

## 1. Characteristics of Entrepreneurs

### 1. Passion & Motivation :

- Is there something you can work on over and over again without getting bored?
- Is there something that keeps you awake because you have not finished it yet?
- Is there something you have built and want to continue to improve upon, again and again?
- Is there something you enjoy the most and want to continue doing to the rest of your life?

### 2. Risk Taking :

- Successful entrepreneurs are willing to risk time and money on an uncertain future, but also keep resources and make plans to deal with unknown problems.
- Is the risk worth the cost of your career, time and money?
- What will you do if this venture does not pay off?

3. Self-belief and Hard Work : Successful entrepreneurs believe in themselves and enjoy what they do. • Can you focus and have faith in your ideas? • Can you demonstrate discipline and dedication despite detractors?

4 Adaptability & Flexibility : Successful entrepreneurs welcome all suggestions for optimization or customization that enhances their offering and satisfies market and customer needs. • Can you be flexible in adapting to dynamic markets and changing customer needs?

5. Understand the Market : Successful entrepreneurs know their market and their product inside and out. • Can you stay aware of changing market needs, competitor moves, and other external factors to avert failure?

6.Money Management : Successful entrepreneurs realize money management is mandatory and plan for present and future obligations. • Can you handle keeping sufficient cash flows after becoming operational?

7 Planning : Successful entrepreneurs make plans as much as possible but maintain a mindset and temperament for dealing with unforeseen possibilities. • What are your time and money targets? Are they feasible?

8. Networking Abilities: build networks to seek valuable advice. • Can you create a network to tap for solutions?

9. Being Prepared to Take the Exit : Not every attempt ends in success. Successful entrepreneurs know when to cut their losses and try something different rather than continue to lose money in a failing venture. • Can you leave a venture if it fails?

10. Self-doubt, but not too much : Successful entrepreneurs do gut checks. • Can you do this? • Do you want this?

## 2. Stages of the evolution of Entrepreneurship

The evolutionary process of entrepreneurship activities may be divided in to the following broad stages:

### 1. Hunting Stage:

- a. The primary stage of the evolution of the economic life of man was hunting stage.
- b. Wants were limited and very few in numbers.
- c. The family members themselves satisfied problems of food, clothing and shelter. Producers were the consumers also.
- d. Robinson Crusoe, living in the deserted island, satisfying his own requirements had no knowledge of business. People in some parts of Africa and India still lead this type

of life. In this stage problems of production and distribution were not complex since wants were simple and limited.

## **2. Pastoral Stage:**

With the progress of mankind gradually mental understanding developed and people started realizing that instead of killing animals, they should breed and rear them. Thus cattle breeding encouraged the use of milk, and they had to think in terms of grazing areas for their cattle. The surplus milk, meat and other related products were spared of exchange. This stage can be termed as the first stage of economic development and the beginning of commerce

## **3. Agricultural Stage:**

In search of grazing areas, they further realized that they should grow plants as food for animals. They started testing some grain products and slowly developed a taste in plants and the land was used for cultivation. Groups of persons started living together on their agricultural fields, which were subsequently converted into small villages with their farms. Free exchange of goods was started and the activities were also divided to the extent of division of labor at the village level to complement the needs of each other. Initially each village was self sufficient, but later they began small trading activities on barter basis

## **4. Handicraft Stage:**

In the agricultural stage, people started learning the use of cloth made of cotton products, and they developed the segments of the workers for different activities. Cottage scale setup was developed at the village level to nearby villages, and in exchange they brought requirements either to consume themselves or for their village friends. Since the demand for gold coins, silver coins, skin etc increased the activities of cobblers, gold smiths, and blacksmiths, laborers also rapidly increased, and caste system was also formed on the basis of activities they did. Every body selected their job according to their own choice and taste

## **5. Present Industrial Stage:**

The use of mechanical devices and the commonly acceptable form of monetary system accelerated the growth of entrepreneurship activities. The progress of science and the increase in the means of transportation and communication enabled to travel widely and the markets were developed in the country and abroad.

## **3. KIADB**

The Karnataka industrial areas development board is statutory board constituted under the Karnataka industrial area development act of 1996. Since then it is in the business of apportioning land for industries and gearing up facilities to carryout operations. The KIADB now acquires and provides developed land suited for industrialization, by drawing up well laid-out plots of varying sizes to suit different industries with requisite infrastructure facilities. The facilities include roads, drainage, water supply etc. The amenities such as banks, post offices, fire stations, police outposts, ESI dispensaries etc are also provided. It also plans to initiate the provision of common effluent treatment plants wherever necessary.

KIADB has acquired a land of 39,297 acres out of which 21,987 acres had been developed till March 1996. Developed industrial plots had been allotted to 7882 units.

Application forms for the allotment of land may be obtained from the executive member, KIADB Bangalore or general manager DIC of concerned district or from the Zonal office of

KIADB located at Mysore, Mangalore, Dharwad, Gulbarga, Bidar, Hassan and Belgaum.

Applications duly filled must be accompanied by:

- (a) A brief project report.
- (b) Details of constitution of the company
- (c) Provisional registration certificate
- (d) EMD of Rs 500/- per acre, subject to a maximum of Rs 10,000/- along with 20%, 15% and 5% of the land cost for various districts.

On receipt of applications for all districts other than Bangalore, a discussion with the promoters regarding the project will be held in the concerned district headquarters. The district level allotment committee will take a decision on allotment of land to the SSI units. In case of Bangalore, the screening committee comprising of executive member KIADB, director of SISI, chief advisor TECSOK will discuss the project and make necessary recommendation to a sub-committee. The sub-committee will in turn allot the land. Once land is allotted the remaining payment should be made within six months of the date of issue of allotment letter.

#### 4. NSIC

The National Small Industries Corporation (NSIC), an enterprise under the union ministry of industries was set up in 1955 in New Delhi to promote aid and facilitate the growth of small scale industries in the country. NSIC offers a package of assistance for the benefit of small-scale enterprises.

1. **Single point registration:** Registration under this scheme for participating in government and public sector undertaking tenders.
2. **Information service:** NSIC continuously gets updated with the latest specific information on business leads, technology and policy issues.
3. **Raw material assistance:** NSIC fulfils raw material requirements of small-scale industries and provides raw material on convenient and flexible terms.
4. **Meeting credit needs of SSI:** NSIC facilitate sanctions of term loan and working capital credit limit of small enterprise from banks.
5. **Performance and credit rating:** NSIC gives credit rating by international agencies subsidized for small enterprises up to 75% to get better credit terms from banks and export orders from foreign buyers.
6. **Marketing assistance programme:** NSIC participates in government tenders on behalf of small enterprises to procure orders for them.

#### 5. MSME

ROLE OF MSME'S : MSMEs play a pivotal role in the Indian economy.

- 1) MSME Sector contribute nearly 45% of the manufacturing output and 40% of the exports.
- 2) MSME Sector provides the largest share of employment after agriculture and this sector has a better record of employment generation per rupee investment as compared to large industries.
- 3) Economic independence (i.e., self-reliance) can be achieved only by the growth of small sector.
- 4) MSMEs generate immediate and large scale employment opportunities with relatively low investment.
- 5) MSMEs eradicate unemployment problem from the country.
- 6) MSMEs encourage dispersal of industries to all over country covering small towns, villages and economically lagging regions.
- 7) MSMEs bring backward areas too in the mainstream of national development.



- 8) MSMEs promote balanced regional development in the whole country.
- 9) ~~MSMEs~~ MSMEs ensure more equitable distribution of national income.
- 10) MSMEs encourage effective mobilisation of country's untapped resources.
- 11) MSMEs improve the level of living of people in the country.
- 12) Apart from economic relevance, growth of MSMEs plays an important role in maintaining the overall social & cultural structure.
- 13) MSMEs encourage inclusive growth. [unequal distribution of wealth is discouraged].

#### 6. Business environment in India

### BUSINESS ENVIRONMENT IN INDIA

The features of Indian business environment are:

- ① Co-existence of public & private sector: Indian business environment is characterized by the co-existence of both public and private sector in respect of its participation in various economic activities in the country. Accordingly, the various economic policies of the country can promote the development of both the sectors in different spheres of activities.
- ② Low income level: Indian business environment has to face low



### ③ Poor rate of Capital Formation:

Capital deficiency is one of the important features of the Indian business environment. Both the amount of capital available per head and the present rate of capital formation in India is very low. Moreover, this low level of capital formation in India is also due to weakness of the inducement to invest and also due to the low propensity and capacity to save. Thus under this present feature, the business environment of the country never faces adequate incentive towards faster development of the country.

### ④ Low Level of Technology:

Prevalence of low level technology is another important feature of Indian business environment. The business environment of the country is thus suffering from technological backwardness. Obsolete techniques of production are largely being applied in both agriculture & industrial sector of the country.

Sophisticated modern technology is being applied in production units at a very limited scale as it is very much expensive. Moreover, the huge unskilled & untrained labour force is also an important impediment towards technological modernisation of the country.



### ⑤ Under-utilization of Capacity:

Under utilization of productive capacity of Indian industries is another important feature of Indian business environment. As a result of this under utilization, the industries in India are suffering from higher unit costs & low profitability syndrome.

⑥ Lack of Diversification: The business environment of the Country is also subjected to the problem of lack of diversification in its industry, trade and other related activities.

⑦ Financial Market: Indian business environment is also supported by under developed financial market.

Financial market is suffering from lack of buoyancy & there is also the problem of lack of adequate and free uninterrupted flow of institutional credit towards industrial & other business units.

⑧ Industrial Dispute & slow pace of Labour Reforms: Another important feature of business environment is the growing industrial dispute leading to strikes & lock-outs in growing number of units as a result of irrational trade union activities. Moreover, the slow pace of labour reforms introduced by the government has affected the business environment of the Country.



⑨ Government Interference: Business environment in the country is also affected by unwanted government interference in various spheres of business & industrial activities. There is lack of single window clearance & lack of administrative efficiency in respect of industrial licensing. Thus the business enterprises have to face the problem of red-tapism, harassment, corruption, undue delay etc., which ultimately interrupts the promotion of smooth business environment in the country.

⑩ Extent of Market : Another feature of business environment of India is the poor extent of market in the aftermath of globalization and

international competition faced by the country. The business enterprises of the country is also suffering from lack of diversification of its export market. However, considering the natural advantage available in the country, the country would be able to diversify its export market particularly in respect of its agro-processed industries, service sector, information technology sector etc.

⑪ Transportation Bottle Neck:

Another important feature of business environment of the country is that it is subjected to frequent transport bottle-neck. Although the country has developed a wide network of transportation system interruption as a result of natural calamities like flood, landslides etc.,



## 7. KSSIDC

KSSIDC : [Karnataka state small Industries Development Corporation]. It is the industrial and investment promotion agency of the Government of Karnataka. The growth of small scale industries in our Country Since independence is rightly regarded as one of the most significant features of planned economic development.

- The Corporation's principal objective is to promote and develop small industries in the State.
- Construction and utilisation of infrastructure, especially in backward areas, procurement ~~off~~ marketing of raw materials, technical support and assistance are means to reach the goals.
- A concern for results, emphasis on quality and timely work and

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Willingness to understand the problems of entrepreneurs are the staff creed, and KSSIDC constantly strive for this end.

- An industry prosperous Karnataka is the vision of KSSIDC.

## 8. KSFC

KSFC : [Karnataka State Financial Corporation]  
KSFC is one of the fast track term lending financial institutions in the country with assistance to over 1,71,414 units amounting to nearly Rs. 15,276 crore over the last 58 years in the state of Karnataka. KSFC is one of the robust and professionally managed state financial corporations. KSFC is an ISO 9001-2000 certified.

KSFC give preference to the projects which are

- (i) Promoted by technician entrepreneur.
- (ii) In the small-scale sector.
- (iii) Located in growth centers and developing areas of the state;
- (iv) (iv) Promoted by entrepreneurs belonging to scheduled castes and scheduled tribes, backward classes and other weaker sections of society.
- (v) Characterized by high employment potential.
- (vi) (vi) Capable of utilizing local resources;
- (vii) In tune with the declared national priorities.