cost of many things is raising and putting undue pressure on life of people. The traffic is increasing on roads, connectivity is getting tough. There is lot of cost, which is involved in sourcing and designing food solutions

So we need to address these issues, where little cost cut can give better life.

PROBLEMS FACED BY SOCIAL ENTRPENEURS s.

- Investors are much less willing to support risky ventures.
- Salary gap between commercial and social enterprises is very wide

It is very difficult to establish price, because profits are not abnormal. So, salary of employees in these organizations will be less as compared to organizations, which solely working on aggressive profit is rising. It is difficult to design these organizations. We work with minimum margins, so there are less attractive investors, who would be keen to invest money on these ideas

SELF SUFFICIENCY FOR SOCIAL ENTREPRENERUSHIP

- This self-sustainability is needed to run social enterprises to shift economic resources to areas of need

Self sustainability - Social enterprises do not need to resort on donations. They do not need to get loans from government or access help from people, but they need have self sustainable resources. They need to raise revenues from people at minimum prices, so that cost of operations

is sustained and they are self sufficient to generate funds by pool of money gathered. They can put this pool of money in bank can have interest which can give them support to run their activities

CATEGORIES OF SOCIAL ENTREPRENEURSHIP

- Social entrepreneurship may be divided into several categories:
 - Community-based enterprises
 - Socially responsible enterprises
 - Social service industry professionals
 - Socio-economic enterprises.

So these are the basic models which are looking into product design and also looking needs of society.

BUILDING SOCIAL CAPITAL

- The entrepreneurs work on basis of community's culture and capital
- Social service industry professionals are Social workers public health nurses in government or non government organizations

We need to connect people in health sector and also to activities, related to agriculture because the food, we are designing with higher technical side has less quality. We are forgetting that basic social services are needed for mankind. These industries need support of people, so we are going to connect and train people, to support these sectors for giving goodness and services to people who are in need

MODELS OF SOCIAL ENTERPRENEURSHIP

- *Leveraged non-profit:* - business model leverages financial and other resources in an innovative way to respond to social needs.

People need to invest in activities, which may not be profitable but are bringing changes in climate, nature and life of people. People need to give good electricity, housing, water and other facilities.

HYBRID NON PROFIT STRUCTURE

- The business model is willing to use profit from some activities to sustain its other operations which have social or community purpose.
- Hybrid non-profits are often created to deal with government failures or market failures
- They generate revenue to sustain the operation without requiring loans, grants, and other forms of traditional funding

Hybrid nonprofit structure

People are going to design a profitable structure, which is going to sustain non-profit ventures. Take e.g., TATA's are working for professional ventures and are into luxury segment of designing very high end cars but they are also giving services, like consultancy through TCS services. It is giving skills to works and education to people. They are connecting to social needs of society and are working in collaboration with government also. To conduct social activities, people really, do not get loans or equity funding, from share holding or investors market. Here profits of one industry can be channelized to other sectors. This is hybrid model, i.e. Profits of

one sector can sustain the non-profit base working of social business ventures which are designed to create changes to social aspects. .

SOCIAL BUSINESS VENTURES

- Social business ventures:
 - Are designed to create change through social means.
 - Have evolved through a lack of funding.
- Social entrepreneurs in this situation
 - Were forced to become for-profit ventures, because loans and equity financing is not available for social businesses.

Sometimes, social business started with lack of funding and because there was a problem, people get an idea of giving goodness to the society. People do not get any banking support. So here, they will convert this social cause, for profit based ventures and make this movement a revolution, to give changes to social ventures.

There are many ventures which are being supported by government. The Andra Pradesh government is giving food at minimum cost to employees .They are having food, with very minimum cost and this is quality food. So, people, who are working for whole day and have no time to cook, can connect to social organizations funded by Andra government and can have nutritional food.

COMMERCIAL PHILANTHROPY

- The commercial businesses are held and operated with all net proceeds going to serve social service needs for example, the Scholl foundation, created by eBay's first president, Jeff Scholl makes capacity-building grants to social entrepreneurial organizations that already have reached a certain level of effectiveness.

Jeff Scholl founded an organization for supporting activities of small organizations, which already have certain level of functioning. After few years and certain amount of time, people create infrastructure and have network to create group of people, who are like minded and committed. They have time and resources to work on activities, which are very beneficial to society. These kinds of meetings are held in Oxford university of U.K. They give grants and support to people who have some efficiency to take care of society.

COMPONENTS FOR CREATING SOCIAL ORGANIZATIONS

- Understanding of Problem
- Designing of Sustainable Solution
- Creating a Social Change in society

If people understand problem and have solutions it can bring change in society. For e.g. Vargeese, in very recent years had found "Amul Milk Organization". The cooperative venture of collecting milk from households has given birth to this very big industry for looking into nutritional needs of people. It is very difficult to store milk, as it is perishable, but because of technology, sustainability and scalability of operations, have helped in conservation of food products to make it to reach into areas, where it is needed

SOCIAL ENTREPRENEURSHIP

- Good goods:
 - Services & goods needed to enrich lives of people
- Good work:

- Development of good character from the activity of working and development of community through positive relationships trade
- Good wealth:
 - Creation of sustainable fairly distributed wealth supported by trust and faith.

The business has to be based on these three principles. Let's study the impact of good work.

IMPACT OF GOOD WORK

- Our work changes the world and so working on the world changes the uses.
- Our character evolves from our habits. Our habits emerge from our decisions and our decision emerges from our actions.
- People with character acting on good principles to enhance value for the society

The character of individuals is designed by engaging in valuable activities for building sustainability of society. The decisions to opt for investment in good ventures can give good community

- Investing in the training and development of employees
- Finding creative ways to accommodate human needs
- Treating supplier relationships in good times and bad times can strengthen or damage community.

When people can strengthen their trade relationships, i.e. if they are going to support and distribute funds fairly to employees and suppliers. When, there is boom, people can buy from suppliers and still give them good profits. These profits can give strength in recession to treat them fairly in all seasons of business

IMPACT OF GOOD WEALTH

- Good wealth requires a balance of reward for labor/ creativity with the provision of a living wage to all.
- Good wealth is often captured by individual action but has social strings attached.

The wealth, which people are earning, is because, some team is supporting. If people are abnormally earning profits, it is not a genuine gesture for development of society. The fair distribution of wealth can enhance the life of employees. When people distribute funds to people, it enhances multiple effects. The quality of goodness through their own action can reach to larger segment and would trickle down economy

FACTORS IMPACTING SOCIAL ENTREPRENEURSHIP

- *Mission-driven* - they are dedicated to serve their mission of delivering a social value
- Act *entrepreneurially* through a combination of characteristics of being true and giving quality to products.
- Work in *entrepreneurially oriented organizations* that have strong culture of innovation and openness.

People have to be mission driven i.e. Products which are created have to be valuable to society

- Act within *financially independent organizations* that plan and execute earned-income strategies.

- The objective is to deliver the intended social value while remaining financially self-sufficient.

I.e. people are not supposed to work in loss oriented organizations as they can form a burden on government. The self sufficiency of business is important to design strategies, where business can catalyze the needs to be sustainable for giving solutions to people.

DIVINE CHOCOLATES

- Divine is the only Fair-trade chocolate company which is 45% owned by cocoa farmers through the Kuapa Kokoo farmers' co-operative of Ghana.
- While Fair-trade ensures farmers receive a better deal for their cocoa and additional income to invest in their community, company ownership gives farmers a share of Divine's profits and a stronger voice in the cocoa industry.

The farmers in Ghana are poor and their chocolate is very valuable. The fair trade company ensures that farmers have ownership and profits invested by this company. The profits can be reinvested in their community to give infrastructure and facilities

- Fair-trade ensures farmers receive a better deal by guaranteeing them a minimum price of \$2000 per tonne which protects the farmers from the volatility of the market or the changes happening in the market

SUMMARY

- Social entrepreneurship designs goodness for the society to create positive and valuable services for improving quality of life of people
- The goods need to improve options and opportunities for connecting to the needs to poor people for connecting to the mainstream

I hope, students must have understood, the impact of social entrepreneurship for community upliftment and enriching the life of people.

Thank you students

ENTREPRENEURSHIP **ENTREPRENEURSHIP THROUGH MICRO ENTERPRISES**

OBJECTIVE OF THE CHAPTER

The basic objective is to study:

- The traditional and modified definition of MSME
- The concept and role of MSME

The enterprise concept and definition is being changed in recent year

CONCEPT OF SMALL MEDIUM ENTERPRISES

- SMEs or (SMBs) are businesses whose personnel numbers fall below certain limits.
- The abbreviation "SME" is used by international organizations such as the World Bank , United Nations & World Trade Organizations

SME'S AND ECONOMIC GROWTH

- SMEs outnumber large companies by a wide margin
- Employs many more people.
- In developing countries, smaller (micro) and informal firms, have a larger share than in developed countries.
- Build innovation and competition in many economic sectors.

SMALL AND MICRO ENTERPRISES

They start with very little capital and with very few hands. So, they out number many to larger organizations, which require large infrastructure and lakhs of people to make that system work. There are two three family members, who can design small facility to give community health and services in a better way. SME's, all over the world, are doing great job of generating employment, services, products and goods to people.

SECTION 7 MSMP ACT OF 2001

- *For enterprises engaged in the manufacturing of goods*
- *First schedule to industries development and regulation act of 1951*

The section 7 of manufacturing goods is industries act of 1851.

Definition of Act of 2001

MICRO ENTERPRISES

- Investment in plant and machinery does not exceed 25 lakh rupees
Twenty five lakhs are in plant and machinery is known as micro enterprise

SMALL ENTERPRISES

- Investment in plant and machinery is more than 25 lakh rupees but does not exceed 5 crore rupees

The range is between twenty five lakhs to five crore rupees
(Rs 25lakhs to 5 crore)

MEDIUM ENTERPRISES

- Investment in plant and machinery is more than 5 crore rupees but does not exceed 10 crore rupees

The medium enterprises use five to ten cr rupees plant and machinery

Section 7 of Act of 2001

Designing of services, definitions are different

DEFINITIONS FOR SERVICE ORGANIZATIONS

MICRO ENTERPRISES

- Investment in equipment does not exceed 10 lakh rupees

Micro enterprises are designed on basis of initial amount of ten lakhs

SMALL SERVICE ENTERPRISE

- Investment in equipment is more than 10 lakh rupees but does not exceed 2 crore rupees

It is small enterprise for giving services

MEDIUM SERVICE ENTERPRISES

- Investment in equipment is more than 2 crore rupees but does not exceed 5 crore rupees.

So investment in equipment 2 to 5 crore of rupees, then it is known as service enterprise

DEVELOPING COUNTRIES AND THE MSE SECTORS

- MSME sector makes a vital contribution to :
- GDP
- Employment
- Growth
- Increased output
- Value addition
- Profits

This sector works with very small capital and gives employment to very less numbers. Still there are large numbers of sectors, working, so many people get connected and employed here

The impact of GDP is direct to communities is higher because they look to locals. Local needs are being understood, local festivals and designs are easily adaptable to people, according to taste, culture and values of different people. It gives employment which increases profits for society and households

IMPACT OF SMSE ON GDP

- MSME also impacts GDP indirectly through :
- Increased innovation
- Vitality and growth impetus to economic activities
- Increased output, employment and exports and
- Instills a competitive culture
- Heightens technology awareness.

The small scale sectors do impact GDP because directly they impact life of people as economic turnovers, economic multipliers continue. Money works in a different way for households. Here, a very small person, whose is having small investment, starts with agriculture for giving tomatoes, potatoes or vegetables to dealer. The big AMUL revolution has been designed on basis of individual households collecting milk.

Milk collection - The household is coming to cooperatives and milk is going to big sectors. Even supplier based enterprises, which are supporting big enterprises, form vital segment of society, by giving daily facilities of milk, bread, butter and services of hospital. The doctors, professionals, advisors, designers and tailors are supporting the society, in a big way, because attention which small customers need, cannot be given after by very big organization. So customized attention and problems can be looked after by small sectors, which have enough time and attention for giving to customers. This is a very big segment, of society which is impacting in a big way

ADVANTAGES OF MSME

- Help to achieve fair and equitable distribution of
- Help in regional dispersion of economic activities.
- Assist in fostering a self-help and entrepreneurial culture
- Bring skills and capital through various lending and skill
- Build resilience to withstand economic upheavals and maintain a reasonable growth rate

The SME sectors work to balance recession cycle. The major impacts, which are economically disastrous, for country are new substitutes of company, new technology coming up, changing trends, mishaps happening in society, global imbalance, government instability etc. These are hazardous impacts on lifestyle of people but if growth of SME is high, in society, it will help to balance the economic upheavals in society because people can earn and be independent if they have their own way of generating products and services. It gives basic form of transactions in a better way. They look after their own needs and values to design economic systems.

The act of 2006 is amended in 2018

AMENDED ACT OF 2018

- Micro enterprise - unit where the annual turnover does not exceed Rs 5 crores;
- Small enterprise -unit where the annual turnover is more than Rs 5 crore but does not exceed Rs 75 crore;
- Medium enterprise - unit where the annual turnover is more than Rs 75 crore rupees but does not exceed Rs 250 crore.

Definition of MSME's has changed by government through ordinance in 2018. The initial definition, which was older, referred to investment in plant and equipments, which was very vague and fake. It was not very transforming government subsidies and loans to actual users. People could change figures and turnovers. The investment in plant and machinery was considered. As rupee appreciated or even education advantage is given or policies and frameworks are designed for these sectors, are not able reach to that particular segment. The government has designed these figures, so actually companies or people of this segment can get advantage of government promotions and subsidies. Here turnover can be depicted on GST network. This is in record and can be actually used by people, who are in need of loans and

people who are performing can get benefits. Otherwise, when investment was taken as part of subsidies and loan, people were undervaluing their investment and taking advantage of government facilities. So actual person, who is in need of support from government was not getting the help. The policy decided to take turnover, as basis of definition. Here micro enterprises are defined as 5 crore, which will be reflected by online turnovers registered to Income Tax Regulations Act. These small enterprises, will be with five crore to seventy five crores turnovers. Medium enterprise would be above 5 crore to 250 crore. When turnover is above, it is because tax would be somewhere about 30% of total turnover. The advantages of new move for customer is that government is expected to improve the ease of business, avoids unnecessary expectations, authorities do need to verify business claims that are using sales data through GST network.

The definition was modified because government could not verify the status of actual MSME sectors and poor micro enterprises were becoming small enterprises working in market. The enterprises who have lot of power and infrastructure, were taking facilities of government. So poor person, who is looking after society with their meager funds is not able to sustain in market. The government has now allowed these changes

ADVANTAGES OF NEW MOVEOF GOVERNMENT

- The move is expected to improve ease of doing business
- Avoid unnecessary inspections
- Enable authorities to verify claims of businesses using the sales data from GST network

People, who have turnover can sustain and get loans and banking aid from financial institutions. It is easy for financial institutions to give loans and regulate organizations. They can communicate easily and recover funds. Before this, bill, less dept was recovered by banking because communication between organizations was not very easy, as there were fake entities. There were addresses, which were fake and papers were not showing full valuation. The GST network is online to give tax to government. The communication between bank and financial institution is more transparent. There will be less fraud. Even banking and financial system would become sound, where unnecessary utilization funds for personal gains and selfish interest or corruption would be less

SUPPORT OF CENTRAL BANK

- The central bank rose the repayment period before MSME loans are classified as bad loans from 90 days to 180 days.
- The corporate tax will be 25 % for companies having turnover of 250 crore

Central bank - is also supporting to design this. If they are not able to pay loan within ninety days, it will be considered bad loan but this period is of 180 days. The turnover of 250 crore is liable to have corporate tax of 25% .This is recent figure. Initially working finance minister had given corporate tax of thirty percent, which has been recently changed to corporate tax of 25% for companies having turnover of 250 crore.

CHALLENGES OF MSME SECTOR

- More expensive to contract
- Higher transportation costs
- Higher management costs
- Poor Lapses in technology infrastructure
- communication & Cultural differences

These organizations are small. They need to build operations, which are costly. People are working for very small systems and segments. The transportation cost will be very high. The per unit cost will be high. The efficiency in organizations will be high, as compared to large organizations, who have big platforms and lower cost because higher is turnover, less is per unit cost

When SME employs only three people, where there are only 10 people, so even leadership and management cost would be more. If they hire professionals, the services needed from them will be difficult; because to sustain this help, the cost will be big issue for SME's to work. Since their products are not so professional, and big, so cost is definitely going to be high.

EVALUATION CRITERIA FOR GIVING LOANS AND FINANCIAL HELP

- Past Projects
- People
- Pricing
- Performance
- Platform

They are evaluated on basis of past projects, people concerned, pricing systems, performance of organizations and platforms on which they have been working. When these sectors, connect with banks, it is very difficult because project is evaluated for viability. The person, who is involved, needs to show their financial validity and credibility in market i.e. Source of guarantee is needed. The person, who is giving guarantee, needs to have financial viability and credibility in market. The parent past performance of person, how he is filing returns, what is asset valuation, wealth and performance of person is society, past projects done, turnover and products given to society are evaluated. These small sectors connect with banking sector and get financial help. The evaluation criteria are difficult, as there is little help which has to be distributed over a large sector of society.

PROBLEMS OF MSME'S

- Unclear objectives
- Vague design requirements
- Lack of Coordination
- Language barriers
- Domestic layoffs

Sometimes these sectors are very small, but they face lot many problems of understanding regulations of government, changed ordinance of government and environmental laws. There are high penalties, which are being imposed on these organizations. Sometimes, taxations are so complicated, that they can force these SME sectors to be closed. The high cost of rents, lack of coordination and communication with government and language problems are faced by the small sector organization. They are working on local regions, not connecting to national language also. There are cities and villages in South India, who are too connected with their own local languages. They are not able to understand or read Hindi. So even, if policies and financial support is coming, they are not able to access, because lack of communication between government and people is very high. The problems, which these SME face, is due to unclear objectives, no support to their business through good vision and value system

STRATEGIES TO BUILD THE SME'S

- Cost Savings
- Access to Expertise and Skills
- Higher Software Quality
- Make capital funds available-Cash infusion
- Sharing of risks

Infusion is an ability to grow. The best strategy to design SME's could be:

- Reduce cost, because funds are less
- Unnecessary cost in high infrastructure can be saved by working on medium infrastructures
- Can create concrete pictures
- Obtain shades and create layouts which minimum availability things to support operations and activities
- Many things can be cut down
- Hire expertise among people to run organization by investing in right gadgets and system
- Understand process, where cost can be saved.
- The process can be done with software's to connect with already working websites for promoting goods and services through social networks, where, they already have technical people, who are supporting social platforms
- To create own platforms and website could be costly and risky
- Transform social platforms that are already working with software's in market
- Capital funds should be infused through the support from family members
- Risk can be shared, design ventures with less people because fund involved of individual is less, so SME sectors can work in a better way
- Try to coordinate , communicate and share the risk
- Turnover and connection is low between global customers but they empower local community because community also needs these ventures
- The local, cultural, social needs of people force them to seek professional advice of doctor's psychologist, engineer's technical people to make products in a better way.

SUMMARY

- The MSME help in build the national wealth by increasing the employment and economic output of the country.
- The small scale industries design economic fabric of any society

Though there are problems in this sector, but they still form, a vital part of economy. They give services to people and understand local markets because; they are prospering in local markets. The cost for local customers is low as communication and coordination cost is low. The SME's are important for society and need to be recognized by government. The financial help, technical advice and other help needed should be given to this sector and society in a big way. I hope, students must have understood SME's, problems and challenges.

Thank You students

FUNDAMENTALS OF ENTREPRENEURSHIP

EXTERNAL ENVIRONMENT ANALYSIS

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OBJECTIVE OF THE STUDY

The basic objective is to study:

- External environment analysis
- Characteristics of the environment
- Steps of external environment analysis
- Need and importance of environment
- Basic aspects of external environment analysis
- Methods of external environment analysis
- External environment analysis and its factors
- Economic environment, socio- culture environment
- Physical environment
- Political environment
- Legal environment
- Technological environment
- Educational environment
- Cultural environment
- Ecological environment
- International environment
- Challenges of environment.

1. Characteristics of External Environment

External environment analysis- The business is important and good business leaders create vision. They articulate vision and passionately own the vision and drive it to completion. The entrepreneur is essentially a visualize and actualize who can build the future. Business is surrounded by environment,

Characteristics of environment

- Environment is an integral part of the human life and its existence. It is affected by many factors which are dynamic and constantly changing
- Man is the creator of environment
- Environment is uncontrollable because there are many factors which definitely change with course of time.
- Environment poses lot of challenges to entrepreneur which he has to face with determination. The environment compulsorily and dynamically changing and is responsible towards all other factors which take place.

The external environment never stops. It is a continuous process. It has opportunities

and threats existing simultaneously. The adjustment to opportunities has to be done by correct strategies in order to achieve objectives. Threats have to be estimated and basic steps have to be taken in order to fight with those threats. The environment has to be sustained in such a way, that people can achieve their goals.

2. Steps in External Environment Analysis

Steps for analysis of environment

Small opportunities are often the beginning of great enterprises. The major steps taken for analysis of environment are

- Scanning of business environment
- Short listing of opportunities
- Finalizing of opportunity

Scanning of business environment would involve industry and a competitive analysis, market research, consumer research and opportunity analysis. Scanning is a type of investment. Research that begins by focusing on status of industry . The analysis involves general features of basic industry and environment. In this, focus is on

- Industry structure
- Number of players
- Total market size of industry.
- Relative market shares of players have to be estimated to determine status in market.
- Nature of competition if it monopoly, oligopoly or perfect competition.
- Differentiation practice in market
- Barriers to industry as exit barriers & entry barriers or mobility barriers.

Industry performance and attractiveness - The industry practices related to deregulation, pricing, and promotion, method of selling, service, field support, research, development, legal practice and formalities are important. The industry trends would include future of industry, product life cycle, rate of growth, and changes in the buyers, innovations happening in products, processes, entry and existence of new firms. The changes in the regulatory frame work of environment have to be taken seriously.

Short listing of opportunities -People have to study their own strength and weaknesses. They have to study target customers, key customers and positioning has to be done. The sales volume, market shares and growth figures are needed to decide pricing. The product lines, distribution channels and business models have to be designed in such a way opportunities are available. The management style and goals have to be suited to processes. The entire value chain has to be managed in a creative way.

Finalizing opportunity -It is essential to assess some parameters before deciding on product, out of two or three basic short listed ones. These parameters are:

- Total investment
- Return on investment
- Return on equity
- Volumes of sales, profits and profitability.

3. Need of External Environment Analysis

Importance of external environment analysis The environment analysis is important because it

- Determines success of entrepreneurship
- Helps in creation of viable plants for business
- Creates measures for competitive environment and helps in selection of best alternatives from options available.
- Helps to scan useful opportunities in business and gives an ability to achieve leadership qualities in market.
- Vigilance towards future threats and challenges.

External environment analysis needed for permanent existence.

4. Aspects of External Environment Analysis

Basic aspects of external environment analysis:

- Trends
- Experiences
- Strategic planners and entrepreneurs existing in market.
- Stage and age of entrepreneur
- Size and power of entrepreneur
- Amount of technology practice by each entrepreneur has to be determined.
- Geographical dimensions and locations of business entity
- Planning process of entrepreneur determines basic success of business system.

5. Methods and Techniques of External Environment Analysis

Methods and techniques of external environment analysis - The basic methods of analyzing external environment

Collection of information - would be both, verbal and written. In verbal information collection - try to contact industry experts, talk to them, talk to people who are doing business and with this information and reports, try to analyze what is happening in market or what are basic views, reasoning and opinions about existing system and values in market.

Written information - can be collected through journals, brochures, internet or computers.

Spying - send agent to other organization, learn their work cultures, understand how they do their business and by this people can achieve their own values and successes.

Forecasting: - is a process of scanning or estimating environment . People collect data of past five or six years. On basis of this, they try to project future for next two or three years. By this, they are able to estimate sales volume or sales forecast.

Market Survey: - involves a survey through questionnaire. The person who is doing survey, would analyze the situation of market through a prepared questionnaire, in which, he would record attitudes and perceptions of people. He will also try to analyze plans for purchases of customers. On the basis of attitudes and perceptions; marketers can design their own products.

ETOP - Environmental Threat Opportunity Profile . In this, environmental opportunities and threats are analyzed. The products have to be designed according to opportunities existing in market.

SWOT: - - is Strength, Weakness, Opportunity, Threat Profile. SWOT is done on organization itself. It has to estimate personal strength of people who are involved in business. It is organization's own strength, weaknesses, potential opportunities and threats which come from environment.

7 - Classification of External Environment Analysis

Classification of environment and basic factors which are important . On basis of factors, environment can be classified into economic environment, socio-cultural environment, physical, political, legal, educational, ethical and international environment.

Economical environment - consists of natural resources available. The local availability of material is important for doing business. Human resource is needed for skills, abilities and technical specializations of people for up gradation of basic business processes.

The economic system surrounding business relates to policies, rules and procedures. The government must promote favorable rules and regulations for people so that business can prosper in its own way.

Capital formation and investment:-

Capital formation is part of government but it can also be done by savings of people or through bank investment. Capital formation can also be build through loans taken by other countries or FDIs.

FDI is foreign direct investment coming into country. Monetary policy relates to basic money problems to control shortage and supply of money in market. This would include basic controlling of rates of interest in capital market.

Organized capital market and stock market - determines equity participation of capital in business. If stock market is strong then, it determines or reflects the ability of people to put money in businesses.

Socio cultural environmental factors - which affect business, are basic traditions, culture, values and ethics existing into market. Social values need to be understood to provide products in rhythm to social esteem of people. The colors, taste, design of products has to be in rhythm with society. The attitude of society towards managers, businessmen and entrepreneurs is important. A positive outlook for giving status and esteem is needed to flourish business. It is the view of people cultivated by feelings which they absorb when they are at work. It is mutual cooperation and understanding through family, peers and members of society who help to promote business

Physical Environment: - is total eco system consisting of natural resources. Natural resources are important, because if a country is rich in its availability of basic ingredients from earth, the business prosperity will be high. The climate of country is favorable for rain and humid weather, and then this would promote agricultural growth to give prosperity to business.

Infrastructure: is important. The supra- infrastructure and basic infrastructure of support systems of roads, airlines and other railway tracks is needed to help connecting systems for growth of business.

Energy: - is important because cost of energy determines cost of production. If energy is available or substitute of energy is available at reasonable cost, the factories will run and give production to people.

Public Utilities: - are the basic systems of water supply, electricity supply and telephone supply. If basic public utility

System is in place, the business would flourish. It the basic system, on which business growth depends. If public utility system is efficient and advanced, then it will promote business.

Topography: - is basic climatic structure of country for the availability of rivers, mountains or planes. If there are more rivers, the area will be fertile and business will flourish in those areas because people have lot of food and fodder conditions

available.

Ecology is total eco system available in country with animal wealth and plant wealth. If animal and plant wealth is more, it will develop industries like fisheries, plantations or hybridization of other floral structures or vegetable structures for entrepreneurs to grow in a better way.

Political Environment – consists of government forms, rules and regulations for growth of industry. The basic rules and regulations affect export, import industries, privatization. The national policies determine the impact on growth of private entrepreneurs. The stability of government in any country reflects the ideology of people and trust of people. The national security and defense policy determines, whether the country is peaceful and can avoid war like conditions happening in any country. Political donations and gifts system available in country determines corruption level of country and this also impacts cost of business.

The policy is regarding public and social welfare for promotion of people related to down trodden sections of society is needed for social security system for creating faith and trust of people in countries and business.

Technological Environment: Technology is needed because it empowers people and it gives connectivity and viability to systems. In words of Bill Gates, “I think, it’s fair to say that personal computers have become the most empowering tool we have ever created.” They are tools of communication, creativity and they can be shaped by the user.

Technological empowerment through computers and internet is needed because it connects and flourishes business across borders also.

Ethical Environment: is important because it governs ethics and values of business. Ethics is the science of doing right and wrong.

Ethics- are same, whether people are in India or in America. The science of doing what is correct is important in all human societies, because people have to give products and services to customers so that they get the full return for value of money, which they have invested.

Values are very personal. They are beautiful desires, which make life of people beautiful. They give life, a shape which is determined by moral conscious. Moral codes are important because they dictate ethical conduct of society. The ethical conduct of society would also impact conditions of people in organization, like working conditions of labor and other people working in organizations.

Cultural environment: The culture of nation is reflected by art, literature and lifestyle. It describes outlook of people and mental development of people. Culture impacts business because it is youth oriented values which put business into a better shape. The more is youthfulness in business; more are products with emotional stability for convincing consumers.

International environment: is faced or shaped by globalization and liberalization process. The international environment affects economic policies of the nation. It also affects the availability of capital, in a particular country and level of competition. Business activities of multinational companies do put impact on small entrepreneurs. They could look at as a prosperous or threat full environment. If multinational companies cooperate with small segments, then they can become suppliers and ancillary units to bigger corporations. But sometimes these forces can go adverse, where the impact of multinational companies can kill small scale industries.

8 - Eco System and Environmental Aspects

Eco system and environmental aspects which affect business.

Eco system services: - are conditions and processes through which natural ecosystems and species that make them sustain and fulfill human life. The basic services which an eco system provides is like people get food, animals, micro-organisms, genetic material, bio-chemicals, pharmaceuticals, fuels, energy, food, fodder, non living materials. Everything is provided by eco system. People have to look in distinctive way to protect the environment.

The stock of eco system has to be purified and mitigated to save earth from floods, drought. Detoxification and decomposition of waste is needed to protect environment. Preservation of soil and fertility is important for the growth of agricultural products. The pollinations, control of pest, dispersal of seeds, everything is needed to maintain the bio-diversity, which can give a better survival for future.

Beliefs –are needed to build an eco- system. The eco system gives spiritual values, aesthetic values and social relationships building base for growth.

Environment & Society -Society cannot protect environment because of certain elements like poverty or anti-social elements which are present. These things which exist in society do affect environmental degradation and put people under pressure.

Maintaining quality of environment - is luxury, which only advanced people or countries can do it because lot of money & and sophisticated technology is needed to maintain environment.

Understanding responses as a source of benefit is important. Environment empowers people for maintenance of its cultural, spiritual, economic and social values.

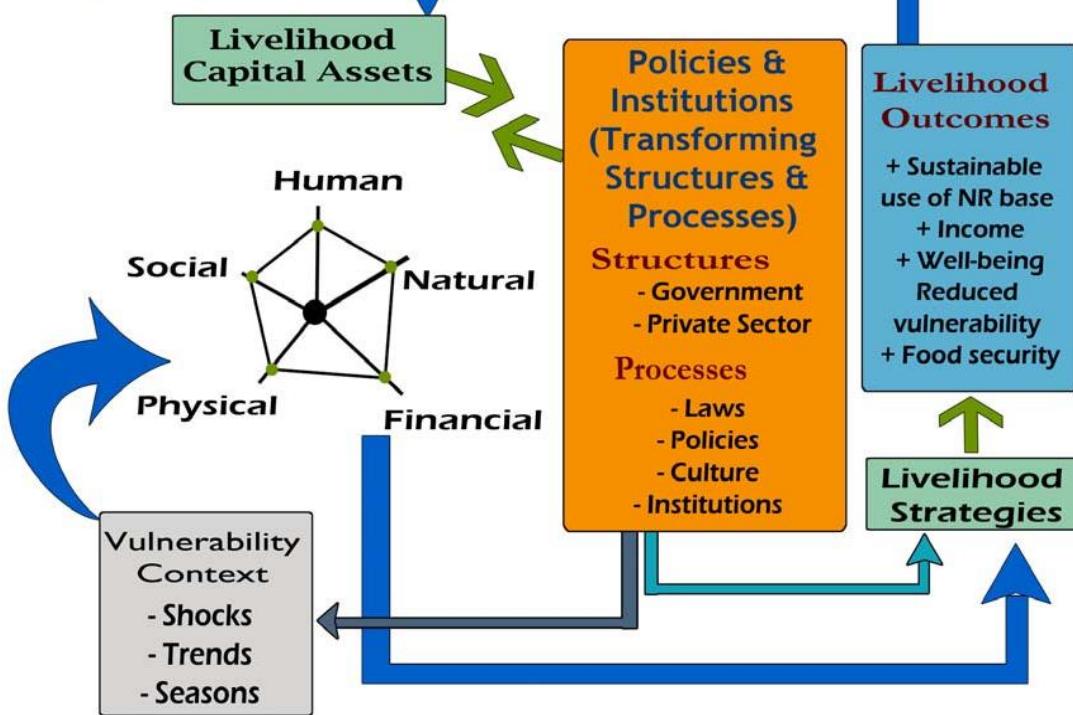
To protect is important for their own survival. The multi dimension impact of well being is important because they determine physical fitness for creating wealth as resources.

Human resources with education and health are important which are generated by environment because if people take pure air and are living in quality environment, then it affects their health. The natural resources are eco systems. The political resources need accountability how to protect them.

Sustainable environment can be created when people manage human, social, natural, physical and financial assets.

Diagram

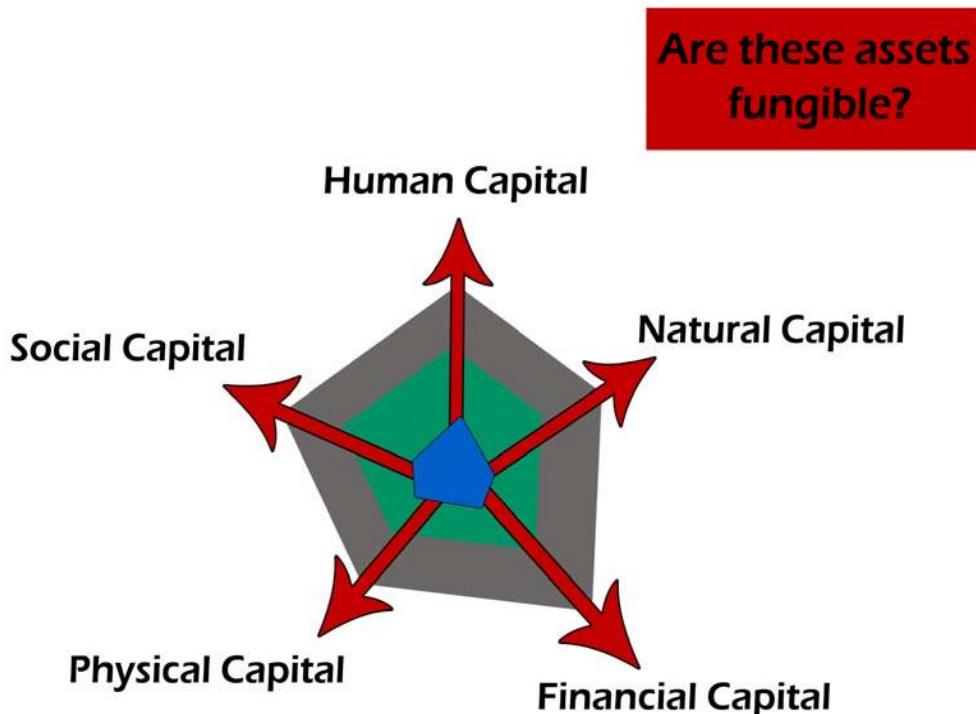
The SL Framework



Parameters for sources of human capital assets.

Changes of trends, seasons and shocks put impact on resources. The governments, private or non-governmental sector, is working in a country tries to processes laws, policies and cultures in order to strategies eco system to gives food security and reduces vulnerability. It defines the well being. It can increase income and make a sustainable living. This would put impact on asset value of organization.

It's all about pushing out the 'area' of these assets



Assets or Resources- are social capital, human capital, natural capital, physical capital and financial capital. Thses are tangible assets for life, so protecting them is important and giving them value is essential for maintain the eco system.

9 – Educational and Legal Environment

Educational environment - “Education develops the intellect; and the intellect distinguishes man from other creatures. It is education that enables man to harness nature and utilizes his resources for the well-being and improvement of his life. The key for betterment and completeness of modern living is education. But, ‘Man cannot live by bread alone’. Man, after all, is composed of intellect and soul. Therefore, education in general, and higher education in particular, must aim to provide, beyond in physical, food for intellect and soul. That education which ignores man’s intrinsic nature and neglects his intellect and reasoning power cannot be consider true education.

Knowledge and education is important for society because this is the power which gives bread, survival and butter for life. People can create new products and better services for society if they are knowledgeable. . They can build customer loyalty

through knowledge transfer and knowledge sharing. Enriching human capital is very important and this can be done by building an educational base. People can make use of existing knowledge and education by implement them into research and development for creating better services.

Market leadership and competencies - can also be achieved by better educational profile. Education is not only important for customers or personas owners, entrepreneurs need to have people who could support them. Human capital is important for doing business. Even though employee account for 80 % of worth of entrepreneur's business, but still, it is difficult to calculate what is the basic worth.

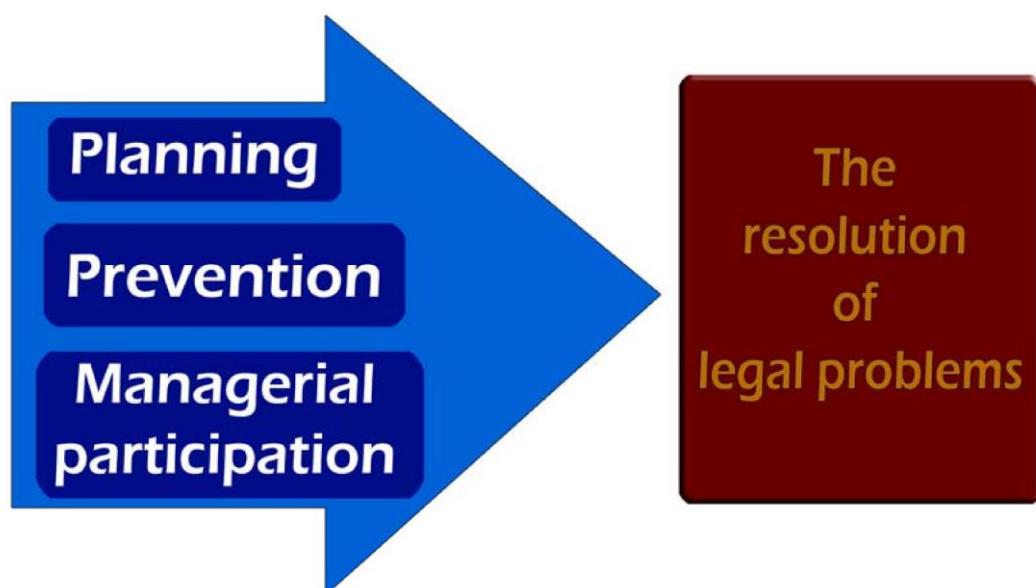
People can put value on everything, on clock, table, desk but they can't put value on their people. A company's human capital asset is collective sum of attributes like experience, knowledge, inventiveness, equity, energy, enthusiasm that people choose to invest in their work.

Organizations have to change the philosophy to strategies human resources by measuring and managing human capital. Quality in higher education is needed to build employees. The effectiveness, content, ability of transmitting knowledge to people, teaching aids are important. The basic importance of education lies in transformation through computers, reducing cost to people, making them understand is needed for creating awareness.

Legal business environment - can be defined as attitude of government towards business. The historical development of this attitude, current trends of public control and taxation, regulation of commerce and competition, freedom of contract, antitrust legislation and relationship to marketing mergers, acquisition and labor management relation. This is legal environment of business.

The Legal Environment of Business

3 measures in the resolution of legal problems:



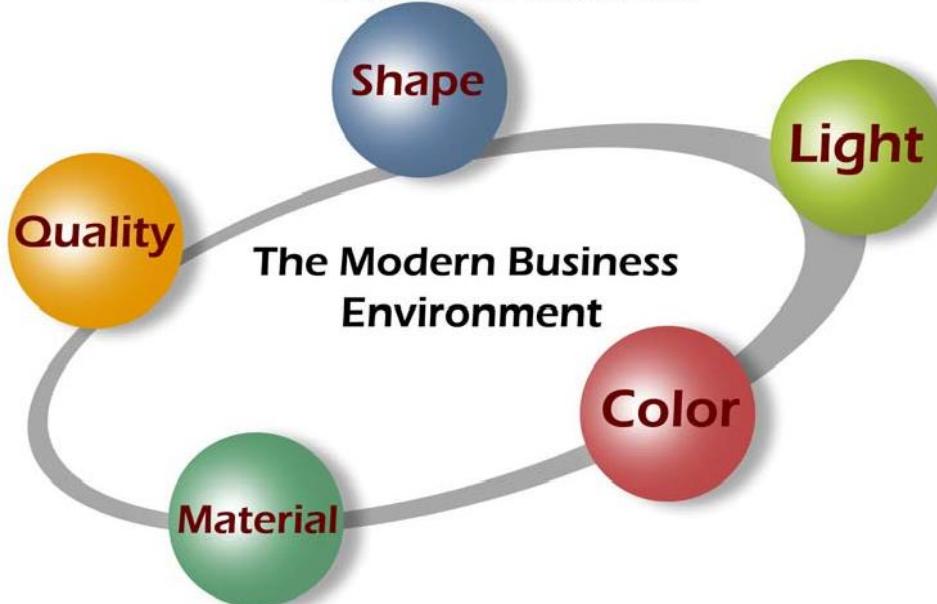
Measures for resolution of legal problems.

Planning, prevention and managerial participation can resolve problems of related to

The Legal Environment of Business

The Modern Business Environment

5 factors such as:



the legal system. The business environment has five factors.

The five factors are quality, materials, colors, light and shapes available in environment. These things are managed. The legal environment of business is also affected by global systems. The important global systems again are shown in this diagram.

The Legal Environment of Business

Important global concepts

1

The interplay among business, ethics, and law and between legal reasoning and research.

2

The judicial system and conflict resolution.

3

Torts and business crimes.

Interplay among business ethics and law

The legal reasoning and research is important. The judicial system and conflict resolution will result in control of business crime. Legal and ethical framework of business will help to regulate environment. This will help to establish the contract and reduce business crimes to promote partnerships and legislative system for protecting people to do business.

Government regulations are important for business because if government is not concerned about people, then there will be lot of confusion and chaos in market. The government regulations give safety. They protect environment by building antitrust and anti-discrimination laws, financial trading process is secured and caring system of financial resources for business.

The demanding business environment requires utilization of resources and knowledge of whole human capital, so that organizations can grow in a better way. The international business law is needed because impact of globalization is impacting all entrepreneurs. So harmony, security and convenience of improving present legal system are also important.

10 - Challenges of Business Environment

Challenges and complexities of business environment are highly challengeable. The environmental balance is very important to safeguard dignity of man. There has to be a balance between ethics and economies. People have to enhance productivity by enhancing consumer relationships and fulfilling social responsibility.

Social responsibility is total responsibility towards stakeholder, consumers or people, who are involved in businesses, whether they are suppliers or employees of organizations. Entrepreneurs have to be responsible to consumers and society because they are taking so much from society. They have to return to society for investments related to services to people in form of consultancy, education and empowerment programmers given to society.

Thank you.

FUNDAMENTALS OF ENTREPRENEURSHIP (PART-17) UNIT - II
THE COMPETITIVE FACTORS IMPACTING THE GROWTH OF
ENTREPRENEURS

1. INTRODUCTION

Objective

The basic objective is to cover

- competitive profile
- competitive age
- market scenario of various types of competitor
- Deterring growth of entrepreneurship.

An entrepreneur has to assess the threats and factors for turning designer strategy to build up an empire. The micro economic aspects impact the business potential. The Porters five model will give the impact of assessment of suppliers and buyers.

Impact on market -Innovation would help entrepreneurs to grow in a better way. People can design strategy, which will help entrepreneurs to grow in a better way. Building competitive advantage and important for entrepreneurs. The competitive age or advantage is small core competency to acquire unique position in market

Unique position can be acquired by unique selling prepositions. These selling prepositions differentiate business man and entrepreneurs from general products existing into market. The advantage over here is to build a sustainable competitive advantage so as to create Niche or segments for entrepreneurs to grow in a better way.

Sustainable competitive advantage-

- Build core competencies
- Core competencies would impact capabilities and skills of entrepreneurs
- Skills and capabilities design competitive advantages
- Superior value to customers would make them brand loyal for particular entrepreneur by using his product.

Competition –

- Rivalry existing in market is very tough and complex
- Threat existing in market is highly oriented by factors which are changing with course of time,
- Competitive analysis involves resource similarity and common variety in markets
- All these factors of resources in common market have to accessed

This puts very big impact on how entrepreneurs design their strategy.

Drivers for competition

- Awareness, motivations and abilities of entrepreneurs in particular market
- Attack from movers who are highly incentive oriented organization
- Size of big size organizations dominating market
- Quality of products of multinational companies
- Response from competitive actions taken up by rivalries

- Reputation of big companies
- Market dependence
- Seasonality of market
- Changes happening on their own way.

Outcome

- Designs market position
- Builds financial positions
- Build strategic base
- Create strong strategy orientation so as to be sustainable market
- Build creative strategic orientation

Designing of strategy needs:

- A. external analysis
- B. internal analysis

This is supported by SWOT analysis

SWOT is strength, weakness; opportunity threat profile gives a fit between

- Company success factors
- Core competencies or capabilities possessed.

A strategic fit of these two variables would design strategy which is long term oriented and would design to fit with competition existing into market.

After building this market oriented strategy, a rough strategic base is built up.

2. SITUATION ANALYSIS

Situation analysis - is designed by

- Micro economic elements
- Internal strength of organization

Changing competitive environment puts large impact on changing organizations profile and strategy,

Changes happening in competitive organizations and environment can influence organizational strategy.

Changing competitive environment is influenced by

Increasing customer power- every day customer is earning more and his income is increasing with changing profile of awareness is also increasing

Changing trade policies of government-

- Changing agreements of governments and rules and regulations also impact market.
- Regulations impact market in changing competitive environment
- Influence of increasing power of purchasing power of customers
- Day by day, earning are increasing so customers also demanding new things because of these earning
- Awareness is also increasing
- Changing trade policies impact the market
- All these forces existing in market impact the business and products profile
- Regulations by government at local level, state level, national level and international level are guided by international force also impact business

- Trends towards globalizations impact change in market
- Consumer buying patterns have changed the total trend of competition pattern
- Demographic variables also change
- Entrepreneurs have to understand these forces before they take up businesses.

Business is faced by many risks - which did not exist previously because people were working in stable markets. The complex interconnectivity of markets is due to forces of:

- Liberalization
- Globalization

Any change in international market, is impacting local markets. The changing base of competition is very high because more variety of products are dominating market and more companies are playing in business markets

There is no customization of products of specific needs to customers.

There is lot of changes of process being designed for production of products and higher quality is being demanded because customers have become

- Aware for paying prices
- Delivery schedules
- Better service models have put the entrepreneurs under pressure
- Better things to the market.
- Advance design
- Obsolesce
- Impact of technology

Entrepreneur and businessman have come out with solutions which are easy, changeable and acceptable by customers.

3. PORTER'S MODEL OF COMPETITION

Forces of competition by Porter's model which is standard governing market ethics and components of company

The companies impacted by forces of competition from

- Suppliers
- Substitute products
- Buyers
- New entrants
- Rivalry firms

This is the immediate environment which is putting impact on company.

Indirect impact which is coming on company from micro environment forces of.

- General economic condition of country
- Legal system of country
- Population standards and demographics of country
- Social values and lifestyles of people
- Technology impacting market

They are basic forces, which govern to market and each variable is putting impact on business plan.

The impact - is on product design. The entrepreneurs have to understand market

and local ethics with international research of competitive forces or factors existing in market. These factors relate to

- Market size
- Growth rates happening in market
- Number of competitors existing in market
- Scope of competitive rivalry
- Number of buyers and customers' existing in market
- Degree of product differentiation
- Product could be infected by innovations
- Substitutes could take product out of market
- Supply and demand equations
- Pace of technological changes
- Economy of scales for designing business.
- Learning and experience curves of industries

Knowledge – increases as inputs in product quality, so specialization increases, because design of products in physical sense is not important but service requirements based on knowledge are also needed. The services have to be learnt by people. As experience increases, better solutions come to market. The five force fields model of rivalries of Potter is depicted here

- Rivalry competition among sellers
- Buyers buying power
- Potential power of new entrants
- Power of the suppliers to design raw material in a new way and new combination
- Firms and other industries which are designing product which could act as a substitute to products

This is competition impacting market

4. CHANGES IN MARKET COMPETITION

Changes happening in market of competition-it are better to design weapons, by which entrepreneurs can fight competitions. The weapons could relate to

- Low prices
- High quality
- Good innovations
- New discovery of demographic variables
- Selection of models which are value based
- Strong product differentiation
- Building up unique capabilities
- Unique selling propositions which could give edge and niche in market system where lot of similarity exists

When entrepreneurs try to differentiate themselves in the market they become seller of products. When people build on customer basis, it is trust and relationships important to build loyalties to get customers because to retain customer is less costly than exploring new customers in market.

Entry barriers – new entrepreneurs in business scenario, have to face sizeable economy, in which big companies are already working. These companies have history and profile

good reputation of 30-40 years. So new entrants would compete with these barriers. The distribution channels available to reach core markets are essential. The barriers can be

- Trade and tariff barriers
- Tax barriers

The industries change every day, because participants alter the scope of their businesses, according to the attitudes and taste of customers. The driving forces are technology and knowledge impacting the industry and market. With these changes happening in very fast rate, the scenario of competition is becoming even tougher. The competition is becoming severe and companies are finding pressure to work of this competition. The basic drivers forcing this competition are

- Product innovation
- Reducing product lifecycles of products
- New models are entering in market because customers are demanding
- Impact of technology happening at a very fast rate.
- Internet connectivity and communication technologies impacting cost barriers.

We are working on models, which are giving us, less costly products. These products could penetrate mass markets. The changes in social attitudes in market are due to impact of

- Media
- Lifestyle changing
- Increase standard of living of people
- General awareness of changing their life

Have better solutions to life of convenience and compatibility is demanded by customers.

There are forces of not only physical aspects but also intangible aspects of behaviors and values impacting market. It is essential to study competition before analyzing environment of enterprise to design the business model.

Competitive intelligence and competitive pyramid for position mapping of company
Competitive Intelligence - is defined as systematic and ethical program for gathering information about competitors and general business trends to further own business goals.

5. COMPETITIVE INTELLIGENCE

Competitive intelligence is gathering systematic information with ethical aspects. There is.

- Information which is confidential
- Information available in data from directories and market information centers

This information is required to design strategy to build a competitive edge.

Focus on existing competitor's profile of strategy - is

- Leveraging value chain of competitors
- Incremental improvement happening in competitors' Products
- Designing new markets and exploring new options
- Leveraging strength of competitors available in data base

- Design a some options which will be better
- Design new customers. To work on same customer becomes difficult. Breaking brand loyalties is difficult procedure and highly costly procedure
- Switch on to new users or options, which will give less costly and less pressurize procedure of studying competition or product profile.

The competitor's intelligence pyramids are shown over here, where sources of data are analyzed for creating recommendations.

Sources of data

- Industry experts and analyst of industry publications
- Trade shows
- Exhibitions
- Advertisements coming in newspapers
- Media
- University research centers
- Financial institutions because project reports are submitted there
- Court documents because most of cases are fought into legal systems of high court & supreme court
- suppliers data base & customers data base
- Newspapers and journals
- Websites to search for competitors
- Strength of product offerings.

Analysis of data would require analysis of

- Value chains
- Ratio analysis
- Cost ethics working in market
- Bench marking systems
- Positioning of company
- Leadership aspects
- Trend analysis of issues impacting the market
- Competitive behavior analysis
- Observation of ethics prevailing in market.
- Recommendations involved
- Track existing rivals anticipate t
- New rivals coming to market
- Designer strategy consisting of working on own strength and solutions
- Strategy to fight with threat or strength of competitors
- Design an early warning system where can new design products to similar to market are planed
- Plan a sizeable strategy for attack on cost & quality basis so as to dominate the market
- Do collection of data
- Designing of strategy is a job, which is done by company people. The top executives design this information. the reports have to be studied by the executives, because they are experts who dominate the market
- The department managers, independent consultants, planning & financial analyst, departmental staff & project managers also design and study this information.

This is shown in a pie chart; the impact of departmental managers is very high, because they are people, who are interacting with market and customers. They also have relation with lower staff and executives

6. COMPETITIVE MAPPING

The basic problem with competitive mapping intelligence is that it is time consuming and costly procedure

- The executive believe that if people want to have success in market, they have to look ahead and faster.
- This is not only strategy but any strategy, which is not related to competition, will be fatal for company's existence and survival for long term.

Analyze external environment and core competencies

The model has external environment and internal environment

External environment

- Forces of competition
- Forces of government regulation impacting the market

Internal market is designed by

- Resources
- Capabilities
- Physical assets of company

This analysis builds sustainable competitive advantage by which firm can exist in market or design business by delivering core competencies

Core competencies are built up by capabilities and resources.

Resources could be

- Tangible resources
- Intangible resources

The core competencies help to discover core abilities of a particular area related to company, these areas could relate to

- Value chain for leveraging cost
- Inter connectivity of channels
- Support activities or private activities
- Supporting system of business
- Sustainable advantages of resources
- Valuable & rare copy rights or trademarks
- Competitive advantage.

This competitive advantage will be strategic competitiveness of company and will give solution to stand in market and build product profile which will be acceptable by customers.

Challenge of internal analysis is that when internal resource base created, it is very easy to decide tangible assets or physical assets like working capital, building, land & property.

Intangible assets are resources of

- Financial position of company
- Capacity of company to borrow
- Human resources
- Talent
- Knowledge
- Intelligence
- Commitment to the company
- Innovations of the scientific capabilities of your scientists
- Managers to design products
- Innovations of research in development
- Reputation of the company
- Relationship of the company with the customers,

The Brand name and perceptions of quality are essential and are very big sources of strength in market.

When resources, capabilities and competencies are combined

In this model, there resources which may tangible or intangible resources. Their abilities which are stronger than many other present in human personality are known as core competencies. People have to work on these competencies because these competencies are result of strong capabilities

The capabilities are glue or a force, by which customers attracted to organizations. By this, trust is built up in society for a particular business. Competencies because are basic unique abilities which other people don't possess in market. These capabilities have to be built in a purposeful way, so that they do not exist with competitors in market. By this people build loyalty with customers.

7. CORE COMPETENCIES

Criteria to build core competencies - Core competency has to be

Valuable - should not be neutralized by threat, which is happening in market. There is a product in market and if some substitute comes, it gets outdated. So this is not valuable asset for company. The valuable asset of company would be a resource which could be passed on from generations to generations

Rare - is only possessed ability by one company and other competitors do not have. It should be inimitable i.e. Competitors should not be able to copy

Unique formula and unique abilities to design particular solutions. This ability should be organized and exploited to fullest. The investment has to be done in such a way that full outcome of solution is given to customers.

Core competencies are built in such a way, that for new entrants, it is very difficult to penetrate market because these core competencies are built on historical basis.

It is very difficult to fight with reputed brand. Some ambiguous causes exists in market like complex trust relationship with customers, where the new entrants cannot break up because they have built faith in minds of customers which is not easy to be broken

The social complexity of having relationship with stake holders, government, environment and networking in market is essential

These things exist in market as core competencies to give a competitive advantage to business to work at detailed level of designing products in a sustainable way.

The examples of core competencies could be, Sony's able to design products, which are of high quality and available in mini items also. The small models are convenient way for customers to use it.

Honda product is a quality product but marketing strategies very strong, by which it is dominating the total market

Toyota's production system, product development and design stages are very competitive

Every company has its own competitive strategy and on the basis of this core competency, they are able to build a base of satisfied customers.

Competencies built on long value chains and out sourcing

Value chain analysis

It is very essential to competitive factors

Value chain is the total system of interlinked activities which take product from raw stage to final production stage.

Value chain is how products are made.

1. Primary activities
2. Support activities

Primary activities –

1. Inbound logistics
2. Operation
3. Outbound logistics
4. Marketing and sales service.

These are primary activities for any business but support activities are designed by businessman to support these primary activities

Support activities are

1. Firm's infrastructure
2. Human resource management
3. Technological developments
4. Connectivity and procurement of materials

It is important to build total system, which gives competitive edge to company. The primary and support activities are important. The primary activities are those core areas, where companies should not compromise but support activities could be outsourced also because support activities have options available in market, where we can pay money and get it done by other people in market because they have better abilities and edge of skills to design those activities.

Primary activities - when operations of company are very large and they have to work on economies of scale, they try to outsource few, portion or margin of activities because they are essential to build up competitive requirements of new skills specializations and requirements of market. It is better to outsource a capacity. This outsourcing is sometimes cheaper than existing cost ethics of company in market.

Competitive landscape to build a strategic base

Competitive landscape is built by fundamentals of competition itself. The competition is designed by

- Dynamics of change of technologies
- Price quality relationships
- Ethics governing to the market of distribution channel
- Changing goods in the services
- Skills and abilities of people
- Knowledge changing
- Spreading of innovations
- Creativity coming into e market.
- Political & technological changes

The flexibility of change into competitive profile is forcing companies to build strategic base which is essential

The flexibility has to change according to forces of market.

Strategic flexibility is designed by forces of organizational slack, strategic reorientation and capacity to learn i.e. the organization has to be innovative to learn and to relearn also.

Then we have the model which is design by the external and internal forces

Internal forces are

- Industry's total internal strength of resources
- Availability of geographical resources in a particular destination.
- Continence shareholders with profits earned through successful strategies. Distribute between shareholders
- Shareholders are in organization through capital market
- Equally divide these basic advantages and benefits between share of each stock holder
- When company tries to increase this shareholders assessment of benefits in market then it is designing of strategies which give competitive edge in market.

Strategy built on competitive competencies in market

Value extraction which you have design on the basis of your

- Management skills
- Human resource skills
- These resources have been extracted from physical. Tangible and intangible aspects.

Knowledge inventory for company - knowledge inventory for company of putting up basic resources would involve

- Marketing
- Technical
- Artistic data
- Processing engineering
- Customer contract
- Human and location goodwill

The total accumulation of these assets would help to design value chain which would be strong. If inventory of knowledge, physical and intangible resources is high, the total strategic management would be developing a game plan in a such a way, that company decides to strive and achieve goal which is below mission and vision of company. The objectives achieved in such a way that we have sustainable advantage for customers in market.

So I hope students must have understood basic impact of competitive factors on market and how companies have to design their strategies for building inventory base of knowledge and intangible and tangible aspects to fight competition in this market.

Thank you students.

ENTREPRENEURSHIP

CONCEPT AND ROLE OF FAMILY BUSINESS IN INDIA.

OBJECTIVE OF THE STUDY

The basic objective is to study

- The basic objective is to study
- The concept and role of family owned business in India
- The challenges and issues faced by family owned business

Introduction

- The family business in India is considered as a basic commercial organization for transactions of goods and services.
- The decision-making is influenced by multiple generations of a family members who are related by blood or marriage or adoption

so families are considered as a unit of business where they are involved in transaction that is they are designing, they are buying or they are manufacturing they are doing retailing of products they are involved in this company and transaction of goods and services for employment and for earning money and wealth so this is a a business which is initially a start-up venture where the families have considered it is a way of earning and living.

role of members in family

The members

- Influence vision of business
- Create the unique dynamics and relationships of family businesses.
- Build emotional connect and values of the business

Now because India is a society where freedom has been a late strategy to give birth to the public sector or to give birth to the social organizations so the initial way of living and sharing in society was through business that people used to design goods services of utilities and share with the

members of the communities, there were temples there were churches and there were networks who used to connect people give them customers and they used to give them value to grow so family business are a basic unit of connecting society they are a basic unit where from economic growth has started and these houses have grown up because of the emotional connect of many generations that is from father to son and to grandson these value have been generated in an empowered way where everybody loves their business ventures because they want to protect their heritage and their older generations concept of family business in India.

Family business is the oldest model in organization family controlled enterprises they are not objective to financial reporting requirements all the information about financial performance is not made public ownership may be distributed through trust or holding companies

now when family business are very small they are connected through their own members where they work and grow together but if family member business starts growing up then they try to transfer the capital of the family through the trust and other holding companies so as to hide the wealth from the government.

Now let's study the definition of family owned business a firm is state to be family owned if the person is the controlling share holder that is a person rather than state corporation and management trust or mutual fund he has enough shares to assure at least twenty percent of voting rights and highest percentage of voting rights in comparison to other share holders that is we have to understand what is a family business in India how do we define it. Family business have to be owned by individual person by needs that is the owning authority should not be government or it should not be state or it should not be any mutual fund or any trust but a individual has to give his name and run the business with higher power of voting rights at least twenty percent which is very higher as compared to the shareholders.

Now let's study the world's largest family owned business some of the largest family runned business are Wal-Mart in India and United States Samsung group in Koria and Tata group in India. These groups are large they are massive in terms of generating wealth for not only their own countries across the globe in a very big way. Skills needed to run family business the basic skills needed are communication and conflict resolution finance and legal accounting and insurance investing and leadership development, management development and strategic planning so the skills needed to run a family business are as complicated as professional organizations need to run their own business we need all the skills in terms of account, finance, law investment and banking.

Now let's study the advantages of family run business the government policy makers encourage family business the government policy makers and economist encourage and promote family enterprises as a primary source of wealth creation and employment they help in building the national infrastructure by giving connecting transportation systems they help in creating logistics and warehousing facilities for economic growth

now because family owned business are committed to entities who work with passion and great details because it is their own fund involved so they are very careful in mobilizing the resources so even government is promoting and giving subsidies, loan and encouragement to this family owned business system in India as it genrates wealth employment and it also gives you infrastructure because if there are business there will be transportation systems connecting facilities available logistics available everything would be available if people are involved in designing good systems advantages continued the families are concerned about their personal wealth creation and brand of the family name becomes important. Family reputation also becomes a key issue and self governance are high family business play a important role because here the government system is high as nobody can do wrong because the father or the elder member of the family has its own set of instruction and visions to instruct their children so they in a a value based system connecting in an emotional way its right or wrong of sacrificing their

basic interest and work with the family interest even if your talent and interest are outside the family business in a long way you are connected to the system because you have to handle because people needs hands and they need support who economic protectors to guide and preserve the system of continuing the process of wealth generations.

The famous It company Infosys has seen the change at the top level when mar Narayan Murti has been successful appointing well know professional personalities Mr Vishal Sikka the business founded by him the family business have been change how they are working that is they have become older and they are not able to take interest or decisions so they are hiring interest or decisions so they are hiring professionals from outside who have high integrity to protect the business he has given the good member to the board so that good decisions are taken practices are decided in the company are taken and good practices are decided in the company because his body is not supporting and his health is serious issue so even family business are taken outside help to design the systems to run for longer generations.

Now let's study the problems of family business houses the interest of family business houses family member may not be aligned with the business member schools the personal wealth creation and well beings becomes more important than the all the members of the family may have different goals and aspirations creating an imbalance in working.

Now family business is good concept to generate wealth but still the business need organic growth long term sustainability and giving quality connections with the stakeholders with suppliers but because here they consider it as a waste of money and they work more to create their own wealth so the environmental concern and social concern is less and here the members are also less sometimes finding and working in an in balance way because they have different issues and different selfish interest of goals. The three circles model family business is shown over here the model focuses on three principals of model based organization this is the family system, ownership system and the management system

so the family system owned business can work with a model which family is a unit you can have the ownership unit the members of family being the owners being the management or you can hire outside people to give the help and support to the family

now let's study the challenges faced by family business organizations they need to recognize the family and social issues to understand and develop strategies and create narratives of family stories creating emotional dimensional issues understand human dynamics and family firms basically when the family organizations when the family owned business become old like 3rd or the 4th generation labeling the commitment and the emotional dynamics is less so the family members and the attachments can give to focus on the quality and passion with which the family had started the business the younger generation also needs to adhere the values who founded the groups and have been lost in the course of time so it is important that the challenge of connecting with the business with the society with the social and the economic concers is also important otherwise the business will fade away.

Now the succession planning and the family owned business the succession should be planned in advanced so that the incumbent can show higher level of satisfaction daughters are underutilized recourses in family business they should also be given the status and the power in the family business now if the succession plan is not decided most of the family members will fight and would ruin the family business so succession should be designed early stage can give interest to the younger generations to show their ownership and more status and more owner daughter they are underutilized so they should also be given status and keep positions in the family business to make business more powerful managing succession in family business managing family owned succession of the family owned business can the wealth and the needs of the family the nature of the business and most of the family are content to declare their inheritance to their wealth now is the wealth is less and the number of family owned so they fight with each other so the succession plan depends on the size of the family if you have one

daughter or one tile then the automatic succession comes to people but the nature of the business the activity if it is intangible it cannot be inherited the services which are being promoted basically pose a lot of problems who are started these business the succession plan the succession plan has to be basically decided and has to be inherited and to be made clear so the business are protected and designed in a better way perceptions of new generation most family owned business are educated ad so are interested in business through alliance and joint ventures in India and overseas the global organization the opportunities are available by way of FDI, joint ventures and equity participation the experienced younger generations is connecting to the global world through these options.

Now because the younger generations is studying and having higher level of education in terms of decrease of professional experiences they are trying to expand their business through joint ventures or through alliances making companies work in a better way and converting them with more capital through shareholder power capital and also connecting through the global markets. We have seen expansions in many family owned businesses of Tata's and of Reliance's where they have connected with other organizations to work in greater markets and in greater regions. Changing seniros in different family owned business. The younger and the is willing to take professionals of their own business houses they are connecting with professional legal accounting, they are seeking professional help of banking systems and firms now because the family owned business has to work with their own specialized members o their family but now the younger generation is hiring dicktational firms to look their accounting problems to look to their legal problems and also connecting to the good banking system for their investment and for wealth preservations these family system also require who have to have competencies character and commitment that is if the generations have commitment to grow the business have the more safe and business can grow better way family owned business organizations in India it is estimated that ninety percent business in India is controlled by families most of the big corporate houses like Tata,

Ambani's, Goodrej, Wadiya's, Munjal's, mahendras's, Thappars's, Mittal's, Jindal's, Adani's, Vidanta's and Bajaj. So there organizations they are forming the fabric of the economic wealth of the country started with small business houses in overtime they grew with participation of the equity, they design their business ventures and alliances and have grown up to large sense where they have created lot of employment and prosperity to the Indian economy.

Successful business model of family owned business if the family business are planned properly then they can professionally on the investment companies who's opportunity of growth and development global connections in overseas markets is increasing professional participation of specialized way to do things dealings now the family business can grow well if they manage their business well and also connect to the global market. The Global participation can help them to build their specialized products and services for the overseas markets also.

Now let's study the problems faced by family business the basic issue faced by family owned business are the inter family disputes detrapmtd acting as controlled freak the lack of professional management and the lack of professional participation so if this problem is hindering the family growth the younger generation need to take professional members of the board and start with the streamlining of the operations impact the family business it is the lack of understanding to address the conflicts lack of communication among the family members and sound and unfair policies of employees lack of quality control who can keep pace with modern techniques and advancements now since family owned business basically have lost financial reporting the government so they cut lot of pause in terms of giving fair practices this is to the employees the employee welfare and quality is not as good as the public sector the government sector there is more freedom determining the government sector and there is more incentive to work but family owned business in the cost cutting practices are high and the family owned business need to understand if the written consequences intuition is there and the written practices business are there it will help them to address

the problems in an easy way success of family business depends on the younger generation the younger generations needs the guidance and the experience of the scenarios of the family to run the business in a matured way the experience of elders combine with the modern knowledge and information and as well passion of the next generation can be key to success the problems can be overcome the issues could be understood the challenges can be faced if the younger generation work in collaboration with the elders to understand the experience difference and give values and products to the society.

Now, let's study the summary of this lecture family owned business play an important role in enhancing the employment and economic growth of any society the values of family can help them to connect in a better way by updating the visions and goals of the company so in this lecture we have studied the family owned business they are the basic form of economic growth that is the family business they are the economic model for generating employment and prosperity to the society either it's the commitment of the family business higher important to the society we need to understand that family owned business also need government support and also need support of the banking and other shareholders to give them the investment so that they can mobilize the resources if the infrastructure is already being made up it can generally collaborate with the government it can collaborate with other companies and the foreign markets and can give you better products and services because even for family owned infrastructure it takes twenty years, thirty years to design a system so if already we have systems they can work with the government they can help in mobilization of practice business and process to build more products with the investment options coming from the governance system and the life of the life of the people can also be made comfortable the investment from overseas market in terms of FDI also in terms of who is not very essential enters directly because direct entrance is progression for market for another 3,4,5 years but if already a venture is working and is prepared the FDI through venture can enter and they can get ready and the investments can be enhanced to give more products and services to the society so family business are also gateways where foreign direct investments can be attracted to the

Indian grounds it also platform where the government can work through these infrastructures and other big companies can also work with their ventures family owned business are always important not only for the Indian society also for in other societies they are giving would work and vision for people to grow in a better way

I hope the students must have understood the impact of the issues the problems and the sex plans of the family owned business.

Thank you students.

ENTREPRENEURSHIP

CONTEMPORARY ROLE MODELS IN INDIAN BUSINESS: THEIR VALUES AND PHILOSOPHY

Objective of the Study

The basic objective is to study

- The contemporary role models in the Indian Business & Industry.
- The values and business philosophy of successful entrepreneurs impacting the economy

Dhirubhai Hirachand Ambani

Dhirubhai Ambani was an Indian business tycoon who founded Reliance Industries in Bombay.

- 1977 - Reliance Industries was made public
- 2002 - Dhirubhai Ambani died leaving a fortune \$6 billion.
- 2016 - was honored Padma Vibhushan

The first role model is very important. Dhirubhai Amabani started with market that was matured enough to have public funding i.e. He was architect of equity market in India. He had no funds but with his efforts he collected money from public and built Business Empire, which is giving lot of fortunes to Indian economy

Foundation of Textile Industry

He started Majin to

- Import polyester yarn
- Export spices to Yemen
- He was a risk-taker and believed in building inventories to increase profit.

He was a small business man, who was working with textiles and trends but with course of evolution of time as he was a risk taker for creating inventory. He discovered petrochemical because he worked on value chain of textiles. As a business man, he needed polyester which had to be imported from outside, to make polyester he needed some polymers which were also needed to be imported from outside. So collecting and making all things in Indian market was not easy because of License Raj. He made grounds in India and discovered chemicals, which were used in petrochemicals and from here, the empire established from textile to petrol chemicals, which gave birth to a big industry and Indian markets to work in a matured way

Emergence of Brand “Only Vimal”

- He started franchise retail stores to sell textiles under the brand name of “Only Vimal”.
- It was in 1975 that a Technical team from the World Bank visited the Reliance Textiles' Manufacturing unit.

The big brand, which was a house hold name, “Only Vimal”, which made him popular in Indian markets and from here, he had a network with all government sectors, world banks and all the other financial organization, from where, he created capital to start pick it up industries

Split of Reliance Group

After the death of Dhirubhai Ambani, the group was split into

- Reliance Industries Limited headed by Mukesh.
- Reliance Anil Dhirubhai Ambani Group headed by Anil.

After his death, the group diversified and split into two parts which was headed by two brothers. He had two sons, who carried forward brand of reliance

Strength of Reliance Industries

- In 2012, Reliance Industries was ranked among the top 100 in the Fortune 500 list of world's largest companies by revenue.
- As of 2017, the company had more than 250,000 employees.

Reliance is a big name for Indian markets. Mukesh Ambani has taken it into new heights, where it ranked among one of the most powerful companies of world. He has started with telecommunication group of JIO, which has made India digitally sound. The efforts have been applauded all over the world

Rattan Tata

- Ratan Tata is one India's top businessman. He studied in Harvard Business School.
- Tata Group is India's largest conglomerate with about 30 public listed companies with a market value estimated to be around \$130 billion.

Rattan Tata is a household name. He is popular for his strength, honesty, credibility and quality, which he has given to Indian markets. His brand is strong to promote business in India. He gets associated with knowledgeable people and tries to promote innovators and young entrepreneurs by sponsorship. He has also made India a big country of business potential. He has businesses outside India.

Business Sectors of Tata Group

- Tata Group has over 90 operating companies in seven business sectors:
 - Communications and information technology
 - Engineering
 - Materials
 - Services
 - Energy
 - Consumer products
 - Chemicals.

So there is nothing left, which is not been covered by Tata. Almost all sectors of human utility of services and products are been designed under the big umbrella of Tata Group. His diversification to far reaching markets connects with each house of India. This is big efforts and vision of business man like Rattan Tata

Narayana Murthy

Narayana Murthy, is an Indian IT industrialist and the co-founder of Infosys, a multinational corporation providing

1. Business consulting
2. Technology
3. Engineering
4. Outsourcing services.

Narayana Murthy, an ordinary man born in South India, is known as architect of Indian IT industry. He worked on outsourcing and has made India, a big name in technology and engineering market

Foundation of Infosys

- Murthy studied did his Mitch at the Indian Institute of Technology Kanpur.
- He worked with Indian Institute of Management Ahmadabad as chief systems programmer
- He started Infosys in 1981
- He was appointed as Additional Director and Executive Chairman in 2013

Infosys was started by his friends and Narayana Murthy with a minimum capital of Rs10, 000. He was an intellectual but did not have money but with his efforts and team of committed people, he created a company, which is golden standard of Indian corporation sector. He has given riches to people and created lot of money for company. The company is strong and is giving employment to larger sectors of the Indian economy, where they are connecting to knowledgeable people to generate intangible and soft wealth to market

Narain Murthy as father of Indian IT Industry

- He has been described as "father of the Indian IT sector" by *Time* magazine
- He has also been honored with Padma Vibhushan and Padma Shri award
- Creation of Global Delivery Model

A person who was honest and committed to technology, created an empire with extensive wealth for giving services to make life of people committed. The IT industry of internet and connection has reached to far reaching destinations, not only in India markets but also in foreign markets. The big banking sector, service sector, hotel sector, all are Narain Murthy's client, where block chain and big technological solutions are being provided by his highly qualified team of people

The cofounder Mr. Nanadan Neelkarni succeed him as CEO

- He created the Global Delivery Model for outsourcing of services from India through IT.m

Narayana Murthy was strong for keeping foundation for growth of business but he had committed team. He was supported by, Nanadan Neelkarni, who is also a household name in Indian business sector because he is father of "Adhar Card" i.e. creation of identity card for each Indian person. He was a person, who dreamed that people must have electronic identity card, where data can be accessed from anywhere, at any time. The electronic connection of ID proof has given comfort to business sectors and has also streamlined operations of airlines and banking sectors to give good solution of working with accuracy. So these people, who have been business

models, have created wealth and work. They have given solution for complex activities .Their philosophy and values have added new vision to Indian markets, where even government looks up to these people to promote their projects, in market. Their advice and consultancy has given good Philip to the growth of Indian market

Dilip Shanghavi

- Dilip Shanghavi founded Sun Pharmaceuticals.
- The Government of India awarded him the civilian honor of the Pafma Shri in 2016.

He is a powerful person, who is educated but started with some knowledgeable industry in pharmaceuticals

Background of Dilip Shanghavi

- Dilip Shanghvi hails from a Gujarati Jain family, who was born in the small town of Amreli in Gujarat
- Shanghvi earned a Bachelor of Commerce degree from the University of Calcutta.

His background was very middle class. He did have not enough funds. He was born to a small man, but his vision, values and philosophy made him to connect with global market. Sun pharmaceuticals has become a global company in terms of revenue and wealth

Birth of Sun Pharmaceuticals

- He started by helping his father in his wholesale generic drugs business in Kolkata.
- Shanghvi started Sun Pharmaceutical Industries with capital of INR 10,000 in 1982 at Vapi, with one psychiatry drug.

His father had a small shop of drugs. He was selling medicines from the store. So he, thought, why not makes his own medicines. So with small amount of capital, the first drug, which he manufactured was related to psychiatry and from here business started

Acquisitions of Sun Pharma

- In 1997, Sun acquired Caraco Parma, loss-making American company, with the aim of expanding Sun's reach in the United States.
- Israel Make, formerly CEO of Teva Pharmaceuticals, as his successor; Shangvi became managing director.

The company started growth, because he has taken over American company because it was a loss making company i.e. Caraco pharmaceutical company. From here, he had access to American markets to have local grip of people and employees. He had connections to understand need and gaps in markets. His intelligent move was that he acquired an American company and had access to global market. When he had an intelligent person, to take over the company, he became CEO and managing director

Net worth of SunPharma

- In April 2014 it was agreed that Sun would acquire all outstanding shares of Ranbaxy for \$3.2billion in Sun stock
- Sun has become the largest drug company in India and fifth largest in the world

- Daiichi is the second largest shareholder in Sun.
- As of January 2019, he had a net worth of \$8.6 billion.¹

Dilip Sangvi started with small capital of 10 k and has reach to global level ,where he is ranked among one of most powerful companies of the world.It is India's biggest pharmacy company, which has acquired people's share in market and has also acquired dept of Ranbaxy, which is also a powerful company but because of problem of Ranbaxy, they have taken this company and made this valuation to reach new heights. The expansion at global level has given them recognition and growth

Azim has him Premji

- **Azim has him Premji** is informally known as the Czar of the Indian IT Industry.
- He guided Wipro through four decades of diversification and growth to emerge as global software leader

Azim Premji is also a house hold name in business and industry. He is a powerful person. With his knowledge, vision and values, he has captured the Indian IT market with different vision. He is in technology but started with very humble begining

Honorable achievements of Azim Premji

He was the first person, who believe in singing of “Giving Pledge”

- He is second richest person in India with an estimated net worth of US\$15.6 billion as of OctoTudyber 2018.
- In 2013, he agreed to give away at least half of his wealth by signing The Giving Pledge.

“Giving Pledge” was a movement, started for philanthropy and social responsibility, where he is known as person, who initiated this movement. He collected all business man from India and global network to make funds for giving pledge. When we have enough wealth, we can look up to society and monitor social activity. He is pioneer of philanthropy in Indian market. He started the movement of “Giving Pledge”

Net worth of Azim Premji

- Premji owns 73% percent of Wipro and also owns a private equity fund.
- Premji has invested \$2 billion worth of personal portfolio in the giving pledge

He has expanded his business through his efforts and has been father of philanthropy in Indian market

Background of Premji

- In 1945, Muhammad Has him Premji ‘s father used to manufacture cooking oil under the brand name Sunflower Vanaspati, and a laundry soap called 787, a byproduct of oil manufacture.

Muhammad Hashim was into edible oil business. He was manufacturing edible oil or ghee. The bye product is oil, which is used in soaps. They were also catering to soap market but Azim Premji as a son had different vision, where company diversified from ghee to software

Diversification of Company

- In 1966, he took charge of Wipro. The company, which was called Western Indian Vegetable Products at the time, dealt in hydrogenated oil manufacturing
- He diversified company to bakery fats, ethnic ingredient based toiletries, hair care soaps, baby toiletries, lighting products, and hydraulic cylinders.

Initially, company was catering to soap market and edible oil market. The journey to IT sector:

Shift from Soaps to Software

- In the 1980s, he felt vacuum left behind by the expulsion of IBM from India
- *Wipro* entered high-technology sector to manufacture minicomputers under technological collaboration with an American company Sentinel Computer Corporation.
- Thereafter Premji made a focused shift from soaps to software.

When Azim Premji, had taken over the company, after the death of his father, he had diversified company, from ghee to many other edible oil sector by manufacturing of soaps and toiletries for adults to kids market. There was gap in engineering sector, because that was not liberalized era. Before 1991, Indian business sector was closed sector. At that time, there was need for engineering and IT companies, which could cater to needs and values of people. He entered into technological market, because he had engineering background and had done his education from American universities. He had that vision of connecting. When IBM was expelled from Indian markets, he entered this market, with the help of another company i.e. American company which was already manufacturing computers. He started manufacturing computers. This was, his start that he manufactured these computers to give a move from soap to software's

Changing Role of Business Role Models in India

- The modern role models provide a full range of support
- services for the development of knowledge-based business
- Build linkages to universities
- Created research institutes
- Created venture capital for innovators
- Built international joint ventures

We have these big businesses, which have infrastructure and have reached modern business area. It has created wealth and connections to collaborate with foreign ventures to design Takeovers and Mergers with industry, where people create knowledge and services for people. If we have infrastructure, it becomes easy for any company to enter Indian market and give better professional ideas and technology for development and growth of people. The platforms have been created, by this business man who have understood and have been educated through their knowledge and efforts. It is not only money, but this businessman has understanding of markets of complicated services through technology and medicines to connect and make life of people simple in India

Now let's study the efforts and the impact of these Technology Role Models

- The primary goal of technology role models is to
- Promote technology-based services
- Assist in completion of technological projects under development.
- Build digital wealth

The digital connections have become a way of surviving conservation of digital ideas and literature. The content has become important for all countries, all over world higher is content on networks. Higher is accessibility and understanding of people, easier it is to do their business in simple way. If content and training created by these role model, reaches public domain, then it makes people life simple. These speedy services give better quality access. The deep research of all areas has made Indian market, more professional, where we can work in collaboration at any level. Whether, it is university level, manufacturing, education, services these markets have become professional, because people can now combine and create packages. Wherever, there is a gap, people you can outsource service from the foreign markets but if you don't have basic infrastructure then outsourcing can also be failure. The delivery model has been created. If people work on cost, it will make life of people comfortable

Summary of this lecture

- The Indian business tycoons have given wealth to economy and generated employment. They are role models for young entrepreneurs. Ratan Tata is encouraging and helping the budding innovators with funds and assistance to develop the business.
- The business philosophy of these great entrepreneurs has created prosperity in the Indian markets.

Rattan Tata is a big name, who is promoting young people, where he is investing funds in companies like snap deal and other small ventures of knowledgeable young entrepreneur he is giving the funding and he is also listening to projects of innovators to reach big Indian market and also promote young people to do their good work

I hope, students must have understood various big role models, who have been capturing Indian market to bring revolution in e services to make it professional and connect with global market
Thank you students

ENTERPNEURSHIP SELF HELP GROUPS

OBJECTIVES OF THIS CHAPTER

The basic objective is to study

- The concept of SHG's
- The role and functions of SHG's
- The impact of these groups on society

THE CONCEPT OF SELF HELP GROUPS

- Self-help group refers to self-governed, peer controlled, informal group of people with same socio-economic background and having a desire to collectively perform for some common purposes.

Self help group- is group of people, who work on informal basis, to solve problems of each other. Problems may be social or economic. The supporting of members for economic needs helps people, in growing an empowered way.

NEED FOR SELF HELP GROUPS

- Mobilize small savings
- Effectively recycle the resources generated among the members
- Cater to emergent credit needs of members of group.
- Increase their income
- Improve their standard of living and status in society.
- Catalyst for bringing this section of society to the main stream.

The self help groups relate to rural or minorities areas, which need to expose themselves to mainstream business options. These groups work on micro effort basis, where small savings are channelized so that skills and abilities of people are mobilized to make products. They solve problems of each other. The concept of group starts with cash collection from each member. The pool of funds is used to channelize needs of members, as and when, they need

OBJECTIVE OF SELF HELP GROUP

- Inculcate the savings and banking habits among members.
- Build financial, technical and moral strengths.
- Enable availing of loan for productive purposes.
- Economic prosperity through loan/credit.

They foster economic prosperity for economic growth. The member group is a small group, who is not working for big financial aspects. They collect pool of funds and give it people on basis of credit. People have to give rate of interest, but it is not as high as given by Seminars or people in rural areas, who are cheating other members of society. The loan amount, which is given to these members, is at a reasonable rate of interest. It is higher at least, than the banking system because here funds are mobilized by savings of people internally,

SELF HELP GROUP FOR WOMEN

- Sensitize women of target area for their empowerment.
- Create group feeling among women.
- Enhances confidence and capabilities of women.
- Develop collective decision making among women.
- Encourages habit of saving among women

Self help group among women is also emerging in backward area, where women, have little aspects for working in agriculture land .They are working for their domestic household work but they don't have any access to independence. They have no money because most of women who are working are in male dominant society, where funds and resources are less. By joining these groups, women can reach economic independence and earn options and capabilities, where pool of reserves can be used for upliftment of their children.

ROLE OF WOMEN SELF HELP GROUPS

- Motivate women for taking up social responsibilities.
- Group should be able to priorities loan applications
- Fix repayment schedules
- Fix appropriate rate of interest for loans advanced
- Closely monitor repayment of loan installments from loaned.

The amount of loan money is less. The pool of resource is collected by women. It starts with somewhere about 100 rupees, but collectively this amount is invested in project or venture can give more profits, funding options for cashing opportunities. The loan payment is given on basis of project decided by members. The invested amount is recorded in detailed way on informal basis. Little interest is collected. They have fewer burdens for taking social activities of business for economic growth.

STAGES OF EVOLUTION OF SELF HELP GROUPS

- Group formation.
- Capital formation (through the revolving fund).
- Skill development and taking up of economic activity for income generation.

There are members coming up for common purpose. They are going to give their funds for rotating among member. It can be compared to a Kitty group, where amount of money, which women are investing, is circulated among members.

The educated women start with self help groups for people, who have no access to financial institutions because lot of documentation is required. It requires lot of information also. So people, who are not aware and have no access to transportation, they can collect informally, rotate their funds with each other, on chance basis. In one month, one person can take and start and repay to group. In second month, other person can take. In this way, when people rotate funds in a collected way, the small amount of money is collected options. First, group members come together and invest capital. The capital needed among their each member for aid, will be done on priority basis. There is emergency for financial purpose and cooperation among members

FORMATION OF SELF HELP GROUPS

- As SHG are formed under the Swarna Jayanti Swarojgar Yojana (SGSY of 1999), for SHGs subsidy would be 50 percent of the project cost subject to a ceiling of Rs. 1.25 lakh or per capital subsidy of Rs. 10,000 which-ever is less.
- There is no monetary ceiling on subsidy for minor irrigation projects for SHGs as well as individual swarojgaris (self employed).

It promoted by the self help group to channelize funds or efforts of government to uplift public projects. The self help groups work for common purpose to channelize welfare funds. The welfare funds at subsidized rates can help groups to start production or some skill based project, which could be handmade products or micro finance industry to crystallize their efforts

INNOVATIVE ORGANIZATION OF SELF HELP GROUPS

- The innovative organizational setup is designed for up-liftmen and welfare of people.
- Connect with research centers for training and development
- SHGs are promoted and supported by the Government

Self help groups are important, where; people don't have any organizational hierarchy or registered under any act. It is just an informal gathering, looking into social aspects of people by understanding, how important, it is for them to live an empowered life by learning some skills. So, they connect with training centers and government ministries. They try to access availability of efforts done by government on free basis. The government is channelizing efforts through fairs and festivals, where these groups get free stalls. The drugs and products are handmade and are part of self help groups. They display their products in mainstream markets. If some workshop or training is going on, through government ministry, in some areas, they can access help and train their members to learn any thing related to textile designing, candle making, tailoring or computer skills, which they want to learn

SELF HELP GROUPS ARE VEHICLES OF GOVERNMENT

- The government reaches the disadvantaged and marginalized people of the society through these types of groups
- Governments procure the product of SHGs
- Arrange for enhancing capacity of women
- Build leadership quality and arranging for management of innovation in field of rural credit

Self help groups have become a modern concept to help and make people grow. Unless and until, people don't have at least twenty or roundabout 10 members to learn skills, they cannot start any venture. The government wants this platform. People can gather informally and learn art, skill and can uplift society because women would only come, when human resource is mobilized in some productive activity.

The rural credit system is not so developed, through banking system so this concept started with people. It was an innovative way to manage funds and design new products, which are financially sound and floated on basis of market trust and mutual understanding. There is nothing more important, than social life. Trust is the best way, by which, people can be connected and use each other's funds in way, which is less corrupted and impacted by cheating options. If groups are based on trust, management cost would be reduced and would be beneficial to channelize things in a productive way,

WORKING OF SELF HELP GROUPS

- Work on an informal basis and are unregistered
- Periodical meetings are done to solve problems of members.
- Savings of members are kept with a bank in the name of group
- Authorized representative of group operates the bank account.
- Deposit is used for giving loans

Members are connected and working on trust basis. They are not registered to collect any amount. They deposit collected money in bank and give authority to one member to operate the account. The funds in bank increases

SOURCES OF FUNDS

- Contribution of members savings
- Entrance fee
- Interest from loans
- Proceeds of joint business operation and income from investment.

The funds are generated to groups as contribution in form of entrance fees. They get proceeds from loan, joint business operation and membership fees

The membership fees are savings, which are collected from each member. These funds can collectively be designed by self help groups to generate some products, which generate profits. The profits also come from capital of the group. People recycle funds of members for productive use and save for emergency

USE OF FUNDS OF SELF HELP GROUPS

The funds are used for:

- Loans
- Social services
- Common investment.

They give loans, social aids and use funds with common investments

The funds, which are common and created from members need, to generate sustainable earnings. They can start selling some products for human investment. When things are sold in society, they are recycled, and give profits. There are various types of funds, where people also get subsidy from government and claim entrance fees and other interest aspects of money.

MOBILIZATION OF RESOURCES

- To mobilize resources of individual members for their collective economic development.
- To uplift the living conditions of poor.
- To create a habit of savings, utilization of local resources.

There are two ways of increasing capital

- Earn profits
- Reduce expenditures

When people reduce their expenditures in life, earnings are increased. So these self help groups mobilize habit of savings. Savings create capital for capitalization of resources in productive way. Once capital is formed, it will increase asset valuation.

People here believe in concept of living their life according to resource generation i.e. they have simple life. They have habits beyond income i.e. they have to save for increasing income. Recession cannot hit Indian economy.

Concept of not getting credit from any financial institution- As it is in foreign countries, spending on unnecessary activities should be reduced. People must inculcate habit of savings pool of funds, where they can collectively design small ventures to get revenue and social connection to understand problems.

TRAINING AND SELF HELP DEVELOPMENT

- Mobilize individual skills for group's interest.
- Design workshops and training for learning skills for industrial development
- Create awareness about right.
- Assist members with financial support at the time of need.

The individuals and people have skills and different abilities. The collection of all these abilities can design business ventures. Somebody is good in cooking or dancing. They can collect together and start catering business to design anything which utilizes their ability.

If somewhere, they are lacking, the group members can assist to learn and enhance value contribution for creation of handmade products which are used by companies and government. These products are also purchased by Railways. Railways is the biggest purchaser for buying goods and services, whose certain level of investment in handmade goods with an investment of 25 laths. If people have small abilities, they can connect to government resources.

Entrepreneurship development

- To identify problems, analyzing and finding solutions in the groups.
- To act as a media for socio-economic development of village.
- To develop linkage with institution of NGOs.
- To organize training for skill development.
- To help in recovery of loans.

The business connects with social problems of not having good family life, some social disability/ they give help and analyze problems of solution. They have emotional links with NGO's i.e. There are many institutionalised banks, working with corporate funding with responsibility. They have huge funds and resources, these resources could be connected to self help groups to channelize development in segments, which are not supportive. There is background with lot of development and financial growth. This venture supports skills and abilities to channelize their options.

Build Team work

- To gain mutual understanding, develop trust and self-confidence.
- To build up teamwork.
- To develop leadership qualities.
- To use it as an effective delivery channel for rural credit.

Self help groups - get connected through interpersonal skills and abilities, where people try to respect each other. People try to build network, where they can work as investors and customers. This network helps to find member problems. They give connections to sell offerings, so this will increase prosperity and help to create rural precuts or derivates, where emergency needs of people are solved.

Basic characteristics of self help

- They usually create a common fund by contributing their small savings on a regular basis.
- The groups evolve with flexible system of operations
- The nongovernmental organizations (NGOs) help in giving resources and support to these types of groups

The most important connection of self help groups is that they are flexible. The members get connected. The members, when they, finish with their options and opportunity of completing their project, they get exit out. New members are added. There is no fixed way of working. They can work on regular basis or can meet once in months, or week, as desired by need of people. This trust which is generated in activities of people helps them to grow in better way

Creating loans for members

- Loaning is on basis of mutual trust, minimum Loaning is mainly on the basis of mutual need and trust with minimum documentation and without any tangible security.
- The amounts loaned are small, frequent and for short duration.
- Rates of interest vary from group to group depending upon the purpose of loans and are often higher than those of banks but lower than those of moneylenders.

The major function of self help groups is to give loans for short duration. There is no security given and no reason that collateral should be given as in banking system.

Creation of loans for members is need with minimum documentation and any tangible security amount. The loan is small and for short duration. Rates of interest vary from group to group, depending upon purpose of loan. They are often lower than those of money lenders. So loaning is one major function of self help groups, where loans are given and here no security has to be given. If people want to keep house, as mortgage and want loan, it becomes painful for people because they are connected with tangible sources. To get NOC's is painful. The trust which is there in groups, allows them to access funds. It is not pain for mortgaging assets. This is best way to keep finances and people are not cheated by lenders or seminars.

Conducting meetings for self help groups

- At periodical meetings, besides collecting money, emerging rural, social and economic issues are discussed.
- Defaulters are rare due to group pressure and intimate knowledge of the end use of the credit as also the borrower's economic resources.

The defaulters are less, because people are personally connected. They know everything about each other, habits and personal connections. People should not be mistreat and indulge in corrupted activities, drugs or alcohol/ they need to use productive purposes for close inspection of group members to enhance control. The peer pressure of credibility can help to be honest with each other

Governance of self help groups

- The informal groups have voluntary memberships with democratic and consultative structure of governance
- The economic participation of members creates autonomy for education and training.

BASIC PRINCIPLE OF SELF HELP GROUPS

- Propagator of voluntarism
- Fractioned of mutual help
- Provider of timely emergency loan
- Promoter of thrift and savings
- Purveyor of credit.

Self help groups are important to develop sustainability for using their savings in an economic and productive way.

SUMMARY

- Self Help Groups are important for the economy to generate revenues.
- The groups build connectivity to improve options and opportunities for doing good social work in the society

The power of these groups can be increased, if they can access government support. The self help groups are important vehicles of development and can give welfare for social and economic aspects. The government can use these platforms to channelize welfare schemes and funds. I hope, students must have understood, the concept of self help groups.

Thank you students.

ENTREPRENEURSHIP BUSINESS INCUBATORS

OBJECTIVE OF THIS LECTURE

The basic objective is to study:

- The concept and definition of business incubators
- The Impact of business incubators on markets and society

CONCEPT OF BUSINESS INCUBATORS

- Business incubators promote continuous regional and national industrial and economic growth. They help in
- Increasing employment
- Stimulating industrial restructuring
- Building wealth generation by utilization of resources.

They are people, who are in industry for longer time and have more set of facilities & access to business world. People who are new to industry take help of incubators to promote their business

ROLE OF BUSINESS INCUBATORS ON SOCIETY

- The incubator combines a variety of small enterprises with support elements in one integrated affordable package. They help in
- Nurtures early stage start ups
- Builds growth-oriented ventures
- Provides assistance within a supportive environment.

If people are working with business incubators, they get rental facilities, community halls, seminar halls; Most of the facilities are available with business incubators, because they have access to wider network at affordable rates and package. They try to promote business people, who have problems or deficiency for which they want help and support,

CHANGING ROLE OF MODERN INCUBATORS

- The modern incubators provides a full range of support services for the development of knowledge-based business, with linkages to universities, research institutes, venture capital and international joint ventures

Incubators are also powerful people, who are giving institutional help by connecting. They are trying to collect technical knowhow and connecting to banking institutions for looking into options of alliances and joint ventures. The mobilization of funds becomes very easy for people, who want to start their business. They are people, who have technical knowhow. People can start their own small start-up with resource base, collected by paying premium amount to these incubators.

TECHNOLOGY INCUBATORS

- The primary goal of technology incubators is to
- Promote the development of technology-based firms
- Assist in completion of technological projects under development.
- Conduct ongoing research for creating sustainable practices

Business incubators provide software's for completing projects to be taken from government or foreign companies. They also help in establishing call centers for collecting resources,

AIM OF TECHNOLOGY ON BUSINESS INCUBATORS

They have institutionalized links to knowledge sources including

- Universities
- Technology transfer agencies
- Research centers
- National laboratories and skilled R&D personnel.

They are working in partnership with government and public sector to provide access on minimum amount of money. They are agents who provide network of services needed for technical projects or support from government offices to conduct business,

FUNCTIONS OF BUSINESS INCUBATORS

- Help in creating an atmosphere for innovation and entrepreneurship
- For active interaction between academic institutions and industries
- Sharing ideas, knowledge, experience and
- Facilities for the development of new technologies
- Transfer of technology to end user.

There are budding technological institutes in market, who need support of organization to promote their products. These business incubators try to cover alliances and support people also come up with joint ventures for designing solar or social cultural project. People can work with Kajri and other institutional links for sponsorships and help to design products for community. Community can live in supportive markets and organizations so that entrepreneurs are able to develop new products.

SHARING OF EXPERIENCE

- Promote innovation for education, training, research, finance, management and the government.
- Create climate for information exchange
- Sharing of experience and facilities and opening new avenues for researchers and industrial managers to grow in a trans-disciplinary culture

They are promoting and organizing seminars, where people can share their experiences to connect people with same interest and ideas. They can pool their expenditures so that risk can be reduced .The facilities and network can be accessed.

FACILITIES OFFERED BY PROFESSIONAL INCUBATORS

- Testing and calibration practice
- Central work room
- Workshops
- Prototype business facilitation computing
- Data banks
- Communication and seminars halls
- Data pools & laborites
- Certification programmer to develop products

SERVICES PROVIDED BY BUSINESS INCUBATORS

- Nursery sheds
- Testing and calibration

- Communication facilities
- Precession tool room
- Central workshops
- Prototype for business facilitation
- Data banks & library
- Pool of labs
- Calibration centers for precession of products
- Community centers & community halls
- Valuable service provider access.
- Various institutes

FOCUS ON THRUST AREAS FOR FASTER GROWTH

The important thrust areas for business incubators are:

- Information & communication technology (ICT)
- Application of bio-technology
- New materials including nano materials
- Instrumentation and maintenance
- Agriculture and allied fields
- Garments and fashion technology

The thrust areas are

Technology has become a big area where, knowhow of people to understand and connect to products is needed. We need technological people, who need to connect and design good ideas and good software's for people. The agriculture research, instrumentation and other industries, where fashion and new options are coming. The these industries need specialized incubators, who can built up their ideas and products

ESSENTIAL FACILITIES CREATED BY BUSINESS INCUBATORS

- Modern work space
- Communication facilities
- Computing facilities
- Vital equipment needed in identified area
- Library & information centre
- Training and conference facilities

Facilities needed:

Organizations need to communicate with a group of people. These facilities are created by incubators. They organize all other facilities needed by organizations like gap areas, larger access to halls, conducting training programs in large areas. The can give these facilities on rental basis and organizations can train their employees in workstations. For training organizations need employees to work in laboratories, with good data access/.They have good connections and knowledgeable people. They can arrange facilities for business organizations,

ACTIVITIES TAKEN BY TBI (TECHNOLOGY BUSINESS INCUBATORS)

- Facilitate technology commercialization
- Process technology related IPR issues legal and quality assurance services
- Marketing of technological products

- Assistance in obtaining clearances
- Assistance in preparation of business plans
- Promote technology shows/ technology clinics/ trade fairs.

Technology as a product can be taken in market. They can compete by making idea popular in market and connect with people. By this people can get supplier and customer base. This helps them in marketing of products for getting clearance certificate from government and other regulating bodies.

ACHIEVEMENTS AND OBJECTIVES OF BUSINESS INCUBATORS

- Creation of technology based new enterprises
- Creating value added jobs & services
- Facilitating transfer of technology
- Fostering the entrepreneurial spirit
- Speedy commercialization of R&D output
- Specialized services to existing SME's.

The incubators help in promoting entrepreneurs, who have small investment and are micro business enterprises in startup phase. They give access for understanding and supporting of technology to process products and operations in a faster way.

The success of TBI

Depends on

- R&D track record and subsequent commercialization of R&D output
- Dedicated team of R&D persons
- Proximity to other R&D/academic institutions
- Infrastructure, facilities and expertise available
- Strong commitment of owners

Because they are working in collaboration with other agencies. The agents also have dedicated team of professional people, who are consultants and work on money basis. They are helping and supporting other people to design their products and understanding their problems. When people are doing business of technical nature, they need help of advisors, otherwise business will not work

Today, we are working in technological areas, where even naive people, in traditional business, need to update their websites, apps of their products. These agencies and consultants help to design websites and create software's for their applications which can be stored in Google play store and people can market their products. These are very professional functions which owner cannot do and needs support of professionals. The technical knowhow can be built by pool of people who have dedicated team to understand the complexities of business.

Principles of Business Incubators

- Incubator aspires to have a positive impact on its community's economic health by maximizing the success
- Incubator itself is a dynamic model of a sustainable, efficient business operation.

So a business incubator is a formal organization, who is working with a high level of skills, higher level of efficiency and of R&D facilities. They are technical firms and have access to more knowledge and technical knowhow. They have R&D centers, consultancy firms, who are working in

markets to conduct surveys and collect data as functions, conducted by government public sector

Creating Financial Sustainability

- The incubator's role in community needs strategic plan with sustainable objectives
- They need to structure for financial sustainability by developing and implementing realistic business plan

Financial sustainability –when startup is naïve and funds are invested. This startup or venture should not end up as sick industry. People need to reorient and redesign industry in such a way those financial funds, which have been invested by sponsors, need to see life and growth. They need to operate with certain minimum viability, so that money is not wasted. This is important for communities, countries and society, because to lose venture, would lose capital. People need to focus on financial sustainability of ventures. When projects need help and are in problem or dying, they need to be revived, reoriented or restructured to give new vision to company. It is important that government should also promote business incubators firms to get better professional help to people

Strategies to Design Professional Services

- We recruit capable employees for achieving mission of incubator. They need to have ability to help companies grow
- Build an effective board of directors committed to incubator's mission

The incubator firm is only be successful, if they have talented and dedicated team of people, who have mission to work for client. They need to re-live client's mission and vision and give required support. Then only, business incubators can be successful in community development programs

Creating Assistance and Support

- Develop an incubator facility, resources, methods and tools that contribute to the effective delivery of business
- Incubator activities build community and economic development goals and strategies
- Develop stakeholder support
- Build resource network

Stakeholders are people, who are directly or indirectly impacted by business. If we have positive stakeholders support, this can help

Increase and shape the market

Financial institution to give credit facilities

People to build an organic faith in market by increasing their goodwill

Getting stakeholders support -good people of industry are connecting and supporting organisation. This can give knowledge and build customer support

Developing Facilities

- Prioritize management time to place greatest emphasis on client assistance, including proactive advising
- Guidance that results in company success and wealth creation
- Develop an incubator facility, resources, methods and tools that contribute to the effective delivery of business

- Assistance to client firms and that address developmental needs of each company
- Clients are company, to whom they need to look for professional help needed. Information has to be given to community through the advice of technical people for support

Maintaining Information System

- Maintain management system and collects statistics and other information necessary for ongoing projects
- Build program evaluation techniques for improving effectiveness and allowing project to evolve in a better way

MIS is needed for business incubators, because here data can be feeded and it can access by any person in team, at any time. This can build client base, their network of suppliers and customers. People can look into problems of client. Good IMS system creates network, where they can understand problems to access foreign help and consultancy from other countries to design options for client companies. It is important that effective IMA systems, need to be designed by business incubators, which will also be a support for the success

Summary

The business incubators play an important role in helping and advising people for their business functions. The entrepreneurs connect for common facilities and get support for pooling of expenditures to reduce the operational cost. The search for talent and human resource becomes easy because of the connections and networks of business incubators

Business incubators are important for economy and society, because they are powerful people, who have better access to resources and facility. They can give networks to recruit employees and get clearances and certification. They know technical know-how to make projects successful in market

I hope, students must have understood the concept of business incubators and their importance with role and functions in society

Thank you students

Venture Capital Sources

Fundamentals of Entrepreneurship
Venture capital sources

OBJECTIVE OF THE STUDY

The basic objective into study

- Capital sources involve raising of funds
- Importance of capital sources.

1. Funds and Finance

Meaning of funds and finance

According to professor H C Kuschel – “finance is the process of conversion of accumulated funds to productive uses”.

According to professor F P Plash,- “The modern money using economy, finance may define as a provision of money at time, when it is wanted”.

According to Howard_ finance may be defined as administrative area of organization functions related to cash or debit system which may provide cooperation to organization in procuring required sources for educate fulfillment of their objectives.

Importance of Finance for organization

Finance is life blood and circulates in business nerves. People require finance for establishment of business enterprises. Finance helps in

- Efficient operation of business activities
- Development and extension of business plans
- Getting sound business position
- Face competition in successful way
- Build up infrastructure facilities.

Business finance is important for

- Modernization
- Up gradation
- Marketing of the business enterprises
- Labor welfare and security plans

Factors influencing business enterprises

Finances are needed according to

- Nature and type of enterprise
- Size of enterprise
- Production technique

- Age of business enterprise
- Promotion cost for venture to be established in market
- Time
- Purchase or sale of equipments and machinery involved.

Terms of purchases involved for any establishment

- Business cycles of booms and depressions are also important
- Philosophy and style of working of business enterprise
- Possibilities of development
- Changes happening in market
- Scale of distribution and other factors relate to necessity of procuring finance in market.

Sources of finances could be

- External sources
- Internal sources.

Sources for new and existing enterprises will be different

Sources will also relate to

Period - Short term, long term or medium term capital required for doing businesses

Sourcing of capital - various types

Shares

- Shares could be equity shares or preference shares
- Equity shares are ordinary shares which people buy from basic market at very low cost
- Company gets these shares, when they have high reputation and credibility into market.

Preference shares

Are those shares which are allowed for a particular group at little higher rate.

Debenture

Are bearer debentures, registered debentures, secured or unsecured debentures

Difference between debenture and equity

Equity - is like basic investment or an ownership

Debenture is loan which has fixed rate of dividend given to investor.

Finance could be sourced from various institutions

Basic financial institutions operating in India are

- The industrial development finance cooperation
- The state finance cooperation
- The industrial credit and finance cooperation
- The national industrial development cooperation
- The industrial development bank of India
- The union trust of India
- The life insurance cooperation
- The small scale industries development cooperation.

Sources of working capital

Business needs working capital sourced from commercial banks. They give

- Financial assistance
- Loans
- Facility of overdraft
- Credit in emergency
- Cash repayments for bills of exchange.
- Purchase shares and debentures also by giving a guarantee
- Loans to business by mortgages

Source of working capital come form

- Public deposits
- Sloughing back of profits
- Lease finance- doesn't get money but try to take land, machinery or equipment from market at rental price.

The other sources of working capital could be the depreciation fund.

Depreciation fund – is money which the company puts it is building up accounts. Buy machinery again, when it gone outdated. So this fund is created for buying products which are of new use

- *Indigenous bankers* could provide finance
- Can get working capital from government loans
- Own investment or capital in bank deposits
- Capital for working capital of business.

2. Funds and Finance – Part 2

Private loans

- There are various agents in market who could give funding
- Financial companies –
- Reserved funds also involved in company.

Sources of capital

Venture funds –

There are many sources of capital

There are two bases of finances where capital can be invested in

Form of

- Debt
- Equity.

Debt financing - is money provided in exchange for owner's words. It is credibility, in market that people take a debt; they have to return it with fixed rate of interest.

Types of debt- there are four types of Debt

- Senior
- Subordinated
- Short term
- Long term.

The first two refer to order entitled or preference that lender has against debt recipient. After senior debt holders, have been completely repaid, remaining assets, if there are any can go back to e subordinate debts.

Sources of debt finance also involves

Personal savings

- In own house
- Form family, friends, and relatives
- Easy to get because these savings have low rate of interest
- Safe as no tension to repay it very early.
- Family members and friends could support for borrowing funds
- More patients, if the business is taking longer time to return.

Venture capitalist in market

Venture capitalist is professional investors, who may be in charge of large pool of capital gathered from a range of sources. They

Want equity or part of ownership of business, in exchange of substantial returns like 25 or 30 %

Angel investors - are private investors interested, in making more on capital, then they can make through their own traditional market, such as mutual funds or publicly traded stocks.

These angels can be one accountant, attorney, doctors or other individuals who seeks into new businesses, to invest for return on the equity.

Banks - banks can be one of the least expensive routes to get capital. They can also provide credit line, with bank account by getting a security for building up inventory base.

Industrial banks - are more enable and easy to give loans because they give loans at low rate of interest.

Advertising - one of easiest ways of raising money is by advertising in news paper, featuring ads on interne. Several websites offer services for investors and capital needs.

Credit cards -some entrepreneurs use credit cards to provide substantial cash. The bank role for business start-up is to infuse credit cards, which are used nearly by one third startup for the business. It is relatively easy to obtain and maintain the accounts.

Small business investment companies also exist into market. The possibilities of small business investment companies in the area shouldn't be over looked. These companies exist for sole purpose of lending money to businesses and they feel good when they get high rate of interest.

Business development commissions also, many states have business development commissions whose goal is to

- Assess establishment of new businesses
- Build favorable taxes and give business expertise
- Offer money facilities to new businesses.

Chamber of commerce is - looks after these facilities.

Life insurance – sources of funding for borrowing from the LIC.

Loans are available against policies which people hold.

Money brokers- people who take prospectus and circulate, with various known lenders and investors.

They always require fees and take a percentage of gross amounts to procure their needs.

Equity capital - money provided in exchange for ownership of company. Equity investor receives percentage of ownership that ideally appreciates, as the company grows. The investor may also receive portion of company's annual profits called dividends

Sources of equity capital - through personal savings or family, friends and angel investors

3. Capital Structure

Capital structure decisions - decide initial investment of company.

Meaning of capital structure

According to Professor R S Vessel – “The term capital structure is frequently used to indicate long term sources of funds employed in the business enterprise.

According to Professor Justin Berg – “types of proportions of various securities issued for capitalization is called the capital structure.

According to Professor Brigham - Capital structure is permanent financing of the firm represented primarily by long term debt for preferred stock and common equity but excluding all short term credits

Common equity includes

- Common stock
- Capital surplus
- Accumulated retain earnings.

Factors affecting capital structure

Factors involved in formation of capital structure

Internal factors

Nature and type of business in company

If business is complex - capital structure with huge amount of money is needed.

Future plans and expectations of business - to float into market

Scope of working at national or global level

Property structure of business - property required, because it is very difficult to get land, buildings and acquisitions into market.

If business involves huge property structures like a person wants to establish hospitality industry or open up hotel, it will be difficult to form a capital structure because here up the gestation period is very high. You may need 600 crores of rupees to invest in hotel industry.

Capital gearing would involve equity participation in business to make it run up fast.

Attitudes of managers - soft towards debt financing or equity financing

Age of institution - very early stage, equity financing is difficult

Matured stage -credibility in market bring equity financing

Income of institution - high income, could pay e loans back.

Size of business determines the need of capital structure. The flexibility of capital structure is needed to break partnerships or exit from businesses.

External factors of capital structure - would be involve

- Cost of issuing a capital.
- Commissions
- Advertising cost
- Capital from market

Environment of capital market involves

- Confidence and trust of investor
- Boom into market
- Easy to get funds from people
- In recession, it is difficult to get funds.

Seasonal changes

Investment is high, when crops are coming in market and trends floating. At this point of time, people need high capital. The seasonality of products determines level of investment in particular industry

Policy of financial institution

If policy of financial institutions - is soft, then they would design capital structure in simple way because they are promoting

If financial institutions are strict because of government regulations, it will be very difficult for them to design liberal capital structure.

Tax and legal provisions

If tax structure is complicated and government is imposing high tax, then people use their own source of financing to save from taxes.

Existing competition in the market

If competition in market is tough, it is very difficult to design capital structure because every company and business enterprise is fighting to get funds from market.

Nature and type of investors

If investors are rich, then capital structure designing will be easy for getting money from these investors.

Government control

If government control is liberal, then, it is easy to get capital

If government control is strict, interest rates, monetary and fiscal policies are not favorable, and then designing of capital structure would be difficult.

Characteristics of an ideal capital structure would involve

- Capital formation of enterprise should be simple
- Minimize amount of risk involvement
- Structure should be flexible with adequate amount of liquidity
- Utilize fully all funds so that funds give full return.
- Profitability should be high and
- Cost of capital should be minimum

- Capital structure should be in tune with government rules and regulations.
- Attract investors
- Cash flow efficiency should be high
- Maximum control of funds within own investment

Capital structure and managerial policies

The basic aspects of funding involves

Trading on equity - could be low - tiny equity

Trading on equity - could be high - thick equity

Trading on low equity.

Availability of equity participation very thin

- All depend on this capital, so rate of interest will be high, because people have taken loan to pay high rate of interest.
- Investors' confidence is less

Trading on thick equity

Shares are very high and people have to pay less rate of interest because profits of equities or shares can be reinvested in business and debt financing is less over here.

Advantages of trading on equity are

- Continuous operation of trading
- Trade on equity is good for getting payments of dividends is high if company is in profits.
- Would minimize tax burden, because people are paying high and less to the government,
- Increases goodwill of company, because trading of equity increases investors trust in company.
- Control on financial sources and businesses because in equity participation, people are less dependent on other financial institutions and enjoy trust of owners.

Limitations of this trading on equity

- Trading on equity has uncertainty of income
- Reinvesting is needed
- Depends on plans taken up in business.
- Low rate of interest available
- Low management support
- Management not supporting because most of share holders form large groups have vested interest in company
- Taking loan on high rate of interest
- Legal and contractual difficulties in getting equities.
- Fear of over capitalization
- Very high rate and difficulty in getting extra capital

Capital gearing - there are two types of capital gearing

- High gearing
- Low gearing.

High gearing

- The equity is less and debt financing is more
- Firm has needed businesses to pay rate of interest
- Cost of earning is more than rate of interest of debt, so they need pay and then only business can exist in market.

Low gearing

- Equity is high and debt is low
- When debt is low, rate of interest is low
- Business can run in sustainable and low gear because they don't have to pay such high rates of interest.

Evaluation of capital structure would involve impacts of equity shares

Income is coming from equity shares

Risk involved in each financing,

Debentures

Debentures are funding sources, which involve fixed payment of dividends to debenture holders.

This is all about venture capital formation, sources of fund and capital structure formation which involves equity, debt and preference share formation. This analysis enlightens entrepreneur as financial analyst for basic structure of capital. The low cost of capital to run business in efficient way by designing equity and debt is congenial for favorable growth of business.

4. Legal Requirements of a New Unit

Legal requirements for establishment of new unit

Business can be operated or organized on basis of

- Sole proprietorship
- Partnership
- Limited liability partnerships
- Public and private company
- *Legal requirement include business*
- Goals and terms of current taxes
- Licenses
- Contract requirements
- Diligence analysis of purchases
- Securities
- Legal aspects regarding franchise
- Employment policies
- Liability risk
- Intellectual property rights

Licenses - involves business to control users handling property. This allows owner to charge more than once for use of same property.

Intellectual property right - is legal term that refers to assets created with mental ideas. A working knowledge of type of legal protections is available for those assets to have for owner's use and cannot be copied.

Trade mark for services - marks distinguishes business from other services like word, name, brand, symbol, logo, trademark or service mark or certification.

Trade secrets - are protected against unauthorized copying and use by persons who are not involved in it. If people want to use it; they have to come into a contract.

Copyrights - is name of legal protection given to creation of original work of art. Original work of art is a broad legal term that makes own creations and possessions. This would include computer software's, blue prints, patterns, maps, all type of audio visual works, motion pictures, business, video tapes and video presentations.

New establishment of a new unit, you have certain legalities. The basic laws involved are

- The factories act of 1948
- Employees provident fund act of 1952
- Employees state insurance act
- Payment of wages act of 1936
- Minimum wages act of 1948
- Indian partnership act of 1932
- Income tax act of 1911
- Pollution control act
- Sales tax

These are all legal aspects for establishing new business plan when people come into market.

Promotion of Venture

Introduction

Fundamentals of Entrepreneurship.

Promotion of venture

Now a venture is a major undertaking synonym with adventure. It has different meaning in entertainment and automobile industry but in business, joint venture is a strategic alliance between two or more parties to undertake economic activity together.

The concept of Entrepreneurship has different meaning

- At one extreme hand, he is a person who takes activities for change for other people
- He is a person who undertakes work or activity for himself.

Entrepreneur Venture

- Concept of entrepreneurship has wide range of meanings.
- Entrepreneur is a person with high aptitude to take changes
- Entrepreneur is a person who takes economic activities for himself.

Concept of entrepreneur venture

Entrepreneur venture differs from small scale business in following ways.

- Amount of wealth created is more in this
- Speed of wealth created is high
- Risk involved is high
- Innovation is at a better place

Promoting a venture capital and significant benefits

- Venture companies grow at faster and accelerated pace.
- With venture capital in place, customer, supplier's staff and even banks have higher confidence.
- The venture capital is key to unlock future wealth.
- Being venture capital concern gives credibility to business.

Promotion of entrepreneur venture

According to professor E. S. Veed, “Promotion involves four elements

- Discovery
- Investigation
- Assembling
- Financing.

According to Professor H.E Hoglan, promotion is the process of creating specific business enterprises.

Aggregate of activities contributed by all those who participate in building up business constitute a promotion.

According to professor C.B Jetensberg, “Promotion may be defined as discovery of business opportunities and subsequent organization of funds properly and managing ability into a business creation for the purpose of making profits.”

According to professor Cockburn, “Promoter is the person who commits to build and operate the industries, in the context of given scheme and takes necessary steps to fulfill this objective.”

Roadmap to start New Business

Roadmap to start new business. – To establish new business, people need an idea to generate an enterprise build on basis of determination of ownership concept.

Objective and goals

- Find out location
- Do financial planning
- Prepare a sound organizational structure
- Complete basic legal formalities.

When people start their business, they have to follow their dream, buy an existing business to get customers. Go for franchising and brand recognition which can reduce marketing cost. People can start their businesses according to personality, financial ability, knowledge, consultancy for organization and expertise help. After getting the expertise help, they should undergo for training program also.

Choosing a business structure - choose a business structure, it involves a lot of legal formalities to get tax advantages
Sole proprietorship, general partnership and joint ventures, corporations and Limited Liability Company.

Sole proprietorship

- Establishment of a business by an individual
- There is no legal entity of ownership
- Owner is personally responsible for all debts and earnings
- Profits are disclosed in his personal income statement and can compensate for losses

General partnership

- An agreement between two or more persons to establish and operate business.
Written agreement is necessary
- Each partner discloses business profits in his own account of income tax

In joint venture

- General partnership setup is to make profit at one time

Corporation

- Created by filling article of incorporation with appropriate agencies of state government.
- Corporation is separate and distinct from owners.
- Owners who are interested in corporation, are known as members
- Are protected from liability of debt.

Limited liability Company

- Combines liability protection act with general partnership.
- Owners have an interest in limited liabilities of companies and are called members.

- Members have no personal liability for debts and obligations.
- Members can disclose profits and deduct losses on individual tax returns.

Business plan

- Road map of where and how to go
- Guide to achieve goals
- Tool to spark investor interest
- Document that helps employees to understand vision of company.

Key elements of business plan

- Describe products and services
- Make understand industry and market needs.
- List competitors also
- Formulate a good strategy
- Built up management team and do financial analysis.

Tax structures

- Pay federal taxes, state government taxes, local authority taxes
- Consult a research person to do analysis
- Establish tax structure in a particular area.

Self employment tax

- Self employment tax is combination of social security plus Medicare taxes for individuals who work for themselves.
- Social security coverage provides various types of retirement and disability benefits.

Insurance

Various types of insurance are

- Business property insurance
- Liability coverage insurance
- Workers compensation
- Health insurance and life insurance
- Hire an agent to decide on insurance packages.

Credit

- Bank gives credit on the basis of five co.
- Character
- Credit history
- Capacity - bank decides track history to repay loans
- Capital - personal resources which supports findings.
- Conditions - economic issues
- Collateral assets - company's pledge as source of repayment for loans.

Secured and UN secured lines of credits.

- If you have trouble getting financing, using an secure line of credit
- People can purchase equipment through your un secure line of credit
- Loan is given on personal basis
- Company's officers can disclose their own personal income statements.

Effective marketing plan

- Blue print for what to follow
- Competitor and issue analysis, challenges, opportunities.
- Objective decides action plan and states budget and strategy to be taken.
- The basic four ups of marketing are product, price, promotion and placement.
- Decide basic sales philosophy of company.

Licensing

- Licenses or permits are required to operate certain types of businesses.
- One or more licenses may be required from city, state, country or the federal government.
- People may need multiple licenses if they work in more than one jurisdiction
- Failure to obtain proper licenses can result in loss of your business.
- Application process varies according to jurisdiction

Bond

- Bond guarantees agreement that business will perform the assigned task
- A bond is issued by company after business is thoroughly investigated.
- Surety bonds - company basically agrees to compensate for, if business fails
- Fidelity bonds - issued when employers fail, agents understand and sign bond with company.

Zoning

- Specifies ones of residential, industrial recreational and commercial activities are to be undertaken.
- Business owners must check on local zoning ordinances.

Copyrights, trademarks and patents - deal with intellectual property rights based on idea that it has some commercial use.

Intellectual property right can include a wide range of products such as books, musical composition, software's, works of arts etc.

Copyrights protect individual creative expression

- Federal copyright act of 1976 specifies how to register copyright
- There are no state copyright laws, but if people work in public domain, then anybody can use it.
- The US Copyright Office explains how to register literary works, visual art works, performance, sound recordings, serials and periodicals.

Trademarks

- Is brand name, distinctive sign, logos, slogans, symbol or other emblem used by business to distinguish their products from others.
- Trademarks do not expire and can be applied indefinitely
- Trademarks can be registered.

Patents

- Gives investor exclusive rights to his own invention.
- Patents are issued by the United States Patent and Trademark Office.
- Most inventors use a patent lawyer to help with the application process.

Accounting

- Sound accounting and book practices are essential for any businesses.
- Many businesses rely on an accountant to handle financial record keeping but computer programs like Quicken, Peachtree, Quickie, simplify accounting procedures.

Cash and accrual methods of accounting

- Cash based method of accounting
- Record financial transaction, when money is paid.
- It reports income when earned and expenditure when done.

Human resources function deals with hiring and managing employees.

- Be specific when interviewing employees, provide competitive compensation plan
- Maintain detail employee records of working

Getting on the web

- Website can attract customers and boost earnings.
- Sales through internet can take place internationally for 24 hours.
- A professional website designer can make business easy.
- Promote website through search engines

By this formalities are completed for establishing business.

Opportunity Analysis

- Opportunity analysis
- Detail analysis of processes in which the business happens.

According to Peter Drucker, “Real entrepreneur is not risk center but he is opportunity centered.

According to Joseph Schumpeter, “Entrepreneur is a person who foresees opportunity and tries to explore it by introducing new product. New method of production, new market, new source of raw material and new combination of factors of production.

Learning objective of opportunity analysis

- Tool to identify and assess attractiveness of business opportunity
- Unique e-commerce business
- Identify competition across industry
- Identify speed of competition and new ways to bring values to customers.
- Reconfigure value chains and value systems.

Value chain

Value chain is a system of creating activities within firms, which can add value to customers. A value system is a set of value creating activities connecting firm with the other firms in customers.

Market opportunity analysis

Trapped value - would relate to efficiency, accessibility and customer empowerment.

- New value would be added by personalization, extension, community building and collaborations.

- Horizontal value creation can be done by improving functional aspects
- Vertical value creation can be improved by industry specific business activities.

Market opportunity analysis- it has four criteria

- Customer
- Competition
- Company
- Technology

Customer

- Identify unmet and under -served customer needs
- Meet specific customers, who have not used products.

Competition

- Try to assess relative advantage of competition for estimating resources.

Technology

- Identify technology which has got deeper penetration into the market.

Identify the customer needs

- Stages for customer identification needs
- Problem recognition
- Information gathering
- Evaluation
- Purchase decision
- Satisfaction
- Loyalty

Problem recognition

- Identify why a customer needs a product.
- May be he wants to give the product or he is interested in subject, need or it arouses his interest.

Gather information

- Through search engines or through books or journals.

Product evaluation

- Done on basis of price, quality and availability. Purchase decision can be online or offline.
- Satisfaction - if customer is arriving again or if he is buying on time, then customer is satisfied.
- Loyalty - if sellers get repeat purchases that means customer is loyal to you.

Identify customer needs

Segment customer needs and it can be done on basis of

- Geographical aspects
- Country
- Region

- City.

Demographics variables could be

- Age
- Gender
- Income.

Demographic variables could be

- Number of employees
- Company and size of operations.

Behavioral variables could be

- Loyalty
- Priority of purchases

Occasion variables could be

- Routine purchases
- Special occasion purchases.

Physiographic variables would be

- Personality
- Traits
- Life style etc.

Benefit variables

- Convenient buying
- Economy
- Quality
- Price.

Identify specific customer needs

- Do actionable segmentation
- Record customers
- Describe customers for their growth, size and profile and attractiveness.
- Meaningful segmentation can help to develop a strategy which is possible to relocate customers in particular area
- Understand their motivations
- Build customers currently to buy and use their products
- Bring about changes in products as they want.

Competitive advantages

Assess e direct competitors for

- What they are doing
- What are their prices
- What would be their close substitutes?
- Direct competition comes from substitute products or adjacent competitors.

Adjacent competitors are

- Firms that have potential to provide products and services which are close to

substitutes.

- Competitive mapping - identify underserved and most competitive areas
- Identify the current competitive strength
- Try to go for collaborations
- Overcome these competitive hurdles.

Assess resource needs.

- Deliver new benefits to customer
- Enhances trapped value
- Hold promises for winning against current and perspective competitors.

Assesses resource needs on basis of two aspects.

- Customer facing brand involve trained sales force to put brand in better position.
- Upstream would involve improving relationships with the suppliers.

Technological aspects

- Accessing technology is a difficult function
- High level of judgment is based on technologically vulnerability.
- Build technological trends or opportunities related to these trends
- Technological adoption
- Customers have to be trained and price of technology needs to be reasonable. Adaptability depends upon paying capacity of customers.
- Impacts are radical changes delivered by technology

Accessing technology market readiness involves two laws.

- Moore's law
- Gilders law

Moore's law

- Processing power of successive generations of microchips will double every 1.5 years.

Gilders law

- Total bandwidth of communication systems will triple every 12 months.

Gilders vs. Moore's law

- On Y axis –plot Log growth
- On X axis – plot time from 95 to 2007.
- On green line, the total packets per second is shown
- On yellow line packets, per second per CPU is shown.
- Gap between these two lines shows that people need to increase CPU's for next generation.

Craft and opportunity story

- Describe target segment, articulate high value proposition, spell out benefits, which people want to give to customers. Give reasons to believe and then build capabilities and give values to customers.

Value attractiveness or market opportunity attractiveness

- Attractiveness is function of long term profitability and relative competitiveness.

Magnitude and character of opportunity - depends on

- Level of unmet needs
- Level of interaction between major customers segments
- Likely rate of growth
- Volume of market and level of profitability.
- Opportunity analysis also involves scanning of business environment, short listing of the opportunities and finalizing the opportunities.

External Environment Analysis

It is continuous process which involves scanning, monitoring, forecasting and accessing.

- *Scanning* - identify early signals of changes happening in form of trends
- *Monitoring* - involves deducting meaning through ongoing observations.
- *Forecasting* - involves developing projections of anticipated outcomes
- *Accessing* -involves determining timing and importance of environmental changes.
-

Component relationship of firm to business environment is:

- *Deterministic* -understanding of regulatory, legal and market structures
- *Probabilistic* - areas where firm has abilities to increase odds or successes.
- *Random* - uncontrollable and uncertain elements from which firm cannot attempt to protect itself.

External environment

The external environment involves analysis of:

- Macro and general environment.
- Task environment
- Competitive environment

The three analyses give strategic intent to formulate strategic mission.

Now the key steps of external environment analysis are try to determine these questions.

- What do you know
- Why do you know
- Determine the scope and the scale analysis
- What is the appropriate level of analysis
- What are the trends
- What are the segments involved
- Why do you classify these issues
- How important they are for the firm

External environment analysis also involves

- Industrial organization model analysis suggest : - above average returns of any firm are largely determine by
- Characteristics of the outside the firm, it's not by the organization itself.
- Focuses on industry structure
- Attractiveness of external environment rather than internal characteristics of firm.

Economies of scale
Barriers to market
Entry, diversification, product differentiation and degree of concentration of firms in industry.

Attractive industry characteristics

- Structural characteristics which suggest the above average returns.
- The strategy formulation is a selection of strategy linked with above average returns.
- The assets and the skills are required to meet that strategy
- Strategy implementation is to select strategy action linked with the specific chosen strategy.
- Superior returns are higher earning, benefits and above average returns.

External environment analysis

Strategy is directed by external environmental variables, related to

- Economic
- Socio cultural
- Global
- Technological
- Political
- Demographic.

The firm develops the internal skills required by the environment in order to overcome these issues.

Socio culture segment -involves study of

- Woman in workforce
- Workforce diversity
- Attitudes and quality of work life
- Shifts and career preferences of the people.

Political segments-involves

- Antitrust laws
- Taxation laws
- Deregulation philosophy
- Labor training laws

Economic segments –involves

- Inflation rates
- Interest rates
- Trade deficits
- Budget deficits
- Personal saving rate
- Business saving rates.

Technological segment involves

- Product innovations
- Applications of knowledge
- Focus of private and government support

- Expenditures and new communication technologies.

Global impact – involves

- Political events
- Critical global markets
- Newly industrialized economies.

Demographic segments -involves

- Population size
- Age
- Structure
- Geographical distribution
- Ethnic mix and income distribution.

This is all about external environment which suggests that firm needs to have a better strength in relation to environment.

Social Environment

Business and society is important. Business in relation to society has three things:

- Business scandals
- Business issues
- Broad societal concepts.

Business - is collection of private commercially oriented organizations.

Society - is broad group of people, organization, interest groups and community.

Segments at macro level like social variables would involve demographics, lifestyles and social values.

- Strength of society in context of business
- Modernized society prevents concentration of power of business
- Maximizes freedom of expression and action
- Disperses individual alliances
- Creates diversified set of loyalties
- Provides checks and balances on businesses.
- Special interest society or the special interest groups make life more complex for business and government.
- Number of people involved are high
- More active intense
- Focus group involvement high for the following purposes
- Need to achieve goals
- Need to achieve issues.

Factors of social environment are

- Affluence
- Educational level of people
- Awareness through television and internet
- Revolution of rising expectations
- Entitlement
- Mentality

- Rights movement and victimization philosophy.

Graph

- On Y axis -plot social performance (expected and actual)
- On X axis –plot time (time period from 1960's to 2000.)

There are two lines

- Lower line shows -business actual social performance
- Second line shows -societies expectations of business performance
- When there is a gap between these two lines - there will be a social problem because business has to perform in accordance with societal needs and if business is not able to perform it, there will be problems in society.

Business power

- Ability and capacity to produce an impact and effect on the society

Law for responsibility - in long run, those who do not use the power in manner, society considers responsible will tend to lose it.

Social contract involve both, business and society for shared concepts where understanding of each party is needed

Business ethics

- Ethics is a science of right, wrong, fairness and justice.
- Focuses on ethical issues that arise in commercial realm for stakeholders who individuals with interest in the business.
- They could be external and internal, this is all about social environment,
- Society is related to business and both have to work in harmonious and sustainable relation.

Competitive Environment

- Competition - business is running in competitive field. The basic model involve over here is
- Potters five force field analysis- the five forces impact company's ability to compete in a given market. The purpose of five force analysis is to diagnosis competitive pressures in market

Threat of new entrants

Barriers to entry- could be

- Economies of scale
- Product differentiation
- Capital requirements
- Switching cost
- Access to distribution channels
- Cost disadvantages and government policies.

Bargaining power of suppliers

- Industry is dominated by few firms
- Suppliers products have few substitute
- Suppliers have prices which are very high

- Suppliers products are important input for buyers
- Suppliers products are differentiated
- They have high switching cost
- Suppliers have credible talents.

Bargaining power of buyers

- Buyer groups become very strong in market
- Buyers are concentrated in a particular area
- They purchase account for significant fraction of supplier sales
- Products are differentiated
- Buyers face few switching cost
- They can buy products at lower cost
- Buyer present a credible threat of backward integration

Threat of substitute products -involves

- Products which are more useful than existing products like electronic security system replaces security guards
- Fax machine replaced overnight by mail delivery.

Rivalry among existing firms is also very strong

- Fight for strategic position
- Using unfair competition of price reduction
- Staging advertising battles
- Increasing customer warranties
- Making new product introductions
- Price wars
- Cut throat competition in market
- Numerous or equally balance competitors
- Industry is with the slow goes
- There is high fixed cost
- High storage cost
- Lack of differentiation
- Capacity added in large increments
- Diverse competition
- High strategic stakeholders are high
- Exit barriers

Industry environment in competition

- Helps in building of future objectives
- Helps to build current strategy
- Helps in building up assumptions
- Building capabilities of business.
- Response is, what will the competitors, do in future, where will be competitive advantage, and what will be relationships, how to collaborate with people.

FUNDAMENTALS OF ENTREPRENEURSHIP (PART-15) OPPORTUNITY ANALYSIS

BUSINESS ENTREPRENEURSHIP. OPPORTUNITY ANALYSIS

OBJECTIVE OF STUDY

The objective is to cover

- Concept of industry
- Impact of opportunities
- Environmental scanning
- Opportunity threat profile
- Advantages of good environmental scanning.

Now to assure victory always carefully survey the field before you battle.

According to San Tiju- “He says that, it is important when you start a business; it is very important that we scan the environment or survey total parameters or forces impacting environment.”

To define an industry is difficult, because industry is a complex system consisting of many variables. An industry is a group of companies offering products or services that are close substitutes to each other.

For example, soft drink industry would not only include beverages, soda- market, like Coca, Pepsi. They are not the only players in market but they have to consider close substitutes related to them i.e. Soft drinks and juice market also.

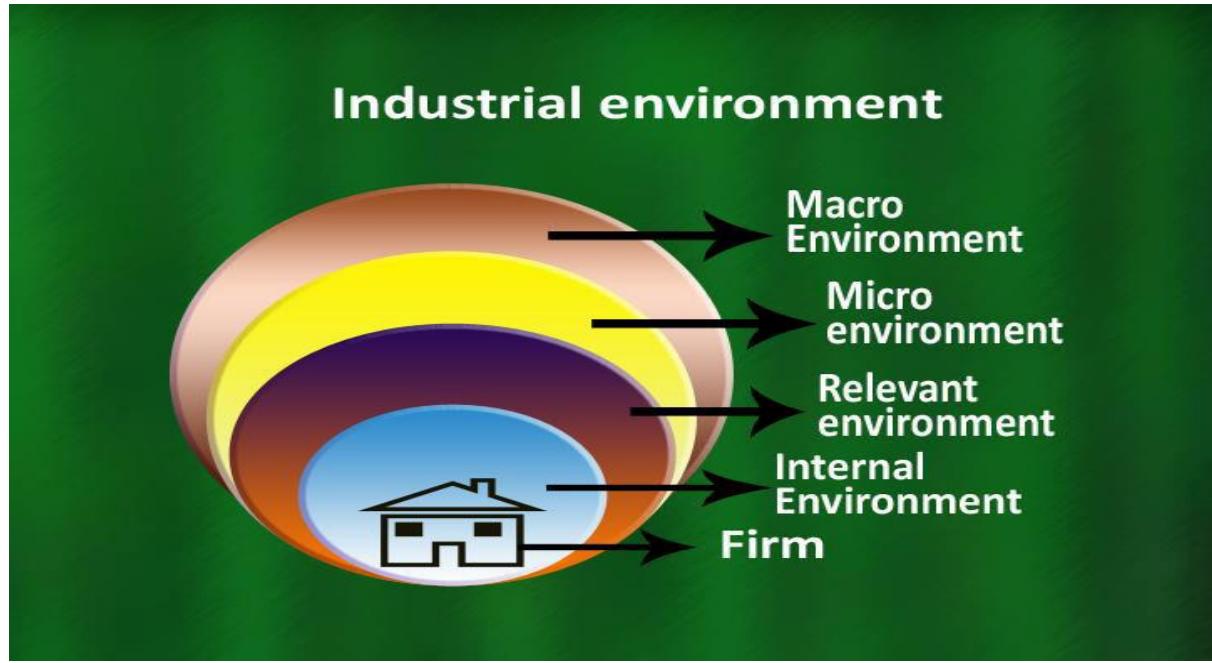
Environment is impacting industry in consisting of many parameters. The environmental competition is impacting forces in such a way that the industries and competitors are existing in cut-throat competition. The hyper competition is impacting the market.

Environment turbulence - is hyper competition competitive intensity of aggressiveness and boldness of competitors to take moves to change and survive in market. The markets are tough and therefore environmental scanning is required.

- Environment threat is high.
- threat of competitors
- threat of new substitutes,
- threat of new technological advancement

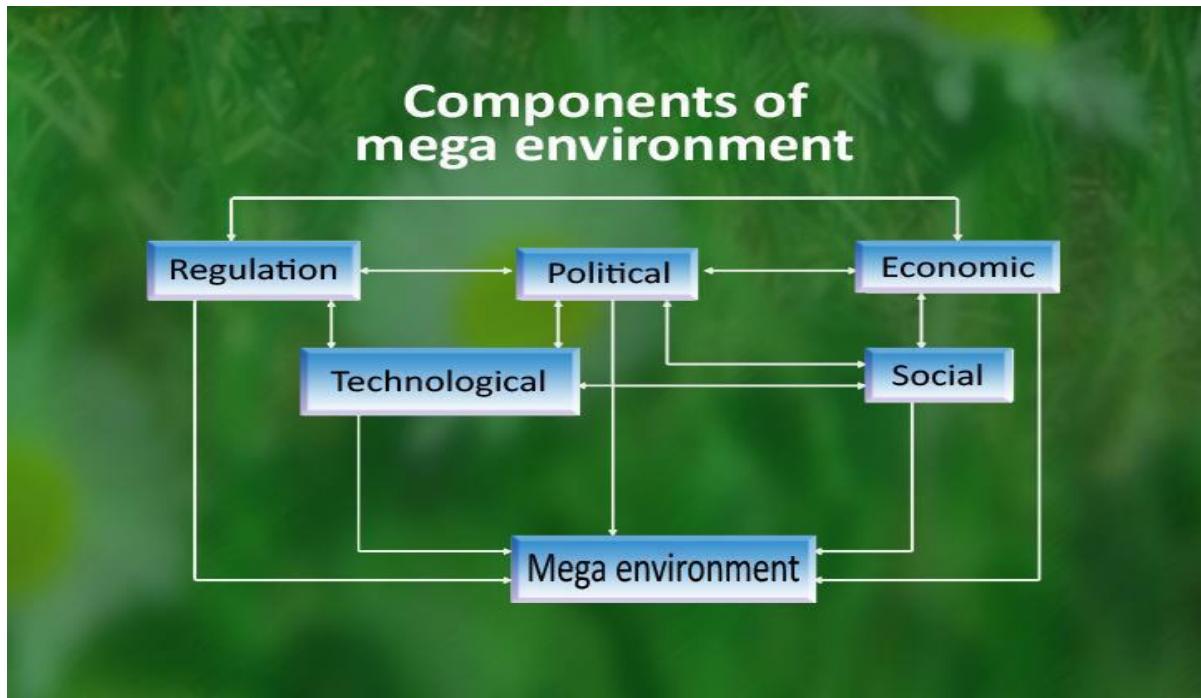
The threat of being obsolete is pressures impacting industry but then there is always opportunity that exists in this cut-throat competitive era. This is an attractive arena that company enjoys a competitive advantage.

Now let's see this industrial environment model.



Firm - enclosed by internal environment with relevant environment associated and immediate environment. The environment supporting relevant environment is micro environment and covered by macro environment.

The components of the mega environment are shown in this diagram



Components of mega environment are interrelated forces, regulations, political systems, economic systems, social parameters, technological forces this environment is impacting the industry.

Technological parameters—

- Transportation capability of particular industry
- Mastery over energy
- Capability of industry to use substitutes for energy
- Mechanization of physical activities
- Conversion of raw materials into productive forms
- Tele-communications network
- Ability to transfer character of materials
- Technological advancement of particular industry.

Social factors -

- Population and demographic changes
- Spread of literacy
- Social values and ethics
- Concern for health
- Issues related to people's attitude and culture.

Economic parameters include

- GDP of country
- Growth rate
- Money supply
- Balance of payment equation of government
- Regulations and norms

Political parameters consist of

- Regulatory frame works
- Political stability of government
- Legal provisions taken by government to subsidize industry.

Micro environment which impacts industry consists of basic

- Suppliers
- Market intermediaries
- Market types
- Market demand
- Competition
- Availability of skilled people
- Industrial relations
- Climate, regulatory provisions
- Financial institutions
- These are basic parameters which impact industry.

1. SWOT –ANALYSIS AND THE OPPORTUNITY ANALYSIS

The firm is impacted by parameters existing at various levels. The firm has to do **SWOT analysis** –and opportunity analysis.

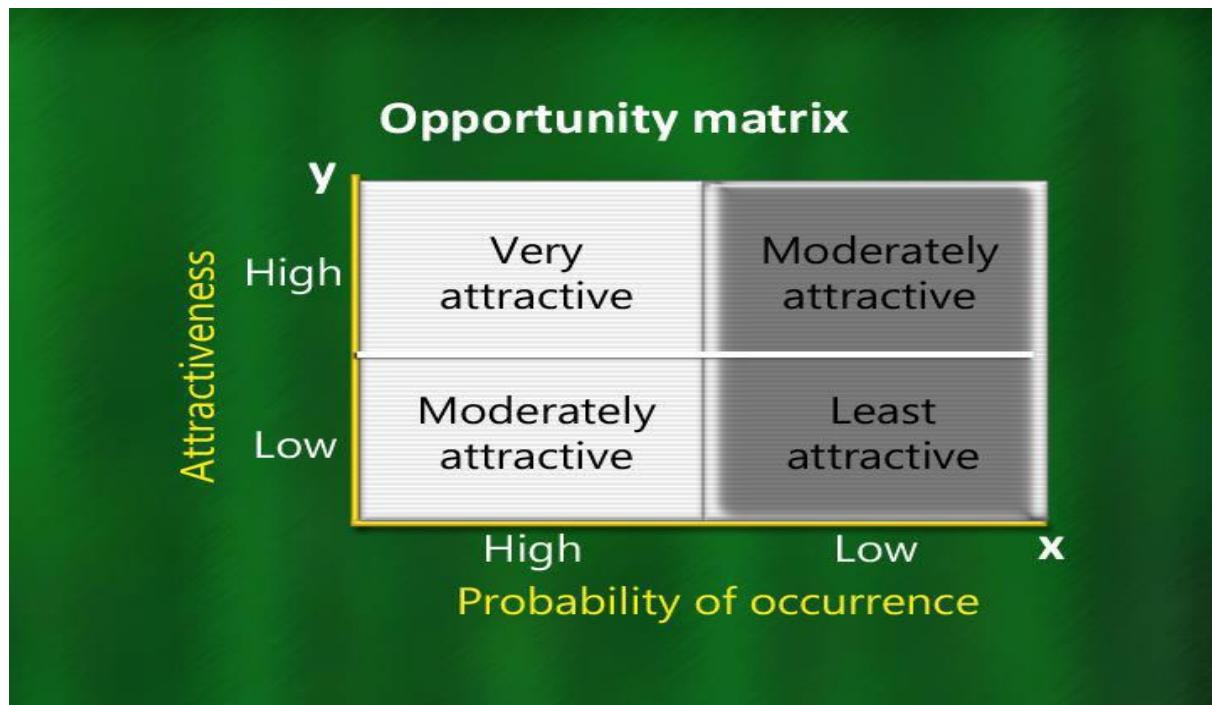
The opportunity analysis would relate to macro environment elements.

- Macro environment elements would be
- Social forces
- Demographic forces
- Technological
- Global
- Macro-economic aspects
- Political legal systems



Analyze these forces demand and competition existing in industry.

The opportunity analysis- would consist of a matrix which is shown over here. Let's see this opportunity matrix.



- On the X-axis- probability of occurrence of events
- On Y-axis - attractiveness.

High and low parameters.

Industry is attractive - when forces related to attractiveness are high and probability of occurrence is also high. That is this quadrant is attractive. Then it is supported by moderately attractive parameter,

The least attractive parameter- and this are moderate attractive parameters. Avoid the least attractive quadrant or parameter to sustain in market.

The threats existing in market is stress and pressure facing and impacting industries, these are

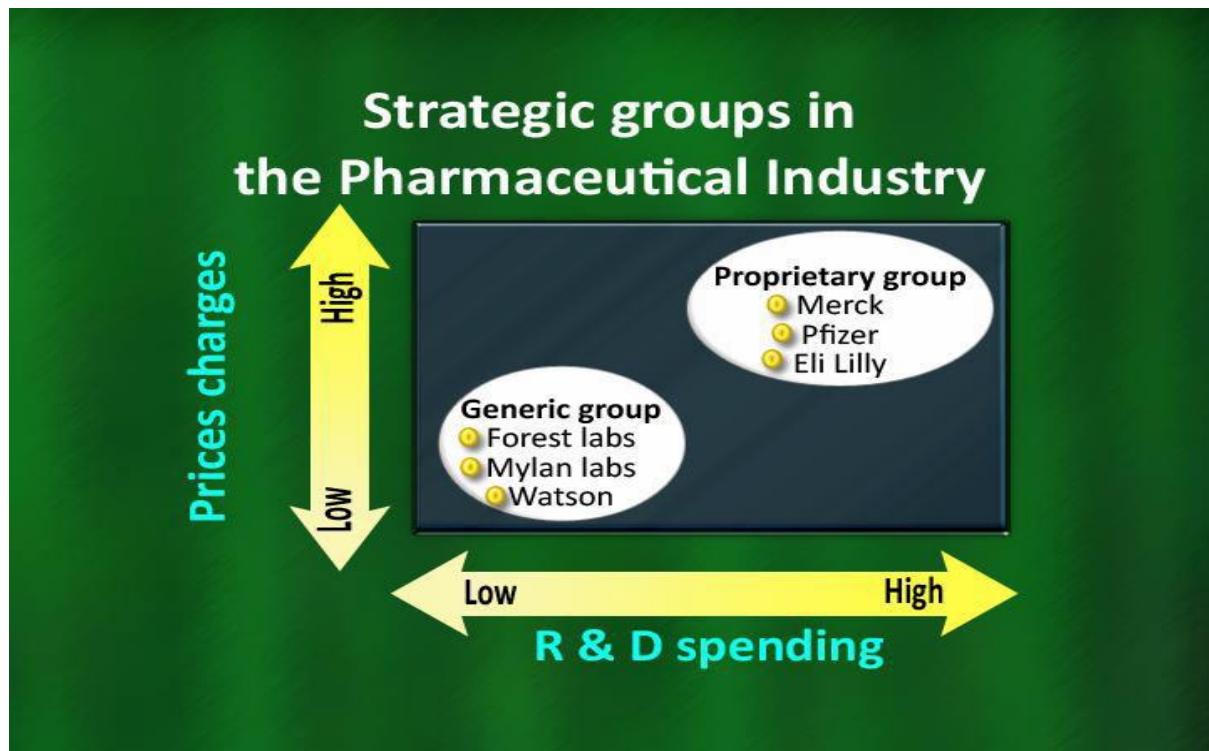
- on Y-axis - seriousness of threat of low and high
- On X-axis- probability of occurrence of high and low impacts.

Threat is major - seriousness of that particular competition or threat is high, probability of occurrence of event is very high. So this quadrant is of major threat. This should be avoided.

Strategy is an opportunity and threat analysis; it will be choice to compete in e market
Michael Porter

- He was the father of e competitive strategy market.
- He had defined the market concepts fighting with threats and substitutes.

Pharmaceutical industry-model which builds - basic shape of market FOR opportunities and threats.



See we have

- Prices changes happening in industries
- Research and developments done on the industry.

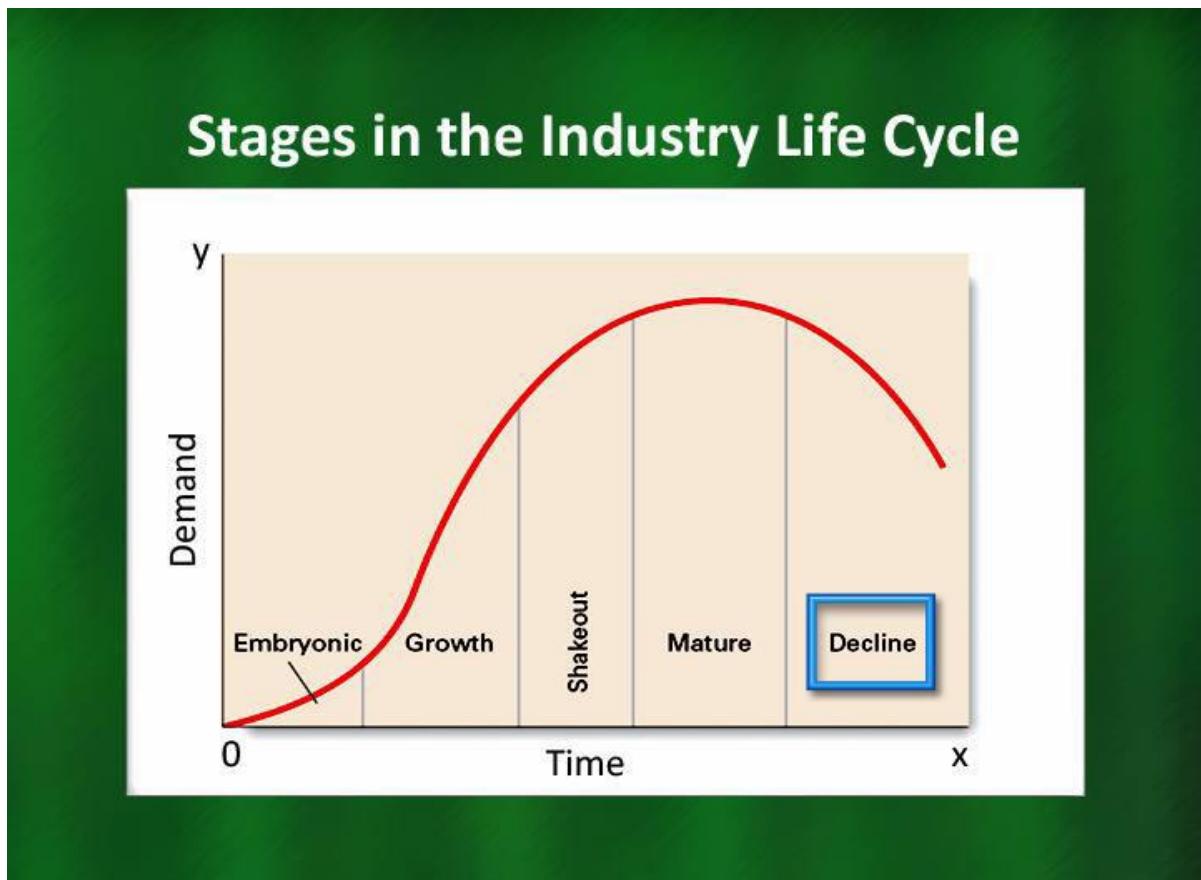
So, these are the parameters existing in this model.

- Group of industries existing, the research labs, Melan lab and Watson lab.
- Proprietary groups, generic and elite. So, these are
- Groups are doing high spending, research
- Spending high on research
- Charging very high because their medicines are costly in market.
- Opportunity
- Do higher research, build better substitutes of salts
- Give better quality of products
- Build sustainability and charge higher from consumers.

Mass market- who is low educated, not so much health conscious and has mo money, would be shared by generic group areas, where

- Research and development money is less.
- Lose opportunity of higher development

- Markets are more customized and developed.
- Product life cycle
- Growth phase-opportunities existing in each phase
- Opportunity analysis is according to phase industry is there.



We have

- the Y-axis - demand
- On X-axis - time.

First is

- Embryonic phase,
- Growth phase,
- Shake out
- Mature
- Decline.

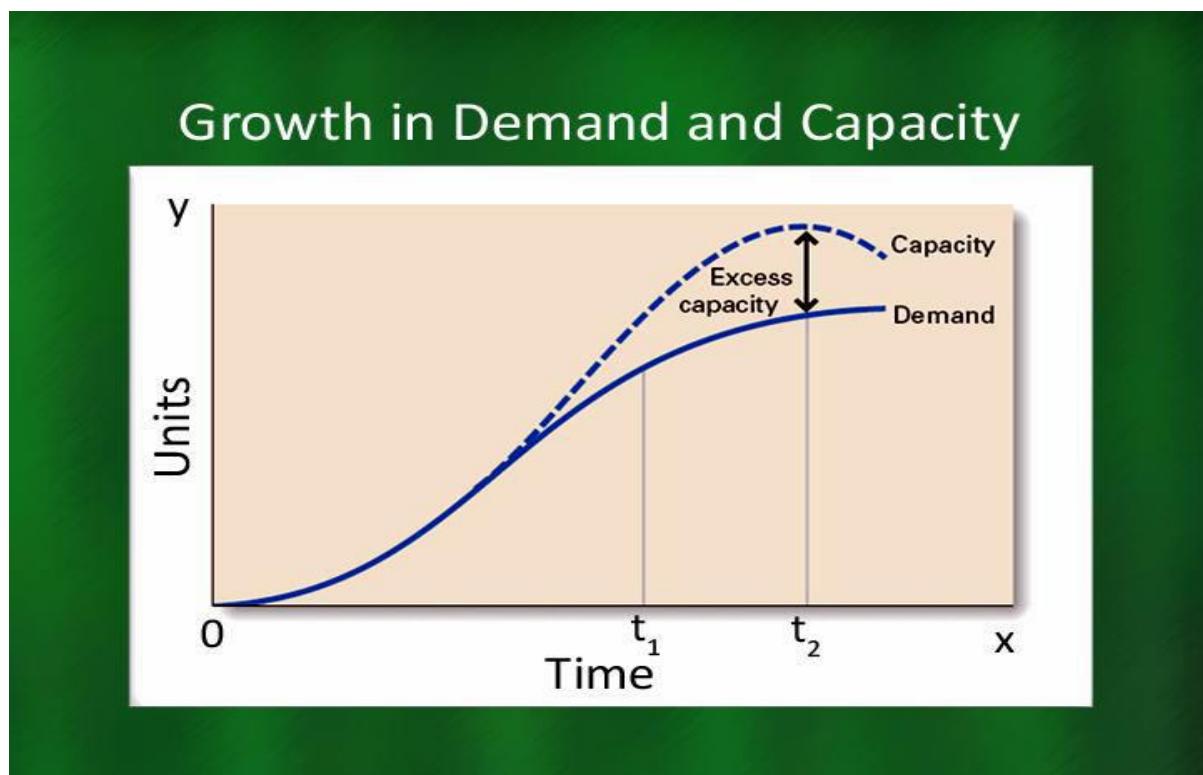
These phases exist in all industries. These are the stages of embryonic growth; shake out, mature, decline.

Embryonic stage –

- When industry has just begun.
- Development is slow
- Buyers are not familiar with products.
- Prices are very high.

Growth phase –

- Demand takes off.
- Buyers get aware of products,
- start using product and are ready to pay any price
- Competition is low
- Industry is gaining heights.
- There is difference between demand and capacity
- .



- Demand is slow and capacity to produce is more
 - More competitors are entering into market.
 - Excess capacity which is created so people need to shake out.

Shake out –

- Growth rate will starts declining
 - Business people, who are not working on cost ethics, will go out of market
 - Few potential first buyers
 - Competition becoming intense
 - Excess capacity is idle.

Mature phase –

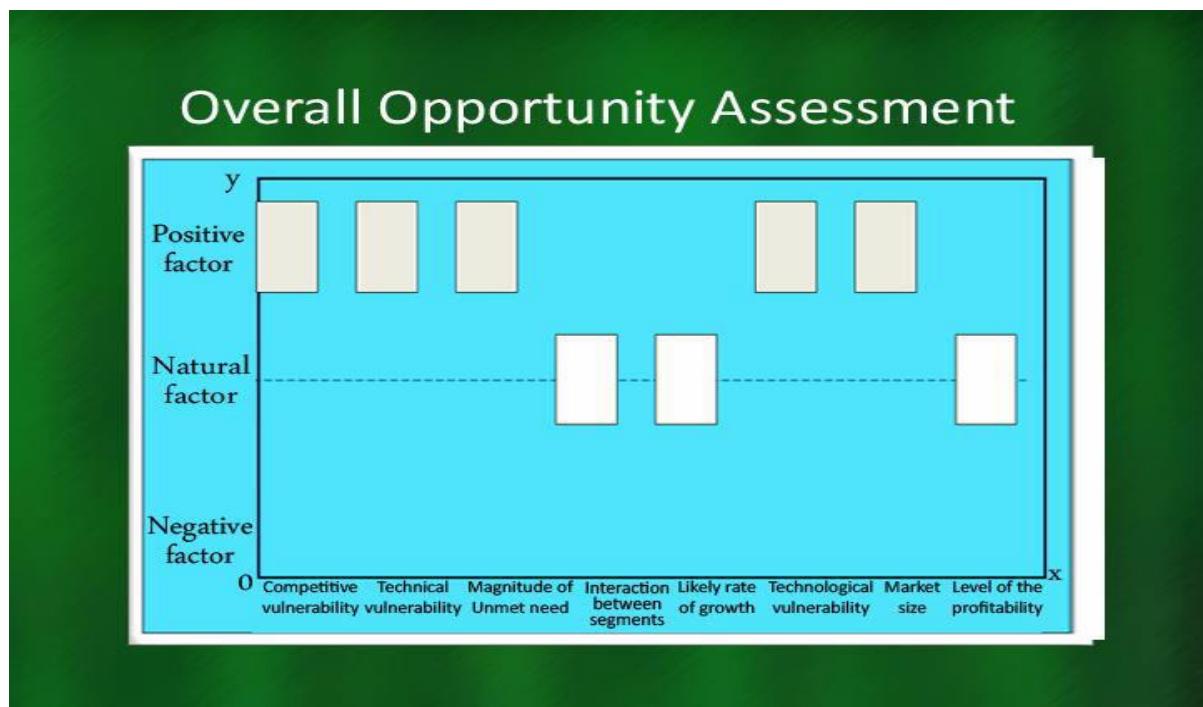
- Market is totally saturated
 - Demand is limited because people are second users
 - Industry is saturated market
 - Growth potential is zero
 - Threat of new entries decreases
 - No potential to grow because demand is decreasing.

Decline –

- Fall in demand and capacity to **produce excess**.
 - Situation occurs because of technological substitution and change in demographic profile of people.

International competition-

- Increases which puts businessman in pressure
 - Opportunity assessment for a particular industrial and product



- On Y-axis- negative factors; neutral factors and positive factors
- On the X-axis- competitive vulnerability, technical magnitude of unmatched demand.

Interaction between these segments between

- Rate growth technological vulnerability
- Market size
- Level of the profitability.

Opportunity exists

- When their positive impact of factors is more.
- Neutral impact - any investment in industry should not be there
- Negative factors - investment should be avoided.
- Investment should come into industry - positive impact of factor is high and competition is low.

2. THE PLAN TO BUILD THE OPPORTUNITY ANALYSIS

Plan to build opportunity analysis- assessment would be

- Savings costs
- Determine optimum asset allocation
- Receive ideas and recommendations
- Do research talk
- Place the order
- Track portfolio performance
- Receive dividends
- Sell stock
- Tax reporting.

Understand needs of market segments like share market. The opportunity attractiveness and resource availability of industry is shown by this matrix

Opportunity Attractiveness vs. Resource Availability



There is

- Opportunity attractiveness Resource availability

Opportunity matrix –

- Quadrant innovation and development
- Attract opportunity attractiveness is high
- Resource availability is high.

When raw material and resources are high - develop product, do innovations in product and give better services to customer. This is quadrant, where investment can come and industry should be developed.

Mission of industry growth- Development is to harvest value of technology and innovation investment. The money has to be put into industry.

Commercialization process for any product starts from

- Idea
- Think
- Scream
- Protect
- Assess
- Validate
- Execute

These are basic modes of commercialization when people take ideas to market. People have to do thinking in scientific way, where they have to do an opportunity analysis for solving problems of customers.

Pre-screening phase- i.e. Put product into market would for technical evaluation of

- Product
- Business concept
- Feasibility analysis of product.

Protect the product, before it is into competition. This could be done by patenting or copywriting or getting a trademark for product. Then assess potential for development.

Building an opportunity assessment of product investment and projection of product profits and growth. Try to validate product market verification and customer relationship building.

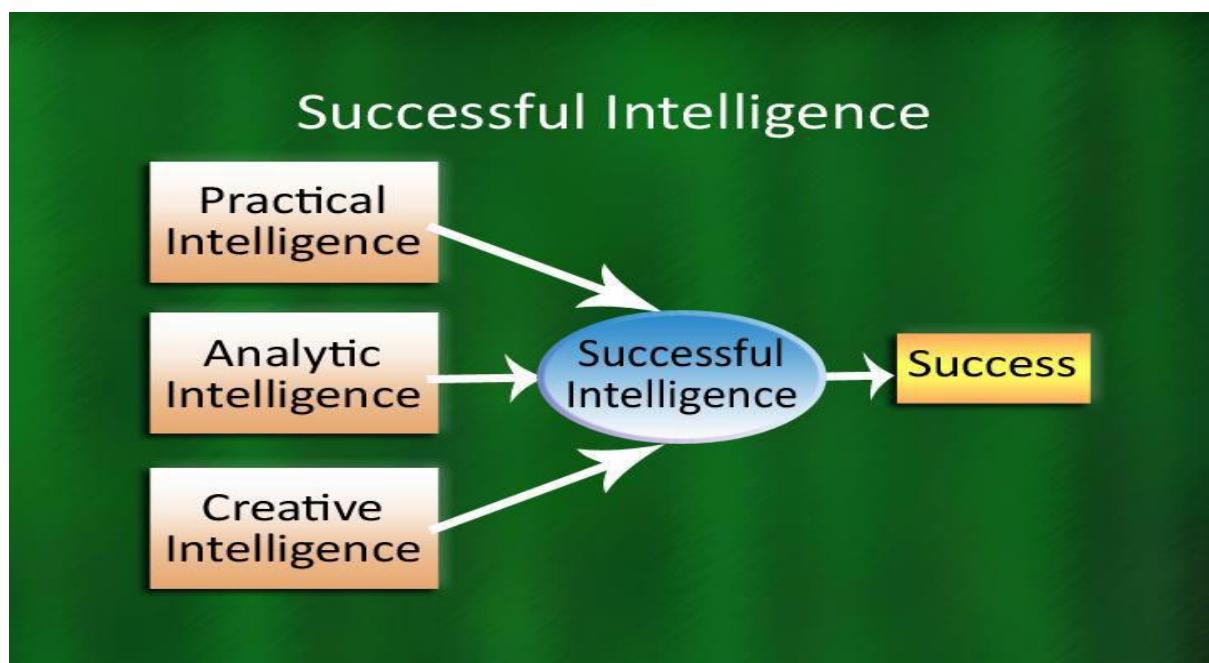
Execute product - selling in market by commercializing and gaining profits could be with strategic alliances or buying business plan. Built research and development.

Key process of gaining into an opportunity aspect of market would be

- Idea generation
- Idea supported by creativity
- Opportunity recognition would generate product development or venture development.

3. THE SUCCESSFUL INTELLIGENCE SUPPORT

Successful intelligence supports - ideas



Successful Intelligence is

- Practical intelligence
- Analytical intelligence
- Creative intelligence

This designs successful intelligence, which gives success in market. The additional aspects required to generate ideas in market for opportunity recognition. It would be

- Active research in industry and market
- Entrepreneur alertness
- Prior knowledge of industry
- Connectivity of social networks, built in lifetime help to analyze opportunity,

Ideas are powerful opportunity, because they are the basis of building inventory, for calculating opportunities.

According to Albert Einstein "I know, quiet certainly, that I myself have no special talent, curiosity, obsession and docked endurance, combined with self criticism have brought me to my ideas."

According to Henry Ford -"the air is full of ideas. They are knocking you in the head of all time, you only have to know what you want, then forget it and go about your business. Suddenly the idea will come through. It was there all the time."

According to Mary Kay Ash –“a mediocre idea that generates enthusiasm will you go a further, then a great idea that inspires nobody, so by these words of great people who have built up the empires and who have been the parameters of success.

Recognize importance of ideas to built opportunities

When ideas are combined by intelligence, creativity and innovations, people could generate products and services which are valuable to human society.

Opportunity analysis

It is an important parameter of market research and development to build strength of markets, problems, threats. Opportunities are options, where people can invest. Analyze the strength of industry with administrative talent of people, management and government support to build motivations of people in industry. The problems relate to

- Social norms
- Lack of staff, talent, training
- Low enthusiasm and moral of people

Threats would be

- Cost barriers
- Poverty barriers
- Laws, regulations

These are barriers and the threats

Change in technology -is also threat for many industries

Opportunities - will bring

Leveraging of profits

Training of people and development

Adaptability of product to market

Opportunity analysis of market involves

- Company portfolio

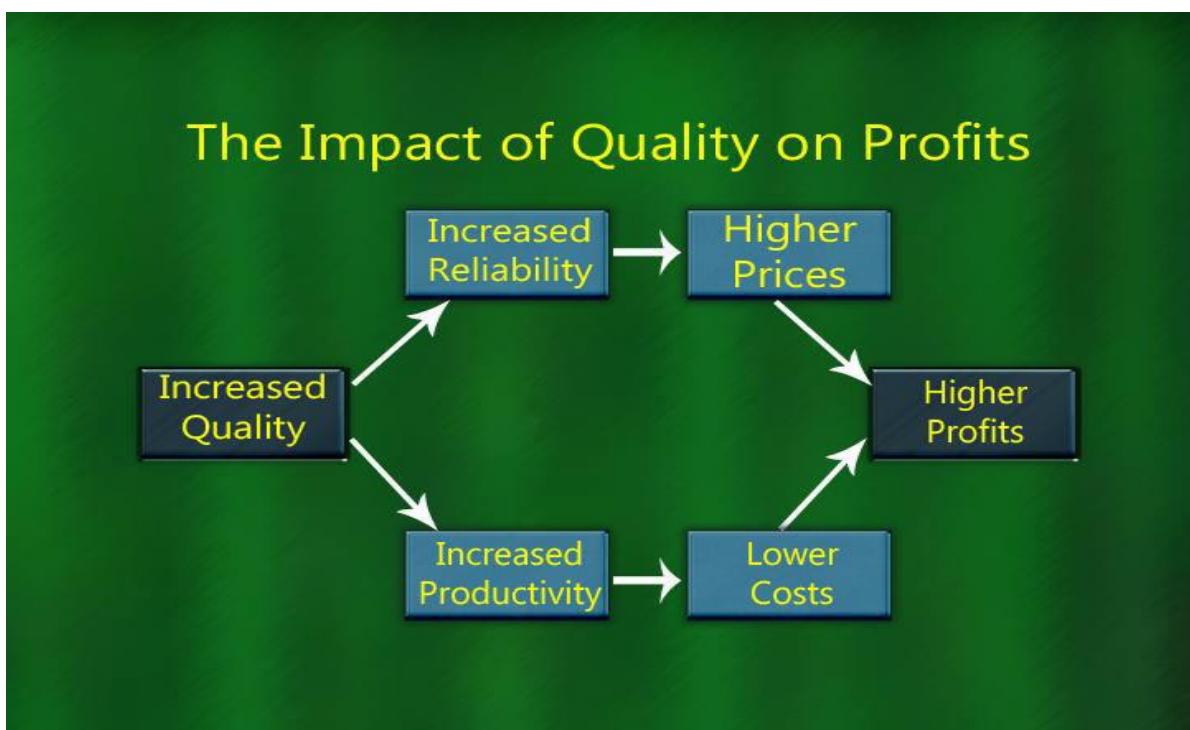
- Competitive advantage
- Building core competency
- Build competitive landscape.

Company portfolio - various portfolios associated

- Basics sub- units are existing in industry known as strategic business units of company
- Each strategic business coordinates with other business units
- Competitive advantages –unique selling proposition gives lot of profits to company.

Core competency- is salability of company's talent and cost aspects. The competitive landscape is competitors profile and their basic strategies impacting market. Company on basis of its core competency has to build quality products. The quality products find an opportunity on basis of profits.

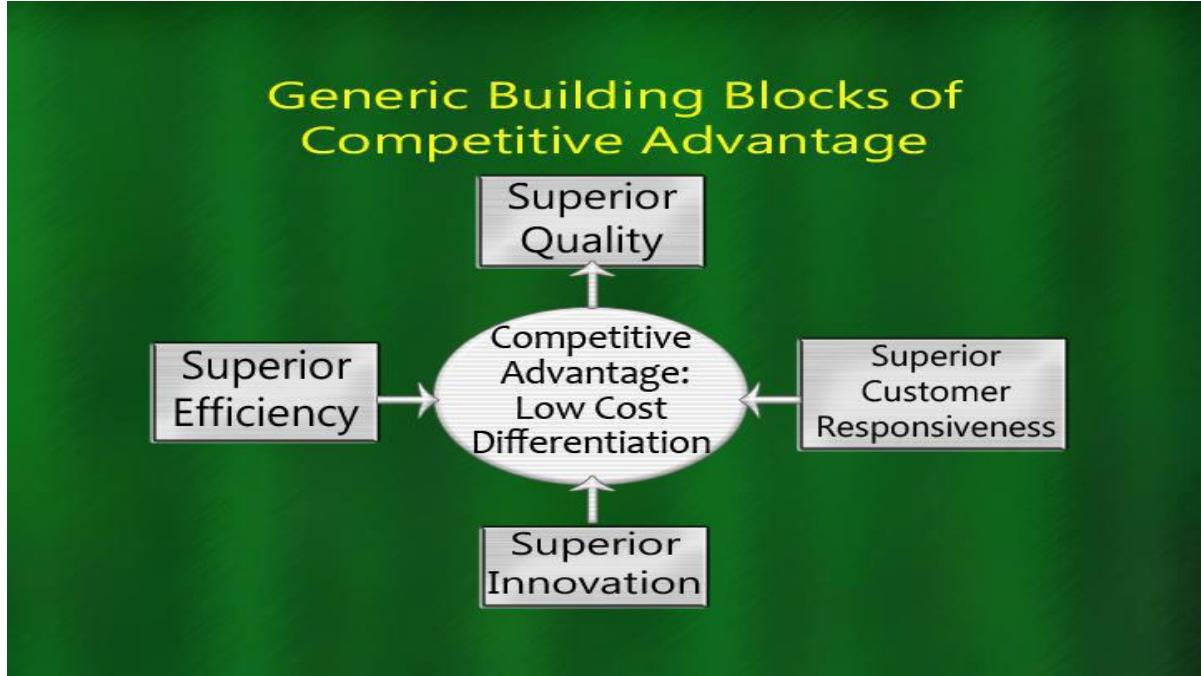
Model to increase quality



Model to increase quality

- It gives increased reliability and increased productivity.
- Increased reliability - gives better prices
- Increased productivity - turnovers increases, per unit cost of product is reduced.

Opportunity analysis builds competitive advantage



Opportunity analysis builds

- Superior efficiency
- Superior quality
- Superior innovation
- Superior customer responsiveness

This builds competitive advantage

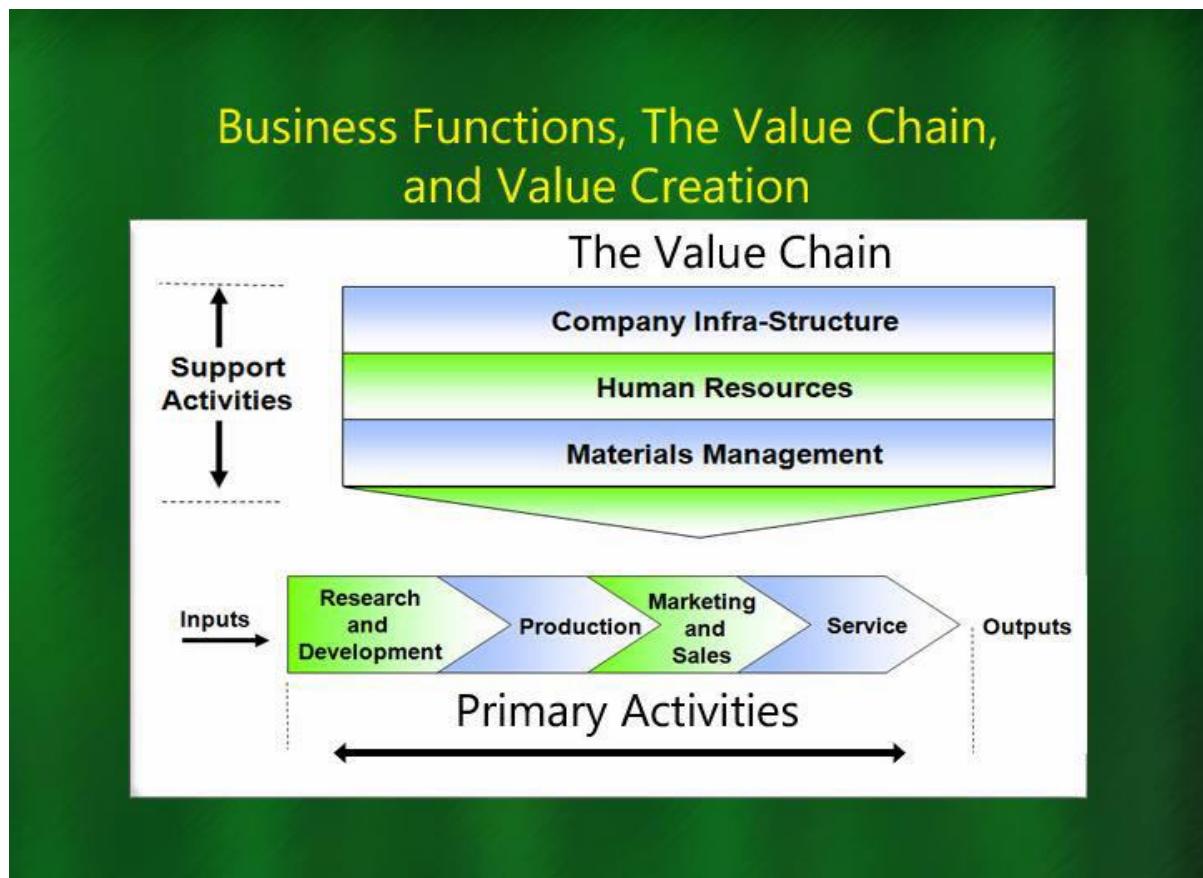
- Low cost and high product differentiation to give valuable position to product in market.

Impact of efficiency, quality, and innovation and customer responses builds on prices and cost. Model focuses on

- Innovation
- Efficiency and customer responses
- Per unit cost
- Low per unit cost increases efficiency
- Quality is resultant of all these forces.

The business functions

- value changes
- Value creation



Value creation and value changes

- Support activities deciding business performance
- Company's infrastructure
- Human resources
- Material management
- Inventory management – company's inputs required
- The research and development, production, marketing, sales and service are prime activities to give outputs.

Outputs -supported by company's infrastructure

Value chain -

- Supporting system of company relates to primary activities
- Value creation of environment involves scanning opportunity and giving that extra edge and value, so that customers are satisfied.

So, these are the basic opportunities which exist in market and so growth exists in market

EVALUATION OF THE OPPORTUNITIES

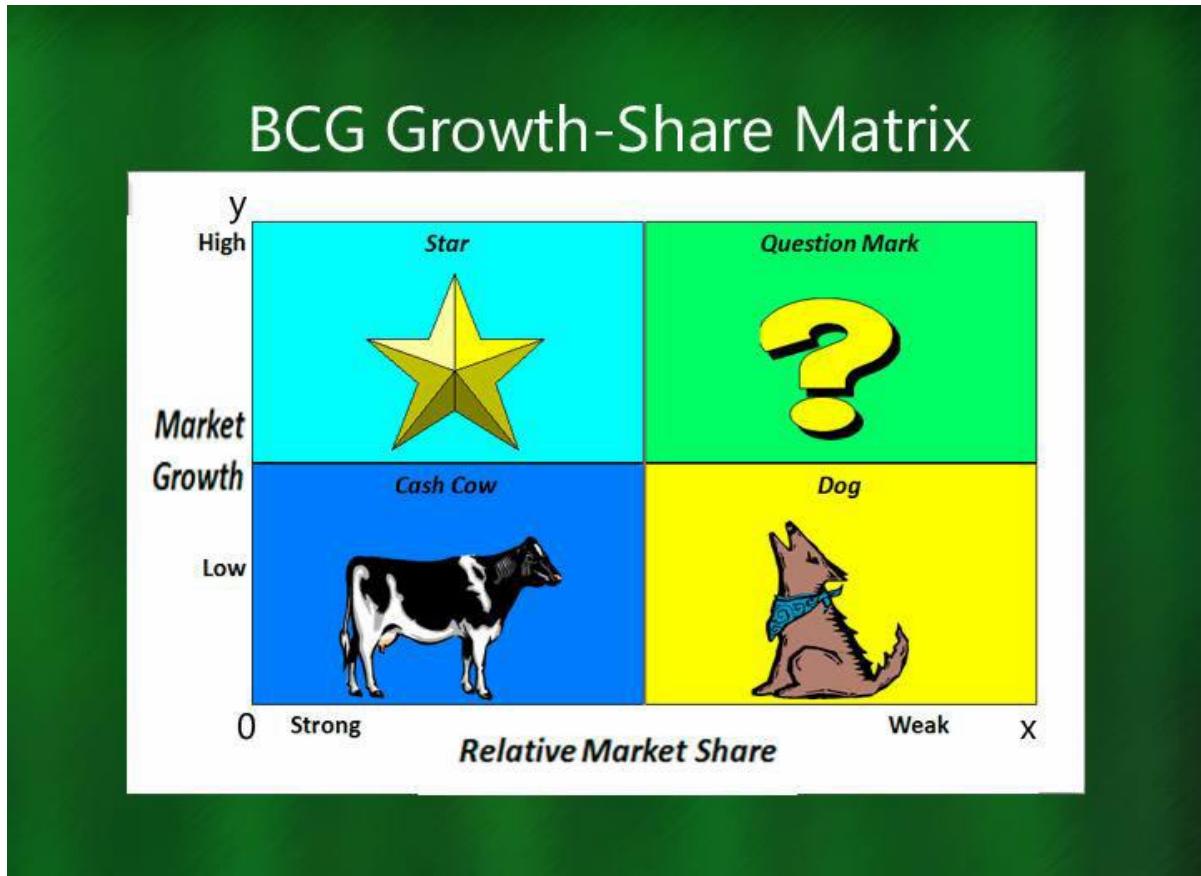
Growth matrix for evaluating opportunities in market

- Markets growth and market share is shown by BCG growth share market.

Model of marketing

Analyses market share of particular competitive in an industry

BCG growth matrix - market share and growth matrix.



- On Y-axis - market growth rate
- On the X-axis - relative market share.

Marketing model - used to assess opportunities of investment for an industry.

Cash –cow

- M arket growth rate is low
- R elative market share is strong
- *Cash cow stage* - means funds are coming into market.

Star stage-

- Market growth rate is high
- Market share is o high
- *Star stage* - investment phase.
- Invest, build, grow, and diversify in this phase.

Dog stage

- Growth rate is low
- Market share is also low.
- Dog stage –try to disinvest

Question mark –

- The basic un-deciding stage of opportunity exists
- Market growth rate is high
- M arket share is low

- Question mark – strategies are not decided

This is opportunity profile

Industry and with each growth, and resultant impact on investment.

Star is best quadrant to invest and diversify

Basic strategies governing BCG growth model are

- Increase market share
- Hold market share to harvest
- Divest.

Dog stage - better to go for disinvestment or liquidation because this is time when, business is not attractive and any other investment would not give profits.

Distinctive competencies- resources and capabilities of companies have to be decided according to opportunities existing into market. The competencies are

- Build resources and capabilities
- Superior efficiency
- Quality
- Innovation
- Customer responsiveness giving differentiation and low cost value creation to give higher profits



Roots of competitive advantage.

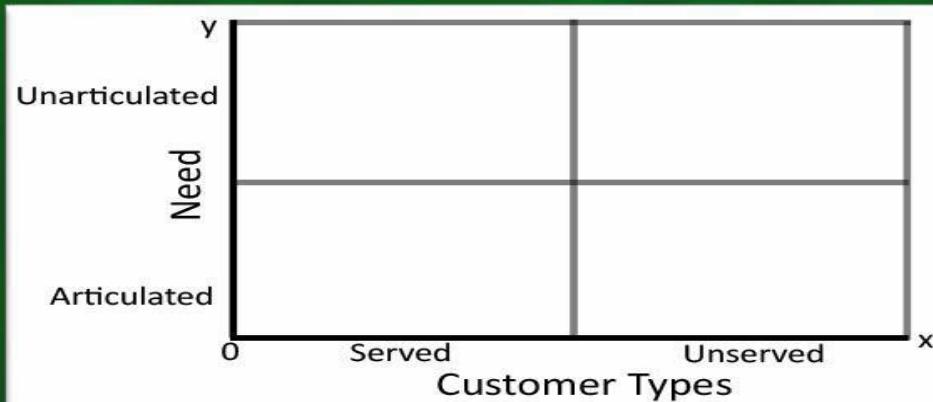
Market with unmatched demands of customers. Customers wait for products.

The matrix

- On Y-axis - needs
- On X axis - Customer types



Must we wait for consumer demand?



Needs - are articulated and unarticulated.

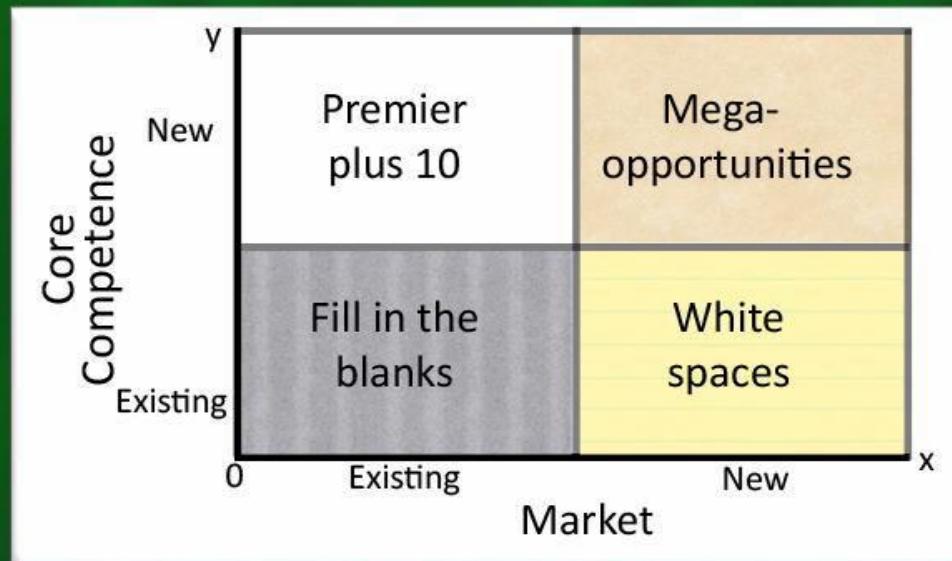
Customers - are served and un-served.

Unexploited opportunities –

1. needs are unarticulated
 2. Customer types - are not served.
- Can design new products and new ideas and new businesses related to this segment of market
 - Give products to e customers
 - Need and customers are not served for particular product.
 - Could be post-purchase services of product
 - New services, electronic banking, on-line shopping
 - Leveraging impact to exist so as to meet this demand of customers.
 - Architecture of opportunity - built from inspirations and efficiencies from demands of customers.

This is the **Hamel** and the **Prahalad's** score competency agenda matrix building e core competencies i n market

Hamel and Prahalad's Core Competency Agenda Matrix



- on Y-axis- core competencies,
- On X-axis existing markets.

Core competencies are new

- Build something new which is innovative, creative, technological oriented and differentiated
- And the market is un-explore
- New quadrant -mega opportunities exist
- Core competencies are existing

When market also exists

It is not demanded by customers

Core competency is new, is used by existing market and new market. Both markets would demand these competencies and opportunities exist in markets.

Opportunities design and strategic base

- Level of strategies depends on business style.
- Strategic base needs to compete with market resources.
- Business level strategies would be decided on basis of opportunities and resources.
- Match resources with options available in market.
- Low price products
- On Y-axis - unique distinctive product
- On X-axis - customer groups

Customers Groups =There can be one group customers and Many kinds of customer groups. These will emerge with abilities

- Focused leadership,
- Cost leadership
- Focused differentiation strategy

Strategy - demanded by customers would be cost leadership strategy

- Work on cost aspects - gives low cost products to customers.
- Distinctive products are given to customers
- Many customers existing in market - attain leadership position in market.

Differentiation strategy is sustainable strategy, which will build back up for existence of product in market

Opportunities scanning – The various parameters of opportunity scanning are:

- Market shares
- Growth rate
- Competencies
- Resources
- Customers
- Shares of markets
- Competitor's profile.

And on basis of all these aspects strategy can be built.

Strategy -is built up of many units put together to design and define long term impact of the product existing into market.

Product development has to be sustainable. The sustainability aspect is

- Viability and development of product for long term.
- Designing product in scientific way so that product does not generate negative impacts to environment and other aspects of human existence.
- Product supported by scientific, planned and managed way is in harmonious rhythm with environment
- Ecological aspects, technological aspects and social aspects build competent product into market which is opportunity based product.
- These products sustain for longer time into the market.
- They explore better opportunities of growth into the market
- In era of competition, building sustainable models is difficult.

Impacts

- Changing technology at exponential rate
- Changing markets at fast pace
- Changing competition and cut-throat pressures into market
- Changing norms of government, rules and regulations
- It all puts pressure on opportunities search profile.
- But, still sustainability is a basic edge to survive into market.
- Sustainability is scientific management, design and plan. This is core competency built into market, which gives definite shape to product in market.

I hope, students must have understood the concepts of opportunities scanning, environmental building as process for designing sustainable product. Investment

can only be fruitful, if they are put into good ideas. Ideas that can move people, build social relationships, products and services are useful for human society.

Thank you, students!

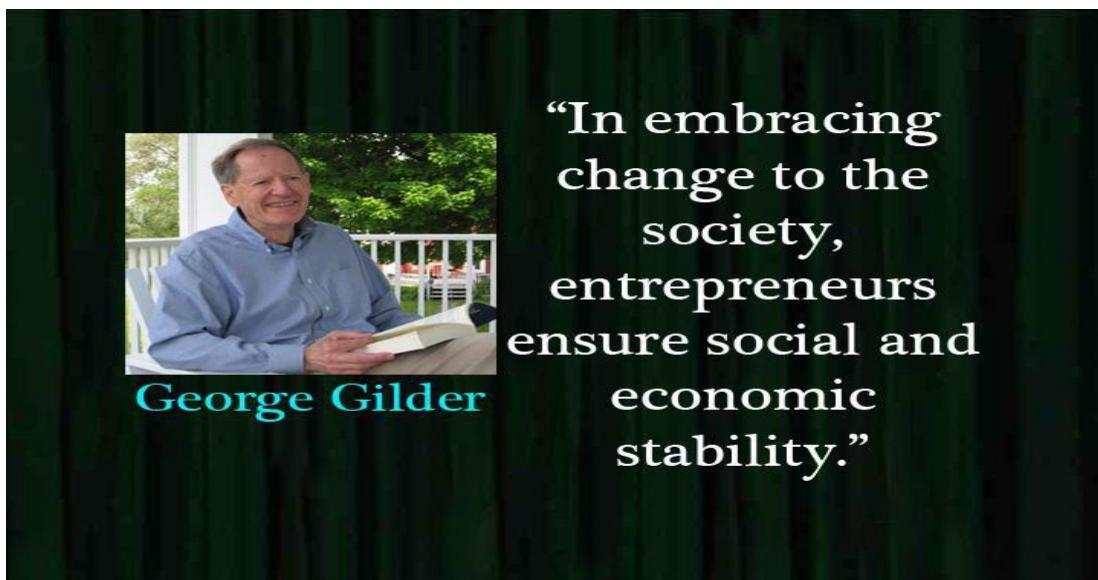
FUNDAMENTALS OF ENTREPRENEURSHIP (PART-14) SOCIAL STABILITY

Social stability is a system of social values, where society is combined in a way where values and culture are integrated. The entrepreneur's generate an economic system, where employment balance is there and people are happy in their social life. The social values are important because social systems are not integrated cohesive abilities. They would result into violence in society. So we have to be careful to build up systems which are socially stable.

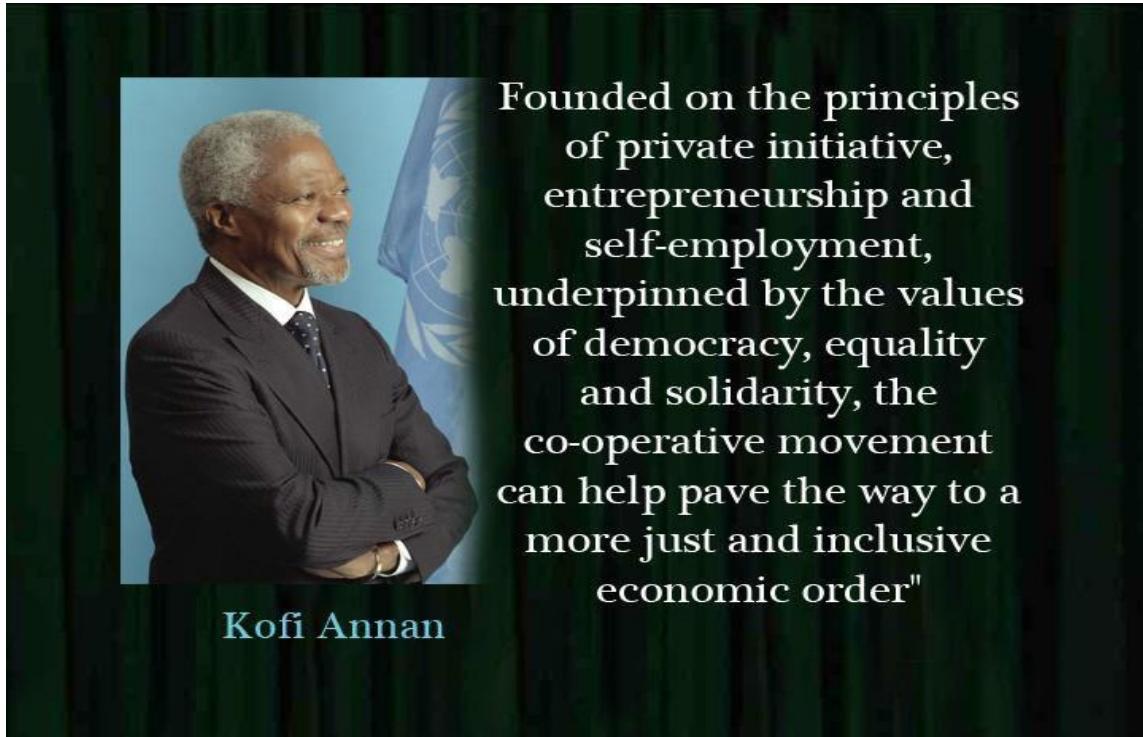
Now why employment is necessary for a society to be happy?

“One’s work is means of developing one’s craft of refining one’s character and contributing to welfare and progress of society, indeed the fight against under employment must begin with dignity and value of all human labor even if it is humble, insecure, unprofitable or unremunerated.

So, these are the words which show, how important, it is for society to gain employment. This employment gives economic independence and builds the social systems, in embracing change to the society. The entrepreneur's ensure social and economic stability”. (Gilder).

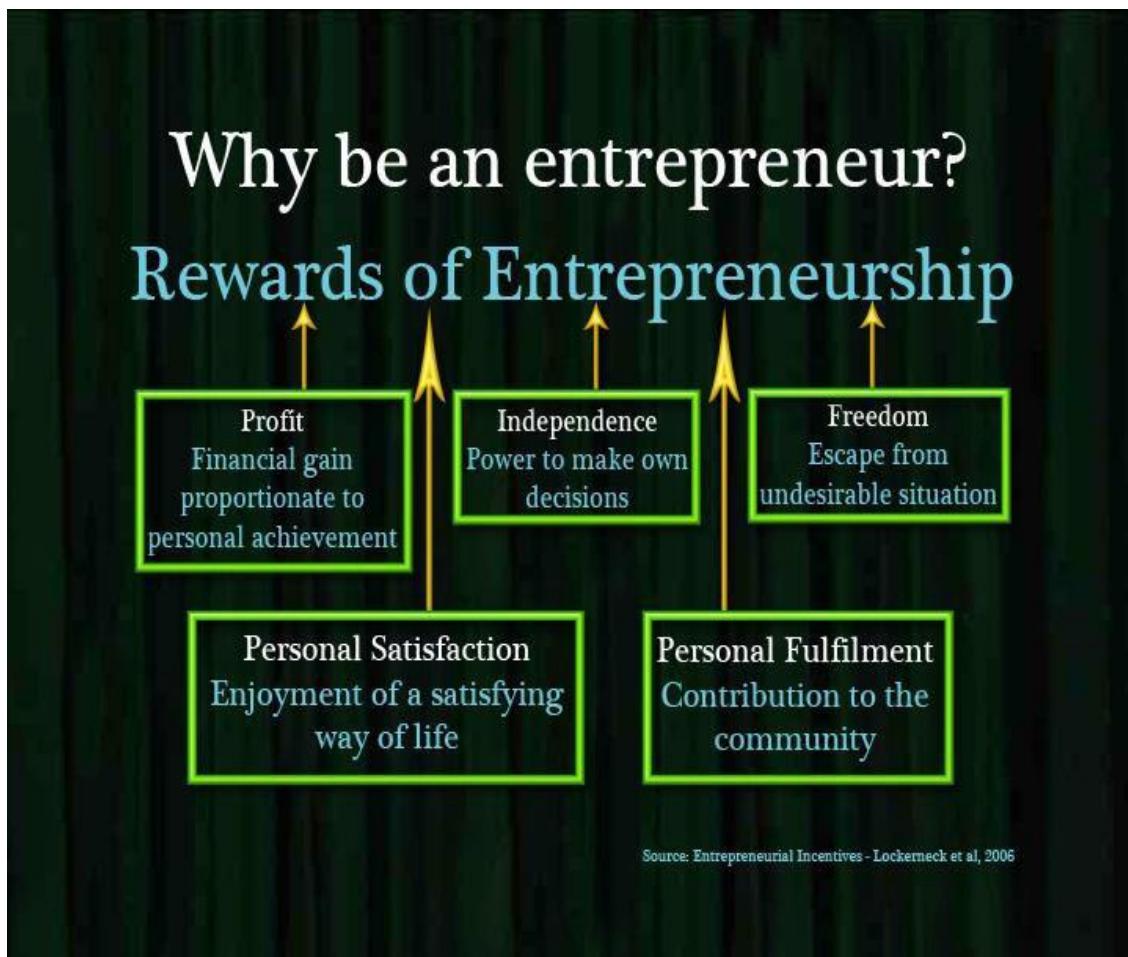


In the words of Kofi Annan, “*Founded on the principals of private initiative, entrepreneurship and self employment underpin by values of democracy, equality and solidarity. The cooperative movement can help and pay the way to more just and inclusive economic order.*”



1. IMPACTS OF THE SOCIAL SYSTEM

An entrepreneur in society to build social systems



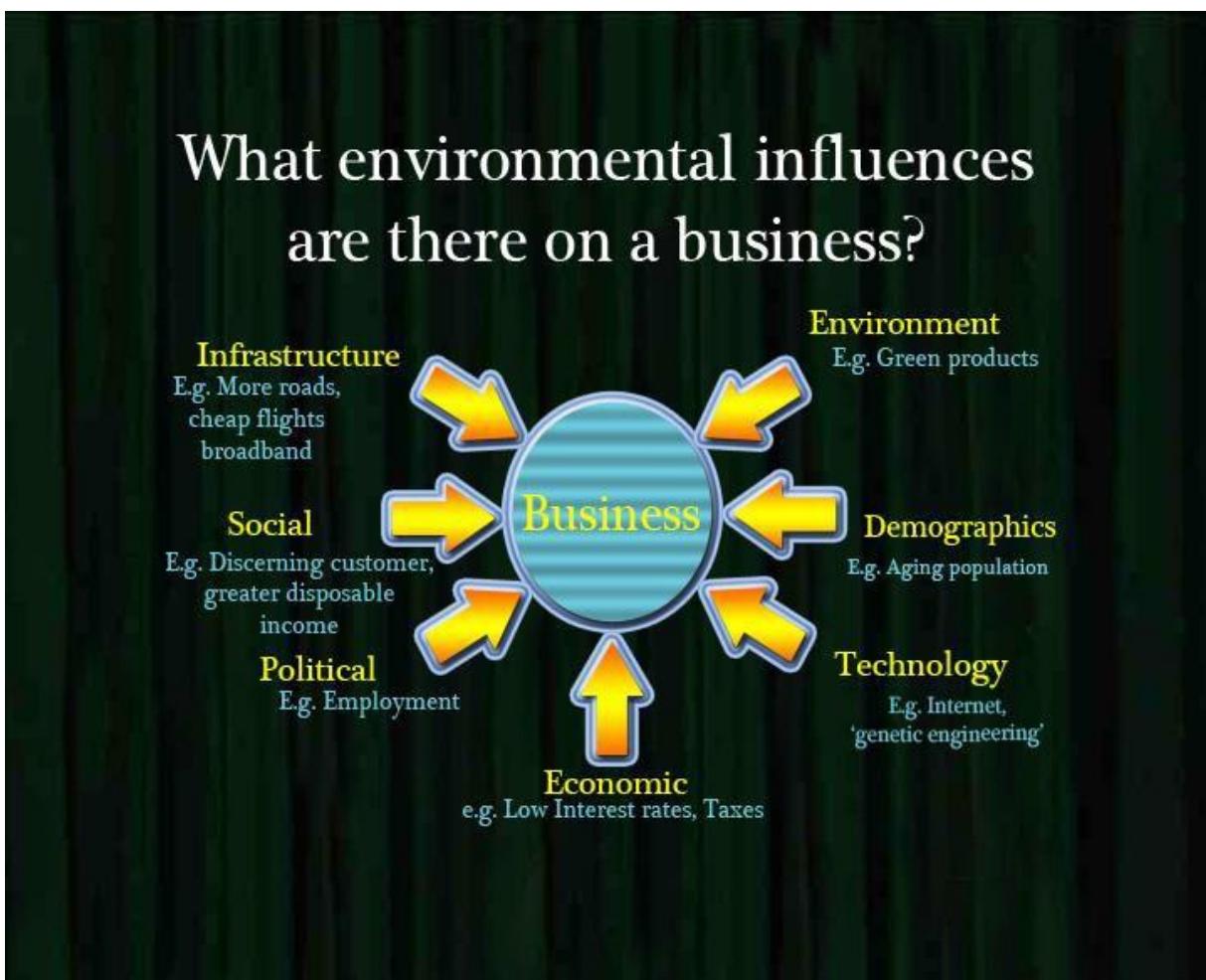
The rewards of entrepreneurship are massive.

Profits - is financial gain and personal achievement.

Independence - is power to make own decision, freedom, it is escape from the un-desirable situations of life. There is personal satisfaction satisfying and way of life for personal fulfillment for contributing to community.

Model gives attributes, impacts and social systems generated by entrepreneur to design life and community.

Total influences on entrepreneurship development in society are impacted by many factors, displayed in this basic model.



Business is the most integral aspect of society. This is impacted by

- Infrastructure road and connectivity
- Social system
- Growing changes and needs of customers
- Political environment
- Governed by stability and employment loss.

Economic environment is governed by

- Low rate of interest
- Taxes and growth rates

Technological environment governed by

- Internet
- Genetic engineering.

Demographic is

- Changing and aging population
- Growing youth needs

Environment dictated by

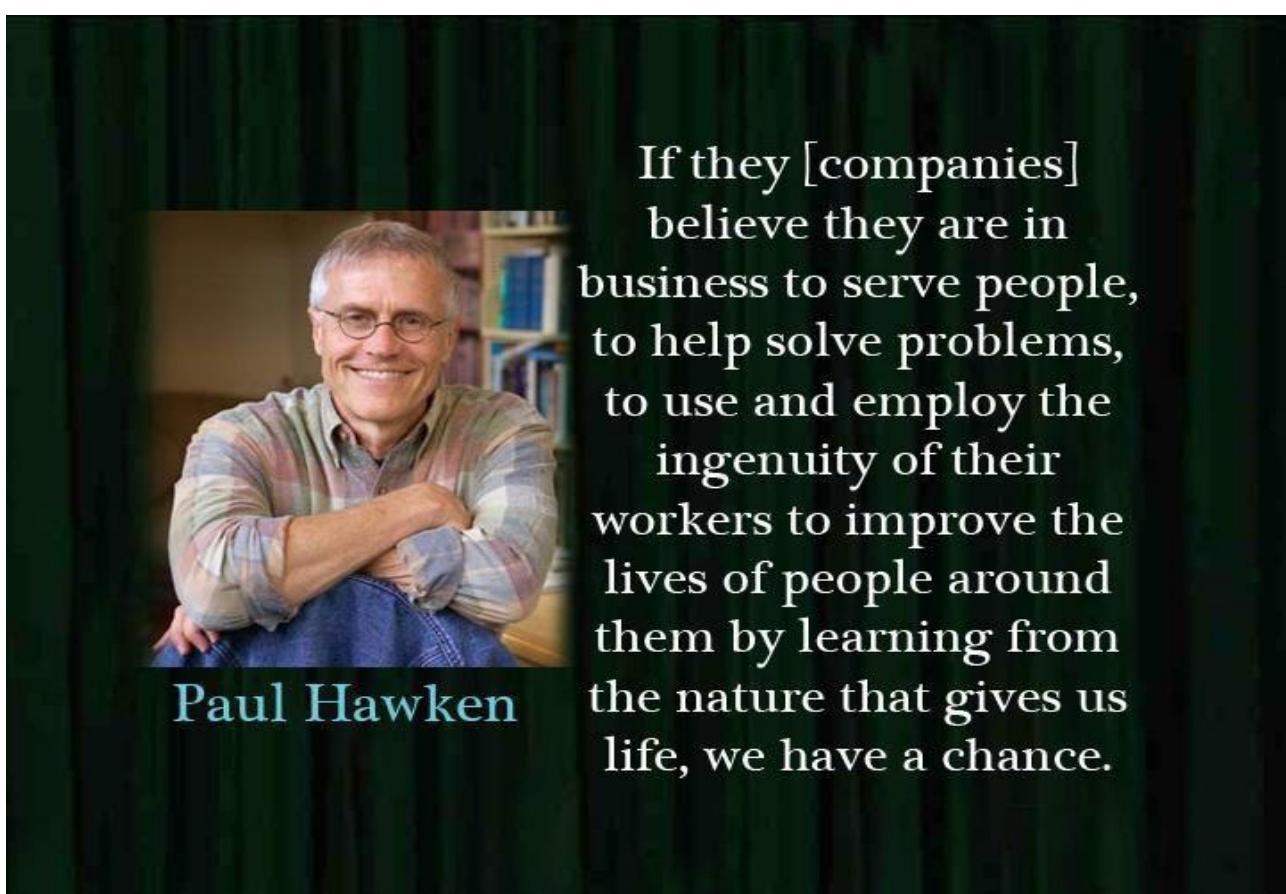
- Green plants
- Eco-friendly products.

The bigger companies which are operating in environment need

- Social values
- Environmental values of system.

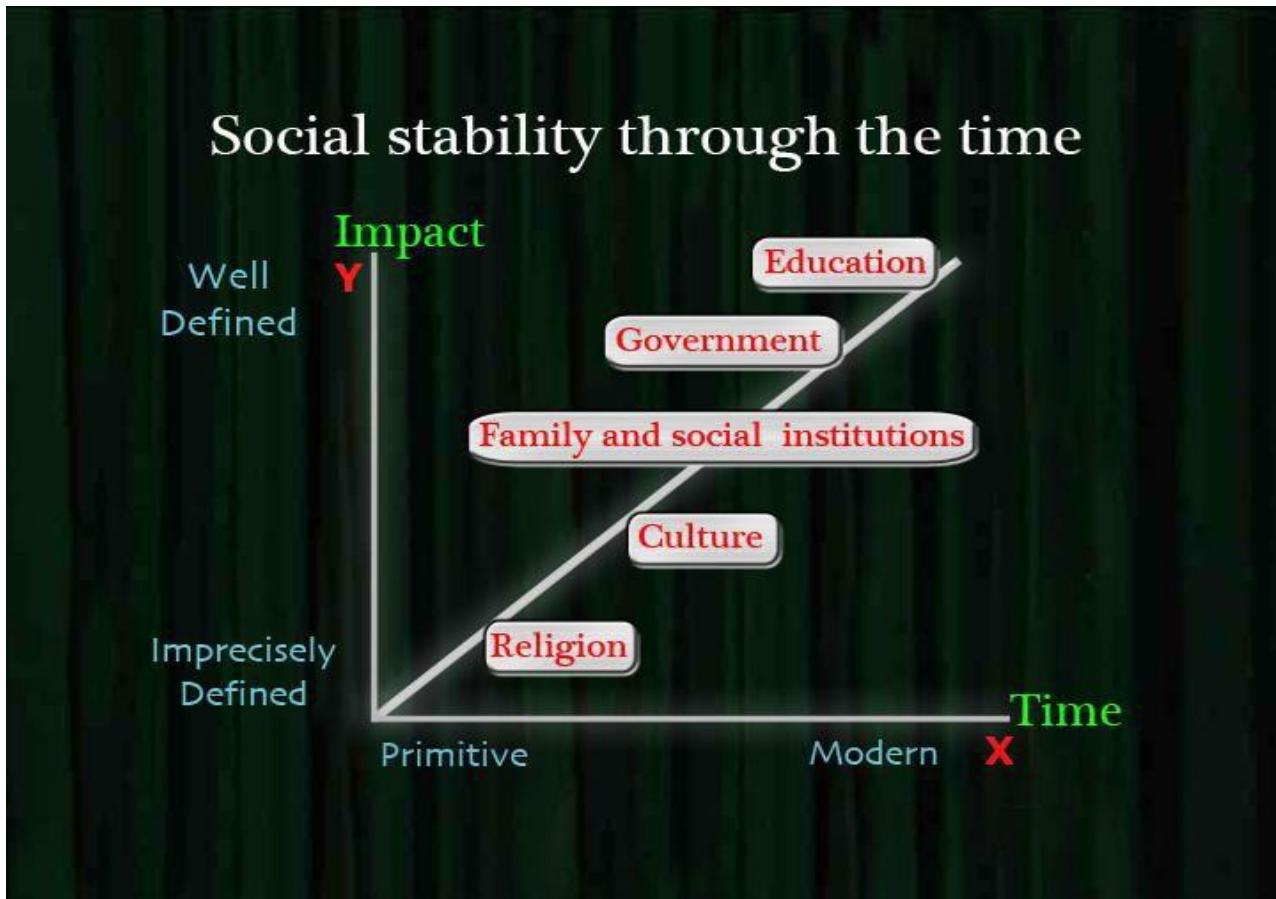
“If these companies have to consider business as a sensible part of their survival, it is necessary to look after needs of society.

If companies believe that they are in business to serve people, to help solve problems, to use and employ ingenuity of their workers and to improve lives of people around them. By learning from the nature, it gives life and then we have chance to survive.”(Paul.)



So, these shows, how important for society are to sustain business with rhythm in nature to give benefits growth and building economic systems. The social stability is an

integral part of entrepreneurship.
We have this model,



On y-axis - impacts

On x-axis - time (primitive and modern).

Changes start from

- Religion
- Culture
- Family
- Social institutions
- Government formation
- Education and changes happening in total system.

2. SOCIETY AND CULTURE

Society and culture impact the business scenario.

Culture is a way of living habit of people which is impacted from generations to generations. Culture impacts social institutions of people.

Culture has both conscious and un-conscious impact on society

Displayed in form of material and non-material objects.

Attitudes, beliefs and values are needed society

Attitude is learned strategy by which a society behaves in predestined and defined way.

Belief is organized knowledge about thing or perception about service.

Value is happy desire about subjective desire of personally gained or preferable mode of living in society.

Religion is basis of human society. Religion is one important source of society's belief, attitudes and values.

If religion was not there, society would have been disintegrated because it is basic aspect of religion which gives identity. Religion has shaped by beliefs, rituals, persona, the model communities and personal experience. They are very personal values for living systems but then ideas and faith build trust in society. This trust transform into business institution to facilitate exchange process.

Beliefs are resulted in form of ideas on which basic faith is built up. These are transformed into rituals

Rituals are daily habits of people which re-enforce faithful system. The moral communities are shared religious belief among people and the personal experience giving meaning to one's life.

So, when people exist in society, where religion is strong, there are less chances of having being corrupted people who would destroy social system. The religious rituals and experience are important for society to build solidarity and faith. It is required feelings and precipitations, so as to be in direct contact with the ultimate reality of existence. The religion and functionalism is important because religion impacts social institution and gives many important functions for businesses and societies to exist.

The first function which it imparts to society is cohesion

Cohesion -reduces social isolation, people come, together and get connected for exchange processes to fulfill their life.

Social control -in form of authority, over significant events is necessary and social violations are avoided by system of social control. We have a purpose to reduce anxiety and stress level of the people, so that they can live in a balanced society. The symbolic interaction of religion is important to create social identities.

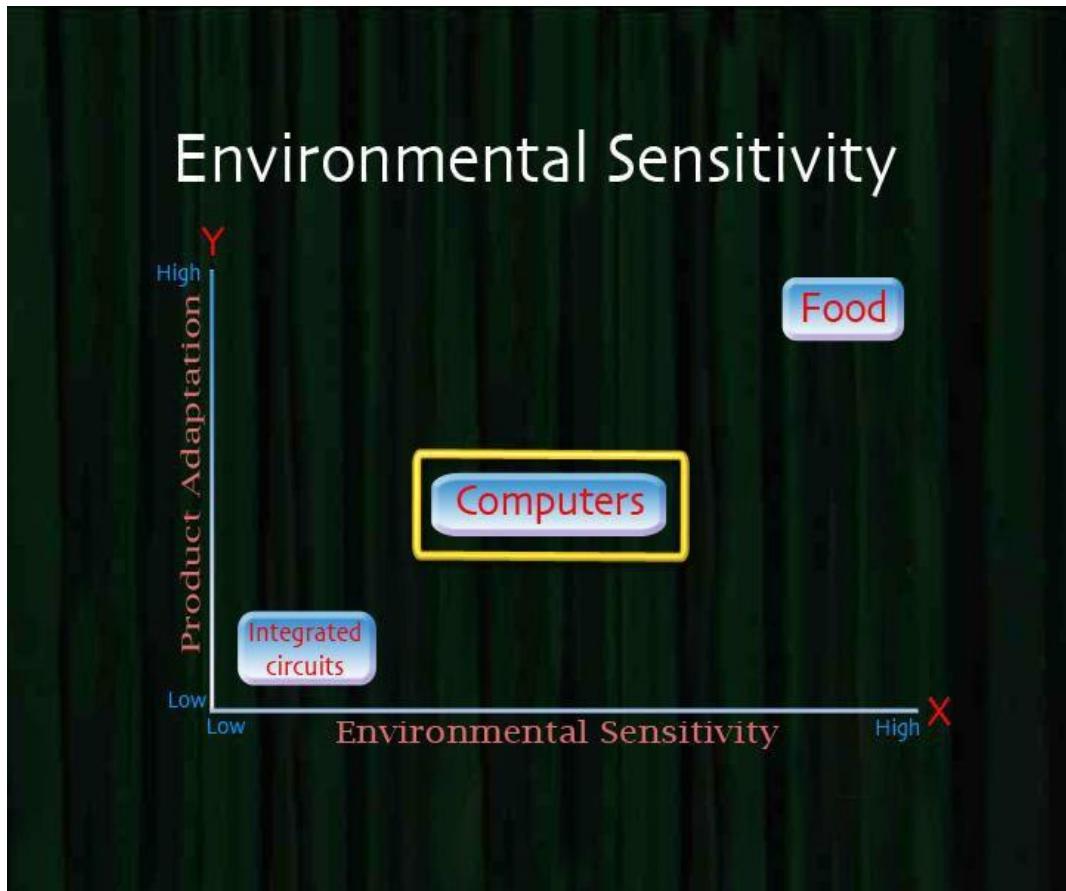
Identity is an essential element for social interactions because once people identity; it builds self confidence and people keep this religion as a private affair. They live their life by values; worship god in their own way and share security with God in their own way.

The important aspects of religious civilization are in form of the family and schools. The family is basic institution which imparts religious values to people and they study religious values their family orientation. The schools give habits and ways of life so as to sustain life in a beautiful way.

3. SENSITIVITY OF ENVIRONEMNT

Environment and development of products from entrepreneur, the sensitivity of environment is essential. It is adoption of products to people's life habits and religious habit...

We again have these kinds of two parameters.



On Y-axis -products adopted

On X-axis - environment sensitivity

When these sensitivities are low, integrated systems have mediocre products available and adoptable to consumer in form of computers and machineries

When sensitivity is high and product adoption is high - we have co-products food, services needed for survival of life.

Survival of life usage product is needed for people social aspect is resultant in form of Institutions.

Institutions are built on faith. The faith institutions which give rhythm to society as family, education, religion, government, business and these institutions reinforce to give culture variations.

Changes in society, styles and demographic change happening because of the social institutions.

Woman is an important parameter of all the aspects. Woman is a force, when being suppressed, the society was backward, and woman as a force, when being empowered and educated, society became empowerment.

Women work in businesses and as entrepreneur is an important issue again in governing social stability.

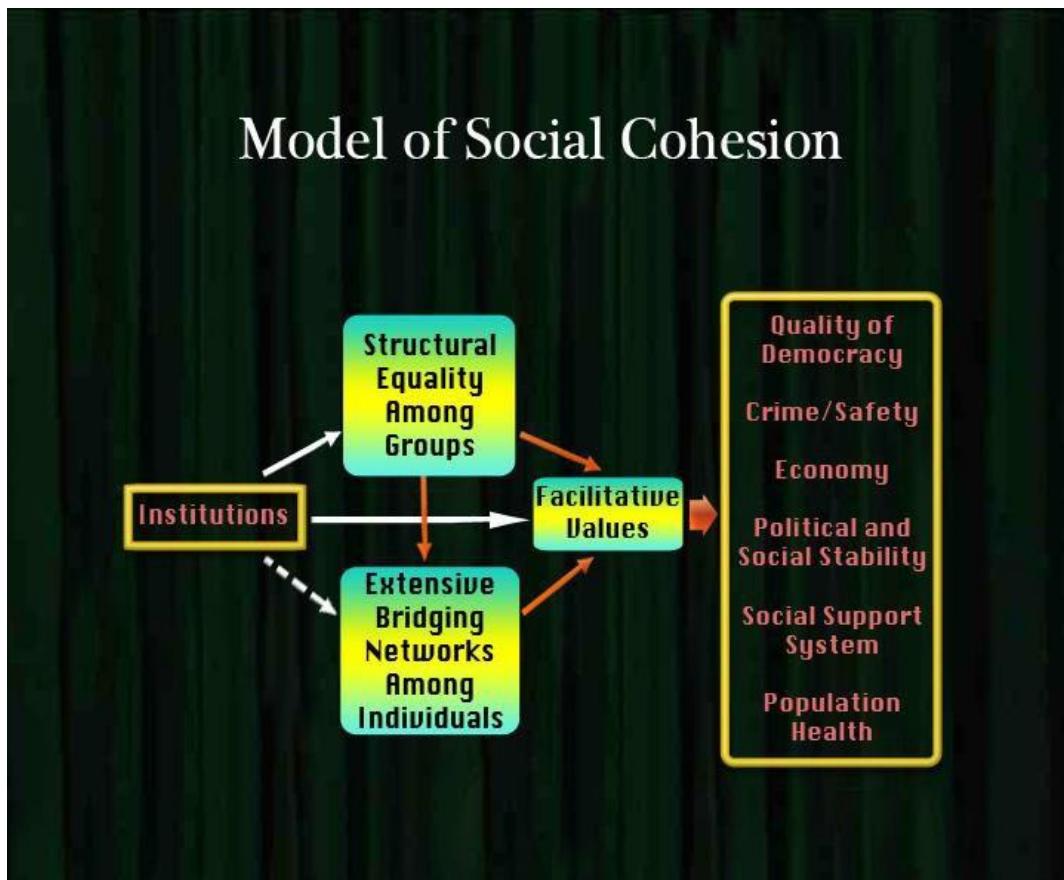
Woman work because of economic necessity, independence and being qualified to do work. It gives a sense of achievement and pass-time to earn money. It is status symbol for people to attain power and prestige. This is how society changes vision. The vision to be talented and technically built up in modern society which originated from the basic institution of human being as an intact family system.

This is being achieved by basic academic skills and employment skills which people cultivate in their life. This vision is generated and designed by people who have moral and social belief in the society.

In today's society, need of time is being stable, educated and technically advance. The social cohesion is important to give woman and man, empowerment in business sense. This is resultant, in form of shared identity i.e. common background and value shared by all people and work ethics. It is networks and norms, which people cultivate to build social capital and informal networks of social interactions.

It is access to equality and income heterogeneity and economic welfare in society, where work and labor force is banded together.

The model of social cohesion is built up by this the diagram



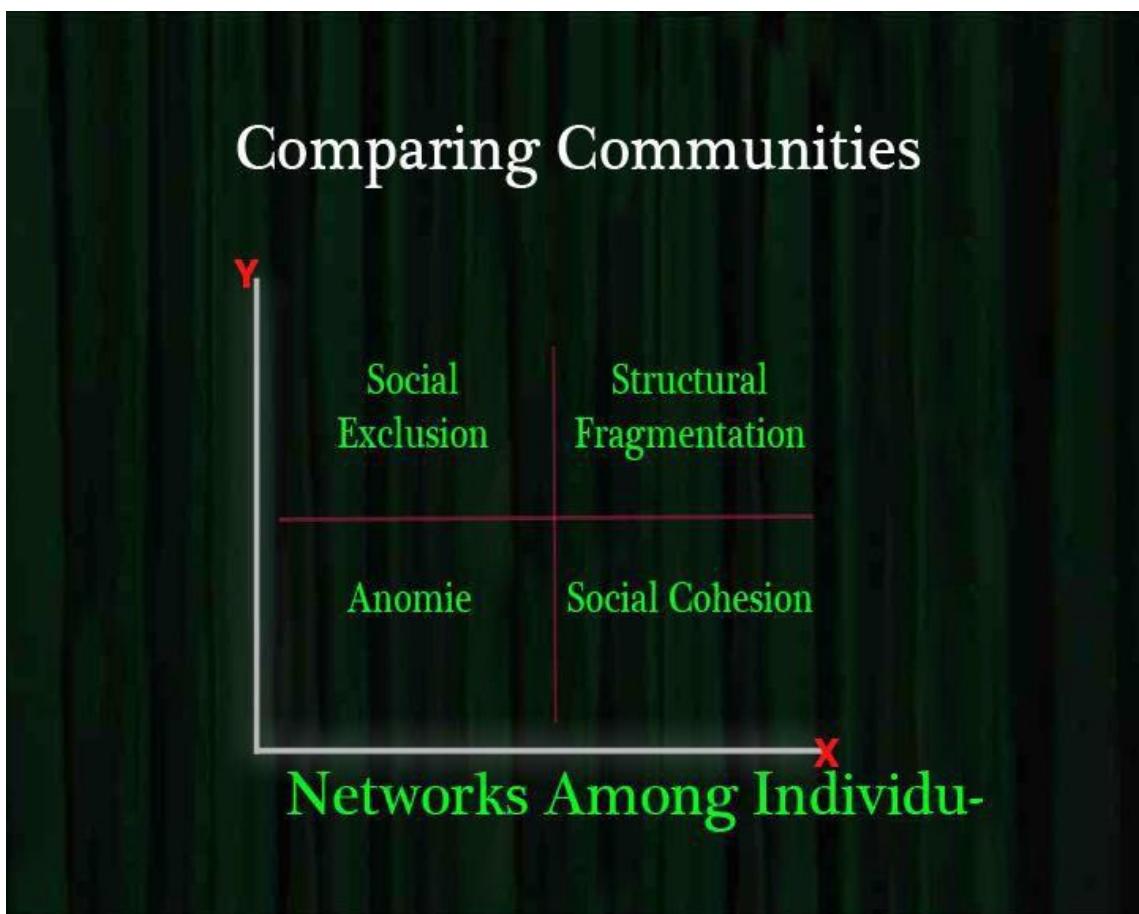
Institutions- structural equality among groups and extensive bridging among networks of individual. This facilitates values in giving

- Quality of democracy
- Society free of crimes, which is safe
- Economic system which is growth oriented
- Political and social stability
- Social support systems
- Population is healthy health, both mentally and physically.

Compare community's social health and social identity

On x-axis -- networks among individuals

On y-axis -- structural equality among groups



The society is cohesive- if

- Extensive networks are overlapping and build strongly
- Structural equality is more
- People are respectful to each other and have same status and are socially very good society

Steps to build up society with social wealth

- Deal with issues both at micro and macro level.
- Take into account political dimensions governing social systems.
- Distribution of values among people
- Level of analysis of demographic and business has to understood
- Society not profits but also philanthropy.

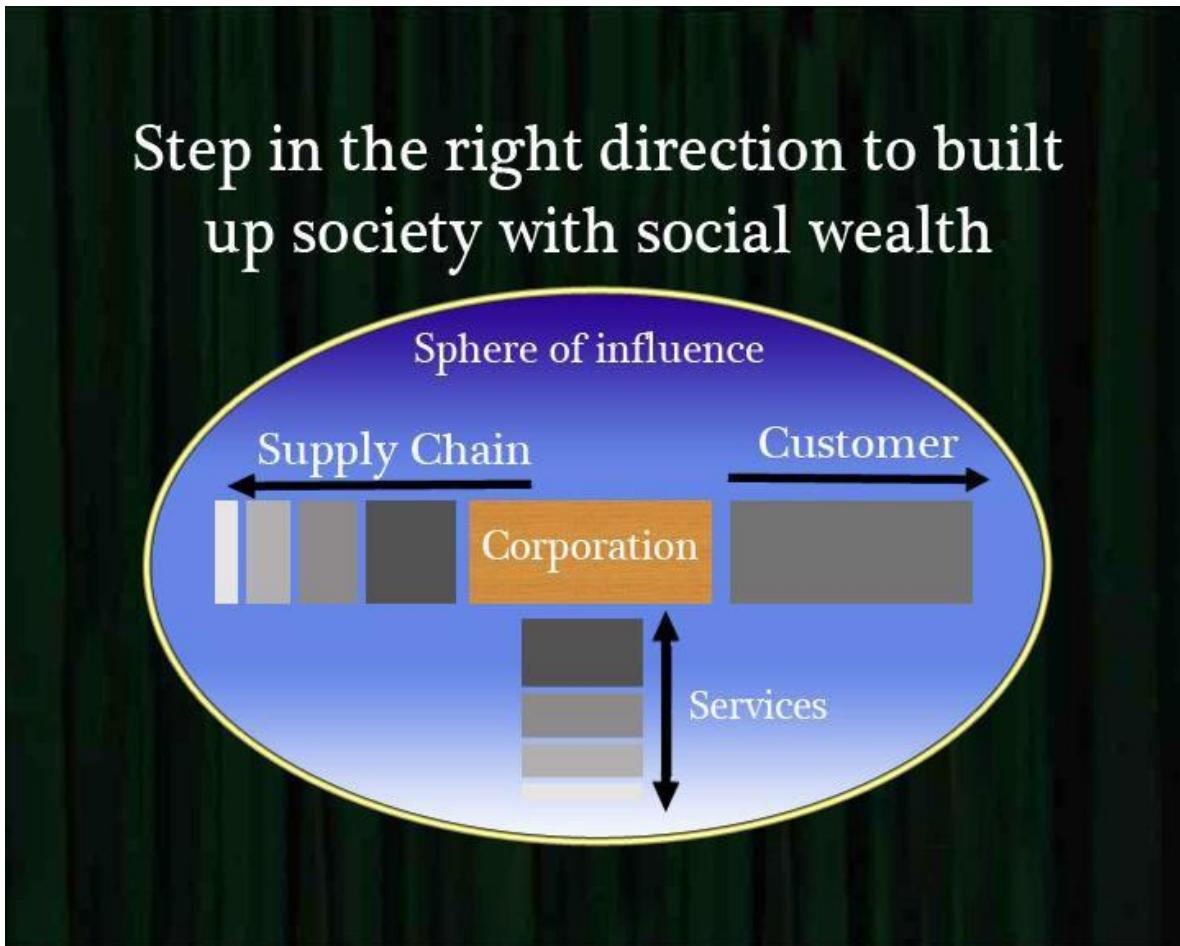


Value of business to survive

- Profits - growth
- Legal compliance -look after society.
- Moral complains –gives a philanthropy.

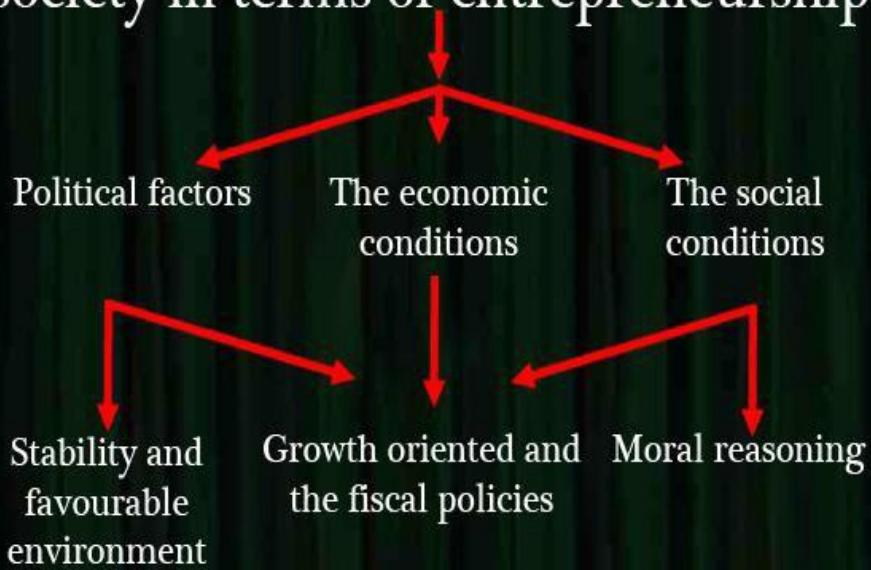
When business passes through stages of evolution, at each stage profit was required. But now, moral compliance is expected and philanthropy is desired by society.

We have part from stages of profit as legitimize goals to legal pluralism to moral pluralism and to growing demands of society philanthropy. *Philanthropy* is Builds Corporation - customer chain is served for satisfaction of customers. Never to cheat suppliers; give services to society but this spear of influences has to include the needs of environment and society.



The basic legitimate needs of the society entrepreneurship is again reflected by this model,

The basic legitimate needs of the society in terms of entrepreneurship



Basic legitimate needs of society entrepreneurship

- Political factors
- Economic conditions
- Social conditions governing the system.

The success of any society depends on favorable business. Impacted by
Political factors can be favorable

- If he has stability and favorable environment created by government in relation to faith of people

Economic conditions can be favorable

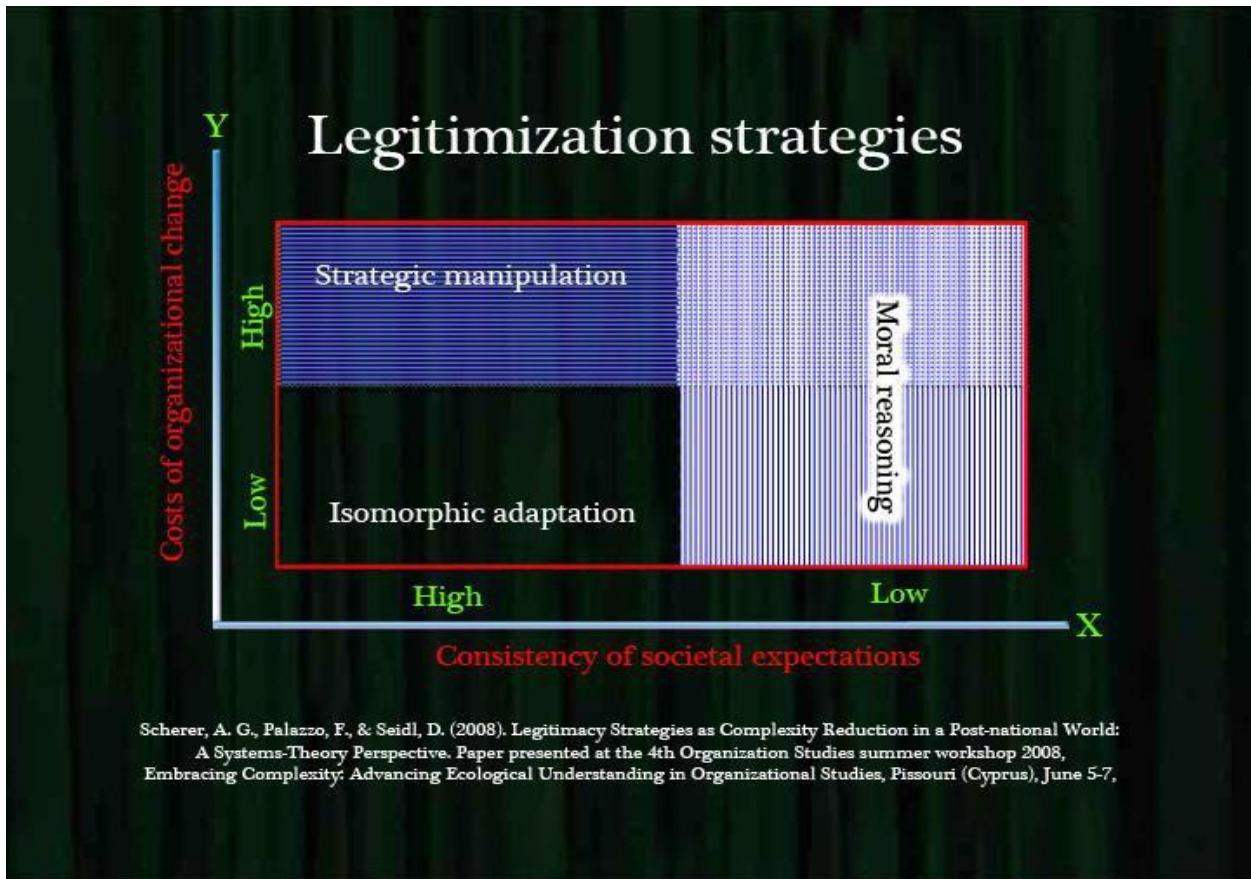
- If they are growth oriented and fiscal policies relate to investment aspects of people.

Social conditions can be favorable

- If there is moral reasoning so that people can live happily.

Now when we are in an era where there is a lot of problems, growing demand of people and youth coming to society

Legitimize are strategies.



This strategic manipulation at social level is required because

- Manipulate many factors at work
- Cost of organization to change to look after environment
- Changing human needs
- Customer satisfaction needs
- Increased expectation of people.

Consistency of society's expectation is increasing

- On x-axis - consistency of societal expectations.
- On Y-axis - cost of gaining environmental changes

Strategic manipulation

Consistency of expectation is high and when change cost is high.

- Manipulate money to reduce profit level's
- Strategically manipulate to establish a sustainable balance to give favorable equation to society
- Giving benefits to eco-system
- Social cohesion also exists in rhyme way.

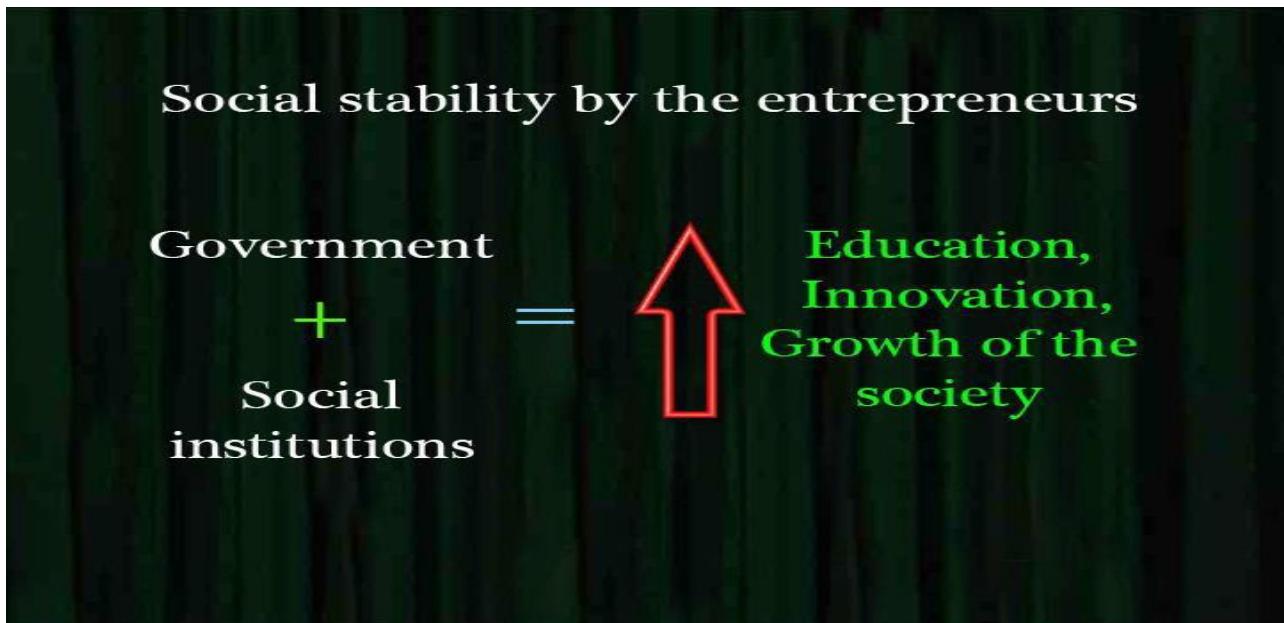
When there are e low expectations

- Resort the moral reasoning

- Transforms into a strategic manipulations
- Social stability is necessary for a system because social system is impacted by the government.

4. THE ROLE OF GOVERNMENT AND SOCIAL INSTITUTIONS

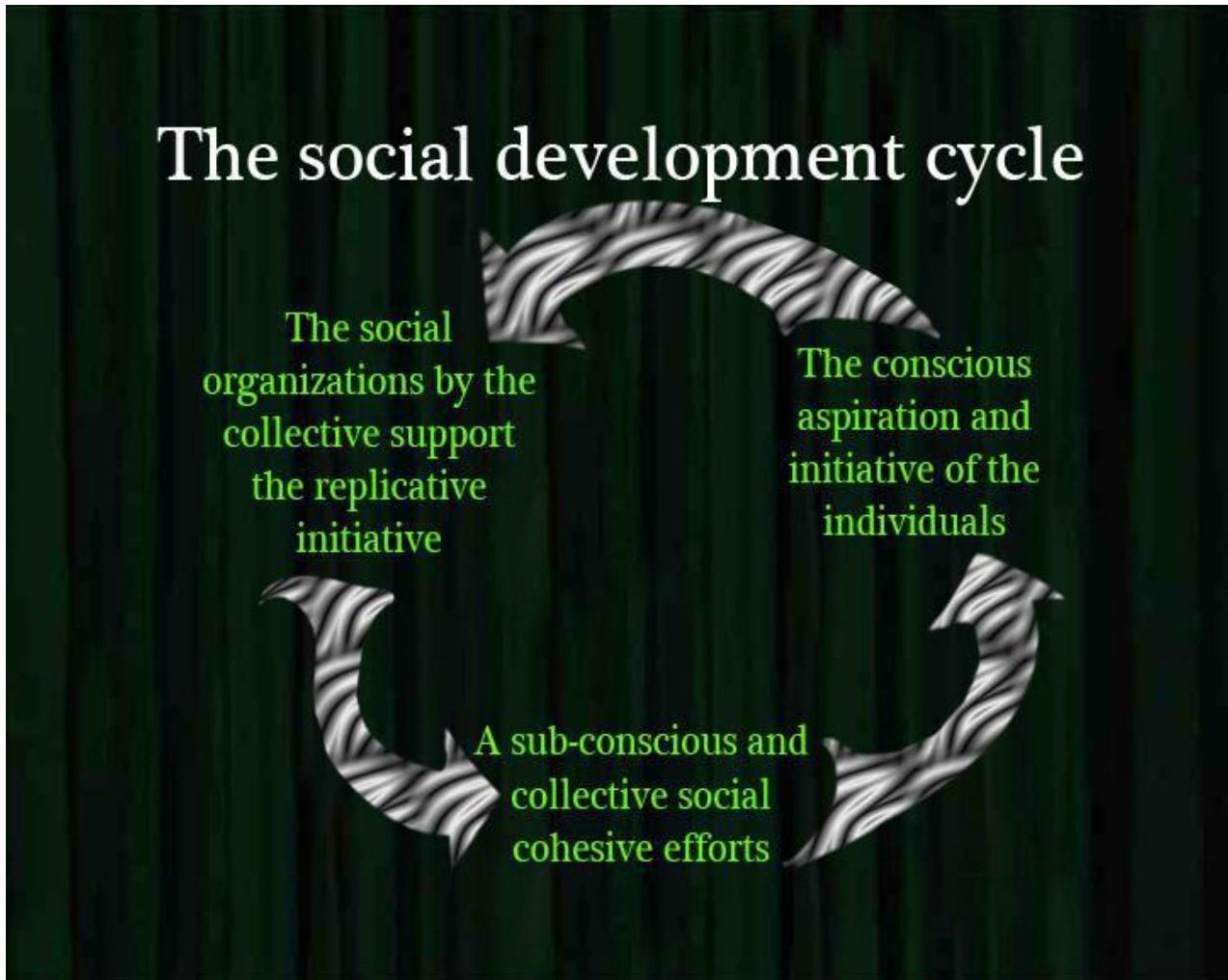
The government and social institutions work together to increase education, innovation and growth of society



Government education and giving innovative skills to people enhances the social development cycle.

Social development cycle

Here we have given you again a model,

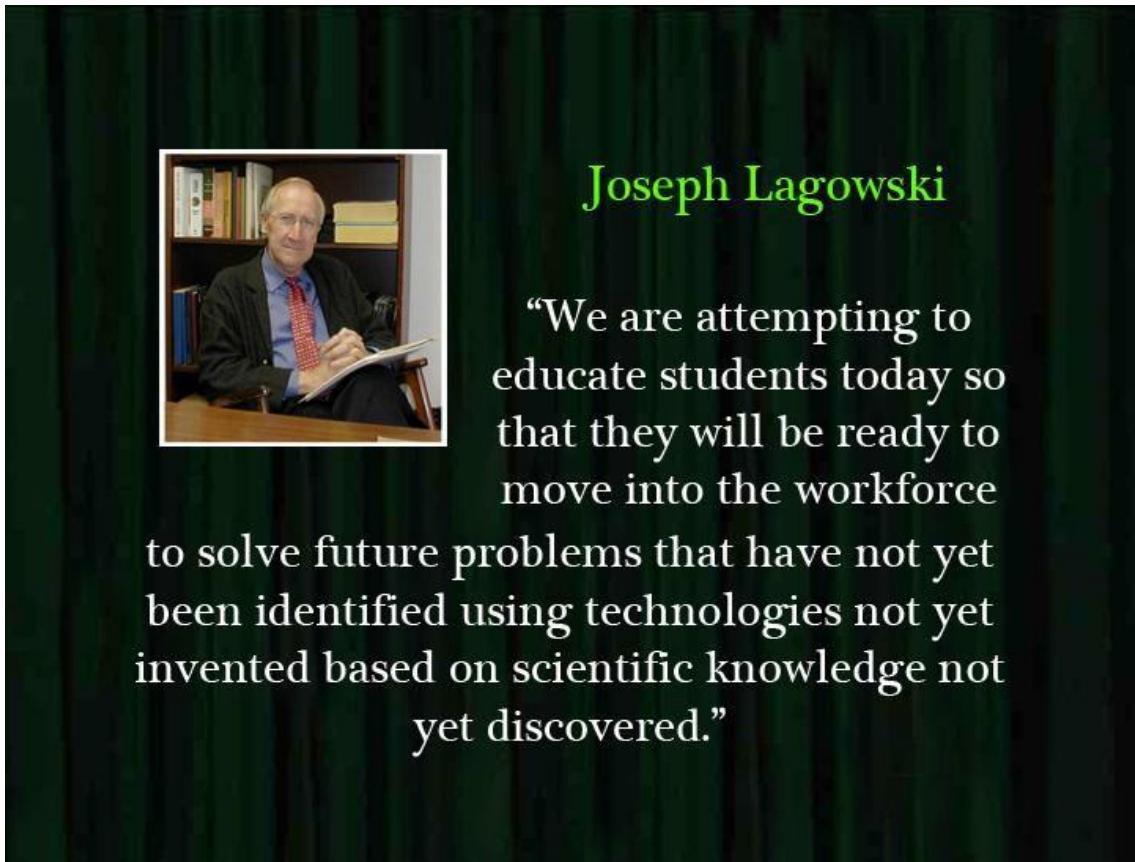


Social Development Cycle

- Conscious aspiration and initiative of individuals for social organizations by collective support and explicative initiative taken by people
- Sub-conscious and collective social cohesive efforts taken by people
- Organizations and individual aspiration put together build cohesive model of social stability.
- Education is major force which transforms people values in a system where people get united together.

We are in an era, where wars have finished and cold war era exists because people have realized that to live and grow and they have to prosper, o makes other people also live. Countries have stop fighting just because we are in an era where the philosophy is to live and let live others.

A share challenge in words of Joseph Lagowski says, “*We are attempting to educate students today, so that they will be ready to move into the workforce to solve future problems that have not yet been indentified using technologies not yet invented based on scientific knowledge not yet discovered so the future is uncertain. The generation which have to come, have to move into an era which is stable and socially identified joint needs of people.*”



To survive in future, they need to solve problems of intense and complex technological advancement.

Transition is from

- Physical to mental evolution of people.
- Physical replication to cognitive enhancement
- From heredity to learning environment
- From survival orientation to rising aspirations of people
- From social stability to rapid development
- From material resources to knowledgeable resources
- From collective conformity to individual self who's is empowered for decision making and employment generating abilities.

This basic table depicts the transactions in each face.

Mental organizations have changed people in education, science, technology and internet and values with advancement of technology.

- The values from identity change to freedom, respect for each other.
- Rising expectation society change
- Youth want more and they demand more
- Quest is for greater freedom and identify
- Consumerism is increasing
- Education madness is increasing in Asia, India and World.
- Urge for social mobility
- Smaller families
- Imputation for mobility and migration to other countries
- Need education, training and social attitudes, which are changing at very fast rate
- Source of social unrest which has to translate into form of trust
- Giving changes in employment scenario generated by the entrepreneurship.
- Job expectation higher returns, challenges and money.

5. CHANGING TRENDS OF THE SOCIETY

Let's see the changes in the urban society through education.

The Urban society through education	
Before the reform	After the reform
Food guarantee	Food market
The job guarantee	The labour market
The public health care	Semi-commercial
The public educations	A social arena
The labour insurance	Social insurance
The Welfare housing	The housing market
The social relief for “three Nos”	A social system for all poor people in the society

Education and skill development has transformed society to give future which is more refined

Before reforms and after reforms, what are the basic parameters?

- Era from food guaranty to food markets.
- Job guaranty has given rise to labor market
- Public health care system has become semi- commercial
- Public educations still remain a social arena
- Labor insurance has changed to social insurance
- Welfare housing has changed to housing market.
- The social relief for three knows is to give a social system for all poor people in society

Changes in education and skill development and in urban and rural systems

The rural societies have change in terms of reforms	
Before the reform	After the reform
The public farmland	A household farmland
The public healthcare system	Commercialised
Public education	Public education
Collective care	Social assistance
Guarantee	Guarantee
The disaster relief	Disaster assistance

Reforms depicted in this tabular form.

- This change in society has resulted into a reform based system where both Government and International forces and e International Institutions aids have resulted into a system, which is a social welfare system.
- Government is flexible towards social policy and is looking after the problems of society.
- Economic growth has impacted social stability
- National government and International bodies are also working.

Let's see this model,



International economic competition caused by global forces resulted into economic growth but the government being flexible social policy has given raised social problems caused by marketization and globalization.

The strategies for instituting change in societies have resulted the changing value systems.

- changing cost benefits analysis
- People are ready to change the technological up gradation.
- People are participating in decision making systems
- People are working in system of reward sharing where companies are earning profits and sharing with people also.
- The socio-cultural factor impacting business scenario is increased cultural trends, changing product usage variables of product positioning also.

These are trends of culture changes, marital trends, divorce is increasing, environment is changing and quality is reducing because of global warming and other factors impacting the environment.

The problems are there

Strategies to govern systems imbalances

- Respond to changes with increased abilities of people to develop scientific systems to look after and take care of environment and social institutions.
- Educational groups and government partners manipulating people's aspiration and visions to develop a society,
- Reduce stress and workforce of people to gain employment.

People want to live in a society, where there is

- low level of crime
- high level of health services
- affordable and decent housing systems
- shopping facilities
- public transport system
- education
- job prospects
- clean street
- activities for teenagers
- Activities for young children.

People desire for life which is socially good and has quality growth and prosperity. Balance ecological senility. Build systems which are naturally green with rich resources. Create system where the pollution is less.

Social systems are guided by values and changes, we need have

- Freedom
- Equality
- work ethics
- achievement,success
- Fulfillment the patriotism for one's country.

All these needs are important for the society to exist in environment which is rich both politically, value based, culturally and socially. We are in an environment where only democracy is not important but moral democracy also important. This is the change in the system where we have the freedom the trends emerging in the society.

The demographic system which impact the society are the changing

- population size
- changing aid structure
- changing geographical distributions
- ethnic mix
- income generation of people
- Increased standard living of people.
- social changes which are impacting society
- women being in workforce
- workforce diversities
- changing habits and values
- Increased interest in hobbies, activities and lifestyle changing.

The economic changes happening into social system are

- inflation rates,
- interest rates increasing
- tight control of budgets
- trade deficient

- Tight control of the exchange rates.

We are in era of changing trends of
Political legal trends

- Laws of taxation laws
- Labor laws
- Regulatory issues and impending legislation

Technological trends.

- Products innovation
- Communication systems
- Networks, cost, and speed.

Expenditures increased on each activity have increased

Global trends are also impacting national economies and social systems.

Political events

- Critical global markets
- Newly industrialized countries
- Cultural and national attribute
- Political instability at international level is also impacting social systems.

Demographics are changing but these changed people are building up faith to influence social stability.

Social stability as designed by entrepreneurs

- Manage values and ethics
- Intellectual property rights
- Markets and competitors
- Society and family has to be in rhythm.
- Money and finance both
- Education and skills both.
- Operations and commercialization of products
- Work has to be in rhythm with environment and in society.

Factors that impact social philosophy of a society are

Government, family, parents, knowledge, development, religion, culture and skills of people and shaping social stability

Skills technical, management competencies and personal attributes are important...

- Technical skills market
- Industry understanding
- Management competencies
- Understanding marketing finance and human relations
- Personal attributes innovations determine forces

Education and skills results into society which is achievement oriented, freedom oriented, risk taking oriented and emotional stability and ability to network with people. These cultural bonds of trust and faith build social systems; a society which is socially valuable can build valuable economic systems. A valuable social system is important, to be a

parameter and pillar for the economic growth.

Thank you! Students.

FUNDAMENTALS OF ENTREPRENEURSHIP
SOCIAL RESPONSIBILITYS
Dr Meeta Nihalani

There is beautiful quote “There are seven things that will destroy us:

- Wealth without work
- Pleasure without conscience
- Knowledge without character
- Religion without sacrifice
- Politics without principle
- Science without humanity
- Business without ethics.”

The wealth created has to be ploughed back for the benefits of society.

DEFINITION AND CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

Definition and concept of Corporate Social Responsibility

The World Business Counsel for Sustainable Development proposes a definition of CSR – “Ethical behaviour of company towards society and management acting responsibility in its relationship with other stakeholders, who have a legitimate interest in business, is social responsibility.”

CSR is continuing commitment by business to behave ethically and contribute to economic development while improving quality of life of workforce and their families, as well as local community and society at a large.

CSR is a technical issue; people have to be socially responsible when they do business, because the power which they get from business is generated by society. People cannot work in vacuum, they are surrounded by environment of people, who have life, emotions and contribute to sustainability.

3 - BASIC ISSUES - SOCIAL RESPONSIBILITIES

Issues of social responsibilities

- Contribute to welfare of people associated with business
- Give a financial support to society for upgrading downtrodden people
- Ensure that employees are benefited; their families are benefitted and are looked after very well.

Ethics - give support to basic causes of environment, pollution or anything which happens negatively, which puts pressure on society. The image of company is important because if businesses are not socially responsible, people will take away the power of being powerful in society.

Reasons behind social responsibilities –

If entrepreneur is not socially responsible, in long term, he may lose image or communication with society. CSR enables company to build

- Repo with society
- Harmonious and sustainable development for up gradation of resources used for business.

CSR is based on what

- employees want
- customers want
- suppliers want

If entrepreneurs are able to satisfy all people, then they are always in profitable positions to generate objectives and goals. The CSR could be generated in form of

- Giving educational schemes to people
- Helping people to get upgraded

- Starting organizations, nongovernmental organizations or social organizations which can contribute to welfare of society
- Contributing to cultural or heritage development programs.
- Giving employment to handicap people
- Building sustainability of environment, health and safety programs for employees is important for any business to sustain

4 - PHILOSOPHY BEHIND CSR

The basic attitude of philosophy behind CSR is, that management should be able to sustain in environment by:

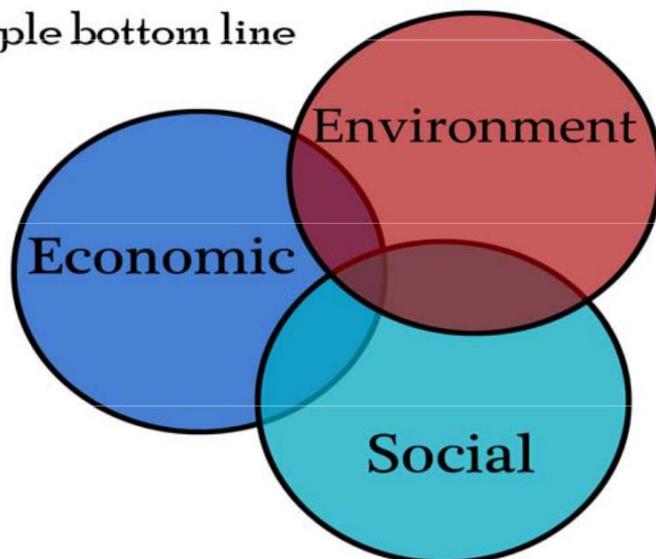
- Imbibing planning and information systems of business
- Reflecting in recruitment and selection procedures of employees.
- Helping in product development and distribution channels

.The philosophy imbibed, in total process of business is to achieve emotional stability, which gives acceptance to society.

Society can incorporate all aspects of business by triple bottom line shown in this diagram,

Corporate Responsibility:

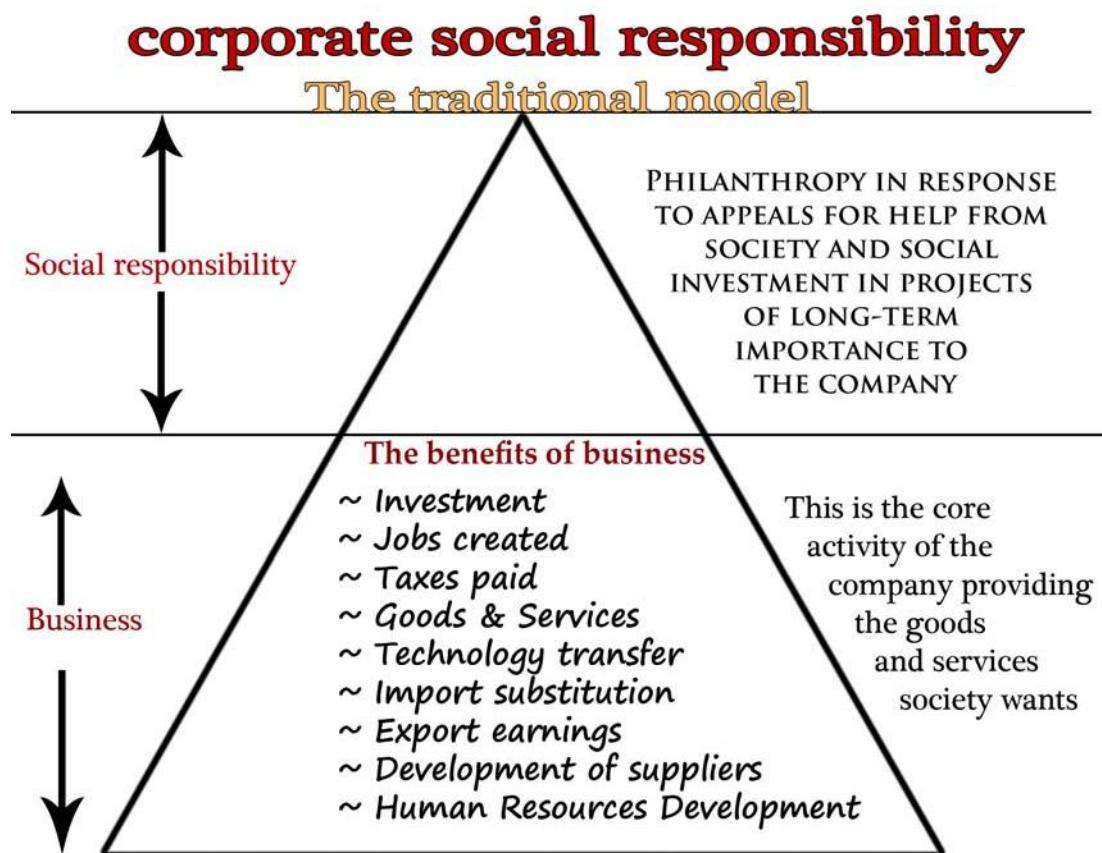
The triple bottom line



The three circles fulfil economic needs of people. The company needs investment, profits and environment because it is surrounded by environment and here environmental protection is needed.

The company is also surrounded by social concepts of social systems of values and emotions of people. The business has to look after triple bottom line i.e. people, planets and profits. All three are important; any one degradation of any one aspect would affect business in long term.

Here is a pyramid



The pyramid is divided into two parts

Lower part shows business. After business is established and reached a sustainable position, then people can go for social responsibility.

Lower aspect of s pyramid shows core activities of business as

- Investment
- Job creation
- Taxes paying, goods and services delivered to people
- Technology transfer to government, people or competitors
- Import substitution, export earnings
- Development of suppliers and human resource development

After these things are achieved from business and it develops to a certain level, people go for social responsibility concept. This is philanthropy or appeal to society that people want to help and do social investment, which will generate long term impact for profitability of business and society both.

Social responsibility of business is needed because people cannot operate in vacuum. The business has far reaching impact on society. In past, decisions were only based on profits, but

now, decisions have to be based on aspect of society. Because people have become aware and educated. They have the power to reject.

5 - PRINCIPLES AND CONCEPTS OF THE CSR

Principles and concepts of social responsibility - The Caux round table promulgated international ethics code called principles of international business. These principles are

Principle one - Responsibility of business beyond shareholders.

Principle two - Economic and social impact of business towards innovation, justice and world community

Principle three -Business behaviour, beyond ladder of law towards spirit of trust

Principle four - Respect for rules

Principle five -Support for multi territorial trade agreements

Principle six -Respect for environment

Principle seven -Avoidances of illicit operations.

6 – THEORIES OF CSR

Maximizing Profit Theory

Stakeholders or shareholders both are important for company but the company looks after shareholders interest. Here profit for company is important and to maximize profits, is the basic duty of businessman. The interest of other people is not important. This was an olden concept, where business only looked after his shareholders. This was a little selfish concept.

Moral Minimum

This theory says that shareholders are important and if people are earning profits, then this profit should not harm society or anybody. People need to earn profits, while avoiding harm to others. This is minimum moral, by which business can achieve profits, as long as it avoids or corrects social injuries caused. It has met the duties of social responsibility.

Occupational aspect of moral minimum - look after employees, their safety and growth

Looking to consumer protection - give full value for return of money which they have invested. It is a way of meeting moral minimum variables. After this they can maximize profits of shareholders.

Stakeholder - The evolution of business has grown and as society has expanded or educated, the theories have been modified. This theory of social responsibilities says that corporation must consider effects and impacts on other people related to business community. They can be stakeholders, who are directly or indirectly impacted by business community. This theory is criticized, because here shareholders are not important but impacted people are important because they constitute society.

Stakeholders - could be suppliers, creditors, consumer or employees, who are working in other firms or areas where company has far reaching impact. So this interest of stakeholders is also important.

Corporate Citizenship - This theory says that business has **responsibility** to do well. Business is responsible for solving social problems and it is duty of corporate citizens to promote social goodness and values to individual members of society. This duty arises because people have got social power

Social power -is given by society. Once people try to invest in society, people have better returns, image and become a better citizen for not only country but for world also.

Now basic summary of theory is shown in this table,

Theory related to social responsibility –People are maximizing profits, moral minimums, and stakeholder's interest in corporate citizenship. Maximizing profits of stockholders or shareholders is important.

Moral minimum – people avoid causing harm and compensate for harm cost. Stakeholder interest, stockholders and employees, customers, suppliers, creditor and local community need to be considered. Corporate citizenship can do well and solve social problems.

7 - CORPORATE SOCIAL AUDIT

Corporate Social Audit -Social audit is an abstract and difficult term because, people can check , calculate or audit quantitative expenditures, profits and losses but auditing of social values is very difficult process, because here audits will be more of abstract aspects, which will try to prevent unethical and illegal activities generated by business. Business is important for society and has to be sustainable. The business needs to have moral health and auditors of social audit are needed for environment. Audit would include that employees must adhere to company's values and mission. The corporation must meet social liabilities; this would include concepts like woman empowerment or avoidance of child labour. The business should not harm environment or degrade social norms, cultures, value. The companies or entrepreneurs have to be responsible. They need to have emotional tie or rhythm and harmonious relationship with environment and society. The audits need to relate to safety of employee, environmental protection and consumer protection.

Companies should go for audits because if audit is not taken by internal members, it will not generate any results. People should appoint an independent company or an auditor of independent mind state. He should not be subjective in order to take detail aspects of companies.

Procedure for conducting audit- would include

Finding out reports of companies, their impacts, social avenues, social philosophy, and vision...

Social audit has also given code of conduct for MNC's and trans-national when they work in other companies. They also have to

- Respect national sovereignty
- Build integrity of social cultural norms
- Respect human rights
- Universally available and applicable all over world
- Abstain from corrupt practices.

Variables of CSR

Corporate social responsibility has four variables:

- Economic
- Legal
- Ethical
- Discretionary.

Economic - profitable

Legal - try to obeys law

Ethical - do what is right

Discretionary -tries to be good corporate citizen.

8 - CARROLL'S FOUR DIMENSIONS OF CSR

The Carroll's has four dimensions of CSR. The four dimensions are economic, legal, ethical and discretionary.

Corporate Social Responsibility (CSR)

**Carroll's Four Part Definition
Understanding the Four Components**

Responsibility	Societal Expectation	Examples
Economic	Required	Be profitable. Maximize sales, minimize costs, etc.
Legal	Required	Obey laws and regulations.
Ethical	Expected	Do what is right, fair and just.
Discretionary (Philanthropic)	Desired/ Expected	Be a good corporate citizen.

Economic - be profitable

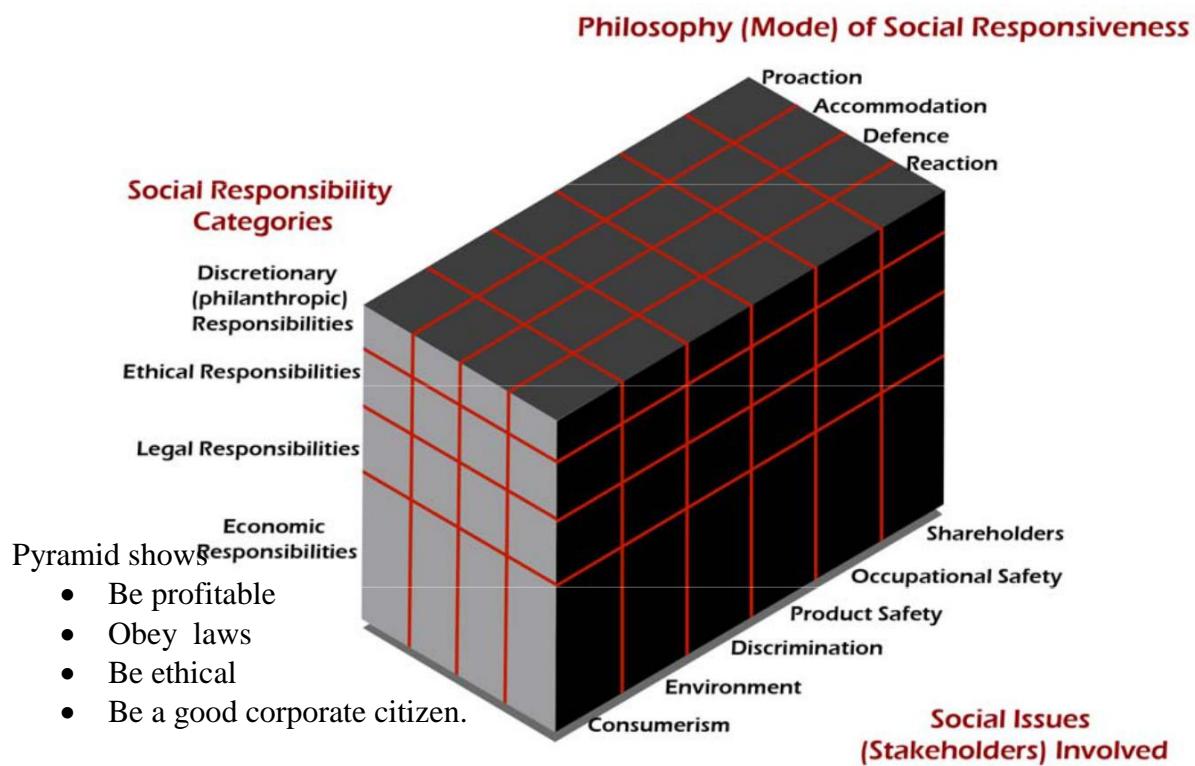
- Maximize sales
- Minimize cost

Legal - obey rules and regulations of government and society

Ethical -do what is right, fair and just.

Discretionary - try to be good corporate citizen by looking after society.

Pyramid of CSR



So it like you knows you climb every ladder to become a good citizen in the society.

Benefits or aspects of CSR in twenty first century - CSR demonstrates commitment to society's values, social environment and economic goals through actions. It insulates society from negative impacts, operations and products. It shares benefits of company's activities with key holders and stakeholders. It demonstrates that company can make more money by doing right things.

Carroll's model

Aspects of CSR

Social responsibility -categories which is discretionary, ethical, legal and economic

The aspects on axis are social issues which relate to environment, product safety, occupation safety and shareholders profits.

Philosophy of social responsiveness is shown by

- Pro – action
- Accommodation
- Defensive and reaction approach.

Social responsibility of **Patrick and Conn's** corporate social performance model is again depicted in s table

WARTICK AND COCHRAN'S CORPORATE SOCIAL PERFORMANCE MODEL EXTENSIONS

PRINCIPLES	PROCESSES	POLICIES
CORPORATE SOCIAL RESPONSIBILITIES	CORPORATE SOCIAL RESPONSIVENESS	SOCIAL ISSUES MANAGEMENT
(1) Economic (2) Legal (3) Ethical (4) Discretionary	(1) Reactive (2) Defensive (3) Accommodative (4) Proactive	(1) Issues Identification (2) Issues Analysis (3) Response Development
DIRECTED AT:	DIRECTED AT:	DIRECTED AT:
(1) The Social Contract of Business (2) Business as a Moral Agent	(1) The Capacity to Respond to Changing Societal Conditions (2) Managerial Approaches to Developing Responses	(1) Minimizing "Surprises" (2) Determining Effective Corporate Social Policies
PHILOSOPHICAL ORIENTATION	INSTITUTIONAL ORIENTATION	ORGANIZATIONAL ORIENTATION

This table into
SOURCE: Wartick and Philip E. Cochran, "The Evolution of the Corporate Social Performance Model," *Academy of Management Review* (Vol. 10, 1985), 267.

- Principles
- Processes
- Policies.

Principles – of corporate social responsibilities principles again are economic, legal, ethical, and discretionary.

Responsiveness - could be reactive, defensive, accommodative and pro - active.

Social issues - involves issue identification, issues analysis and responsible development.

Directed and creating

- Social contract of business needs moral agent.
- It needs capacity to respond to changes happening into society and managerial approaches for developing these responses.
- It has to minimize surprises and corporate social policies.

Philosophy orientation - builds up

- Institutional orientation
- Organizational orientation

Patrick and Conn's corporate social responsibility concept.

9 - SOCIAL SCREENING

Social Screening – is needed for investing. Social screening is a technique used to screen firm's investment for purposes, like

Priority for any company

Social issue which is most important for company should be taken up because it is not possible for company to look into hundreds of social issues. The company tries to screen or filter certain social issues, where it tries to build projects and brings investment because any investment into social profit will generate viability to that particular concept.

The basic key issues which the company could screen are

- Labour rights
- Child labour
- Forced labour
- Right to organize

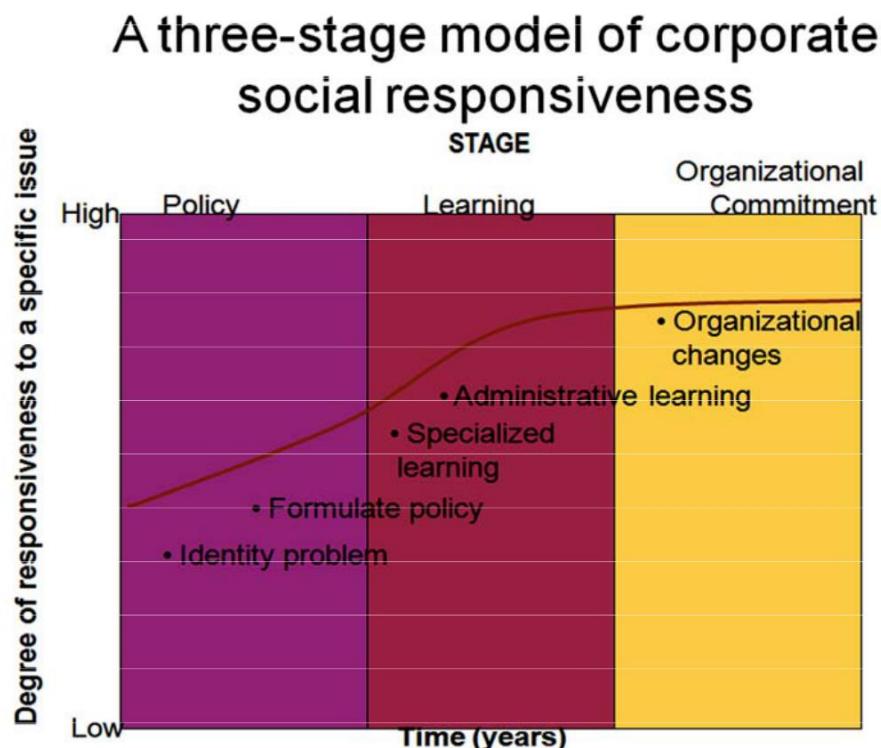
- Safety and health.

Environmental conditions – People have to look into water and air emission or e climatic changes.

Human rights –people can do cooperation with parliamentary forces. People should not involve in extra judiciary killings

Poverty elevation - job creation, public revenues and skills and technology issues should be created.

Now in this diagram or in this graph,



On Y axis - degree of responsiveness to specific issue

On X axis - time

Responsiveness - changes happening in society where company has to respond to that change.

People have to manage social issues, which are existing today but also respond to social issues which could be taken up for great problems of tomorrow. So company has to prepare it right from the very beginning.

Policy learning commitment and variables.

The graph is going in S shape

- Identify problem
- Formulate a policy
- Specialize learning
- Go for administrative learning
- Make organizational changes.

For example - research and development is happening in the society. This research has shown that if woman is pregnant, and she is sitting for eight hours on computers it could lead to abortion. This issue has not come up in general employment laws in entrepreneurial policies or into corporate social aspects. The entrepreneurs do have to respond to these issues and change work policies related to woman. Though, there are no laws

made for it, but it is moral responsiveness for company that if problem which is existing at research base, forms an issue tomorrow. The company needs to incorporate values and ethics primarily in beginning of its policy formulation so as to give comfort to society.

10 - LAWS AND ETHICS

Laws and Ethics - are important for social responsibility because unless and until, people don't understand values or procedures of being right, they don't have right to be socially responsible company or entrepreneur.

Ethics - A set of moral principles of values that governs conduct of an individual, business or group is known as ethics.

Lawful conduct is not always ethical - people have to go beyond law, r to give fair values to people.

Ethical fundamental - when a person looks outsides source for ethical rules and regulation. Ethical fundamental is universal and we cannot permit people to do whatever they want. There are certain values, which all people have to believe in science of right and wrong.

Moral theory –People have do good to society. This does not mean that greatest good is to do good to large number of people but people have to be specific oriented, to connect with a set of people, who are associated to company and to whom the business impacts

Greatest good toe society - Kantian Ethics.

These are duty ethics. A moral theory says that people owe moral duties that are based on universal rules, premises and reasoning to understand these ethical balances. This theory would suggest that people should behave according to categorical imperative. People should always behave to people, in the way, which they want them to behave with them. What is right for a person is right for others and what is wrong for person is wrong for others also.

Kantian Ethics is dividing into two aspects

Ethics should be judge on basis on consistency - all cases should be treated equally. If people are giving justice to one person, same justice carries to the other person also.

Reversibility - actor must abide by rules that he use to judge morality of someone else conduct. If a person wants to give judgement to a person, then that judgement should also applicable to same person. These kinds of ethics are believable.

Rowels Social Justice Theory -

A person has a presume to enter into social contract, with all the others in society. He has to obey moral rules that are necessary for people to live in peace and harmony

Simplification can be done, in such a way that when people are born, they grow up in society. They are in a moral contract, i.e. they have to live in harmonious relationship with people. They have to obey to social obligations because bad behaviour would cause harm, imbalance, confusion and chaos in society. People have to look into ethics, sciences and behave in a way which, society demands.

Distributive Justice Theory

It relates to **fairness** concept. It is a principle of justice which cannot be chosen but it has to be implied on people.

Ethical Relativism Theory

Individuals must decide, what is ethical base for decision what is feeling of right and wrong,

THEORIES OF ETHICS - SUMMARY

Theory	Description
Ethical fundamentalism	Persons look to an outside source or central figure for ethical guidelines
Utilitarianism	Persons choose the alternative that would provide the greatest good to society
Kantian ethics	A set of universal rules establishes ethical duties. The rules are based on reasoning and require (1) consistency in application and (2) reversibility.

In this, there is always a subjective element, where a person has his own science to decide, what is right or wrong

For example - Polygamy is considered to be right concept in Muslim culture but same polygamy is not considered valid in Hindu religion. This is a very subjective concept, which differs from religion to religion or society to society. The individual can himself decide for his own perception that what could be good or bad to people.

Summary of this theory in this table

- Ethical fundamentalism
- Utilitarianism
- Kantian ethics

Ethical Fundamentals - people look to an outside source for central figure for guide lines, Utilitarianism - person chooses alternative, that would provide the greatest good to society,

Kantian Ethics - there should be good terms for consistency and reversibility.

Rowls Justice - moral duties are based on implied social contract,

Ethical relativism - individuals decide, what is ethical based on their own feelings. So this was all about like the theories which have been a floating into market related. The ethics and survival is important because when people read these theories, the company or entrepreneur relates to these aspects. They get guide line for behaviour, by which they can build their businesses and empires to get acceptance of people.

Ethics floating in Asian Markets are generated by person known as Confucius.

- There is stability of unequal relationships between people.
- There are family, social organization where virtuous behaviour towards consensus of treating others has as one would like to be treated for oneself.
- Virtues of life require skill, education and working hard.
- People should not spend more than necessary
- Be patient as perseverance in decisions affects other people.
- It is study of rights and duties to form moral rules.
- Stakeholder's right has to be addressed.
- Value for money needs to focus.
- Right to advertising needs to give information to customers about potential dangers of product also
- Inform shareholders on time and give them the details of reports
- Internal policy needs to focus on retention of employees
- Mutual obligation of worker and managers has to be managed

These are all aspects related to theories or teachings of *Confucius* which float in Asian, world or Indian market.

Understanding of is social responsibility.

Social responsibility is needed because companies are working with educated class of people who understands emotional maturity and are happy to build emotional rhythm with people. When people are able to build this emotional rhythm, they are able to design sustainable business. Action plan, which entrepreneurs can adopt or companies can, adopts needs to be socially responsible. The first and foremost importance as to given to environment. They have to relate themselves to the environment by

- Reduce consumption of energy, water and other products
- Establish an environmental management board which can study the impacts.
- Use recyclable materials, increase durability of products and minimize packaging.
- Train staff for environmental issues
- Offset carbon emissions with equivalent carbon fixing by planting more trees to the environment.
- Health and well being is important, establish the policies to ensure health and safeties of employees.

- Involve employees in business decisions; consult employees on how to handle business.
- Operate in open policies to help employees to understand financial statements.
- If layoffs and closures are unavoidable, then offer outplacement services and retain financial and insurance benefits
- Provide training opportunities
- Train employees for promotions from time to time
- Build and design job splitting, flexitime and other forms of work life.
- Provide health among employees and promote sports facilities. This is important for work life balance.

Diversity and human rights - work with clarity.

The job centres need to redesign their jobs and make them accessible to disadvantaged, minorities or disabled people of society

Make support organization and promote fair trade and human rights compliance for products manufactured.

Responsibility towards community- encourage employee volunteering in community development programmes, by giving back to society.

Make some part of business products and services available to community.

Buy from local suppliers, collaborate with local traders

Try to make business accessible to people

make some marketing budget to market some social cause of society like may be water conservation, or AIDS issue or educating people on some environmental pollution which can put company in better place.

If one's actions are motivated, only by profit, then there will be many enemies in long run.

This is the statement by Confucius.

Look back at business and life at their end and honestly say that years of doing business had some meaning. We should be able to look back and see that we had contributed to ourselves and businesses in a way, that had some lasting meaning and which left some good mark on world. –Buddha

A good name is to be chosen rather than great riches. The rich and poor have this in common; the lord is maker of them all

This is from bible, so everybody has to be socially responsible.

ENTREPRENEURSHIP

BASIC PROBLEMS OF BUSINESS STARTUPS IN INDIA

Objective of this chapter

The basic objective is to study

- The basic problems faced by startups
- The challenges and issues impacting the startup business groups

Money problems

- The majority of startups fail due to lack of cash and liquidity.
- The efficiency of business can be impacted, if the cash management is not done properly.
- The scarcity of cash and slow sales can be fatal for business leading to their closure

Entrepreneurship - when people have sustainable growth of establishments, it is easy to do business. If business is 70 years old, it is simple because they have lot of management techniques to design business. But if small entrepreneur, who has started his business it is difficult that how he, will manage cash. This is biggest problem in startup phase. The investment and savings are not coordinated, in such way, that people have sales, and then only, they can have cash. If this balance is spoiled, it can lead to closure of business. The first initial problem is startup phase is management of cash and sourcing or availability of funds is difficult in India

Poor Marketing

- The costs associated with marketing and advertising can be expensive if the programs are not focused on right targets or segments of the markets.
- The incorrect messaging or publications that don't reach the company's target market can be waste of money, efforts and resources

Marketing is a costly procedure. If message is designed, it involves cost. If it is floated in market, where selection of target market is not proper, it is waste of efforts. If people are designing kid's product and they are floating advertisements on adults, it will be of no use because target and selection is wrong. They need to focus on market, which is associated with product consumption, and then only marketing efforts will be crystallized to turn into sales. Because cost is involved, people need to design selection, in such way, that they put less pressure on marketing techniques for getting into right audiences is needed. If people have advertising and invest lot of money, but if it is not with right target, it is waste

Building Trained Employees

- The entrepreneurs can be successful, if good teammates, lawyers and accountants are ready to give reliable assistance.
- The hiring of trained and loyal employees can be a crucial component for success.

These organizations are not very big having a team of 1000 people. It is not reality. Startup innovator is a person who has small team but he must have at least one good lawyer and one accountant, who would tell him legal implication and cost management aspects to support his business. The reliable advice initially of two people is very important for him

Poorly Priced Services

- The big companies obtain products at rock-bottom prices because of large quantity of goods purchased.
- Pricing goods and services at low prices can delay the process of turning profits.
- They need to design fair prices with excellent services to connect with customers at good locations.

Start up cannot compete with big companies who have good sourcing techniques, i.e. They buy in bulk and get price advantages because small startup doesn't have that advantage. If price products is at low rate, may be sales can increase, but it will not give sustainability to scale up business to get profits. It is better to price goods at fair rate it and design services with excellent quality at convenient location to serve clients

Business Model Failure

- The entrepreneurs think that a creative web site and app with fashionable products and services can attract customers but it is an expensive task.
- The cost of acquiring the customer (CAC) is actually higher than the lifetime value of that customer (LTV).

The business innovators have initial phase to incorporate, lot of fashionable technology and fancy websites, which may not be only working websites but it is to give flashy details, photographs and material to website with good fashionable apps. The cost at which people are acquiring customer is actually very high because customer is not committed for lifetime. So cost of acquisition is so high, that people will not get returns and profits for total process of business

Poor Management Team

A poor management team with weak players, who are not focused and talented, can impact the strategy design, where products do not get customer acceptance and approval

People need to understand this that unless and until products are not designed in a correct way; they will not be accepted by public

Product Problems

- The companies fail because they are not able to develop innovative products which fulfill the market need.
- This is a serious strategic problem, where there is a failure to achieve product / market fit.

The startups may have designed products, which may be innovative. They can be innovative for them but not for society, so strategic misfit between what is needed and what actually is given is a great gap. This can be cause of failure. People need to understand needs and fill needed b product innovation

Choice of Social Media

- Building useful network to leverage for business is needed through accurate media strategy to reach the target users and buyers.
- The social connections can be designed on LinkedIn Groups, Face book Groups and Twitter Lists according to the needs of business.

When people are making network, they have to understand, where group is. If people are catering to professionals, they have link to LinkedIn. If they are catering to most entertaining

crowd or youngsters, it is Face book. If they are connecting to politicians and administrators, they have to go to twitter. The target group is according to media approach and strategy has to be designed

Starting a Business Needs Complex Procedures

- The procedures to start business in India can be complex and difficult without the local knowledge of legal and cultural aspects of country.

The country changes after, every 20 kilometers . The language changes, culture changes. It is difficult to understand taste and traditions of people, which are so diversified in their acceptance of their products, colors and ideas. Understanding business is difficult in India, not only for foreign investors but also for Indians startups

Dealing with Construction permits

- Construction permits are so costly that you have to peruse in a detail way the multiple activities of obtaining intimation of approval from Building Proposal Office and paying fees takes around a month.

If people are going for construction of office, it is difficult in India because to get approval for doing construction of India has detail procedure of communication to local development boards and development institutes

Obtaining NOC's

The NOC's must be sort, from the authority of water and drainage department of India. The sewerage department, electric department and environmental department, traffic and coordination department need to give approval. Before going for construction need, NOC 's from all these departments is needed and is difficult job because people have to deal with each department in a different way, where there is lot of corruption and bureaucratic channels before they get NOC

Getting Electricity

1. The cost of getting electricity is high
2. The number of procedures involved are time constraining
3. It takes around eight days to receive an external site inspection
4. Three weeks are needed to get externally connected with meter installed and test conducted for installation

The business which is starting in India requires lot of time. Even to get simple electricity connection, to get acceptance for connection would take around month. So this is a startup problem for starting business. It requires one month for each activity, which delays total project

Registering Property

Registering a property requires lot of legal work with charges

1. The stamp duty is 5% of property and 1% charge on the market value of property incurred at Sub-Registrar of Assurances
2. The lawyer also charges high fees
3. Entrepreneurs need to pay high fees at Land & Survey Office

So doing registry for property is not an easy task. 5% of total property cost is given as a stamp duty and 1% additional is also given as charge to government. 1 % of total market value is charge. This is costly procedure, where people try to value market rate of property and try to give less stamp duty to government. Lot of corruption and litigation is involved, where the owners do charge high rate, as they take advantage of work, which they know

Getting Credit

1. The Indian banks have high rate of interest for giving credit.
2. The collateral needed for security with bank also needs lot of documentation and compliances.

To get loan from bank is blessing because everybody is not getting loan from bank. After fulfilling, all compliances for getting loan from bank, rates are going to be very high. Even if, rates are going to be very high, collateral given to bank needs lot of scrutiny for valuation and estimation. The documentation and compliances is very difficult to be dealt with banking procedure of India, which would again take 2 to 3 months to get any type of loans

Protecting Investors and Enforcing Contracts

1. The investor protection is not efficient in India where
2. The Securities and Exchange Board of India (SEBI) has less ability to enforce contracts for protection of wealth of people.

What if people invest in India, they have no board to regulate that their wealth will be managed. They can invest funds in equity, may be people can lose because company, who is dealing with their funds is corrupted company. There is no law, by which people can stop corruptions. All those companies can be punished. People dig wealth from banks and run away. This is a very easy choice in India. So basic startup problem in business is that funding is difficult in India, because equity market is not matured. The banking, financial literacy and maturity is not of level, where they can save to take loan or insurance in Indian market from private banks, because clauses are crafted in such a way, that hidden cost is very high, which is beyond understanding of ordinary citizens and lawyers. Even, if people take insurance from any private company in India, so at time, when claim has to be made, they will pop up with thousands of clauses, which were not explained initially. To get claim, is a very difficult task. It is next to impossible to get claims, from private bankers and insurance companies in India because there is no strong regulating authority, which can force them. The markets are difficult. The maturity of markets and financial growth of institutions is less in private sectors

Paying Taxes is Difficult

1. Entrepreneurs give multiple tax payments in 1 year the corporation tax rate the corporation tax rate stands at 30% but companies also incurred charges in form of
 - Central sales tax
 - Dividend tax
 - Property tax
 - Fuel tax
 - Vehicle tax

People are paying plethora of taxes i.e. many taxes increases cost of business. When cost of business is high, how can startup survive in market like India, which is very complex for getting approvals and being regulated? High amount of money is invested, which is not only given to infrastructure aspect, but even government is acting as authority who is trying to over exploit people for paying taxation

Trading Across Borders

1. Entrepreneurs face several hurdles while importing and exporting goods.
2. Several layers of bureaucracy make it very challenging to move goods efficiently
3. Companies need to file a long list of documents before moving goods across borders.

Moving goods across borders requires lot of bank documentation for approval of NOC's. Lot of approvals from minister and documentation from export import house is needed, where ordinary person, who are not educated, cannot deal with shipping, transportation and warranties and contracts, which are involved. It needs aid of people, who are educated experts of these industries to move goods boarders

Resolving Insolvency is Difficult

1. It takes 4.3 years to resolve insolvency in India
2. The laborious court system is very slow where business relations can be harassed.

If companies have become insolvent, people cannot declare insolvent because they have to go to high court which will take 4 to 5 years to resolve and give last dues to people. The company is liquidated and to manage vendors, suppliers for getting money back is dream in India

Culture

- India is a cultural hotbed, and business is more about building relations than presenting figures and sums.
- It is difficult for investors to understand and respond
- Investors need to build relations with local people before travelling to understand languages and values.

If people want to get their work done, through people or government departments, it is not on basis of turnovers or financial wealth or ability, but people must have relation with banking officers, business houses and institutions where caste and relations are associated. If people have same caste, they will promote and make things easy. But, if people have different caste, culture variations, it is difficult. The commutation and documentation of papers takes long time to get approval

Lack of Funding for Social Business Venture

Social business venture:

- Social business ventures face problems due to lack of funding.
- Entrepreneurs find difficult to do business because loans and equity financing is not available for social ventures

Social venture -People have projects to work for upliftment and development of society, for giving food, nutrition or services of education of people through their entrepreneurial efforts with minimum profits. It is difficult in India, because if there are no profits, then there is not a good

balance sheet, so people do not get funding from banks. Unless and until projects are financially viable, social ventures do not find market and get grants from banking institutions to promote their projects in market. Social entrepreneurship is form of philanthropy, where young entrepreneurs, who have good family background and education, want to indulge in creating organization for their name and fame

Components for Creating Social Enterprises

1. Understanding of Problem
2. Designing of Sustainable Solution
3. Creating a Social Change in society

There are social leaders, who want to associate with movement of giving good knowledge and creating digital content to build apps for creating their own patents but this is difficult in India because young entrepreneurs who have good family background and knowledge do not get government support that they can work, where credibility is established. The markets of finance, profits and figure are important. In India project, which are floated need to have consistent growth and employment but problem associated with intangible wealth of creating social capital of softness for improving quality of life, for giving good values is not a concern for government. There is no platform, where people can work for creativity, satisfaction and design. It may be for painting, art or culture. There are fewer organizations, which are supporting people who have passion to do good work

Difficulty in Designing Sustainable Designs

- The environmental board has no clear guidelines for business houses.
- The products are rejected by consumers because of negative impacts given to environment

The environmental board is established in India, which is under constitution of government of India but guidelines are not proper i.e. There is always gap. When industry is developed, they give products to people but because of negative impact of products, these projects are rejected by people or even government is banning. Sometimes, industry reaches maturity stage, where destinations gain identity and after that environment board comes into action of realization that lot of pollution is there and then they ban industry. If before giving permission, environmental board do an exercise, it will bring saving of resources, which are wasted in establishing industries, banning and ruining industry. There is lot of regulatory lacuna, which is forcing business to go out of India. We have intelligent people, who have done good work for foreign markets but if market were favorable, regulations were good; these investors would have invested funds in markets

Summary

The business startups face problems in society to create and build empires. Lot of efforts & resources are wasted, when good startups faces problems which leads to their shut down. It is not only an individual loss but the country also losses options to create employment and improve GDP for higher growth.

So startup problem is not only an individual problem, it is country's problem. If startup fails, it means ideas fail. If startup fails, that means innovation experiences death. If startup fails, that means, it is an end of creativity. So people should be more conscious, who have entered market should be given a favorable environment, growth and funding, so that their ideas and creativity can have life to see group

Hello students,

Welcome to the series on entrepreneurship today we are going to study the importance of location and layout, ventures. Now let's study the objectives of this study the basic objective is to study the importance of location and layout on designing the enterprises the impact of good location and layout on business can increase the efficiency of designing a good layout for business enterprises, now a plant layout study is different configuration from manufacturing plant it is also known as facilities planning and layout any enterprise which needs to operate the operational efficiency so we are going to study in detail how we are going to manage it facility layout facility layout may be defined as the operational machinery equipments and other amenities in the facilities which should ensure a smooth movement of materials now because we are in an organizations where material are moving, where people are sitting and where all the functions are being done with minimum recourses and minimum wastage where functions can be done in an effective and efficient way. Now facility layout and planning and the plan of optimum layout including personal operating storage space material handling equipment and there supportive equipments, so this layout plan would include layout planning for everything that is how materials are being stored and how material is decided coordinated impact to the organization work in a systematic way. Now the objective of the facility layout include it is to minimize the investment in new equipments it is to utilize space more efficiently it is to maintain flexibility in a specific arrangement, it is to facilitate manufacturing in a good way, it is to minimize production time to provide worker convenience and safety minimize organizational structure so we are going to design a structure in an organization safety for their health where there is minimum wastage of ressoursses that is how do we manage your utilities in terms of electricity and in terms of equipment handeling so that the kind of the investment which is coming up into new investment is also minimum as not more space is needed so we are going to ample of spaces for growth need for plant layout study entrepreneurs need an ability to design an operate manufacturing facalities to manage changing technical and technical requirments they need to reduce the operations in a better controlnow the layout and the design has to be done in such a way that there is always ways for updation there is always more space for more coordination equipments as we have are changing according to the changing times and the market requirement so we are going to design our infrastructure in such a way that we keep space for growth and development. Now lets study the effective plant layout design the effective plant layout design can solve the problems o the business can build a highe higher product variety supply goods with shorter delivery ctimes change with shorter product lifestyles respond to the unpredictable dempand in the market build cost effective process for good control now the machines have to designed in such a way that t the products are having shorter product lifestyle that is maybe they are needed in the market for one yaer or for six months machine should not get outdated the machine should be designed in such a way so that you can change the caps, you cn change the you can change the parts of machine, and can design new variety of products as designs and options are needed by the customers at a very fast rate, the machine should operate in such a way that the kind of the flexibility, demand has to be met on the market and sometimes the demand is so urgent so that you neeed to work in shorter period delivery notices. Now, Lets study plants layout and efficiency, investment efficiency now requires manufacturing facalities be abel to shift quickly from one product lne to another without major retooling reresorcing confgrigation and replacement of equipment. Now plant layout have to designed in such a way because

As product innovations grow, both ad designs are changing so the shift of products from one product line to another can be done in an easy way where without much rerequire source reconfiguration or retooling that is the machines are now designed in such a way that you are able to arrange only the front knob or you are able to change the front parts of the machine equipments and can create new options fo the customers so the resource layout has to be done in such a way it has to be done by te technical way made by people who can understand how machines can shift from one product to nother line,. Now Its study the advantages of now lets study the advantages of good plant layout, it improves investment planning the design manufacturing facalitly is to make several products simulaneously becomes easy the design flexibility of operations can save it can improve the the industrial productivity, now if your lay out is very technical and veryb done through good engineers it would meet outhe functions of the value additions that is the products are being changes in the market at a very at a very fast rate so the machines and the equipmet layout is designed in such way that it can simultaneously cover the range products work with many options and it can look into the cost that is the cost is reduced and it can also utilize your ability to do investment in such a way b that upgradations are added easly now value design through good product design layout it increases the work efficiency it helps in planning employee work requiriment equipments it reducs matrial wastage na d it works with full operational capacity of It reduces the use of machine and equipmentso good layout can solve all your problems of of reducing the wastage of doing unnecessary investment equipment give you a kind of a space and a gap to innovate, upgrade or design your machine, so these all requirements are done through good plant layout structures. Now facalitly location planning, the location analisis helps in reducing the transportation cost decreasing the cost of products promotion and identifying proximity to the sourses of ra raw materials now when you are doing the location analysis, here it is important the amount of petrol or diesel you are using to transport raw material to the plant has to be reduced, it it the number of unnecessary movements has to be created to create an assembly line which is veery near to the sourcing of the materials or to the storage fefcalities or to the wharehouses, Factors affecting location analysis decision basacly relate to the availability of power transportation sutability of climate government policy comptetion between states and availability of labour so whatever facalities or amenities tyou are creating, they have to done in such a way that they cover the legal procedure spectetors that is they should not give pollution to the environment, they should look into the safety of of the labour and the employees who are working there, if there is some kind of inflammable or risky material used in facatories it should be used in distant placeses, so that the risk is reduced the planning has to give an advantage of maintaining the temperatures giving you the proper sunlight, it should minimize the usage of electricity, it should give you good ventilation, so if you do a kind of planning beforehand you can save lot of resources through good artitctural designs and also through good layouts of machines and through positioning your facalities through local locations where options for growth can be increased, Now factors relating affecting factors location decisions relate to civic amenities for workers. Existance of complimentary and competing industries finanace and research ammenitie, availability of fire fighting capabilities, now if you arre orgnazing a festivl facility for your workers you need to look, areas where you are working they need to near to the traning center and to the research centers we cn collobrate with comititors also to create common facalities which save your cost the kind of community community halls and the seminar halls can be jointly used so we have to our institutions an organizations in such a way that we can do alliances with other people to save cost to

choose to choose locations in such a way that the facilities of warehousing and competitors can be common the cost can be saved and here you can save the rental cost and for your organization. Now, process for designing locational analysis, First is identify important factors develop location alternatives evaluate the alternatives, make a decision and select the location. Now selecting a location is important analysis for organization, because if you buy a very big location in a very big posh area it will be very costly so it will increase the fixed cost of the business we can buy a small location in a posh area and can buy a little less costly location in far off places to manage our material or to manage our employees through call centers so we have to decide how do we balance the cost of being in the market and how to use our exterior locations also the call centers and other facility oriented centers where the connectivity can be done in different locations also , the customer contact centers which are giving physical connections with the customer should always be posh areas because here the clientele will be more and this will give you the index and face of company to be connected with good avenues and options in the market now lets study the techniques to study the locations decisions for business ventures, first is center of gravity technique, this technique emphasise on in transportation cost in determining facility location transportation mainly depends on distance weight of merchandise and the time required for transportation, that is center of gravity where is your organization, how you are sourcing your materials what is the cost of your goods which is needed in order to transport if your goods are light weight irritated you can obviously pool up your materials in one vehicle but if your weight of materials is high you need two three trucks so your cost would increase so it basically depends on the weight and the distance in the type of business in which you are, higher is the center of gravity that is your source of supply is far off from main operational firm from ground it will increase the cost so we have to decide what are our markets how do we manufacture, how do we balance all the activities of the business needs a detailed technical setup and a study in order to minimize the cost then is the transportation techniques this evaluates multiple transportation of goods from multiple origins to multiple destinations and defines and develops the least cost route. Now when we are studying our markets and we are studying our sources of supply and we have our sources of manufacturing organizations so we have multiple destination where material come have multiple marketing organizations where from which materials can be made so you have to do a kind of permutation combination to match up with all the combination and see which is the least cost route and here will be the best possible option to give you the optimum revenue for your company. This is the company has to decide on the basis of basis of operation and the number of markets being covered now the layout facility factors basically affect the cost of materials the type of products the machinery type of the industry the management policies process of facility management layout designing information gathering production and material flow analysis and import services so the basic factors which impact the layout design depends on the types of products materials used it also depends on the merchandise variety collection it also depends on the market makers that is who are people who are using these products, they are residing which kind of area area is being covered so the geographical the supplier destinations and your product variation also impacts the cost of facilities designing and also the layout for selecting the best option. The product layout in this type of layout it is used in cases where services are organized in a sequence that is product layout is designed when you are dealing with one product and this product has to give services to the customers so that the customers will be in an sequence where there is a to b and there is a simple assembly line that is you are arranging the

meaterials in aa sequence to make final product so this product layout is simple and is used in adifferent way way when company I dealing with product, process layout the process layout, are highly common in servise layouts facalities as they successfully deal with the varid customer programmes heavens. Now process layouts is designed in organizations where servise process are very complicated like when younare working t airports so there would be different departments where there would b look to the visa aspects who would look to the grievances of passport loss or who will look to the luggage cost or who are gointg to look into the on ticketing options so here we are deciding the organization structure and the facality layout according o process of the services reqried for the customers the design and the layout of the structure would to be give convenient to the customer and to the save cost and time to reach to your final destination. Fixed position layout the fixed position layout, in this type of servise layout materials labour and equipments are brought to the customers place the customers layout is used in services like appliance repair, caping and home modeling. Now fixed position layout is there is the customer cannot come to you but he need your services to to get his appliances fixed in his houses to do his landscaping of garden so here will be a kind of a fixed layout and according to to the options of the customers they are going to choose the best and give him that particular layout which is important for their cost and operations, Now the servise facality layout, we have warehouse and storage whaerhouse, the layouts and storage facalities are designed by counsidering of order items that are ordeed frequently are nears to the facalitly entrance, However items that are not paced frequently at the rearer of the facalitly so we are also designing the facalitly the layout for wharehousing and logistics where materials which are frequently ordered they are of mass consumption, they position near the entrance which are rarely used or are costly they are kept at a rear side thet is you may not use these materials on daily basis so these materials are different from location, now the facalities layout techniques they apply to to the various industries where hospitals pools workstations banks airports you have factories you have shoppig centers offies cubicals manfaturing cells and wharehouses so there is last number off organization who are using the concept of fcality design an layout to organize their structures to give them best services to the customers higher is the systemization of servise lesser is the cost, and lesser is confusion for the customers even the services and the manufacturing organizations both need to deign design the facalities and they equipments and the materials in such a way that give a coordinated and a cost effective approach and impact to the customers now the systemization of the layout, and location can help industries and also enterpreneurs to design their business ventures in such a way that the investors investment efficiency is increased, their funds need to be invested in auctions, which are giving maximum servise to the customers if sevise and a facility can be generally achiver through rental basis then it an it can be more cost effective because the servise facalitly would require a lot of investment and a gestation period so leasing rentig, and using commion facalities can alos be auctioned for good layout and for lifetime of good designs coming into like you have options into designs you have choose from technologiva parks also you can choose from government options also connect with the sectors and give the best possible services to the customers, I hope the students must have understood the concept and importance of good plant locsations and layout design for saving the cost

Thank you students.

Decision Making and Risk Taking Ability

1. Introduction

FUNDAMENTALS OF ENTREPRENEURSHIP DECISION MAKING AND RISK TAKING ABILITY OF ENTREPRENEURS

2. Decision Making: Definition & Characteristics

Definition of decision making - “Decision making can be regarded as a mental, cognitive and an intellectual process in which people select the alternatives. Every decision making process has a final choice. The final choice can be in form of information, output or an opinion.

Entrepreneurship and decision making is a strategic issue because entrepreneurs perceive and decide to put long term impact on business.

Meaning of strategic issue - it is critical issue. Critical is core, vital and very important aspect of business. A close observation of entrepreneur’s strategic behavior will give an inquiry about managerial process which they take into action. When, they perform, it results in form of output. On basis of this output, economy grows and policy makers decide governance procedures.

Characteristics of decision making

Decision making is an important process and indicates commitment. Good decisions mean that people are committed to their work.

Decision making is

- Alternative measure selected on basic options available.
- Decisions can be positive or negative but people have to follow their perceptions and values.
- Latent process which cannot be seen or perceived.
- Progressive and continuous function in management.
- Human and a social process.
- An art or science. It is an art. Because it is creative. It can be science because people take decisions on basis of deductive analysis.

3. Decision Making: Types

Various types of decision making

Routine or basic decisions - Procedure is very simple and relates to day to day operations in business like

- coming to office
- buying material
- selling goods
- Giving inquiries which don’t require mental effort.

Personal or organizational decisions - Personal decisions relate to

- personal promotions

- Dress codes or values or ethics of doing business.

Organizational decisions have broader perceptions where individuals have to subordinate individual interest in the interest of organizations.

Individual or group decisions

Individual decisions - when only one person is involved. He has

- power
- legal ability to take that aspect

Group decision - is possible when there are two or three people involved and a committee is there.

Expertise is need to analyze issues because may be issue requires legal, managerial design aspect.

All people related to that field have to come together to analyze things and take decisions.

Policy or operating decisions.

Policy decisions - policy is made up and in light of that policy, people simply give a decision which is stated in a written form in organizational manual.

Operating decisions - In face and day to day contingencies or problems, organizations analyze with own ability to take decisions.

Programmed and non-programmed decisions

Programmed decision - procedure is set up or software is available where people put inputs and get basic data or results in an easy way.

Non-programmed decisions - are crucial and very important decisions for which an emergency procedure is needed in light of perceptions and situations available. People have to analyze that particular problem and take decision.

Planned and unplanned decisions

Planned decisions - planning is designed to give decisions. It is a priority with home work done. It is an issue which people have to study in details. Eg legal issues require study of many laws to support it.

Unplanned decision - is an emergency which critically happens in an organization in form of mishap or accident, where people have to relate themselves in times of contingencies.

Tactical or strategic decisions

Tactical decisions - is short term procedure in which basic day to day tactics or abilities related to procedure of decision making.

Strategic decisions -is a long term process in which critical issues related to core competencies of organizations are involved and these decisions will impact future and existence of organizations.

Organizational decisions and departmental

Very special departments have their own abilities and people to take up decisions. Sometimes, it could be the inter-departmental where two departments have to work

together in order to look to problem.

Importance of decision making

Decision making is important for organization and entrepreneurs because quick and accurate decisions help organization to

- Achieve their goals and objectives
- Give success
- Streamline managerial process
- Build professional aspect
- Decide abilities in light of changes happening in environment.
- Mitigate uncertainty which is floating in market
- Offset the changes.
- Solve technical aspects and basic problems which arise in day to day business
- Reduce risk of operating in business scenario
- Determine policies important for growth of organization.

4. Decision Making - Process

The basic procedure is lengthy, where as a professional, people have to analyze steps which are involved in the process but

According to **Herbed a Simon** - I would define decisions making process as an intelligent function which analyses design aspect of a particular situation or ability. On basis of this, people select a particular function in order to give results.

According to **R.S. Devar**- Decision making involves analyzing of problem, obtaining facts relating to problems, viewing alternatives, evaluating alternatives .On basis this, people try to take decision for execution of total procedure.

According to **Stanley** decision making involves a study or investigation of procedure in light of knowledge, facts, notion and ideas.

After these investigations, people have to do analysis and deliberations involved in total process. On basis of this, people try to select a particular aspect in order to get decision.

Risk – is involved in decision making. The decisions have to be sound in order to reduce uncertainty existing in surrounding environment.

Routine Decisions –are

- routine procedure
- Very simple but sometime situations are complicated where there is uncertainty.

Uncertainty - People really don't know what is going to happen tomorrow or facts are not available with the particular aspect or problem

Complex – People do not have understanding of basic procedures or risk consequences. If people take decisions, then also, risk of losses is more and if they don't take then risk of losses is more.

Alternatives - are not there, options are not there, choices are less or there are inter-personal issues which may result in a resistance, conflict or agitations.

These are situations, which put people under pressures. How to overcome all these aspects, in order to give correct decision, which not only gives productivity but also just balances sensitive relationships or inter-personal issues in the organization.

Methods - are techniques of decision making. Various authors have suggested different techniques.

Herbert Simon - There are traditional techniques of decision making which are conservative. This would not involve technology. For eg suppose a person wants to take a travel plan.

In olden days, people had to ask others, read magazine or depend on advice of people, On basis of that and according to moods and perceptions, people used to decide, where they had to go.

The modern techniques have made this procedure easy. Now, if people want to take a decision regarding travel plan, it is very easy to open Internet and search. Put travel plan in Google, use options and variety of technologies do search process. The search process will give a combination, which will be beneficial for their choice, cost, holidays and taste. The impact of technology will help to take a good decision.

According to Jonson and Caste - Decisions has to be a creative process of ability. The emotional applicability and way of thinking gives a good decision. The decision making is a scientific process, where it has to be supported by facts and ideas. Do a deductive analysis and come to an answer. It could be a mathematical procedure, where an operation research is involved. Do a combination of plus and minus to come for result which will give quantitative impact of decision.

According to John F - he said Decision making is a judgmental process. Judgment is built on basis of expertise and on reading.

It is principle or management process, where people have to study management. They have to analyze principles and in light of those principles, they have to take decisions

It could be economic or financial method of decision making

Economic - cost and benefits has to be analyzed to come to a particular decision.

Statistical method - statistical techniques for research, survey or trend analysis are done for testing of problem.

These are basic methods which have been suggested by various authors.

Techniques popular in the market

Experience - judgment and intuition also helps people in building good decisions.

Delphi technique - people take opinion and advice of experts. They start experimenting things and try to decide for coming to a conclusion

Model building.

Analyze procedure involved and on basis of that particular model, people come to their decision

Decision making could be a behavioral aspect. The behavior of people for is analyzed for their socio aspects. People's own abilities have to be analyzed to give good decision making process.

Decision Making -Steps

The basic steps of decision making - six basic steps are:

- create a constructive environment
- reduce conflict involving people through participative approach
- invite people to solve the problem
- generate good alternatives

Good alternatives - are options which have value and impact for building branding with bounded rationality.

Explore these alternatives - Exploring alternatives could be done with the help of experts, own abilities or suggestions for taking feedback from people.

Choose best alternative -The best alternative is not always true. On basis of cost & benefits, it is an optimal issue. Optimum is going to satisfy maximum dimensions associated with it.

Check decisions - The decisions have to be checked and calculated. Communicate decisions to organization in a very respectful and congenial way by maintaining the dignity of people. The positive or negative decisions have to be communicated in a balanced way.

Create constructive environments

- The organizations have an objective and if process is known, then there is less issue of conflicts.
- Try to involve right people with knowledge and expertise
- Consider people who will be influenced by those decisions. Try to take those people in trust and in confidence. They may be share holders, stake holders or people associated to business.
- Allow opinions to be heard, take suggestions, listen to people, respect them, even if you are not incorporating their ideas but at least understand them and give them empathy
- Make sure that there is right approach or agenda. If a person moves from agenda, the decisions can go wrong.
- use creativity from the heart
- Listen to conscious because inner value system or perception is important which will put decisions in light of the organization.

Source of generating good ideas or alternatives.

The good alternatives can be generated by

- Suggestions
- asking people
- having different perceptive
- perceptions
- Having an idea brain storming session to take suggestions from people or jot down issues which are important for people.

Explorations of alternatives can be done by a risk analysis and by decision tree analysis.

In this, merits and demerits of e decisions are analyzed. On the basis of this, balance how to demerits which are associated. Each demerit can be pacified by a constructive analysis.

The best alternative can be chosen on basis of paired comparisons, like there could be

many factors of impacting decisions. So combine each and every factor do a paired analysis by eliminating the less priority in life and focus on issues with higher core values.

Make a decision tree, decision tree can be like

The alternatives can be A1, A2, and A3

- If A2 and A3 are important, reject A1.
- If A1 and A3 are important, reject A2.

In this way, build a tree, by which cutting of each priority and option will lead to final decision making process.

Check decision - The decision can be checked by lateral influence, where a person can take decisions to people. Listen to their perceptions and their well founded decision can overlap decision. If there is harmony and relations are positive, their decisions are with a right approach.

5. Decision Making – Theories

Decision making theories

1. Classical rationality theory
2. Bounded rationality theory
3. Neo classical rationality theory

Classical Theory

- The Classical theory involves a rational choice of alternatives or priorities of people.
- People try to weigh their alternatives on profit bases.
- For them, economic gains or profits are important. On this basis, issues are analyzed and they take their decisions.

Bounded rationality theory

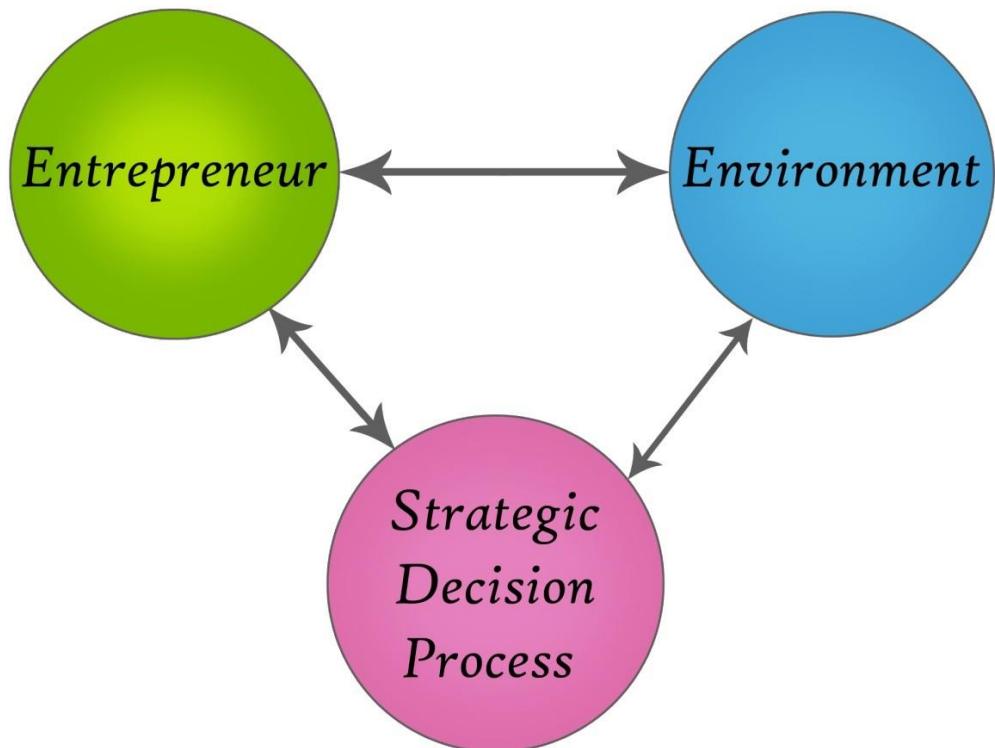
- In this the decisions are not only weighed on basis of cost & benefit analysis, but they try to bind their choices with other preferences also.
- They try to come to optimal choices on basis of simplifying complex procedures and reduce uncertainties which are in environment. They try to delegate and distribute decision task to people so that they have got the better choices.

Neo-classical theory - involves not only decisions based on cost, profit or their priorities but it also involves environmental issues.

What will be future gains or losses? How changing trends in environment would impact decisions? These reference points are taken and people take decisions in light of all these aspects.

Now here is diagram

Levels of analysis in decision making process



There are levels of analysis of decision making process.

Entrepreneur - in relation to environment is impacted by many factors and on the basis of that he takes his strategic decision process.

Strategic decision process - is long term impact which would give a sustainable existence to organization. Strategic refers to core or critical competence of organization which would build branding and existence of organization in market.

Three levels of analysis -

1. *Relation of entrepreneur with strategic decision* -strategic critical or most important aspect. This critical aspect has to be weighed in terms of rational, emotional and intuitive. Intuitive - is intuition, what people think about it or what they calculate, their personal perceptions and calculations are very important because they understand market more deeply than others This is relationship of entrepreneur with strategic decision process.
2. *Relation of entrepreneur with environment* -The environment is important because it is a dynamic and is changing every day. The forecasting of impact on environment, & decisions has to be deeply analyzed for opportunities, threats or benefits generated by emerging issues in environment. The entrepreneur has to relate to all these aspects.
3. *Environment and strategic decision process* -is involved because if decision is good with innovations or novelties, it can beat turbulence or uncertainty of environment. The organization comes as a winner. The decision of innovations used to fight uncertainties or changing processes happening in environment. This would give satisfaction or results.

Conclusion of decision making - Decision making is crucial for organization's existence, it is an ability of entrepreneur. It is a multistage and multi-criteria process which involves many abilities as mental, creative, scientific, calculative or technical. Lot of expertise is needed to understand basic complexities but ultimately information technology is important. The organization which is upgraded with technical process is better equipped to take faster decisions at cheaper rates and is able to better relate with the market processes and changes happening in it. He is able to connect in a broader sense with society and international forums.

6. Risk Taking

Growth means change. Change involves risk. Stepping from known to unknown risk

Technical definition of risk - It is a perceived loss or possible loss. Different people have diverse views about risk. Risk can be small or big but definitely, it puts a negative impact on decisions.

Value of risk -reflected by equation

$$\text{Risk} = \textbf{Probability of an Event} \times \textbf{Cost of an Event}$$

Probability - is consequence may happen or may not happen. There are both the possibilities.

If possibility is there, multiply particular consequence by cost to get the estimated risk.

Capacity to take risk - is directly proportionate to rewards or gains in market because

we are operating in an uncertain or speculative market which is changing every day. A reasonable degree of risk has to be involved in order to sustain and exist in market

Types of risk

Pure risk - pure risk which would involve a cost lost or a profit lost.

Speculative risk - is due to changes in prices or indexes changing in market.

Managerial risk - is due managerial changes or administrative changes by manager's policies and his way of thinking would change.

Political risk: The government may change or lose the power putting consequences of uncertainty and losses in policies supporting the business.

Risk relating to innovation - Any good thing happening and an up gradation happening in market would make a person out dated. Example change from P3 to P4 computers or Cassettes to CDs. The persons who are in lower businesses or outdated businesses would be out of market.

Fundamental risk - is related to disasters, floods, famine or anything accident happening in market.

Management of risk

- Identification of the risk
- Measuring the impact on business
- Building solutions.

Solutions -

Avoid risk - taking safe decisions or being on safer side. People could take up decision, go ahead and do business but with reduced possible risk.

People can also jump into market, invest more and take risk and come as a winner or a looser.

Entrepreneur and risk taking capacity

In words of HB Haden -The source of risk taking embedded in production is handled by an entrepreneur.

According to Frank Night -Enterprising class is a special group of person, who takes risk and manages for uncertainty.

According to Richard Kantian- Entrepreneur is a businessman, who can do trade of goods for country and face uncertainty in prices.

Reasons for taking Risk by entrepreneurs

Entrepreneurs take risk because they believe in taking moderate risk to live with uncertainty. They have to wake up in morning in unsecured job or unsecured solution.

They try to ensure & minimize risk. They have to invest their own energy and money, so that they are not sold in market. They chase opportunities in pursuit of gains. The uncertainty and pressure, which surrounds their existence is beyond measurable impact.

May be a person can ensure risk and can reduce economic impacts on personality but what about time lost, emotions lost and energy lost and brand lost. These are basic

impacts, which people have to face when they live with risk.

7. Increasing Risk Taking Capacity

The important elements increasing risk taking capacity of an entrepreneur are that he

- Has habit to win
- Has creative ability
- Is an innovative person
- Builds relationships
- Builds his assets
- Inherit values

This enhances his power to sustain basic floods of risk in the market.

Identification of threats or risk in market

Human risk - is team with which people are involved. They may be ill, can ditch, go away or die. Every entrepreneur faces this risk.

In the words of Mukesh Ambani “Organization is like centipede. It has got many legs to walk on. There may be people, who may be dying, they may be ditching, but the organization moves on these legs to achieve its goals and mottos.

Operational risk: is from suppliers, customers or failure of assets.

Reputational risk - is loss of business partner or his confidant. May be somebody has betrayed or false product has come into market which has reduced to a reputation.

Procedural risk – is due failure of accountability. The internal system has failed. The internal systems have not given you result

Project risk - is cost involved is more? It takes too long time because of strikes or layoffs.

Financial risk is failure of stock market. The failure of interest rate i.e. increasing rates can impact the business.

Technical risk - comes in advancement of technology or some technical failure in any person's own machine.

Natural risk - comes from the weather, the disaster, floods, and famines.

Political risk - is change in government may change tax regime, public opinion, policies and foreign policy.

Porter's model of competition - is changing perceptions, competitors changing perceptions, entry of substitute products or rivalry among of existing firms. These are basic threats or risk which exists in market.

Estimate of risk - Once you have identified all the potential risk in the market, the next step is to estimate what is the value.

Now value is possible event multiplied by cost would give potential loss. But beyond this you have to also estimate emotional value and associated inter-personal relationships which are at stake. They have to be taken into considerations because not only one decision in impacting the company but it is also impacting stake holders.

Stake holders- are people who are directly or indirectly related to the product or

company. May be like reliance taking up sports venture in IPL or buying a team in IPL is not only for profits & losses but it is to bring enthusiasm or feelings of goodness among people associated to their business. The risk is that they could lose or win match to make people happy.

8. Management of Risk

Management of risk -is very technical issue which involves these aspects.

Making up assets - If a person has good asset valuation system i.e. if investments are in property, gold, or silver, then they form a shield or give guarantee to apply for loans or build long term sustainability into market.

Contingency planning – Failure of programme. If the main lead plan has failed, and then there must be an option plan which could be put into operation in emergency.

Investing in new resources - is diversification. People should not always try to exist in one business. Now almost everywhere, in world, most of the companies have different product lines.

Reliance Company is not only into energy or petro chemicals; it is in to telecommunications, plastics, clothing's, and so many things or even in retail sector. When people diversify, it is good/ May be, one product line fails but profits of other businesses will give a sustainable floating ability in market. So management of risk can deal by diversification of products.

Risk can be managed by investing in new resources

The new resources can be generated or company can operate in new lines. People can diversify their products into various versions.

Tata has entered into a steel market, where it was a parent market, but it has come into Motors or consultancies services or telecommunication services.

When company diversifies into many faces of business, it is to reduce risk. If one product line fails, or one product line is giving loses, then this loss can be compensated by profits or booming market of other business or the products.

If people are into many businesses, they are able to compensate risk which is existing in a particular situation.

Conclusion -Risk analysis process is important part of business. There is need for planning process and a well documented plan. People need to study detailed aspects. The well documented plans may reduce risk. A good insurance policy may mitigate the financial loss. People also have to realize that risk associated with emotional loss and loss of energy can result in mental break up at disastrous level. Before taking up any decision, people have to analyze everything so that they are in comfortable position in business.