

Entrepreneurship Development

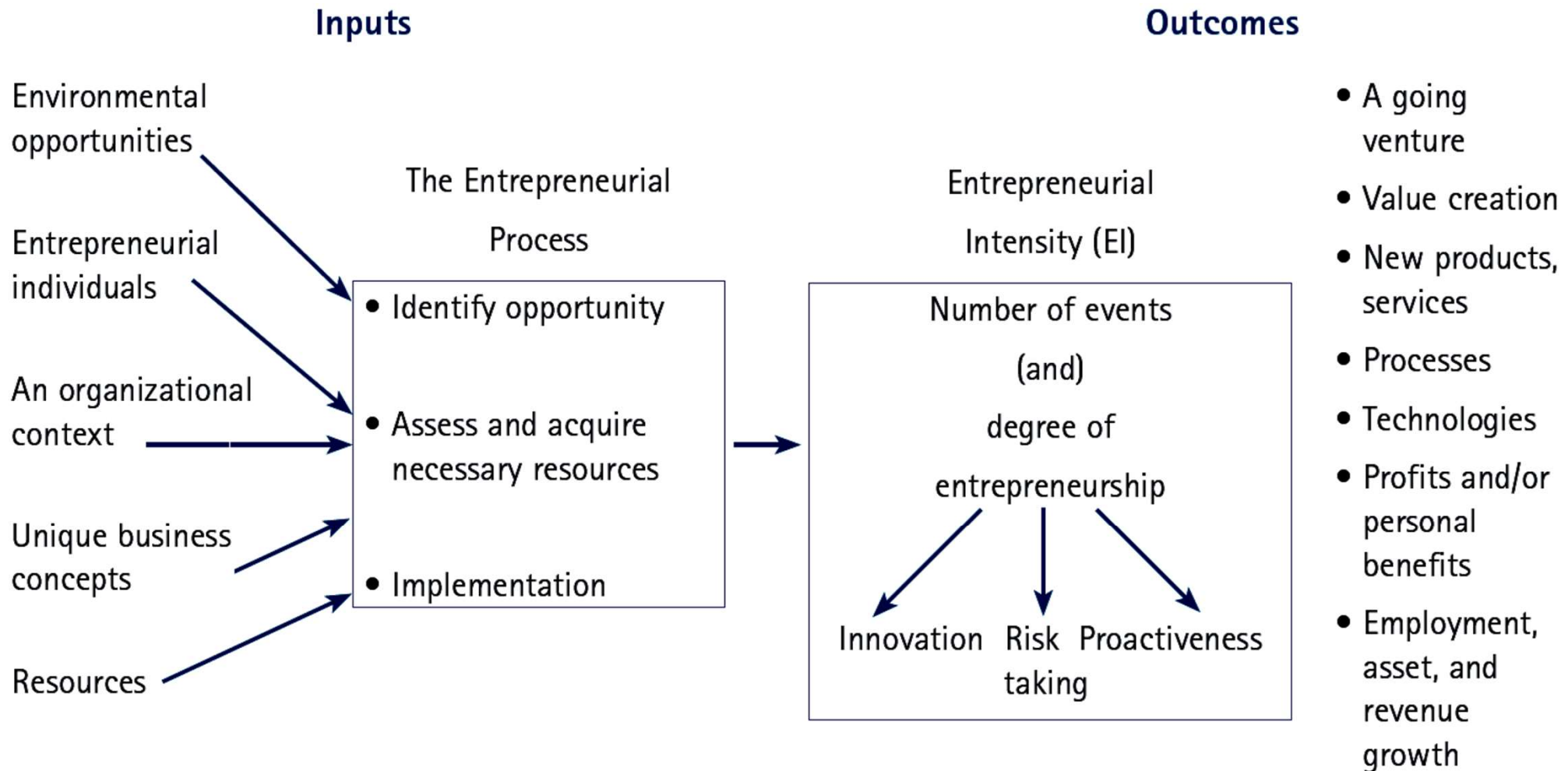
Entrepreneur:

- A person, who takes responsibility for a business project, organizes the resources it requires, and assumes the risk it entails.
- An entrepreneur searches for change, responds to it and exploits opportunities.
- Innovation is a specific tool of an entrepreneur hence an effective entrepreneur converts a source into resource.

Entrepreneurship:

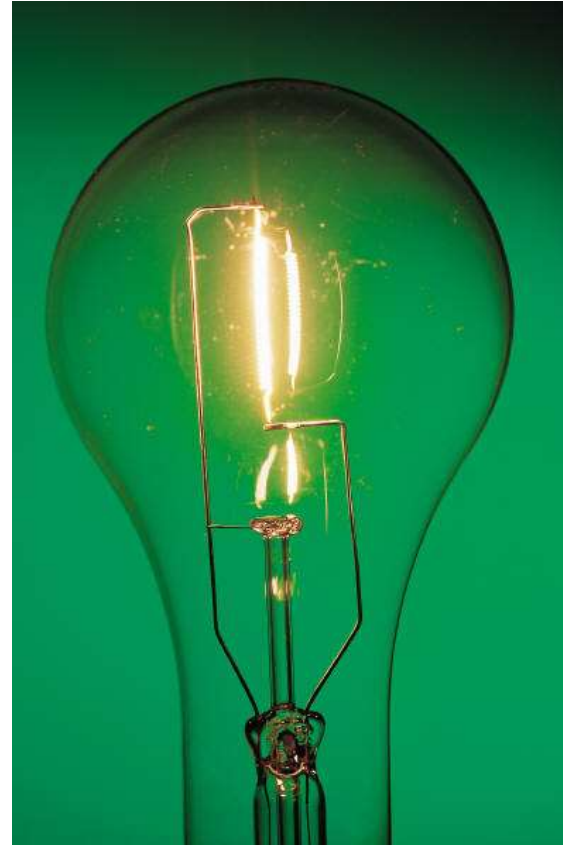
Entrepreneurship is the process of creating something new, with value, by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence.

An Integrative Model of Entrepreneurial Inputs and Outcomes



Skills needed by successful entrepreneurs

- Basic business skills
- Communication skills
- Decision-making skills
- Human relations skills
- Math skills
- Problem-solving skills
- Technical skills



Why Entrepreneurship?

- **Being your Own Boss**
 - Self-management is the motivation that drives many entrepreneurs.
- **Financial Success**
 - Entrepreneurs are wealth creators.
- **Job Security**
 - Over the past ten years, large companies have eliminated more jobs than they have created.
- **Quality of Life**
 - Starting a business gives the founder some choice over when, where, and how to work.

THE FOUR BASIC ASPECTS OF ENTREPRENEURSHIP

- Creating something of new value
- Organization (Devotion of time and effort)
- Assuming the risks
- Rewards (growth)

CHARACTERISTICS OF AN ENTREPRENEUR

- Self-confident
- Able to make decisions
- Determined
- Independent
- Energetic
- Able to lead
- Resourceful
- Versatile
- Achievement-oriented
- Able to take calculated risks
- Responsive to criticism
- Profit-oriented
- Initiative-taker
- Perceptive
- Flexible
- Responsive to change
- Eager to learn
- Responsible
- Competitive
- Optimistic
- patience
- Goal-oriented
- Efficient

ENTREPRENEUR Vs ENTREPRENEURSHIP

Entrepreneur	Entrepreneurship
1.Refers to a person	1.Refers to a process
2.Visualiser	2.Vision
3. Creator	3.Creation organization
4. Risk taker	4. Risk-taking
5. Motivator	5. Motivation
6. Communicator	6. Communication
7. Administrator	7. Administration
8. Planner	8. Planning
9. Leader	9. Leadership
10. Programmer	10. Action
11. Innovator	11. Innovation technology initiative

Functions of an Entrepreneur:

1. Manages business and takes decisions
2. Studies the market and selects the business
3. Makes a selection of plant size
4. Organizes sales and holds the customers
5. Promotes new inventions
6. Coordinates different factors of production
7. Arranges raw material, machinery and finance
8. Employs laborers
9. Deals with government departments such as sales tax, labour, electricity, export-import, railways.
10. Decides pricing policies
11. Distributes wages of labourers, interest to the capitalist.

Entrepreneurial development:

Entrepreneurial development is must for the economic development. For the purpose of entrepreneurial development rapid growth of small scale sector is required. Further more entrepreneurial development programmes are designed to help an individual in strengthening his entrepreneurial motive and in acquiring skills and capabilities essential for playing his role effectively.

The main goal of the entrepreneurial development programme is to motivate and assist potential and prospective entrepreneurs to establish small scale units of their own to acquire self employment

and contribute significantly towards production and employment situation.

Entrepreneurial development programme must be in a proper manner and should incorporate the followings:

1. Motivation, achievement, development and sharpening entrepreneurial traits and behavior
2. Project planning and development by providing guidance on industrial opportunities, incentives and facilities available to entrepreneurs, rules and regulations governing small industrial units
3. Developing managerial and operational capabilities among entrepreneurs

Objectives of Entrepreneurial development:

1. To develop and strengthen the entrepreneurial characteristics
2. To analyse industrial environment concerned with small scale industry and small business enterprises
3. To select the product to be manufactured
4. Formulate project reports
5. To analyse and understand the procedure for establishing the small enterprises
6. To provide support required for launching the enterprise
7. To acquire basic management skills needed
8. To appreciate the social responsibilities
9. To let the entrepreneur set the objectives of his business
10. To prepare the entrepreneur to accept moderate risks
11. To take strategic decisions
12. To develop communication skills

Need of training for enterprises:

In order to motivate and assist the prospective entrepreneurs for the success of their industry, proper training is essential in production techniques, management, marketing and other aspects. Small industries service institutes and their extension centres organise training for

1. Improving technical skills of workers and employees
2. Providing acquaintance to entrepreneurs with modern and latest production and management techniques.

The training courses for workers are organised in the following fields/areas:

Shop oriented courses: These are the courses such as tool room practices, machine shop practice, foundry, forging, meteorology and electrical shop practice.

Trade oriented courses: These are the courses such as tool making, sheet metal, fitter and pattern making etc

Process oriented courses: These are the courses providing training in welding, heat treatment and electroplating etc.

Product oriented courses: These are the courses related with production of goods such as foot wear, sports goods, paints and varnishes etc.

In order to provide training and for the purpose of technology upgradation, specialized institutions have been established. Some institutions of this type in the different parts of the country are:

1. National Institute for Entrepreneurship and small business development ,New Delhi
2. National Federation of industrial cooperatives limited, New Delhi
3. Central Institute of hand Tools, Jalandhar
4. Central pulp and paper research institute, Saharanpur
5. Process and product Development centre, Agra
6. Central machine tool institute, Bangalore
7. Indian plywood industries research institute, Bangalore
8. National institute of design, Ahmedabad
9. Centre for the improvement of glass industry, Firozabad
10. Hand tool design development and training centre, Nagpur
11. Central tool room and training centre, calcutta
12. Central Institute of tool design, Hyderabad

Finance for the enterprises:

Finance is the main input for any enterprise. The entrepreneur requires capital to begin with and also needs financial assistance at every stage of the project.

Project finance is needed for both short term as well as long term as follows:

Short-term finance:

When the funds are required for a period of less than one year. These are usually utilized for meeting the working capital requirements. Main sources for short term finance are bank borrowings, trade credit and customer advances.

Medium-term finance:

When the requirement period is from one year to five years, the finance is regarded as a medium-term finance. This type of finance is generally needed for permanent working capital to be used for small expansions, modifications and replacements. The sources of this type of finance are raised by issue of shares and debentures plus borrowings from banks and other financial institutions.

Long-term finance:

When the requirement period is more than 5 years the finance are regarded as long term finance. These are used for procurement of fixed assets. The important sources of long term finance are issue of shares and debentures plus loan from banks and other financial institutions.

Factors affecting entrepreneurship:

1. Great need for achievement
2. Urge for independence
3. Urge for power
4. Family background
5. Flexibility
6. Creative and Innovative spirit
7. Fluency
8. Decision making capacity