

IA 2

1. Stages of Entrepreneurial Process

An Entrepreneur is an individual who has the capacity & willingness to develop, organize & manage a business venture.

The stages of the Entrepreneurial Process are:

- **Identification of Opportunity:** Before starting any enterprise, individuals should search for good opportunities or any ideas. The idea can be their own or by friends, relatives, etc. Consumers are the best source of ideas for new ventures.
- **Evaluation of Opportunity:** After identifying the opportunity, the individual has to evaluate or assess the idea or opportunity in terms of its length, span, profit, generation, expenditure, etc.
SWOT (Strength Weakness Opportunity & Threat) analysis is one of the important tools for evaluation.
- **Development of Business Plan:** After evaluation of opportunity and selecting the specific idea, individuals should start business planning which includes the future of the project, staffing, technical & financial plan, etc.
- **Determination & Organizing of Resources:** This process starts with an assessment of present resources. Individuals should list out raw materials required for the production of goods, machines, measurement instruments, etc.
- **Management of the Enterprise:** After establishing an organization, the individual should look for the smooth run of the organization which needs management functions like planning, staffing, directing, and control. The management should be able to manage the operational problems of a growing enterprise.

2. Define creativity and innovation, list & explain the sources of new ideas for entrepreneurs

- **Creativity** It is the phenomenon of the creation of something new & valuable.
- **Innovation** is the implementation of new ideas at an individual, group, or organizational level.

- The sources of new ideas for Entrepreneurs are:
 - **Past Experience:** When an individual works in a company for a few years, they get important work experience and industry standards knowledge and can identify where changes can be brought.
 - **Consumers:** The consumers are the best idea providers as they are actual users or end-users. They give ideas or feedbacks in terms of materials & processes to be used to develop a product.
 - **Technical Consultants:** Technical consultants through the internet or web provide good information about the availability of technology, & other facilities required for business.
 - **Friends, Family, Colleagues:** Consulting friends and family can be a great idea to look for business ideas, as some of them might even have also thought of starting a business.
 - **R&D Units:** There are many R&D organizations developing new technologies & providing them commercially through regional research labs.
 - Ideas may also be obtained through business publications magazines. Publications provide current trends in the industry, best practices, legal issues, etc.

3. Significance of IPR

IPR stands for Intellectual Property Rights. Its significance is as follows:

- It creates and supports high-paying jobs.
- It drives economic growth and competitiveness.
- It protects consumers and families by educating them about the safety, reliability, and effectiveness of the purchases.
- It provides solutions to global challenges such as pharmacy, agriculture, etc.
- It encourages innovation and rewards entrepreneurs.

4. Role of MSME

The following are the major roles of MSME

- Elimination of economic backwardness in rural and underdeveloped regions

- Self-reliance
- Reducing regional imbalances
- Creation of greater employment opportunities
- Increased standard of living & income
- Improves production & export of cottage industries
- Development of economy & the country
- Mobilization of resources
- It generates immediate and large scale employment opportunities with relatively low investment
- It ensures equal distribution of national income

5. KIADB & NSIC role

NSIC - National Small Industries Corporation

- It is an ISO-certified company started in 1955 working to promote small-scale industries in India.
- NSIC has many financial schemes and also marketing & technology support and credit facility.
- It facilitates buyer-seller meets.
- Helps in the export of products and import of materials
- It also provides:
 - Material testing facilities
 - Help in product design
 - Energy service
 - Practical training to workers

KIADB - Karnataka Industrial Area Development Board

- KIADB acquires and provides developed land suited to start industry by drawing well-developed plots with different sizes & needs for different industries.
- It promotes rapid & orderly establishment for the development of industries.

- It also provides additional amenities like banks, post offices, fire stations, security, police department, roads, drainage, electricity, water, etc to start an industry.
- It also provides water treatment plants and waste disposal plants.

6. Discuss in detail the impact of liberalization, privatization, and globalization on MSME

Liberalization

Liberalization had made the import of scarce and non-available raw material easy. This had led to many new openings, New entrepreneurs have started many SSIs (Small Scale Industries) which are otherwise not possible due to the non-availability of certain raw materials and resources. Liberalization helped get them from abroad and use them.

Privatization

Privatization also helped the growth of SSIs in a big way. Earlier certain products were produced only by government organizations & no competition existed. With privatization, it gave an open platform to many challenging entrepreneurs to produce similar goods and services at a much competitive size and of better quality.

Globalization

Globalization has helped in setting many SSIs. It made it possible to export goods produced in small-scale industries and service providers are going global from India. Indian entrepreneurs in the pharma sector, IT sector, steel sector have gone to many countries to start ventures.