

e-READING MANUAL

HSS- 322
ENTREPRENEURSHIP DEVELOPMENT
AND BUSINESSMANAGEMENT
2 (1+1)

B.Sc. (Hons.) Horticulture

Prepared by
B.K. Gupta
Dheeraj Mishra
Pankaj Kumar Ojha
Arjun Prasad Verma
B.P. Mishra

Department of Agricultural Extension
College of Agriculture
Banda University of Agriculture and Technology
Banda, (UP) - 210001

e-Reading Manual on

Entrepreneurship Development and Business Management

Year

January, 2022

Copyright

Banda University of Agriculture and Technology, Banda

Publication No.: BUAT/(M)/2022-13

Prepared by:

B.K. Gupta

Dheeraj Mishra

Pankaj Kumar Ojha

Arjun Prasad Verma

B.P. Mishra

Published by:

College of Agriculture

Banda University of Agriculture and Technology

Banda-210001 (Uttar Pradesh)

FOREWORD

I am pleased to learn that the Department of Agricultural Extension is bringing out the e-reading manual of HSS-322: Entrepreneurship Development and Business Management for the students of B.Sc. (Hons.) Horticulture. The university has always been supportive for providing all sorts of help in facilitating the best teaching and learning environment. This e-reading manual will be helpful to improve students' understanding of the subject and easily accessible all the time. With this e-reading manual, the students will be able to develop their skills for better performance in academics and in the professional field as well.

I appreciate the tireless efforts of the faculty members of the Department of Agricultural Extension in developing and designing this manual. I am sure that this reading manual will be very useful to the students registered for the course of 'Fundamentals of Agricultural Extension Education'. This manual will work as a ready reckoner for the students to help them in preparation of competitive examination for higher studies.

With best wishes,

(G.S. Panwar)

Dean

College of Agriculture

Banda University of Agriculture and Technology

Banda-210001 (UP)

PREFACE

Agricultural extension is a key to sustainable agricultural development. The global change in economic policies and advancement in technologies have brought a complete shift in extension approaches worldwide. It has introduced new trends such as market led extension, cyber extension and private extension to the discipline. In view of this, ICAR nominated the 5th Dean's Committee to suggest relevant modification and changes in the course curricula of all disciplines at UG level.

This e-reading manual on HSS-322: Entrepreneurship Development and Business Management are designed as per the revised curricula of B.Sc. (Hons.) Horticulture programme recommended by the 5th Dean's Committee of ICAR. The new chapters were added as per the revision and incorporated in such a way that made it easily understandable to the students to make it more clear and attractive. Pictures, graphs, figures, etc. are used at appropriate places. This manual is a combined effort of all the faculty members of the Department of Agricultural Extension, for which I am thankful for my teammates.

On behalf of authors and as a Head, Department of Agricultural Extension, I acknowledge with thanks to Dr. N.P. Singh, Hon'ble Vice Chancellor, BUAT, Banda and Dr. G.S. Panwar, Dean, College of Agriculture, BUAT, Banda for encouraging us to bring out this e-reading manual.

With best wishes,

(B.P. Mishra)

Head

Department of Agricultural Extension

College of Agriculture

BUAT, Banda

DECLARATION

The e-reading manual on “**Entrepreneurship Development and Business Management**” is prepared according to the syllabus recommended by the fifth dean committee report and offered in Under Graduate Programme of B.Sc. (Hons.) Horticulture, CoH, BUAT, Banda. This study material is prepared with the help of various textbook, online sources such as University websites, e-documents, e- books, e-data and other offline sources. The authors do not claim for originality of work. The purpose of this E-Course is only to provide the study material to students of B.Sc. (Hons.) Horticulture, CoH, BUAT, Banda as reference material for understanding of the course. This is not made for the commercial purpose. The multiplication and use of this compendium for commercial activity is prohibited.

AUTHORS

Department of Ag. Ext. CoA, BUAT, Banda

Entrepreneurship Development and Business Management 2 (1+1)
HSS 322
CONTENTS

S.N.	Topic
1	Entrepreneurship Development, Concept of Entrepreneur, entrepreneurship, agripreneur or agripreneurship, business, businessman and entrepreneurship development
2	Entrepreneurial and managerial characteristics, distinction between an entrepreneur and a manager, types of entrepreneurs and functions of entrepreneurs
3	Assessing overall business environment in Indian economy, Overview of Indian social, political and economic systems and their implications for decision making by individual entrepreneurs, globalization and the emerging business / entrepreneurial environment.
4	Managing an enterprise; motivation and entrepreneurship development
5	Importance of planning, budgeting, monitoring, evaluation and follow up in running an enterprise, researching / managing competition- ways to define possible
6	competitors, competitive information, Entrepreneurship development programmes (EDPs) - objectives, phases, problems of EDPs, Criteria for assessment or evaluation of EDPs
7	SWOT analysis-concept, meaning and advantages, generation, incubation and commercialization of business ideas
8	Government schemes and incentives for promotion of entrepreneurship and government policy on small and medium Enterprises (SMEs) / SSIs.
9	Export and Import Policies relevant to horticulture sector.
10	Forms of business- Venture capital, contract farming, joint ventures, and public-private partnerships.
11	Supply chain management and total quality management.
12	Overview of horticulture inputs industry, characteristics of Indian horticultural processing and export industry
13	Social responsibility of business
14	Communication Skills: meaning and process of communication, verbal and non-verbal communication.
15	Listening and note taking, writing skills, oral presentation skills, field diary and lab record; indexing, footnote and bibliographic procedures
16	Developing organizational and managerial skills, problem solving skills.

CHAPTER- 1

CONCEPT OF ENTREPRENEUR, ENTREPRENEURSHIP, AGRIPRENEUR OR AGRIENTREPRENEURSHIP, BUSINESS, BUSINESSMAN AND ENTREPRENEURSHIP DEVELOPMENT

INTRODUCTION

An entrepreneur is an individual who creates a new business, bearing most of the risks and enjoying most of the rewards as an economic agent. The entrepreneur is commonly known as an innovator, as a creator, a source of new ideas, goods, services, and business/or procedures. As an economic agent entrepreneur plays a key role in the economic development of a country. The economic development of a country refers to sustained growth in the income levels. Entrepreneurs using the skills and initiative necessary to anticipate needs and bringing good new ideas in to market.

An Entrepreneur is an individual with knowledge, skills, initiative, drive and spirit of innovation who aims at achieving goals. An entrepreneur identifies opportunities and seizes opportunities for economic benefits. The process of setting up a business is known as entrepreneurship. Entrepreneurship is a dynamic activity which helps the entrepreneur to bring changes in the process of production, innovation in production, new usage of materials, creator of market etc. It is a mental attitude to foresee risk and uncertainty with a view to achieve certain strong motive. It also means doing something in a new and effective manner.

CONCEPT OF ENTREPRENEUR

- An Entrepreneur is an individual with knowledge, skills, initiative, drive and spirit of innovation who aims at achieving goals.
- An entrepreneur identifies opportunities and seizes opportunities for economic benefits.
- Entrepreneurs being an economic man aim to optimize his business profits through innovative means.
- According to Encyclopedia Britannica entrepreneur means an individual response for the operation of the business.
- An entrepreneur is someone who practice initiative by organizing a venture to take benefit of an opportunity and, as the decision maker, decides **what and how venture to be create, and what, how and how much** of a goods or service will be produced. An entrepreneur provides risk capital (venture capital) as a risk taker, and observes and controls the business activities which give profits.

The entrepreneur is usually a sole proprietor, or a partner, or the one who owns the majority of shares in an incorporated venture. If one desires to be an entrepreneur, the given equation is what describes, what an entrepreneur actually is.

Entrepreneur + Capital = Products + Customers = Business.

History of the term 'Entrepreneur'

Around 1700 A.D. the term was used for architects and contractor of public works. In many countries, the term entrepreneur is often associated with a person who starts his/her own new business.

The word "Entrepreneur" is derived from the French verb 'entrepredre' and German word 'unternehmer' both means 'to undertake'. In the early 16th century the Frenchmen who organized and led military expeditions were referred as 'Entrepreneurs'. In the early 18th century French economist Richard Cantillon used the term entrepreneur to business. Since that time the word entrepreneur means one who takes the risk of starting a new organization or introducing a new idea, product or service to society. French economist Richard Cantillon was known as Father of Entrepreneurs world.

Definitions

Some of the definitions given by scientists to understand who an entrepreneur is;

According to **Oxford Dictionary** "An entrepreneur is a person who sets up a business or businesses, taking on financial risks in the hope of profit".

According to the **International Encyclopedia**, an entrepreneur is "An individual who bears the risk of operating a business in the face of uncertainty about the future conditions".

According to **J.B. Say**, "An Entrepreneur is the economic agent who unites all means of production; land of one, the labour of another and the capital of yet another and thus produces a product. By selling the product in the market the pays rent of land, wages to labour, interest on capital and what remains is his profit". Thus an Entrepreneur is an organizer who combines various factors of production to produce a socially viable product.

According to **Joseph Schumpeter**, "An entrepreneur in an advanced economy is an individual who introduces something new in the economy, a method of production not yet tested by experience in the branch of manufacture concerned, a product with which consumers are not yet familiar, a new source of raw material or of new market and the like".

According to **Richard Cantillon** "An entrepreneur is the agent who buys factors of production at certain prices in order to combine them into a product with a view to selling it at uncertain prices in future". To conclude an entrepreneur is the person who bears risk, unites various factors of production, to exploit the perceived opportunities in order to evoke demand, create wealth and employment.

According to **Anita Jhamtani (1996)** "Entrepreneurship refers to identify/ innovating ideas, products and services, mobilizing resources, organizing production/ services and finally marketing those covering the risk with constant strive for growth and excellence"

Entrepreneur as a person who has the ability to manage the resources and described him as a dynamic agent of change or the catalyst who transformed increasingly physical, natural and human resources into corresponding production possibilities.

CONCEPT OF ENTREPRENEURSHIP

The term 'entrepreneurship' is often used synonymously with the term 'Entrepreneur' though, they are two sides of the same coin, conceptually they are different. After realize the term and about the Entrepreneurs, now we understand the meaning of entrepreneurship. Entrepreneurship is the dynamic process of creating gradual wealth. This wealth is created by individuals who assume the major risks in terms of wealth, equity, time, and/or career commitment of providing value/ identity for some product or service in the market. In very short it can be said that entrepreneurship is kind of activities done by the

individual as an entrepreneur. The product or service identify by them may or may not be new or unique but value must somehow be permeate by the entrepreneur by securing and allocating the necessary skills and resources.

Many of them have used innovation and creativity to build huge enterprises. Entrepreneurship is now regarded as “**Pioneer ship**” of business. The history of the early industrial development and trade and subsequent innovation in any country is largely the history of its entrepreneurs. **It describes people with the pioneering spirit, intuitive and inspiration and a willingness to work hard and take risks.** They are the energetic self-starters who make it their mission to meet business challenges, independently and are restless in working for someone else, for a salary. Whatever the specific activity they engage in, entrepreneurs in the twenty-first century are considered the heroes of free enterprise.

In short, the concept of entrepreneurship can be easily understood as under:

(i) Entrepreneurship involves decision making, innovation, implementation, forecasting of the future, independency, and success.

(ii) Entrepreneurship is a dynamic and risky process.

(iv) It involves a fusion of capital, technology and human talent.

(iii) Entrepreneurship is a process. It is not a combination of some stray incidents.

(iv) Entrepreneurship is equally applicable to big and small businesses, to economic and non-economic activities.

(v) Different entrepreneurs might have some common traits but all of them will have some different and unique qualities.

(vi) It is the purposeful and organized activities for change, conducted after systematic analysis of opportunities in the environment.

(vii) Entrepreneurship is a creative activity.

(viii) It is the ability to create and build something from practically nothing.

(ix) It is a knack of sensing opportunity where others see chaos and confusion.

(x) Entrepreneurship is the attitude of mind to seek opportunities, take calculated risks and derive benefits by setting up a venture.

(xi) It is made up of activities to conceive, create and run an enterprise.

(xii) Entrepreneurship is a dynamic process of vision, change and creation.

With these concepts of entrepreneurship it can be concluded that the-

Entrepreneurship is the indivisible process flourishes, when the interlinked dimensions of individual psychological entrepreneurship, entrepreneur traits, social encouragement, business opportunities, Government policies, availability of plenty of resources and opportunities coverage towards the common good, development of the society and economy.

Entrepreneurship is the process of identifying opportunities in the market place, arranging the resources required to pursue these opportunities and investing the resources to exploit the opportunities for long term gains. It involves creating wealth by bringing together resources in new ways to start and operate an enterprise.

Definitions

According to **Cole** “Entrepreneurship is the purposeful activity of an individual or a group of associated individuals undertaken to initiate, maintain and aggrandize profit by production or distribution of economic goods and services”.

According to **Higgins** “Entrepreneurship is meant the function of foreseeing investment and production opportunities, organizing an enterprise to undertake a new production process, raising capital, hiring labour, arranging the supply of raw materials, finding site, introducing a new technique, discovering new resources or raw materials and selecting top managers for day to day operations of the enterprise”.

According to Peter F. Drucker “Entrepreneurship is defined as a systematic innovation, which consists in the purposeful and organized search for changes, and it is the systematic analysis of the opportunities such changes might offer for economic and social innovation”.

According to Richard Cantillon “Entrepreneurship entails bearing the risk of buying at a certain price and selling at uncertain prices.”

According to Joseph A. Schumpeter “Entrepreneurship is any kind of innovative function that could have a bearing on the welfare of an entrepreneur.”

According to Robert K. Lamb “Entrepreneurship is that form of social decision making performed by economic innovators.”

The concept of Entrepreneurship has also been defined as “a special skill or ability to mobilize the factors of production – **Land, labour & capital** and use them to produce new goods and services”.

“Entrepreneurship is a purposeful activity in which the individual or a group of individuals with their own efforts utilizes the opportunity available through innovative ideas”

The above definitions highlights risk bearing, innovating and resource organizing aspects and an individual or group of people achieve goal through production or distribution of products or services. To conclude entrepreneurship is set of activities performed by an entrepreneur thus, entrepreneur proceeds entrepreneurship.

CONCEPTS OF AGRIPRENEURS OR AGRIENTREPRENEURS-

Agripreneurs or Agripreneurship is the **entrepreneurial process proceeds in agriculture or in allied sectors**. It is the process of adopting new ideas, methods, processes, techniques in agriculture or in allied sectors of agriculture for better output and profit earnings.

This specialization will develop agripreneurs with distinct traits and skills to exploit opportunities galore in the field of agriculture. Among the various strategies to promote planned growth in this sector, focus on promoting viable enterprises will certainly help exploit its operational efficiency to the hilt. Agriculture is the mainstay of the Indian economy because of its high share in employment and livelihood creation. It supports more than half a billion people providing employment to 52 per cent of the workforce. India has been considered an agrarian economy till today (Misra & Puri, 2005). There are several mechanisms worked in the Agripreneurship like forward and backward linkages with secondary and tertiary sectors i.e. manufacturing and service sectors. Amidst the changing paradigms and demanding global structure, India, In order to remain a front-runner needs to primarily focus on the agriculture sector, the backbone of the economy.

Opportunities in agriculture and allied sectors can be identified at different phases of agricultural process. Basically, the agripreneurial opportunities are at Input stage, Farming stage, Value chain, output processing and marketing stage and related services. Presently the scope and potential of Agripreneurial opportunities is increasing as a result of globalization and more interconnected world market. There are many potential opportunities for entrepreneurs. Agriculture process needs so many kinds of inputs like seeds, fertilizers, pesticides and innovative and localized farm technology. So above mentioned areas

create agripreneurial opportunities in the areas of developing and producing these inputs.

It is also an important source of raw material and demand for many industrial products, particularly fertilizers, pesticides, agricultural implements and a variety of consumer goods.

Definition of Agripreneurship-

It is defined as generally sustainable, community oriented, directly marketed agriculture. Sustainable agriculture denotes a holistic, systems oriented approach to farming that focuses on the interrelationships of social, economic and environmental process.

CONCEPTS OF BUSINESS AND BUSINESSMAN-

Business is derived from the word 'busyness' meaning engaged in an activity. In simplest terms, business means to get or purchase something at low cost and sell it at a higher cost, meanwhile, the margin produced between that is the profit. Business's only purpose is profit, it is driven by it. Business necessarily has to be economic activities. In a business if we plan on bringing and selling a product, it has to either manufacture that product or purchase it and add a profit margin to it and sell it further.

In other term we can say that "Business is any occupation which includes all activities which are connected with production or procurement of goods for sale and adding a profit margin to those costs for further selling it to the customer for the satisfaction of their needs." Most importantly, the business aims at a profit but only through the satisfaction of the needs of the customers. The business includes every occupation in which people are busy in earning the income by the means of producing, purchasing, selling or exchanging goods or services to fulfill needs of other people with the objective of making a profit.

A business man is an individual who operate or start a business for his personal needs. The sole purpose of businessman is to earn money and maximization of profit from business. It steps into the market with the main objective of earning a profit. For the survival of business in a market, getting profit is extremely necessary. If a business can't produce profit, it is expected of it to go downhill financially. Therefore the businessman does all the possible tricks to maximize its profits by increasing the volume of sales or decreasing the costs.

Department of

CHAPTER- 2

CHARACTERISTICS OF ENTREPRENEURS, TYPES OF ENTREPRENEURS AND FUNCTIONS OF ENTREPRENEURS

CHARACTERISTICS OF ENTREPRENEUR

Entrepreneurs have many of the same character traits as leaders, similar to the **Great Man Theory of Leadership**. Entrepreneur is a key figure in economic progress. He is the person who introduces new things in the economy. He is considered as the business leader and not a simple owner of capital. He is a person with telescopic faculty, drive and talent who perceives business opportunities and promptly seizes them for exploitation. Entrepreneurs possess several qualities; but to be a successful entrepreneur should have the following characteristic features some of those have been listed below.

1. **Achiever or willing to achieve:** Entrepreneurs have got strong desire to achieve higher goals. Their inner self motivates their behaviour towards high achievement: most of the people dream of success but do not take any action towards achieving these dreams. Entrepreneurs with high n-Ach factor act continuously to achieve the goal and make their dreams come true. For them, winning is achievement.
2. **Risk taker:** Entrepreneurs are the persons who take decisions under uncertainty and thus they are willing to take risk, but they never gamble with the results. They choose moderate risk rather than play wild gamble. They, therefore, undertake calculated risk which is high enough to be exciting, but with a fairly reasonable chance to win.
3. **Independent and self-confident:** Most of the entrepreneurs start on their own because they dislike to work for others. They prefer to be their own boss and want to be responsible for their own decisions. Entrepreneurs must have self-confidence to accomplish the task effectively and efficiently. They must take decisions on their own in uncertain and risky situation and should stick to it confidently even if there occurs initial setbacks.
4. **Opportunity grabber:** Entrepreneurs are always alert to opportunities. They are very much quick to see and grab opportunities. They exhibit an innovative turn of mind and convert the problems into viable opportunities. They plan intellectually and anticipate carefully how to achieve their goals in realizing an opportunity.
5. **Innovators:** Successful entrepreneurs are innovators. They constantly put their efforts in introducing new products, new method of production, opening new markets and recognizing the enterprise.
6. **Locus of control:** According to Rotter's locus of control theory, an individual perceives the outcome of an event as being either within or beyond his personal control. Entrepreneurs believe in their own ability to control the consequences of their endeavour by influencing their socio-economic environment rather than leave everything to luck.
7. **Perseverance:** Entrepreneur has got the quality of sticking to job he decides to undertake. Once committed to a specific goal and course of action, entrepreneurs become absorbed to it. They

personally solve the problems that come across their way while setting up the project. They also work sincerely until the whole project is successfully implemented.

8. **Positive self-concept:** Entrepreneurs are always positive in their action. Being an achiever, he directs his fantasies and dreams towards achievement of worthwhile goals and sets extraordinary standard of excellence in what he is doing. This is based upon his awareness of SWOT analysis, i.e. his strengths, weaknesses, opportunities and threats. He utilizes his positive knowledge to support his thinking. He never exhibits any negative attitude.
9. **Hope of success:** Hope of success is a significant quality of entrepreneurial personality. Entrepreneurs set their goals with a hope of success rather than fear of failure. This is because they set their goals on the basis of facts and their ability to maneuver them to their advantage.
10. **Flexibility:** Most of the successful entrepreneurs measure the pros and cons of a decision and tend to change if the situation demands. They never feel reluctant to revise their decisions. They are the persons with open mind without rigidity.
11. **Analytical ability of mind:** Entrepreneurs are unaffected by personal likes and dislikes. They stand beyond these types of prejudices as they are realistic in their approach. At the time of their need they select experts rather than friends and relatives to assist them. They usually avoid emotional and sensitive attitude towards their business or problem.
12. **Sense of efficacy:** Entrepreneurs are always oriented towards action for accomplishment of their goals. Being confident of their abilities, they find themselves as problem solvers rather than problem avoiders. They chalk out their goals for future and make planning to achieve them.
13. **Learning from experience:** Successful entrepreneurs like to have immediate feedback of their performance. They modify their plans on the basis of the feedback they receive from the environment around them. They learn from their experience and never get discouraged having received unfavorable information. On the contrary, they are stimulated by unfavorable information to involve themselves sincerely in their own tasks to reach their desired goals.
14. **Optimistic:** Successful entrepreneurs are always optimistic and take every odd as the opportunity. They maneuver their environment in such a way that the works get accomplished rationally. Thus, they win by the application of their extraordinary insight and skill.
15. **Interpersonal skills:** Entrepreneurs are always comfortable while dealing with people at all levels. They interact with raw material suppliers, customers, bankers, etc.. for different activities. As successful entrepreneurs, they should be persons who like working with others possessing the much needed quality of interpersonal skill to deal with people.
16. **Need to influence others:** Once the entrepreneurs set their goals, they have to play the roles of manager too. For influencing others (n Power), a low need to establish emotional relationship (low n Affiliation), and a high need to discipline one's own self (to inhibit over expression of their personality) are essential.
17. **Stress takers:** Entrepreneurs are capable of working for long hours and solving different complexities at the same time. As the captain of an industry or an enterprise, an entrepreneur faces a number of problems and in right moment he takes right decisions which may involve

physical as well as mental stress. He can face these challenges if he has the capability to work for long hours and keep himself cool under monotony.

18. **Time orientation:** Entrepreneurs anticipate future trends basing upon their past experience and exposure. They stick to the time pragmatically while doing their jobs.
19. **Business communication skill:** In order to motivate others in the business entrepreneurs must possess good communication skill. Both written and oral communication skills are necessary for the entrepreneurs for running enterprise efficiently.
20. **Dynamic and visionary:** Successful entrepreneurs always tend to think ahead. They have got telescopic faculties which make them think for the future. Future orientation makes them quite alert to the changing conditions of the time and they tend to produce goods and commodities as per the changing demands.
21. **Leadership:** Entrepreneurs should possess the quality of leadership. Leadership is the ability to exert interpersonal influence by means of communication towards the achievement of goals. Entrepreneurs as the leaders should provide the necessary spark to motivation by guiding, inspiring, assisting and directing the members of the group for achievement of unity of action, efforts and purpose. Hence, entrepreneurs by their own leadership styles and behaviour reduce the problems by proper handling of situations. Good administrative work depends upon effective leadership of the entrepreneur.
22. **Systematic Business planner:** Planning implies deciding in advance what, when and how to do a thing. Entrepreneurs should be equipped with skill and knowledge to prepare their business plan. A successful entrepreneur always follows the principles of management while planning for his business. The planning can act as a bridge between the present position and expected future shape of the enterprise. It provides a sense of vision to the entrepreneurs to cope with risky and uncertain situation.
23. **Decision making:** Decision-making skill is a fundamental characteristic of an entrepreneur. This implies the function of choosing a particular course of action at every stage of creation of an enterprise out of several alternative courses for the purpose of achieving specified goals. Hence, decision making is necessary at all times and mostly at conditions of uncertainty and risk.
24. **Ability to mobilize resources:** Entrepreneurs must have the ability to marshal all the inputs to obtain the end product. They have to mobilize 6Ms, i.e. Man, Money, Material, Machinery, Market and Method effectively to realize the final product as entrepreneurship is a function of gap filling and input completing.

TYPES OF ENTREPRENEURS

Depending upon the level of willingness to create innovative ideas and adopt the plan, there can be the following types of entrepreneurs on the basis of common characteristics.

A. Clarence Danhof Classification:

Clarence Danhof classifies entrepreneurs into four types.

1. **Innovative:** Innovative entrepreneur is one who assembles and synthesis information and introduces new combinations of factors of production. They are characterized by the smell of innovativeness. These entrepreneurs sense the opportunities for introduction new ideas new technology, new markets and creating new organizations. Innovative entrepreneurs are very much helpful for their country because they bring about a transformation in life style.
2. **Imitative/ Adoptive:** Imitative entrepreneur is also known as adoptive entrepreneur. He simply adopts successful innovation introduced by other innovators. These entrepreneurs imitate the existing entrepreneurs and setup their enterprise in the same manner. Instead of innovating, they just imitate the technology and methods innovated by others. These entrepreneurs are very helpful in less developed countries as they contribute significantly in the growth of enterprise and entrepreneurial culture in these countries. Further by adopting the technology, which is already tested, they generate ample employment avenues for the youth and therefore they are treated as agent of economic development.
3. **Fabian:** The Fabian entrepreneur is timid and cautious. He imitates other innovations only if he is certain that failure to do so may damage his business. They are very much skeptical in their approach in adopting or innovating new technology in their enterprise. They are not adaptable to the changing environment. They love to remain in the existing business with the age-old techniques of production. They only adopt the new technology when they realize that failure to adopt will lead to loss or collapse of the enterprise.
4. **Drone:** These entrepreneurs are conservative or orthodox in outlook. They never like to get rid of their traditional business and traditional machinery or systems of the business. They always feel comfortable with their old fashioned technology of production even though the environment as well as the society have undergone considerable changes. Thus, drone entrepreneurs refuse to adopt the changes. They are laggards as they continue to operate in their traditional way and resist changes. His entrepreneurial activity may be restricted to just one or two innovations. They refuse to adopt changes in production even at the risk of reduced returns.

B. Arthur H. Cole Classification:

Arthur H. Cole classifies entrepreneurs as

1. **Empirical:** He is an entrepreneur hardly introduces anything revolutionary and follows the principle of rule of thumb.
2. **Rational:** The rational entrepreneur is well informed about the general economic conditions and introduces changes which look more revolutionary.
3. **Cognitive:** Cognitive entrepreneur is well informed, draws upon the advice and services of experts and introduces changes that reflect complete break from the existing scheme of enterprise.

C. Classification on the Basis of Ownership:

1. **Private:** In this category the entrepreneurs is motivated by profit they mainly focused on economical aspects of the activities and it would not enter those sectors of the economy in which possibility of monetary rewards are not very bright.

2. **Public:** In this category the entrepreneurs are motivated through the offers given by the government department to develop the venture. In the underdeveloped countries government will take the initiative to share enterprises.

D. Classification Based on the Scale of Enterprise:

1. **Small scale:** This classification is especially popular in the underdeveloped countries. Small entrepreneurs do not possess the necessary talents and resources to initiate large scale production and introduce revolutionary technological changes.
2. **Large scale:** In the developed countries most entrepreneurs deal with large scale enterprises. They possess the financial and necessary enterprise to initiate and introduce new technical changes. The result is the developed countries are able to sustain and develop a high level of technical progress.

E. Classification Based on the outcome of Entrepreneurial Venture

In recent years, some new classifications have been made regarding entrepreneurs, which are based on the outcome of entrepreneurial venture discussed further.

1- Mobile Entrepreneurs- They are the person who leave the venture as soon as new venture is created. They are the true Schumpeterian Entrepreneurs as according to Schumpeter (1934). In this the entrepreneurial activity ends as soon as the venture is created.

Example- Mohan Engineers of Good Nigh,

Vikram Sarabhai (Father of Indian Space programme)

2- Managerial Entrepreneurs- They are the persons who prefer to continue in the same venture by transferring themselves to fit the changing demands.

Example- Mr. Henry Ford- Ford Motors USA

Pierre S.DuPont-

George Eastman- Kodak Film

KFC- Colonel Sanders, USA

3- Innovative Entrepreneurs- They are the persons who create the organization and remain engaged in their pursuits of innovation and creation of novel products and technology.

Example- 1-Walt Disney-

2- Ibuka and Akio Morita of Sony corporation.

3- Bill Gates of Microsoft.

4- Empire Builders- They are the person engaged in creating chain of new ventures having an ownership. They have quality of vast vision flair of innovation and managerial capacity to build an empire for themselves.

Example- J.N.Tata – TATA Group

2- Ghanshyam Birla – Birla Group

3- Ambani – Ambani family

4- Jhon D. Rockefeller of USA

5- Chung Ju Yung of Hyundai – South Korea

6- Kim Woo Chong- Daewoo motors

FUNCTIONS OF ENTREPRENEURS

The various functions of entrepreneurship are innovation and creativity, risk taking and achievement and organization and management, catalyst of economic development, overcoming resistance to change and research. These have been depicted, at a glance, with the help of the given Figure and are being discussed, in brief, below.



According to Bill Bernbach, co-founder of Doyle Dane Bernbach – “an idea can turn to dust or magic, depending on the talent that rubs against it”.

(i) Innovation and Creativity – Innovation generally refers to changing processes or creating more effective processes, products and ideas. For businesses, this could mean implementing new ideas, creating dynamic products or improving your existing services. **Creativity** is defined as “the tendency to generate or recognize ideas, alternatives, or possibilities that may be useful in solving problems, communicating with others. Creativity and innovation have always been recognized as a sure path to success. Entrepreneurs think **outside of the box** and explore new areas for cost-effective business solutions.

(ii) Risk taking and Achievement – Entrepreneurship is a process in which the entrepreneur establishes new jobs and firms, new Creative and growing organization which is associated with **risk**, new opportunities and achievement. It results in introducing a new product or service to society. In general, entrepreneurs accept four types of risks namely Financial Risk, Job Risk, Social & Family Risk & Mental & Health Risk, which are as follows:

(a) Financial Risk – Most of entrepreneurs begin by using their own savings and personal effects and if they fail, they have the fear of losing it. They take risk of failure.

(b) Job Risk – Entrepreneurs, not only follow the ideas as working situations, but also consider the current risks of giving up the job & starting a venture. Several entrepreneurs have the history of having a good job, but gave it up, as they thought that they were not cut out for a job.

(c) Social and Family Risk – The beginning of entrepreneurial job needs a high energy which is time consuming. Because of these undertakings, he/she may confront some social and family damages like family and marital problems resulting on account of absence from home and not being able to give adequate time to family.

(d) Mental Health Risk – Perhaps the biggest risk that an entrepreneur takes it is, the risk of mental health. The risk of money, home, spouse, child, and friends could be adjusted but mental tensions, stress,

anxiety and the other mental factors have many destructive influences because of the beginning and continuing of entrepreneurial activity. This can even lead to depression, when faced with failure.

(iii) Organization and Management – The entrepreneurial organization is a simple organizational form that includes, one large operational unit, with one or a few individuals in top management. Entrepreneurial management means the skills necessary to successfully develop and manage a business enterprise. A small business start-up under an owner-manager is an example of an **entrepreneurial organization**. Here, the owner-manager generally maintains strict control over business operations. This includes directing the enterprise's core management functions. **According to Mintzberg**, these include the **interpersonal roles, informational roles and decision-making roles**. The smaller the organization, the more concentrated these roles are in the hands of the owner-manager. The entrepreneurial organization is generally unstructured.

(iv) Research – An entrepreneur is a practical dreamer and does a lot of ground-work before taking a leap in his/her ventures. In other words, an entrepreneur finalizes an idea only after considering a variety of options, analysing their strengths and weaknesses by applying analytical techniques, testing their applicability, supplementing them with empirical findings, and then choosing the best alternative. It is then that he/she applies the ideas in practice. The selection of an idea, thus, involves the application of research methodology.

(v) Overcoming Resistance to Change – New innovations are generally opposed by people because it makes them change their existing behaviour patterns. An entrepreneur always first tries new ideas at his/her level. It is only after the successful implementation of these ideas that an entrepreneur makes these ideas available to others for their benefit. His/her will power, enthusiasm and energy help him/her in overcoming the society's resistance to change.

(vi) Catalyst of Economic Development – An entrepreneur plays an important role in accelerating the pace of economic development of a country, by discovering new uses of available resources and maximizing their utilization. Today, when India is a fast developing economy, the contribution of entrepreneurs has increased multi-fold.

Department

CHAPTER- 3

ASSESSING OVERALL BUSINESS ENVIRONMENT IN INDIAN ECONOMY, GLOBALIZATION, IMPLICATIONS OF SOCIAL, POLITICAL AND ECONOMIC SYSTEMS ON ENTREPRENEURSHIP

ASSESSING OVERALL BUSINESS ENVIRONMENT IN INDIAN ECONOMY

India's business environment has improved considerably after the initiation of economic reforms in early 1990s. Domestic and foreign investors are finding it easier to do business after the reforms, which are aimed at reorientation of the centrally- controlled economy to a market-oriented one in order to foster greater efficiency and growth. This is being done by introducing greater competition in the economy through progressive internal deregulation accompanied by foreign direct investment and trade liberalization. However, the turmoil which surfaced in the US financial system has also adversely hit the Indian economy. Compared to other emerging economies, India has several strengths that can help mitigate the adverse effects of the global economic crisis. In spite of the global meltdown, Indian economy offers ample opportunities for business, both to the domestic and foreign entrepreneurs. This work contains 21 research papers dealing with various aspects of current business scenario in India, and it examines the economic policies of India's government.

In 1947 after gaining independence, India initiated a path of industrialization to achieve economic prosperity. India focused on developing the manufacturing base. Much of the country's development was done through the five year plans. Industries like iron and steel, oil refineries, cement and fertilizer were brought under the gamut of public sector enterprises. The decision makers then encouraged the development of small scale industries. They perceived that Indian small scale industries would play a vital role in the economic progress of the country and had immense potential for employment generation. Developing small scale sector would also result in decentralized industrial expansion, better distribution of wealth and to encourage investment and entrepreneurial talent.

The government has initiated several policies for the growth and development of small scale industries. They included reservation of certain items to be manufactured only by the small scale sector. Other measures include credit marketing, technology, and entrepreneurship development, fiscal, financial and infrastructural support. In 1999, the government established the Ministry of Small Scale Industries and Agro and Rural industries to make policy decisions for the development and well being of the small scale industries.

Initially the small scale sector was characterized as traditional labor intensive units with outdated machineries and inefficient production techniques. But in the recent past the condition of the small scale units has improved. Today they have installed modern machines, applied better management techniques and are much more productive than before.

Small Scale Industries are located throughout the country, though predominantly in the rural areas. The small scale industries in the rural areas are skill based, wherein the skill for manufacturing is passed on from one generation to another. Some of the goods manufactured in these units are textile handicrafts, woodcarving, stone carving, metal ware etc. Small scale industrial factories are also present in urban areas and usually they account for the maximum volume of production for that particular good in the country. For e.g. Ludhiana in the state of Punjab is the main center in the country for producing woolen hosiery, sewing machine parts, bicycles and its parts, similarly Tiruppur in Tamil Nadu accounts for

small scale firms that are involved in spinning, weaving and dying of cotton garments.

Post Liberalization

Post liberalization economic conditions has created immense growth prospect for the small scale industries. The government has also supported the small scale industries by the way of implementing policies like investment ceiling for the SSI sector and priority lending. The formation of WTO in 1995 resulted in a major challenge to the well being of the SSI. The protection given to the SSI in the form of reservation and quantitative restrictions has been withdrawn. More than 160 items reserved under the SSI category have been de reserved. It has been found that if the SSI upgrades the technology, adopt better management practices, reengineer the factories to improve productivity and provide qualitative product, they would be competitive in the post WTO scenario. The advancement in computer and telecommunication technology, increase in e commerce, opening up of markets due to WTO, mergers and acquisitions, improved infrastructure and outsourcing noncore area of business have all contributed to the growth of SSI.

The New Economic Policy initiated in early 1990s in India had five main components.

These are

Devaluation of the Indian rupee in order to increase exports,

Deregulation or dismantling of government controls over domestic industry,

Privatization, including formation of jointly owned public private enterprises and sale of public sector enterprises,

Liberalization or opening up of monopoly markets to increase foreign and domestic competition, and

Globalization by opening the Indian economy to foreign investment.

Essentially, the new economic policy was a massive and radical change in India's political economy toward free market forces in which the invisible hand of business competition' would determine prices, the volume of sales, and other economic factors in the Indian economy.

Under the new economic policy, infrastructural sectors such as power, telecommunications, roads, ports, harbours, and civil aviation were especially targeted for liberalization, de-monopolization, direct foreign investment, and privatization.

Competent and well trained manpower is essential for economic development. This is being provided by the Institutes of Technology, Institutes of Management, Business Schools, Institutes of Information Technology and many other important institutions in India.

The massive increase in the middle income class with high purchasing power is supporting rapid expansion of consumer economy, and economy of the country as a whole. It has been stated that implementation of the National Rural Employment Guarantee Act (NREGA), is increasing the purchasing power of the people at the bottom. These are also contributing to fight economic recession.

The problem of wastage of grains, milk, fruits, vegetables etc. can be solved through processing and retailing. These two sectors are being strengthened and are showing positive results.

Factors Conducive to India's Economic Growth

Sri Mukesh Ambani, RIL Chairman* and Managing Director, has identified several factors that will strengthen India's economic growth. Following The Statesman dated 9 March, 2009, these are

Demographic advantage. India has a predominantly young population. Forty four percent of India's population was less than 19 years of age. In the next twenty years, India will have more than 400 million under the age of 35 and in a decade from now, only 10 percent of Indians will be above 60 years of age,

Aspiring youth. This young generation that is growing up, is aspiring, that produces and consumes at the same time, creating internal markets.

Culture of innovation and knowledge. Relative to most other countries, India has embraced technology better. India has a mindset and a gene pool, where the young people can do very well in technology.

Growth momentum. The country has got an underlying growth momentum, and the country has the ability to reinvent its growth model.

In this context, the 'entrepreneurship development' will have an important role to play in sustaining ever increasing economic growth of the country. Corporate sector, comprising trade, commerce, industry, marketing and allied fields, have the potential to energize and hasten the process of rural development by creating enterprises for which there is unlimited scope. Though the involvement of corporate sector with the rural system is somewhat visible in India, it should be done in a big way, so that the synergistic effect helps in the development of both the corporate sector and the rural sector. However, care should be taken to see that commercial interests do not override livelihood concerns of the farmers and the rural people.

BUSINESS ENVIRONMENT IN INDIAN ECONOMY

1. Strong growth momentum

- Sustained process of liberalization since 1991
- Average GDP growth is 6% in last six years
- Increased openness to foreign trade and investment
- Rapid growth in export oriented IT and BPO industries
- Strong balance of payments (rapid buildup of reserves)

2. Opportunity

- Large, rapidly growing domestic market
- Large, low cost labour force
- Engineering/IT/English language skills
- Abundant availability of raw material
- Political stability, consensus on economic policies

3. High potential sectors

- Software
- BPO (Business Process Outsourcing)
- Autos + Components

- Engineering based manufacturing
- Steel
- Textiles/RMG (Ready Made Garments)
- Pharmaceuticals
- Alternative to china for companies looking to source merchandise globally

4. Growth constraints

- High fiscal deficits crowd out public and private investment
- Severe infrastructure bottlenecks
- Rigidities in labour and land markets
- Widespread govt. ownership of business, dominance in banking
- Import tariffs, complex tax regimes
- Restrictions on FDI (Foreign Direct Investment) in some sectors
- Excessive regulation increases cost of doing business
- Private investment is only 15% of GDP
- Industry contributes less than 25% of GDP
- Only 7% of total employment in organized sector

GLOBALIZATION AND EMERGING BUSINESS / ENTREPRENEURIAL ISSUES

Globalization is a process associated with increasing economic openness, growing economic interdependence among the nations, and deepening economic integration globally. In other words, it means expansion of economic activities across national boundaries. The key features of globalization are:

Economic features: Growth in trade, foreign direct investment and capital flows; global production and consumption; global competition; trade and investment liberalization policies.

Non-economic features: Loss of national sovereignty; standardization of values and cultures.

Entrepreneurs must know the opportunities and threats which arise from globalization in the developing countries. Some of them are as follows.

Opportunities

Opportunity to produce new and better quality products and services and exporting them to other countries.

Generating buoyant market for expansion of industry and services.

Threats

Domination of seed market by multinational companies (MNCS) and adverse effect on farmers' traditional rights to save and sell seeds.

Reduction/ elimination of input subsidy, resulting in their rising cost and less use by small and marginal farmers.

Import and dumping of low cost agriculture and industrial products from outside countries, adversely affecting indigenous production.

Benefits mostly accrue to large and rich farmers, as small farmers can not go in for export oriented production.

Resource poor farmers may be further marginalized.

Rise in the price of food grains.

ENTREPRENEURSHIP IN GLOBAL ENVIRONMENT ECONOMIC SOCIAL, CULTURAL AND FINANCIAL IMPLICATIONS

- The economic social, cultural, financial and regulatory environment in a country affects the nature and growth of entrepreneurship.
- Accenture survey conducted during 2000-2002 in 26 countries revealed that United States was considered as the most entrepreneurial followed by Japan as a distant second.
- It suggested nations companies should emulate US in this regard.
- Survey indicated that a country can foster entrepreneurial behaviour if they make serious effort to adapt their corporate culture.

The prerequisites of entrepreneurship:

- Access to capital
- Right regulatory and tax environment
- High personal and tax rates can significantly reduce/ discourage risk taking ability of entrepreneurs.
- The social and cultural environment is the most important prerequisite in which achievement and wealth creation are held in high regard.
- Accenture survey revealed that only handful of nations where society as a whole appears to embrace an entrepreneurial culture.
- In contrast other countries where the motives of entrepreneurs are viewed as suspect or the legitimacy of their financial gain is questioned.
- In some other countries the failure of an entrepreneur can all but end an individual's career.
- Yet other countries exhibit a societal preference for the underdog, gallant runner up or person who is poor but noble.

These deep rooted social and cultural realities can not be changed in short term. However successful companies may find ways to motivate and reward entrepreneurial behaviour in consistent with social norms.

Working models for entrepreneurship worldwide: Based on government involvement in economy and the way society values individual and collective action Accenture developed 3 illustrative models

for conditions under which entrepreneurship can flourish.

The free market model: Ex: United States and Canada

- Role of govt. is limited.
- Public policy can create basic conditions required for Entrepreneurial Culture
- But the rest is up to the pvt. Sector/ entrepreneur
- This model thrives in such culture where entrepreneurial success is celebrated rather than denigrated
- The tax structure rewards initiative & financial gain
- Degree of social protection is less.

Guided individualism model: Ex: Singapore & Taiwan

- It is based on encouragement of individual enterprise
- Public policy determines broad sweep of entrepreneurial activity by signaling sectors / industries in which entrepreneurial energies can be directed.

Social Democrat model: ex: Sweden & Germany

- It combines encouragement of enterprise with emphasis on social protection
- Countries create a sort of social partnership with agreed upon economic and social framework by all partners.

Characterizing countries entrepreneurial style/ Culture:

While determining the Govt. involvement in the economy Entrepreneurship in any country one should consider-

- How high is the taxation rate
- To what extent is state ownership seen as appropriate
- How countries manage economy through regulations
- Willingness to protect, promote trade & foreign investments.
- Labour laws, terms & conditions

While determining the social respect for individual Vs collective action one should consider

- Does the country have a fairly homogeneous culture?
- Extent of wealth distribution-equal or unequal
- How does a society react to success or failure?
- Do people generally play active role in their community?

India- the mixed economy model

- Marked preference to state owned enterprise
- Entry into big industries was possible through licensing

- Small scale industries were encouraged.- 40% contribution to national industrial out put with 80% share in industrial employment.
- System created grate disparities in wealth
- Success in business was looked upon with suspicion.
- Creating wealth was not considered a virtue.

Implications:

- Socially entrepreneurs were not a highly regarded lot
- Small industries grew but did not flourish to the extent desired
- Sectors left to big industries became uncompetitive
- During 90's entrepreneurs started gaining respect

Department of Ag. Ext. CoA, BUAT, Banda

CHAPTER- 4

MANAGING AN ENTERPRISE; MOTIVATION AND ENTREPRENEURSHIP DEVELOPMENT

MANAGING AN ENTERPRISE:

The basics of management of an enterprise are as follows

Planning the enterprise involves selecting objectives and strategies, policies, programmes and procedures for achieving them. Planning also includes decision making on production, pricing and marketing of products. Market survey is essential to get an idea of the market. Market survey may be conducted with reference to the availability of raw materials equipments, marketing and distribution, and consumer behaviour etc.

Organizing involves establishing an international structure of roles through determination of activities required to achieve the goals, grouping of activities, delegation of authority and coordination etc.

Staffing demands defining the workforce, utilization of manpower, appointment, promotion and remuneration is including downsizing and organization unity.

Leading the entrepreneurial unit in terms of addressing the desire, attitude and behaviour of individual and groups amidst challenges towards opportunities.

Controlling is the measuring and correcting the activities of staff to assure that events conform to plan. It measures the performance against goals.

Finance is most crucial that warrants the personal influence and rapport with the financial institutions to get it materialized. The entrepreneur has to show the required faith and credibility, and strength of the enterprise to get the required credit.

Quality control determines the future of one's inspirational climb up. Quality products create wide market, thus making the entrepreneur's task of intervention easy amidst stiff challenges.

Marketing linkage should be diligently built up by making the products cost competitive, unique and indispensable before the consumers.

Alternative opportunity refers to the next best option that could be explored or employed on the face of parallel enterprises and challenge to ones entrepreneurship venture.

MOTIVATION

The word motivation is derived from the Latin term '*movere*', which means 'to move'. Motivation is the process of initiating a conscious and purposeful action. Motive means an urge (drive or force) or combination of urges, to induce conscious or purposeful action. Motivation means movement or motion, an inner state that energizes, activates or moves and directs human behaviour towards goals. It is a need satisfying and goal seeking behaviour of human being.

Motivation can be defined as stimulating, inspiring, and inducing the employees to perform to their best capacity. It explains why people do the things they do. It influences a person to do a thing in a certain way. Motive is something (a need or desire) that causes a person to act. Motivation is a process of making subordinates to act in a desired manner to achieve organizational goal.

Definitions:

Motivation may be defined as goal seeking or goal directed behaviour or activity of the human being.

Behaviour is a function of the person, which is interaction within a situation

Motivation is also defined as a stage of the organism in which bodily energy is mobilized and selectively directed towards parts of the environment

There are two types of motivation, Intrinsic and Extrinsic motivation.

A. Intrinsic Motivation

The act of being motivated by internal factors to perform certain actions and behaviour is called *Intrinsic Motivation*. Intrinsic motivation means that the individual's motivational stimuli are coming from within. The individual has the desire to perform a specific task, because its results are in accordance with his belief system or fulfils a desire and therefore importance is attached to it.

Our deep-rooted desires have the highest motivational power. Below are some examples:

1. **Acceptance:** We all need to feel that we, as well as our decisions, are accepted by our co-workers.
2. **Curiosity:** We all have the desire to be in the know.
3. **Honors:** We all need to respect the rules and to be ethical.
4. **Independence:** We all need to feel we are unique.
5. **Order:** We all need to be organized.
6. **Power:** We all have the desire to be able to have influence.
7. **Social contact:** We all need to have some social interactions.
8. **Social Status:** We all have the desire to feel important.

B. Extrinsic Motivation

Extrinsic motivation means that the individual's motivational stimuli are coming from outside. In other words, our desires to perform a task are controlled by an outside source. Note that even though the stimuli are coming from outside, the result of performing the task will still be rewarding for the individual performing the task.

Extrinsic motivation is external in nature. The most well-known and the most debated motivation is money. Below are some other examples:

1. Employee of the month award
2. Benefit package
3. Bonuses
4. Organized activities

Importance of motivation

Motivation is an important factor in determining the efficiency of an organization; it develops a desire in the minds of the employees to achieve successfully the objectives of the enterprise. An enterprise may have the best of material, machines and other means of production but all these

resources are meaningless so long as they are not utilized by properly motivated people. There was a time when the human resource of production was treated like other non-human resources and was not given any special importance. The old concept has lost all importance in this competitive age. Motivation leads to high enthusiasm among employees. Enthusiastic worker's productivity is miraculously increased.

The importance or need of motivation is stressed as;

1. High level of performance.
2. Organizational changes.
3. High employee's turnover and reduction in absenteeism.
4. Good image of organization.
5. Good human relations.
6. Increase in morale.
7. Proper use of human resources.
8. Helpful in achieving goals.

The above review makes it clear that motivation is an important tool for the attainment of objectives of the economically and effectively. Motivation qualities of subordinates and control on wastages

Process of motivation

The study of motivation primarily means an attempt to know from where it starts and where it ends. Koontz and O'Donnell have shown the process of motivation as 'Needs-Gap-Satisfaction' chain in the following way:

1. Need
2. Desire
3. Tension
4. Action
5. Satisfaction

In the first stage a man feels the need of something; a desire is born in his mind. When a need becomes powerful it gets changed into a want which means that he starts feeling that it should be satisfied.

When thoughts come to his mind, tension is created which makes him dissatisfied. The only way to get rid of tension is to do some work. Hence, the situation of action is created. When a man acts to remove the tension created by his needs, he feels satisfaction.

Employees are made to realize their needs through motivation and a feeling to achieve them is born in their mind. The managers make available all the facilities for work performance and, finally, the employees achieve their objective by satisfying their needs. After one need is satisfied, the other is born

and the chain continues. It must be made clear that the objective of motivation is not only to satisfy the needs of the employees but to achieve successfully the objectives of the organization.

A state if need is a motive, the action initiated or the drive behavior is known as motivated and attainment of needs and reduction of drive by the achievement of goal is known, as the 'process of motivation'. Motivation in general is an important determinant for entrepreneurial growth and development in society. However, under the broad spectrum of motivation, certain social motives have been found to be significantly related to entrepreneurial behavior such as the need for achievement, power, affiliation, dependency, extension, personal achievement, social achievement, influence etc. Among all these motives, three categories of social motives seem to be extensively explored. These are the need for (a) achievement, (c) power and (c) affiliation.

These categories of social motives differ with each other in terms of satisfaction derived in undertaking activities as well as in terms of thoughts, feelings and actions of the individual.

Entrepreneurial motivation therefore, may be viewed in terms of a set of motives of varying strength such as a high need to achieve, moderate need for power and low affiliation motive. Apart from the motivational profile, other behavioral dimensions like

tolerance to ambiguity, problem solving, creativity, etc., adds in building entrepreneurial motivation in a larger perspective. Among these motives, the achievement motive acquires a strategic and important position, and for this reason it is often equated with entrepreneurial motivation which is quite close but is not the same.

People create enterprises in order to grow and fulfill themselves *i.e.*, for self fulfillment. Abraham Maslow has referred to this need as 'self-actualization', a need to maximize one's potential, whatever it may be. It is a desire to become what one is capable of becoming. A person normally does not become an entrepreneur for affiliation or recognition, but to achieve what he thinks he is capable of. This urge to self-actualization is common to all human beings.

Maslow went further and distinguished between 'special talent creativeness' and 'self-actualizing creativeness's'. While special talent creativeness might be focused on, say, musical or artistic activities, self-actualizing creativeness can just as easily be displayed in innovative and entrepreneurial pursuits. Human beings are naturally creative and innovative. However, all successful innovators have to learn to overcome the emotional, perceptual and cultural barriers, which prevent them from testing and implementing their ideas.

Achievement motivation-

Achievement refers to competence (a condition or quality of effectiveness, ability, sufficiency, or success). Motivation refers to the energization (instigation) and direction (aim) of behavior.

Thus, achievement motivation may be defined as the energization and direction of competence-relevant behavior or why and how people strive toward competence (success) and away from incompetence (failure).

McClelland identified several motivating needs which are basic to entrepreneurship development.

- Need for achievement
- Need for independence
- Need for power

Need for achievement: The need to excel, known as achievement, is a critical factor in the personality of an entrepreneur. People with high need for achievement have desire for success in competition with others, or with a self-imposed standard of excellence. They try to accomplish challenging tasks. Entrepreneurs have been found to be people with a high drive, high activity level and goal orientation. They take external help whenever needed and feel happy on accomplishment of the task.

Need for independence: Studies conducted on entrepreneurs indicate that their need for independence is the prime characteristic that has driven them to start their own business. The entrepreneurs do not conform to routine jobs and practices. They set their own challenging goals and make efforts to achieve these goals. The entrepreneurs do not wait for directions from others and choose their own course of action. They are masters of their own activities and take full responsibility for the outcome of their actions. The independence provides opportunity for trying out new ideas and helping them to achieve their life goals.

Need for power: High need for achievement leads one into launching an enterprise but it may not be adequate to contribute to its success. Once an entrepreneur starts an enterprise and wants to manage successfully, he/she also needs to influence people, a drive which sells them his/her ideas and leads them in the process of establishing and expanding the organization. Ideas drive to influence people and to lead them to implement his/her ideas may be called as need for power. It implies controlling the actions and activities of other people. The entrepreneurs, especially in the initial stages, reflect moderate need for power. This helps them to become successful enterprise builders. However, they do not develop emotional bonds with people they work with; and their need for affiliation is low.

MASLOW'S' CLASSIFICATION OF NEEDS:

According to the famous psychologist Abraham Maslow (1954), the needs in order of importance to individuals i.e. the fulfillment of needs starts from the first order and if first order needs are fulfilled the individual thinks of second order and so on as given below

1. **Physiological needs:** These are called first order needs. These needs are necessary for survival of the individual e.g. food, clothing, shelter, etc. these are most important, if these needs are fulfilled then only the individual steps in to second order needs
2. **Safety needs:** These are second order needs. These needs are for the security of the individual from physical, physiological, economic and social viewpoints e.g. protection from danger, threatening etc.
3. **Social needs:** These are third order needs. Man is a social animal and has an inherent desire to be with others in some form e.g. friendship, company etc. These are also called response needs.
4. **Esteem needs:** These are fourth order needs. The individual likes to get appreciation and recognition from others in the society e.g. power, status, prestige etc.
5. **Self-actualization:** These are called last order or fifth order or highest order needs. It is self-realization and knowing self or the ultimate purpose of human being e.g. what is human being, how he should live, what is his purpose of living etc.

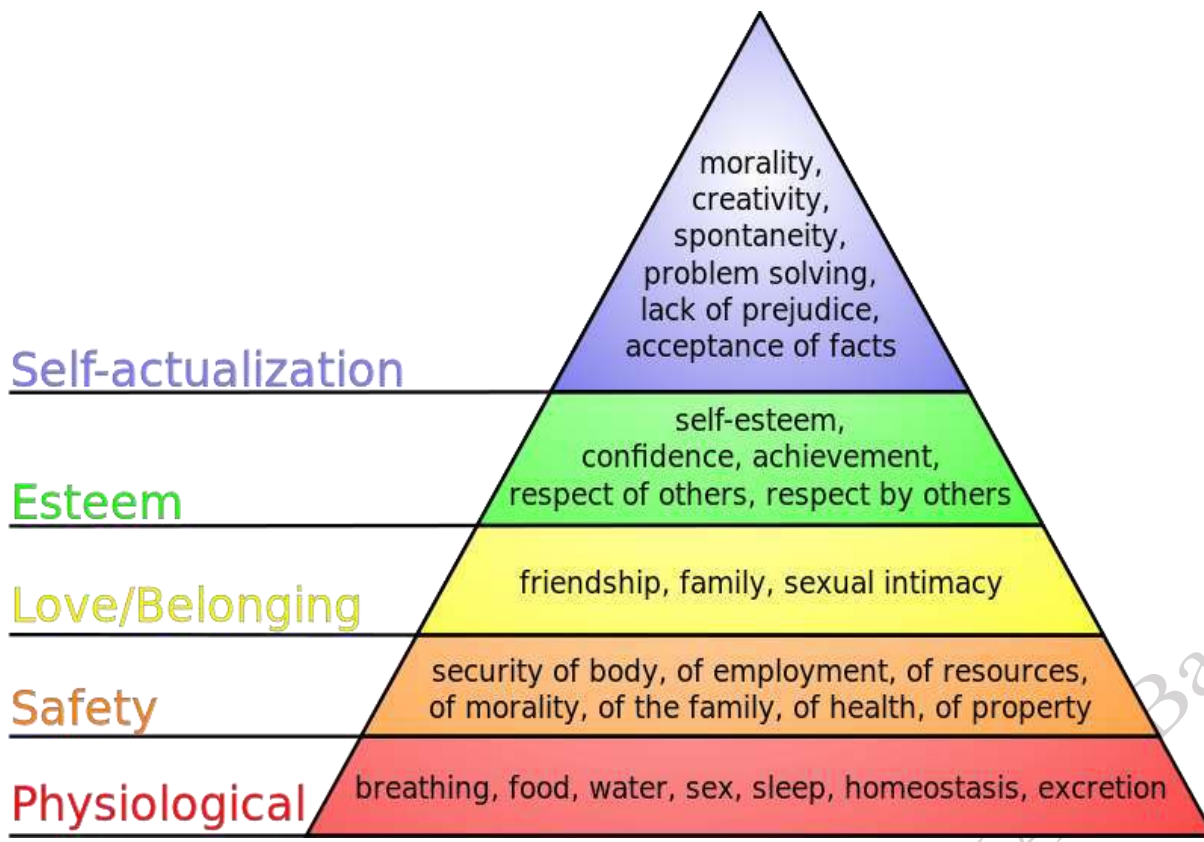
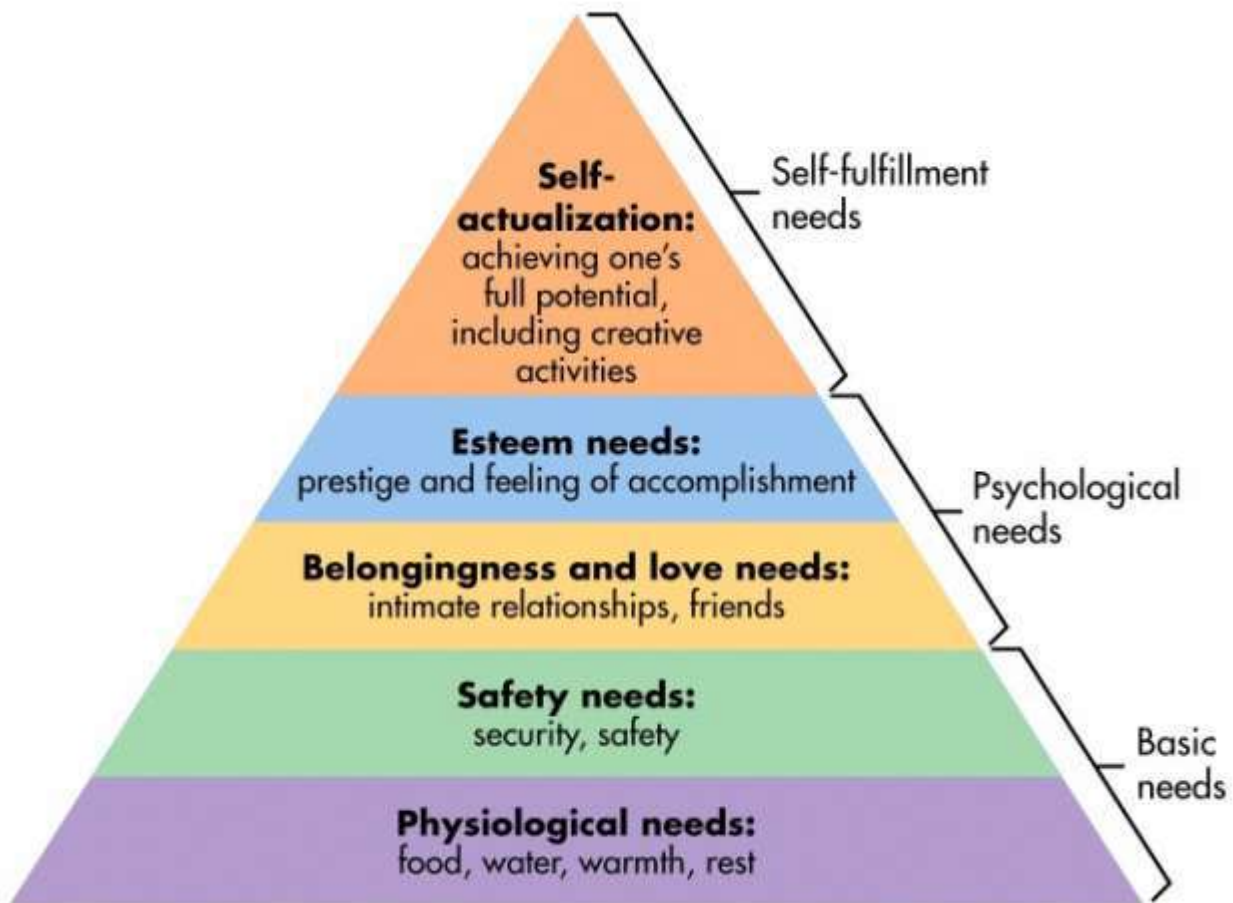


Fig-

Maslow's' Classification of Needs



Motivating factors for entrepreneurship development

The common man thinks that people go into business and become entrepreneurs solely to make money. The desire to earn money is no doubt an important motivating force. But entrepreneurs are not moved by profits alone. Many other factors inspire entrepreneurs to perform their job successfully. Several research studies have been conducted in India to identify the motivating factors that inspire entrepreneurs. Sharma (1987) identified the following internal and external motivating factors.

- 1. Educational background:** Education equips an individual for solving problems of life. The educational background helps him in understanding the problems and finding solution to it. Education helps in doing things in a better way.
- 2. Occupational experience:** Experiences help an individual by going through the situation. It provides him the learning experience.
- 3. Desire to work independently:** This helps an individual in taking independent decisions and gain control over the situation. Success gives him confidence in performing the job in future.
- 4. Desire to branch out to manufacturing:** The desire to do something new makes an individual to think differently. He may start a branch or section which is altogether different from the main firm. But mostly a complimentary branch is helpful to the main branch. Out of experience and study one can take such steps.
- 5. Family background:** An entrepreneur born in an industrialist family inherits certain social and cultural background which is conducive to his work.
- 6. Assistance from government:** There are a large number of schemes to help the entrepreneurs in developing their enterprise. These help motivate him to expand or start new business.
- 7. Assistance from financial institutions:** The banks and other financial agencies provide assistance for the enterprise. These institutions give fund as per the project proposal submitted by the entrepreneur, which itself acts as a motivating force.
- 8. Availability of technology and raw material:** The new technology is being evolved every day. Sometimes the raw material is available for the enterprise but there is no one to take advantage of this situation. The entrepreneur should organize the things in such a way that it will develop his enterprise. He is motivated by the opportunities in front of him.
- 9. Other factors of production:** There may be many other factors of production like heavy demand for particular product, utilization of excess money earned from contractual estate business, started manufacturing to facilitate trading
- 10. /distribution business,** no chance for further promotion of present enterprise which may motivate an individual to start new enterprise.
- 11.** The above nine factors are grouped into two major categories internal and external. The first five factors are termed as internal and the last four factors as external. The internal motivating factors like education, occupational experience, family background, the desire to do something

independently together make the personality of the entrepreneur. These factors generate an inclination to start entrepreneurial activities.

- 12.** The internal factors are important but they need to be supported by external factors like favorable governmental policies, financial assistance, technology and raw material and infrastructural facilities. These facilities or assistance are the external motivating factors and serve as a spark in the lightening of the entrepreneurial idea. These factors also provide a momentum to the entrepreneurial activities.

Department of Ag. Ext. CoA, BUAT, Banda

CHAPTER- 5

IMPORTANCE OF PLANNING, BUDGETING, MONITORING, EVALUATION AND FOLLOW UP IN RUNNING AN ENTERPRISE, RESEARCHING / MANAGING COMPETITION- WAYS TO DEFINE POSSIBLE COMPETITORS, COMPETITIVE INFORMATION,

Planning is an initiatory function in the sense that it is initiated in the first place to formulate a systematic programme in detail for doing or achieving a mission still unformed or undeveloped. It is a function which implies a comprehensive and extensive task of devising and laying out in distinguished sections a detailed programme of actions to be carried out to convert an idea into a safe and sound business entity. Planning for an enterprise, as generally observed, is the groundwork in preparation for making a proposed venture start and grows smoothly.

Planning-Importance

Many business ideas end up in complete failure as they are unable to produce the desired results despite long and hard efforts. Of course, there is not a single practice model which would guide through numerous critical situations and help translate ideas into well grounded realities.

Recent studies, however, suggest that there are noticeable similarities among the key preliminary preparations that most successful entrepreneurs accomplish before they are ready to launch their new ventures. These commonly observable facts serve to trace, in general, the way aspiring entrepreneurs may make preparations so that they cannot only get off to a good start but also transform their dreams into gainful business enterprises.

Many researchers, therefore, have a message that what every ambitious individual should note about the right approach to make hard work result challenging business environment; secondly, examine own abilities and limitations; thirdly, make an advance realization of problems that will or may come; fourthly, determine whether a proposed venture can be expected to succeed and grow in the long run; and, finally, if assured or prospects, carefully plan the course of conduct of related activities essential to sustainable progress. Thus, business or project planning is regarded as fundamental to a good start in entrepreneurial career.

Project Plan – A Basic Document

In simple words, a project plan is a basic document which gives an explicit but precise account of what one has in mind to achieve and, in that context, it defines: What will have to be done? When will be done? How will be done? Who will do? How much will it cost?

A project plan spells out the principal features and the future prospects of a proposed business. Besides, it provides analyses of and insights into vital issues that are to be attended to and sorted out with an eye to achieving the ultimate goal. Many prefer to call it an orderly presentation of a detailed programme of actions for doing, making or achieving something proposed for consideration and acceptance. Others suggest that a project plan is a well defined written argument, based on relevant facts, figures and estimates. It portrays an overall picture of a business proposal, attempts to justify its technical feasibility as well as commercial success and makes clear suggested course of actions in distinguished sections. Some authors are of the view that the phrases project plan, business plan, business schemes, feasibility

plan and feasibility plan and feasibility report are alike in meaning or significance. Accordingly, these expressions are frequently used interchangeably.

Project Plan-Benefits and Utilities:

A project plan serves as a useful tool to bring greater success in attaining objectives of a business. That being the case, some of the major benefits and utilities derivable from this document are:

- **Highlights basic elements.** Regardless of size, nature, main objective and location of a venture, as also investment, risk and uncertainty involved in it, a project plan lays stress on the basic elements common to almost every business. The basic elements include ownership; business location; objective; policies and strategies; resource requirements; budget estimates; and anticipated ways and means to accomplish goals.
- **Deals with decisive issues.** Before everything else, a decision has to be reached as to whether or not to go for any investment in the proposed venture. More importantly, a project plan justifies the individual capacity to mobilize resources entrepreneurial ability of the would-be entrepreneur.
- **Assists in evaluation.** A project plan assists in evaluating overall merit of a new business idea.
- **Serves to gain support.** A project plan serves as a means to look for and acquire requisite financial and material assistance from external sources.
- **Helps timely implementation.** A project plan document serves as a handbook to be followed in the process of organizing, directing, coordinating and controlling planned activities aimed at ensuring timely implementation of objectives.
- **Facilitates registration.** A project plan, of course, is essential for seeking from a competent authority permission to engage in a business. Both permission and registration by respective authorities are essentially necessary to commence and carry out any business activity and to seek financial assistance from commercial banks as also specialized financial institutions.
- **Prepares groundwork.** It aids to prepare the ground for a new unit. Said simply, project planning is one of the vital elementary tasks necessary to make ready the groundwork for primarily a new venture, large or small, and seldom for expansion, diversification or modernization of an existing unit.

IMPORTANCE OF BUDGETING

A budget is a statement of anticipated results during a designated time period expressed in financial terms – as revenue, expense and capital budgets or non financial terms – as in budgets of direct labour hours, materials, physical sales volume or units of production. Budgeting is a key managerial process because it together constitutes functions of planning, controlling and coordinating. **Budgeting is a process of preparing budgets.** The primary objective of budget is to ensure the optimum utilization of available funds for the purpose of producing at minimum cost and selling in a competitive market at maximum profit. George R. Terry has described budget as “an estimate of future needs, arranged according to an orderly basis, covering some or all the activities of an enterprise for a definite period of time.” In broad sense, a budget constitutes a statement of planned or expected results in quantitative

terms for a specified future period. It may be expressed either in financial or physical terms like machine hrs, units or products or in any other numerically measurable terms. In simple words budget is a statement of expected results expressed in numerical terms.

The purpose or importance of budgeting:

- To plan for the efficient and smooth running of project/ business/ an enterprise.
- To keep up the production schedule,
- To coordinate the various activities of project/ business/ an enterprise.
- To effect control on various departments.
- To help in decentralization
- To help in delegation of authority
- To plan and control receipts and payments.
- To control the development.
- To arrange the capital.
- To control the research projects
- To establish standards of evaluation.
- To help the management in its corrective action.

On the basis of purpose for which budgets are prepared, they are classified as revenue and expense budgets, sales budget, production budget, production cost budget, and selling and distribution cost budget, capital expenditure budget, cash budget and master budget. The budget coordinates production, sales and finance. It compels small entrepreneurs to think on a continuing basis to maximize profits.

Budgetary control:

Budgetary control is a tool of management used to plan, carry out and control the operations of the business. The entrepreneur finds it quite handy in planning the growth of his business or enterprise. “Budgetary control is a device or technique of managerial control through budgets.” George R. Terry has described budgetary control as ‘a process of finding out what is being done and comparing the actual results with the corresponding budget data in order to approve accomplishments or to remedy differences by either adjusting the budget estimates or correcting the cause of difference. The process of budgetary control involves planning, coordination, recording, control, appraisal and follow up various activities planned and implemented based on budgets. Budgetary control provides basis for administrative control, direction of sales effort, production planning and control over stocks.

MONITORING AND EVALUATION OF AN ENTERPRISE

Monitoring and evaluation provides with better means for learning from past experience, improving service delivery, planning and allocating resources and demonstrating results as part of accountability to key stakeholders. Although evaluation is distinguished from monitoring, they are in fact interdependent. Monitoring presents what has been delivered and evaluation answers the question “what has happened as a result of the intervention?” Impact evaluation is a particular aspect of evaluation, focusing on the ultimate benefits of an intervention.

Monitoring: It is regular systematic collection and analysis of information to track the progress of programme implementation against pre-set targets and objectives. It means to keep a careful check of project activities over a period of time. To work to its full potential, any kind of project needs to set out proposals and objectives. Then a monitoring system should be worked out to keep a check on all the various activities, including finances. This will help project staff to know how things are going, as well as giving early warning of possible problems and difficulties. It is performed while a project is being implemented, with the aim of improving the project design and functioning while in action. Monitoring gives information on where a policy, program or project is at any given time (or over time) relative to respective targets and outcomes. Monitoring focuses in particular on efficiency, and the use of resources.

Monitoring

- Clarifies program objectives
- Links activities and their resources to objectives
- Translates objectives into performance indicators and sets targets
- Routinely collects data on these indicators, compares actual results with targets
- Reports progress to managers and alerts them to problems

Evaluation: It is an objective assessment of an ongoing or recently completed project, program or policy, its design, implementation and results. Evaluation deals with questions of cause and effect. It is assessing or estimating the value, worth or impact of an intervention and is typically done on a periodic basis –perhaps annually or at the end of a phase of a project or program. An evaluation studies the outcome of a project (changes in income, housing quality, benefits distribution, cost-effectiveness, etc.) with the aim of informing the design of future projects. Evaluation looks at the relevance, effectiveness, efficiency and sustainability of an intervention. It will provide evidence of why targets and outcomes are or are not being achieved and addresses issues of causality.

Evaluation

- Analyzes why intended results were or were not achieved
- Assesses specific casual contributions of activities to results
- Examines implementation process
- Explores unintended results
- Provides lessons, highlights significant accomplishments or program potential and offers recommendations for improvement

Impact assessment: Assesses what has happened as a result of the intervention and what may have happened without it - from a future point in time. Impact Assessment is an aspect of evaluation that focuses on ultimate benefits. It sets out to assess what has happened as a result of the intervention and what may have happened without it. Where possible impact assessment tries to differentiate between changes that can be attributed to the program from other external factors that may have contributed as well as examining unintended changes alongside those intended.

Impact assessment

- Seeks to capture and isolate the outcomes that are attributable (or caused by) the program
- Will review all fore-going M&E activities, processes, reports and analysis
- Provides an in-depth understanding of the various causal relationships and the mechanisms through which they operate
- May seek to synthesize, compare, contrast a range of interventions in a region, timeframe, sector or reform area

Why should we undertake M&E?

Monitoring and evaluating program performance enables the improved management of the outputs and outcomes while encouraging the allocation of effort and resources in the direction where it will have the greatest impact. M&E can play a crucial role in keeping projects on track, create the basis for reassessing priorities and create an evidence base for current and future projects through the systematic collection and analysis of information on the implementation of a project. M&E during project implementation perform two main functions

- M&E as a legitimization function - **PROVING**
- Are we achieving the desired benefits for the right target groups?
- Are we achieving these benefits as efficiently and effectively as we can?
- M&E as a learning function - **IMPROVING**

Are we doing things right? Are we doing the right things? Could we do things better?

Could we do better things?

IMPORTANCE OF MONITORING AND EVALUATION

1. Provide constant feedback on the extent to which the projects are achieving their goals.
2. Identify potential problems at an early stage and propose possible solutions.
3. Monitor the accessibility of the project to all sectors of the target population.
4. Monitor the efficiency with which the different components of the project are being implemented and suggest improvements.
5. Evaluate the extent to which the project is able to achieve its general objectives.
6. Provide guidelines for the planning of future projects.
7. Influence sector assistance strategy. Relevant analysis from project and policy evaluation can highlight the outcomes of previous interventions, and the strengths and weaknesses of their implementation.
8. Improve project design. Use of project design tools such as the log frame (logical framework) results in systematic selection of indicators for monitoring project performance.
9. Incorporate views of stakeholders. Awareness is growing that participation by project beneficiaries in design and implementation brings greater “ownership” of project objectives and encourages the sustainability of project benefits. Ownership brings accountability. The

emergence of recorded benefits early on helps reinforce ownership, and early warning of emerging problems allows action to be taken before costs rise.

10. Show need for mid-course corrections. A reliable flow of information during implementation enables managers to keep track of progress and adjust operations to take account of experience.

FOLLOW UP

Follow-up need not be expensive and can be easily achieved through phone and email. Follow-up refers to responding to business queries, inquiries, and complaints if your business is relative new. Many businesses fail soon after they are launched only because they didn't offer good customer support along with their products and services.

Every customer has unique needs and as a smart entrepreneur, it's your job to find out what customers expect from your products as well as your company. While quality is by far the most motivating factor for buying a particular product for many customers, they also want more in terms of customer support, flexible payment options, free product replacement and repair, and extended warranties or product guarantees.

To keep your customers happy and enjoy a long-term relationship built on trust and confidence, you must address all of these needs. Happy and satisfied customers are your biggest asset - and often they are also the ones that promote your business in incredible ways by referring your products and services to others in their social circle. Not only do they come back to you for more business, but also provide useful feedback that you can share with other prospective customers.

Your customers are the ones who can make or break your reputation in the market. This is why you need to go out of your way, if needed, to ensure that their needs are attended to and all their grievances are duly addressed

RESEARCHING / MANAGING COMPETITION

Competition is everywhere. Very few industries or markets haven't experienced some form and degree of competitiveness. Researching competition through competitor intelligence can be a powerful tool for entrepreneurs. **Competitor intelligence** is a process of gathering information on who competitors are, what they are doing, and how their actions will affect your organization

Competition is defined as organizations battling with each other for some desired outcome, it may be customers, market share, survey ranking, or needed resources.

WAYS OF DEFINING POSSIBLE COMPETITORS

There are three ways to define possible competitors. The first approach, the **industry perspective**, identifies competitors as organizations making the same product or providing the same service. For instance, there's the oil industry, the seed industry, the fertilizer industry etc. The competitors in each of these industries are producing the same or similar types of products or services. Using this approach, an entrepreneur can assess the intensity of competition by looking at how many organizations are in the industry and how they differ from each other. Competition would be highest when there are numerous, similar competitors. In other words, these competitors are all using the same approaches in fighting for the same desired outcome- for example, getting a customer to purchase their product or service, and not another organizations.

Another approach to defining competitors is the **marketing perspective**, which says that competitors

are organizations that satisfy the same customer need. For example, if the customer need is technical information, potential competitors might range all the way from R&D, Scientists, Print and electronic media, Development agencies etc. These are different industries that are attempting to satisfy the same customer need. Under this perspective, the intensity of competition depends on how well the customer's needs are understood or defined and how well_ different organizations are able to meet that need.

The final approach to defining competitors is the **strategic groups' perspective**. Strategic groups are groups of competitors following essentially the same strategy in a particular market or industry. Within a single industry, you might find a few or several strategic groups, depending on what strategic factors are important to different groups of customers- that is, What factors customers use in making purchase decisions. For instance, two strategic factors often used in grouping competitors are price (low to high) and quality (low to high). Competitors would then be "grouped" according to their price quality strategies, with those following the same or similar approaches in the same strategic group. Keep in mind that the important strategic factors used to determine an organization's competitors are different for every industry and can be different even for various industry groups. The possible dimensions for identifying strategic groups are price, quality, geographic scope, product line, market share, profits and product uniqueness.

This approach suggests that strategic groups are important to understand who your competitors are because your most relevant competitors are those in your particular strategic group. Although competition might come from organizations in other strategic groups, your main competitive concerns are the organizations in your own strategic group. The intensity - of competition according to this perspective depends on

how effectively each competitor has been able to develop a competitive advantage and on the specific competitive actions being used. by each competitor to capture the desired outcome be it customers, resources, or whatever.

No matter how we define our potential competitors, the fact remains that there will be other organizations working hard to secure the same customers, resources, and other desired outcomes that you also want. Now that we know how to define "who" our competitors are, we need to look at what type of competitive information to get and where to get that information about what our' competitors are doing.

COMPETITOR INFORMATION

Type of Competitive Information to be collected:

What you want to do is get a good feel for what your potential competitors are doing. Here are some possible areas you might use to guide your research:

- ❖ Types of products or services are competitors offering.
- ❖ Major characteristics of these products or services.
- ❖ Their products' strengths and weaknesses.
- ❖ The way of handling, marketing, pricing, and distributing.
- ❖ Attempts to do the activities differently from other competitors and their success percentage.

- ❖ competitive advantage(s) of their activities
- ❖ profitability percentage of their activities
- ❖ mode of reaction of the competitors when something (or someone) new comes into the

Then, you want to assess how your proposed entrepreneurial venture is going to "fit" into this competitive mix. Once you've decided what type of competitive information you'd like to have, you're ready to find it. Now, where can you find this type of information?

Sources of getting Competitive Information:

Published financial sources, former employees; dealers, representatives, and distributors; suppliers; professional meetings; market surveys; trade fairs and exhibits; competitors' brochures; competitors' Web-pages; technical analysis of competitors' products (called reverse engineering); comparison shopping; news stories found in newspapers or other printed publications and on broadcast media news programs; competitive intelligence firms; interviews with consultants; and so forth. One thing you should be concerned with as you gather competitive information, however, is whether or not your information gathering is ethical.

Once you've gathered information on your competitors, you might want to organize it in some type of competitor analysis matrix. List the competitors along the horizontal axis and the type of competitive information along the vertical axis. Fill in the actual information for each competitor in the appropriate cell. In this way, you would be able to compare your potential competitors easily. Also, this type of competitor analysis becomes an important part of your feasibility study and your business plan.

COMPETITOR ANALYSIS MATRIX				
Competitive Information	Business 1	Business 2	Business 3	Business 4
Products or services offered				
Product strengths				
Product weaknesses				
Competitive advantage				
Competitive disadvantage				
other Competitive Information				

The rivalry between business organizations having similar interest is a common phenomenon. For the business to survive in the face of stiff challenge and to ensure its sustained growth in that environment, the entrepreneur has to adopt certain **principles of managing competition**. Some of them are

- Spot early opportunities
- Develop a deeper understanding of the customer - national and international
- Keep track of the competitors
- Identify current trends which would shape the future.

CHAPTER- 6

ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES (EDPS) - OBJECTIVES, PHASES, PROBLEMS OF EDPS, CRITERIA FOR ASSESSMENT OR EVALUATION OF EDPS

Entrepreneurs play a predominant role in accelerating the socio-economic development of a country. They are regarded as the nation builders and wealthcreators. They are the change agents who initiate economic activities to create wealth. They undertake the business initiative, employ themselves in that business and open up employment avenues for others. Therefore, the role of entrepreneur is of fundamental importance to a country like India where the twin problems of poverty and unemployment coexist.

During early sixties, the small scale sector was considered as exclusively an employment-generating sector, but gradually this sector began to be recognized as the crucial tool for tapping latent entrepreneurial talent and now in the post-liberalization period, there seems to be ample opportunities for entrepreneurship and entrepreneurial growth.

Considering the importance of small scale industries in employment creation and economic development, the Government of India envisaged promotional packages to facilitate setting up of new enterprises. In order to bring about entrepreneurial growth, the policy mailers and financial institutions started thinking in terms of imbibing entrepreneurship culture through training interventions. Thus, Entrepreneurship Development Programmes (EDPs) Corporation (GIIC) and other agencies who have organized a three-month entrepreneurship development programme in late sixties. The programme was conducted for a selective group of energetic and potential entrepreneurs who had the willingness and desire to achieve the goal set by them. The objectives laid down for the above programmes were as follows:

- (i) To set up small scale ventures
- (ii) To manage them effectively
- (iii) To earn adequate profit from these ventures
- (iv) To undertake personal responsibility of the business

It has been found out that '**n Ach**' factor developed by **David McClelland**, the renewed behavioural scientist, is the most important quality for entrepreneurial development. In order to prove that the need for achievement could be induced, he conducted an experiment in collaboration with the erstwhile Small Industries Extension and Training Institute (SIET) of Hyderabad at Kakinada, Andhra Pradesh. Young persons were selected and put through rigorous training for a period of three months to guide them to set new goals. The achievement motivation has a positive impact upon their task performance. The Kakinada experiment could be treated as an important basis for the present-day EDP inputs on behavioral aspects.

In later stage, **Achievement Motivation Training (AMT)** has become an integral part of EDP course curriculum. Institutes like SISI, NISIET, SIDO and TCOs came forward conduct EDPs and national level organizations like Entrepreneurship Development Institute (EDI) of India, Ahmedabad and National Institute for Entrepreneurship and Small Business programmes. According to a study

conducted by NIESBUD, at present, as many as 686 odd organizations, including the state level organizations like IEDs/CEDs, are organizing EDPs in the country.

Objectives of EDPs:

The important objectives of Entrepreneurship Development Programmes (EDPs) can be stated as follows:

- a) Accelerating industrial development by enlarging the supply of entrepreneurs
- b) Developing entrepreneurial qualities and motivating the prospective entrepreneurs to achieve the goal
- c) Enhancing the growth of small-and medium-scale enterprise sectors which offer better potential for employment generation and dispersal of industrial unit
- d) Providing productive self-employment avenues to a large number of educated and low educated young men and women coming out of schools and colleges
- e) Improving performance of small-and medium-scale industries by the supply of carefully-selected and trained entrepreneurs and diversifying sources of entrepreneurship
- f) Enterprise development in rural and no-industry areas where local entrepreneurship is not really available and entrepreneurs from nearby towns are not easily lured

THE INDIAN EDP MODEL

There is a saying that entrepreneurs are the products of nature, nature and culture. Of course, this is very much true in Indian context. Apart from the nature and the culture, the role of nurture is very much significant for human resource development. The myth that entrepreneurs are born and not made has no longer been accepted. Ordinary persons can be turned into successful entrepreneurs through well-designed training programmes conducted by the Entrepreneurship Development institutes. The term nurture here implies the training intervention which is a real endeavor towards human resource development, especially entrepreneurial development. The Entrepreneurial Development Programmes, therefore, are based upon well-designed and integrated modular packages to suit to the needs of the budding entrepreneurs. The training level follows more or less the same principle in organizing Entrepreneurial Development Programmes. In the present context, EDPs are usually conducted for four to six weeks and the curriculum adopted by the above institutes for imparting training is also apparently uniform.

PHASES OF EDPs

The EDPs normally pass through following three important phases:

- Pre-training phase
- Training phase
- Post-training or follow-up phase

Pre-training phase:

This phase is the preparatory phase for launching the programmes. It includes a number of activities,

which are as follows:

Identification of operationally-promising area, normally a district

Selection of a project leader/course coordinator to coordinate the programme

Arrangement of infrastructural facilities for the programme

- i) Undertaking potential industrial survey/environmental scanning for identification of good business opportunities

Planning the programmes on various fronts such as:

- a) Promotional campaigns through either with the help of print or electric media, leaflets, posters, etc.
- b) Establishing contacts with business personalities, NGOs and related agencies which can contribute to the programme both directly and indirectly
- c) Getting the application forms printed and making them available at different centers along with instructions.
- d) Forming selection committee for selecting the trainees
- e) Preparing the budget, obtaining administrative sanctions and organizing other activities which form a part of EDP
- f) Preparing and finalizing the need-based inputs in training syllabus and to tie up with guest faculties to impart training

Contacting the support agencies like DICs, SFCs, SISI, banks, NSIC, District Magistrate, etc. to receive support in implementing the programme

Organizing industrial motivational campaigns to mobilize as many number of applications as possible.

Training phase: Training potential entrepreneurs are providing them proper guidance for setting up enterprise constitutes the cornerstone of EDP. Most of the Entrepreneurship Development institutes generally conduct training programmes of 4-6 weeks duration on full time basis. The programmes design in terms of objectives, training inputs and their focus is described.

Training Phase: Programme Design

Objectives	Focus	Inputs
Motivation and reinforcement of entrepreneurial traits, confidence building	Entrepreneur	Behavioural inputs
Facilitating decision-making process to set up a new venture	Enterprise establishment	Business opportunity guidance, information and project planning inputs, technical inputs

Successful and profitable operation of enterprise.	Enterprise management, first-hand knowledge of factory layout, business sites, etc.	Management inputs, plant visit/in-plant training
Industrial exposure		

Post-training phase: Post-training phase is otherwise known as the phase of follow-up support. During this phase, post-training support services are rendered to the participants who have successfully completed the Entrepreneurship Development Programme (EDP). This is because of the fact that, very often, the potential entrepreneur after undergoing the training confronts a number of problems while implementing the action plan for grounding the project. So during this phase, the training organization helps the entrepreneur in sorting out the problems through counseling support. A committee is formed consisting of members generally drafted from the leading bank of the district, State Financial Corporation, training organization and above all, the District Industries Centre to help the entrepreneurs with the following objectives during the follow-up:

- i) To provide a meaningful direction to the trainees in grounding their enterprise
- ii) To review the progress made by the trainees in implementation of the project
- iii) To review the post-training approach
- iv) To provide escort services to the trainees by involving financial institutions and promotional agencies.

Usually, follow-up action meetings are organized thrice a year after the completion of training and the following methods are generally used for follow-up:

- a) Postal questionnaire
- b) Telephonic follow-up
- c) Personal contact by the trainer
- d) Group meetings

Problems of EDPs: The low level of performance is usually attributed to the following problems involved in organizing and conducting EDP trainings:

- a) Shortage of adequate number of specialized and committed organizations
- b) Insufficient trainer motivators to motivate people for undergoing EDPs and to impart training
- c) Identification and selection of wrong projects
- d) Lack of entrepreneurial and culture
- e) Apathetic attitude of the support agencies like banks and financial institutions to support entrepreneurs
- f) Lack of forward and backward linkages
- g) Selection of wrong person for training

- h) Improper identification of projects
- i) Inadequate counseling support after training
- j) Lack of continuous follow-up action or post-training support services foregrounding the project

Criteria for assessment or evaluation of EDPs: Following criteria are being used by the behavioral scientists to assess the effectiveness of EDPs in the country.

- i) New enterprise creation

Employment generation in quantifiable term

Creation of job opportunities both directly and indirectly

Increase in sales and profit

Enterprise expansion

Enterprise transformation

Improvement in quality of product or services

Repayment of loans

Department of Ag. Ext. CoA, BUAT, Banda

CHAPTER- 7

SWOT ANALYSIS-CONCEPT, MEANING AND ADVANTAGES, GENERATION, INCUBATION AND COMMERCIALIZATION OF BUSINESS IDEAS

SWOT Analysis is the most renowned tool for audit and analysis of the overall strategic position of the business and its environment. Its key purpose is to identify the strategies that will create a firm specific business model that will best align an organization's resources and capabilities to the requirements of the environment in which the firm operates.

To innovate, an entrepreneur has to make a diagnosis of the current situation of market, firm, organization and so on. The diagnosis of the current situation is done by conducting an Internal and External Analysis.

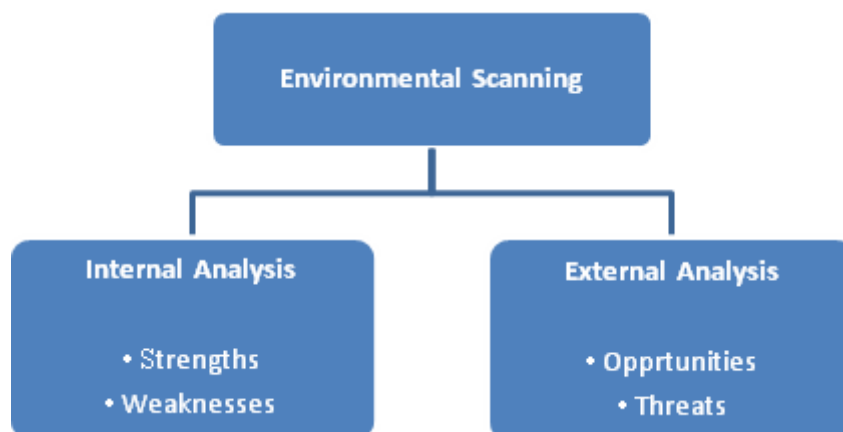
SWOT Analysis is a tool, often used by organizations in planning its future. Analysis of Internal and External Environment together is called SWOT Analysis. This tool can be explained in a simplified manner as follows S- strengths, W- weaknesses, O- opportunities and T- threats of an organization.

In other words, it is the foundation for evaluating the internal potential and limitations and the probable/likely opportunities and threats from the external environment. It views all positive and negative factors inside and outside the firm that affect the success. A consistent study of the environment in which the firm operates helps in forecasting/predicting the changing trends and also helps in including them in the decision-making process of the organization.

Internal Analysis- The Internal Analysis of the organization will cover the organizational position with respect to different functional areas like production, finance, marketing, R & Distribution and so on. More specifically, this may look into a company's sales volume, market share, profitability and so on. Strengths (S) and Weaknesses (W) are considered to be internal factors over which you have **some measure of control**.

External Analysis- The External Analysis will do the necessary scanning of the business environment to identify any threat and opportunities posed on the company, its products or services. More specifically, this will include the industry performance, competitive activity and a review of the growth and decline of the user industries. Opportunities (O) and Threats (T) are considered to be external factors over which you have **essentially no control**.

SWOT ANALYSIS FRAMEWORK



An overview of the four factors (Strengths, Weaknesses, Opportunities and Threats) is given below-

1. Strengths - Strengths are the qualities that enable us to accomplish the organization's mission. These are the basis on which continued success can be made and continued/sustained.

Strengths can be either tangible or intangible. These are what you are well-versed in or what you have expertise in, the traits and qualities your employees possess (individually and as a team) and the distinct features that give your organization its consistency.

Strengths are the beneficial aspects of the organization or the capabilities of an organization, which includes human competencies, process capabilities, financial resources, products and services, customer goodwill and brand loyalty. huge financial resources, broad product line, no debt, committed employees, etc.

Examples of organizational strengths are:

- a) Availability of necessary infrastructure
- b) Adequate production capacity
- c) Skilled manpower
- d) Good manufacturing practices, quality assurance and quality control
- e) Low cost of manufacture
- f) Facilities for product and process development
- g) Good location
- h) Wide distribution network
- i) Motivated staff
- j) Liquidity position
- k) Brand image
- l) Consistency in earning profits
- m) Good corporate image
- n) Efficient management
- a) Philosophy and human resource development

2. Weaknesses - Weaknesses are the qualities that prevent us from accomplishing our mission and achieving our full potential. These weaknesses deteriorate influences on the organizational success and growth. Weaknesses are the factors which do not meet the standards we feel they should meet.

Weaknesses are controllable. They must be minimized and eliminated. For instance - to overcome obsolete machinery, new machinery can be purchased.

Examples of organizational weaknesses are:

- a) Rising cost of operations
- b) Growing union pressures
- c) Low level of motivation of staff

- d) Non-availability of raw material
- e) Scarcity of capital
- f) Weak credit worthiness
- g) Problem of under utilization of capacity
- h) Outdated technology
- i) Poor project planning
- j) Inadequate infrastructure
- k) Shortage of trained technicians
- l) Insufficient managerial expertise
- m) Unorganized nature of operations
- n) Lack of effective co-ordination
- o) Inadequate training in skills
- p) Feeble structure/poor organization
- q) Problems of delegation of authority

1. Opportunities - Opportunities are presented by the environment within which our organization operates. These arise when an organization can take benefit of conditions in its environment to plan and execute strategies that enable it to become more profitable. Organizations can gain competitive advantage by making use of opportunities.

Organization should be careful and recognize the opportunities and grasp them whenever they arise. Selecting the targets that will best serve the clients while getting desired results is a difficult task. Opportunities may arise from market, competition, industry/government and technology. Increasing demand for telecommunications accompanied by deregulation is a great opportunity for new firms to enter telecom sector and compete with existing firms for revenue.

Examples of organizational opportunities are:

- a) Growing population
- b) Increase in disposable income
- c) Good monsoon
- d) Easy availability of money
- e) Availability of appropriate technology
- f) Favorable government policies
- g) Availability of different task environment like market information, distribution outlets and media.
- h) Presence of favorable cultural environment.

3. Threats - Threats arise when conditions in external environment jeopardize the reliability and profitability of the organization's business. They compound the vulnerability when they relate to the weaknesses. Threats are uncontrollable. When a threat comes, the stability and survival can be at stake.

Examples of threats are - unrest among employees; ever changing technology; increasing competition leading to excess capacity, price wars and reducing industry profits; etc.

Examples of organizational threats are:

- a) Shortage of power, water, fuel
- b) Rejection by the market
- c) Recession
- d) Tough competition
- e) Political instability
- f) Fiscal policy resulting into increased taxes, duties, imports reservations, licensing
- g) Technological obsolescence
- h) Tight money market
- i) High cost of raising finance and cost of finance
- j) Resource crunch
- k) Difficulty in retaining technical experts
- l) Climatic changes
- m) Changing customer tastes and preferences
- n) Prolonged economic depressions

Advantages of SWOT Analysis

SWOT Analysis is instrumental in strategy formulation and selection. It is a strong tool, but it involves a great subjective element. It is best when used as a guide, and not as a prescription. Successful businesses build on their strengths, correct their weakness and protect against internal weaknesses and external threats. They also keep a watch on their overall business environment and recognize and exploit new opportunities faster than its competitors.

SWOT Analysis helps in strategic planning in following manner-

1. It is a source of information for strategic planning.
2. Builds organization's strengths.
3. Reverse its weaknesses.
4. Maximize its response to opportunities.
5. Overcome organization's threats.
6. It helps in identifying core competencies of the firm.
7. It helps in setting of objectives for strategic planning.
8. It helps in knowing past, present and future so that by using past and current data, future plans can be chalked out.

SWOT Analysis provide information that helps in synchronizing the firm's resources and capabilities

with the competitive environment in which the firm operates.

Limitations of SWOT Analysis

SWOT Analysis is not free from its limitations. It may cause organizations to view circumstances as very simple because of which the organizations might overlook certain key strategic contact which may occur. Moreover, categorizing aspects as strengths, weaknesses, opportunities and threats might be very subjective as there is great degree of uncertainty in market. SWOT Analysis does stress upon the significance of these four aspects, but it does not tell how an organization can identify these aspects for itself.

There are certain limitations of SWOT Analysis which are not in control of management. These include-

1. Price increase;
2. Inputs/raw materials;
3. Government legislation;
4. Economic environment;
5. Searching a new market for the product which is not having overseas market due to import restrictions; etc.

Internal limitations may include-

1. Insufficient research and development facilities;
2. Faulty products due to poor quality control;
3. Poor industrial relations;
4. Lack of skilled and efficient labour; etc.

GENERATION, INCUBATION AND COMMERCIALIZATION OF BUSINESS IDEAS

The process of establishing a business and further sustenance is a complex process and it involves several activities and techniques to be adopted for running the business. Primarily the process starts with idea generation followed by idea incubation and finally leading to commercialization of business ideas. All these three steps are interlinked and the entrepreneurs need to be cautious in handling all these steps.

IDEA GENERATION

Entrepreneurs need ideas to start and to grow their entrepreneurial ventures. Generating ideas is an innovative, creative process.

Where Ideas Come From. Various entrepreneurship researchers have looked at the source of an entrepreneur's ideas. These studies have shown that the sources of their ideas are unique and varied.

Common sources:

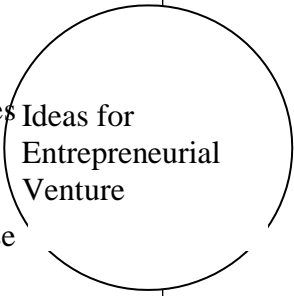
Personal interests or hobbies

Entrepreneur's work experiences, knowledge, and skills. Look at products and services currently available, External environment.

Potential Sources of Entrepreneurial Ideas

Sources

Personal interests or hobbies
Work experiences, skills, abilities
Products and services familiar ones
unfamiliar ones
External environmental opportunities in these sectors:
Technological, societal, cultural, demographic, economic, legal, political



What to Look For

Limitations of what's currently available
New and different Approaches
Advances and Breakthroughs
Unfilled nich
Trends and chang

Department of Ag. Ext. CoA, BUAT, Banda

WAYS TO GENERATE IDEAS.

Environmental scanning One technique that entrepreneurs can use to generate ideas is environmental scanning, the screening of large amounts of information to detect emerging trends. Here are some “ideas” to stimulate your own idea creation by scanning the world around you: Read your local and other major metropolitan newspapers. Read popular consumer and news magazines; review the fiction and nonfiction best-seller lists; review government and consumer publications; subscribe to relevant trade publications; pay attention to commercials; watch and review top prime-time television shows; browse through the magazine section of a bookstore; walk through a local shopping mall to see what’s there; and so forth. The challenge of this method is not having too little information to scan; it’s having too much. It may seem like a lot of effort and work, but if you’re serious about being a successful entrepreneur in action, it’s energy well spent.

Creativity and creative problem solving: Creativity is defined as the ability to combine ideas in a unique way or to make unusual associations between ideas. Whereas traditional logical thinking is like parallel railroad tracks – going on forever, but never crossing – creative thinking means linking new concepts in unusual ways. A

number of specific creativity approaches can be used. For instance, here are a few specific techniques: the checklist method, in which an entrepreneur uses a list of questions or statements to develop new ideas; free association, whereby an entrepreneur develops a new idea through a chain of word associations; attribute listing, in which an entrepreneur develops a new idea by looking at the positive and negative attributes of a product or service; and so on. Using any of these structured creative problem-solving approaches can help you unlock your creativity and generate potential entrepreneurial ideas.

Brainstorming: One of the most familiar and widely used approaches to generating ideas is **brainstorming**, an idea-generating process for developing active solutions that encourages as many alternatives as possible while withholding criticism. Brainstorming is a relatively simple technique that is typically done with a group of people. (You could do this with friends or colleagues.) In a brainstorming session, a group of people gets together in a room, preferably one with a relaxed environment, where everyone would be free to stretch their minds and think beyond the ordinary. A group leader states the issue or problem to be addressed and ensures that all participants understand it. Then members contribute as many ideas as they can in a given time by describing them verbally (often shouting them out). Participants are encouraged to come up with as many ideas possible and to build on each other’s ideas. In brainstorming sessions, talking is often nonstop as participants

suggest ideas. No criticism of ideas is allowed during the brainstorming session. Instead, all ideas, no matter how illogical or crazy, are recorded for later discussion and analysis. The purpose of brainstorming is to be an idea-generating process that opens up as many alternatives as possible as other people's remarks act to stimulate others in a sort of chain reaction of ideas. It can be a frenzied, yet productive way to generate numerous ideas.

Focus groups: These groups of individuals provide information about proposed products or services in a structured setting. In a typical focus group, a moderator focuses the group discussion on whatever issues are being examined. For instance, a focus group might look at a proposed product and answer specific questions asked by the moderator. In other instances, the focus group might be given a moral general issue to discuss and the moderator simply leads the discussion based on comments made by the group. Either way, a focus group can provide an excellent way to generate new ideas and to screen proposed ideas and concepts.

The Role of Intuition: Intuition is a cognitive process whereby we subconsciously make decisions based on our accumulated knowledge and experience. It's been called that "'Aha' feeling you get when your internal search engine hits its mark." You may have neared it called "gut feeling." Although structured, methodical approaches to generating ideas are important, intuition also can play an important role. Intuition can be a powerful source of new ideas if you learn to use it. Maybe the best approach of all would be to combine the structured with the intuitive. After all, the two complement each other. Listen to that "inner voice" and then use more structured approaches to fine-tune your ideas.

IDEA INCUBATION

Idea incubation is a process for bringing ideas into reality. It starts on a very fundamental level, often with a single individual who comes up with a concept he or she thinks should be further explored. This individual brings others in on the idea incubation process, making the idea stronger and more viable. Ultimately, the idea may be turned into a product, assuming that funding can be secured and that the idea is commercially viable.

Many companies foster idea incubation by clustering workers together in collaborative environments. Cooperative groups work best for idea incubation because other members of the group can identify strengths and weaknesses of the idea, resulting in a stronger finished product. Some companies offer their services as professional idea incubators. These companies use a staff of individuals who are trained to think innovatively. Idea incubation firms often provide support for product development all the way through the process from the initial vague concept to commercial

production.

Successful idea incubation can result in products ranging from clothespins to computers. Ultimately, strong leadership and executive skills are required along with an entrepreneurial spirit. Once an idea has been incubated, it needs to be developed, prototyped, and commercially presented. Appointing a team leader can encourage this, along with creating a work environment in which all employees are encouraged to make contributions.

Business incubators are programs designed to accelerate the successful development of entrepreneurial companies through an array of business support resources and services, developed and orchestrated by incubator management and offered both in the incubator and through its network of contacts. Incubators vary in the way they deliver their services, in their organizational structure, and in the types of clients they serve. Successful completion of a business incubation program increases the likelihood that a start-up company will stay in business for the long term: Historically, 87% of incubator graduates stay in business.

The incubation process (Most common incubator services):

- Help with business basics
- Networking activities
- Marketing assistance
- High-speed Internet access
- Help with accounting/financial management
- Access to bank loans, loan funds and guarantee programs
- Help with presentation skills
- Links to higher education resources
- Links to strategic partners
- Access to angel investors or venture capital
- Comprehensive business training programs
- Advisory boards and mentors
- Management team identification
- Help with business etiquette

- Technology commercialization assistance
- Help with regulatory compliance
- Intellectual property management

Entrepreneurs who wish to enter a business incubation program must apply for admission. Acceptance criteria vary from program to program, but in general only those with feasible business ideas and a workable business plan are admitted. It is this factor that makes it difficult to compare the success rates of incubated companies against general business survival statistics. Although most incubators offer their clients office space and shared administrative services, the heart of a true business incubation program is the services it provides to start-up companies.

The amount of time a company spends in an incubation program can vary widely depending on a number of factors, including the type of business and the entrepreneur's level of business expertise. Life science and other firms with long research and development cycles require more time in an incubation program than manufacturing or service companies that can immediately produce and bring a product or service to market.

COMMERCIALIZATION

It is the process or cycle of introducing a new product into the market. The actual launch of a new product is the final stage of new product development, and the one where the most money will have to be spent for advertising, sales promotion, and other marketing efforts.

The Commercialization Process: Commercialization of a product will only take place, if the following three questions can be answered:

When the company has to decide on the introduction timing. When facing the danger of cannibalizing the sales of the company's other products, if the product can be improved further, or if the economy is down, the launch should be delayed.

Where the company has to decide where to launch its products. It can be in a single location, one or several regions, a national or the international market. This decision will be strongly influenced by the company's resources, in terms of capital, managerial confidence and operational capacities. Smaller companies usually launch in attractive cities or regions, while larger companies enter a national market at once. Global roll outs are generally only undertaken by multinational conglomerates, since they have the necessary size and make use of international distribution systems (e.g., Unilever, Procter & Gamble). Other multinationals use the "lead-country" strategy: introducing

the new product in one country/region at a time (e.g. Colgate-Palmolive).

To whom the primary target consumer group will have been identified earlier by research and test marketing. This primary consumer group should consist of innovators, early adopters, heavy users and/or opinion leaders. This will ensure adoption by other buyers in the market place during the product growth period.

How the company has to decide on an action plan for introducing the product by implementing the above decisions. It has to develop a viable marketing mix and create a respective marketing budget.

Department of Ag. Ext. CoA, BUAT, Banda

CHAPTER- 8

GOVERNMENT SCHEMES AND INCENTIVES FOR PROMOTION OF ENTREPRENEURSHIP AND GOVERNMENT POLICY ON SMALL AND MEDIUM ENTERPRISES (SMES) / SSIS.

Government plays a very important role in developing entrepreneurship. Government develops industries in rural and backward areas by giving various facilities with the objective of balanced regional development. The government set programmes to help entrepreneurs in the field of knowledge, technique, finance, market and entrepreneurial development so that they help to accelerate and adopt the changes in industrial development.

Government schemes of entrepreneurship

World over, micro and small enterprises (MSEs) are recognized as an important constituent of the national economies, contributing significantly to employment expansion and poverty alleviation. Recognizing the importance of micro and small enterprises, which constitute an important segment of Indian economy in terms of their contribution to country's industrial production, exports, employment and creation of entrepreneurial base, the Central and State Governments have been implementing several schemes and programmes for promotion and development of these enterprises.

1. PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

Government of India has approved the introduction of a new credit linked subsidy programme called Prime Minister's Employment Generation Programme (PMEGP) by merging the two schemes that were in operation till 31.03.2008 namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. PMEGP will be a central sector scheme to be administered by the Ministry of Micro, Small and Medium Enterprises (MoMSME). The Scheme will be implemented by Khadi and Village Industries Commission (KVIC), a statutory organization under the administrative control of the Ministry of MSME as the single nodal agency at the National level. At the State level, the Scheme will be implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks. The Government subsidy under the Scheme will be routed by KVIC through the identified Banks for eventual distribution to the beneficiaries / entrepreneurs in their Bank accounts.

2. MARKET DEVELOPMENT ASSISTANCE SCHEME FOR MICRO/ SMALL MANUFACTURING ENTERPRISES/ SMALL & MICRO EXPORTERS

The scheme offers funding for:

1. Participation by manufacturing Small & Micro Enterprises in International Trade Fairs/ Exhibitions under MSME India stall.
2. Sector specific market studies by Industry Associations/ Export Promotion Councils/ Federation of Indian Export Organisation.
3. Initiating/ contesting anti-dumping cases by SSI Associations and
4. Reimbursement of 75% of one-time registration fee (w.e.f. 1st January 2002) and 75% of annual fees (recurring) (w.e.f. 1st June 2007) paid to GSI (Formerly EAN India) by Small & Micro units for the first three years for bar code.

SCHEME FOR ASSISTANCE TO TRAINING INSTITUTIONS

The Scheme envisages financial assistance for establishment of new institutions (EDIs), strengthening the infrastructure of the existing EDIs and for supporting entrepreneurship and skill development activities. The main objectives of the scheme are development of indigenous entrepreneurship from all walks of life for developing new micro and small enterprises, enlarging the entrepreneurial base and encouraging self-employment in rural as well as urban areas, by providing training to first generation entrepreneurs and assisting them in setting up of enterprises. The assistance shall be provided to these training institutes in the form of capital grant for creation/strengthening of infrastructure.

RAJIV GANDHI UDYAMI MITRA YOJANA

A Scheme of "Promotion and Handholding of Micro and Small Enterprises" There are still wide spread variations in the success rate, in terms of actual setting up and successful running of enterprises, by the EDP/SDP/ESDP trained entrepreneurs. It has been observed that new entrepreneurs generally face difficulties in – availing full benefits under available schemes of the Governments / financial institutions, completing and complying with various formalities and legal requirements under various laws/regulations, in selection of appropriate technology, tie-up with buyers and sellers etc. In order to bridge the gap between the aspirations of the potential entrepreneurs and the ground realities, there is a need to support and nurture the potential first generation entrepreneurs by giving them handholding support during the initial stages of setting up and managing their enterprises.

5. CREDIT LINK CAPITAL SUBSIDY SCHEME FOR TECHNOLOGY UPGRADATION

The Scheme was launched in October, 2000 and revised w.e.f. 29.09.2005. The revised scheme aims at facilitating Technology Upgradation of Micro and Small Enterprises by providing 15% capital subsidy (12% prior to 2005) on institutional finance availed by them for induction of well-established and improved technology in approved sub-sectors/products. The admissible capital subsidy under the revised scheme is calculated with reference to purchase price of Plant and Machinery. Maximum limit of eligible loan for calculation of subsidy under the revised scheme is also been raised Rs. 40 lakhs to Rs. 100 lakhs w.e.f. 29-09.2005. The scheme has been continued 10th five-year plan to 11th five year plan. Under the scheme approximately 7396 units have availed subsidy of Rs. 315.21 crore upto August, 2009.

6. MICRO & SMALL ENTERPRISES-CLUSTER DEVELOPMENT PROGRAMME (MSE-CDP)

Office of the Development Commissioner (MSME) launched Micro and Small Enterprises Cluster Development Programme (MSE-CDP) for holistic development for selected MSEs Clusters through value chain and supply chain management on cooperative basis. Designed on need assessment, the major component of the scheme are Technology Upgradation, Quality Upgradation and Certification, Credit Facilitation, Marketing Support, including exposure to the global markets and Collective Capacity Building of the cluster units with a view to enabling them to ultimately operate as collectives of their own. Establishment and operation of Common Facility Centres (CFCs), organized procurement and marketing continuous skill and technology upgradation are the deliverables of any intervention under MSE-CDP. Recently, support for infrastructural upgradation for resurgence of the clusters has also been included in the MSE-CDP.

Institutions set up by Central Government

7. Small industries development organization (SIDO)

SIDO was established in October 1973 now under Ministry of Trade, Industry and Marketing. SIDO is an apex body at Central level for formulating policy for the development of Small Scale Industries in the country, headed by the Additional Secretary & Development Commissioner (Small Scale Industries) under Ministry of Small Scale Industries Govt. of India. SIDO is playing a very constructive role for strengthening this vital sector, which has proved to be one of the strong pillars of the economy of the country. SIDO also provides extended support through Comprehensive plan for promotion of rural entrepreneurship.

8. Management development Institute (MDI)

MDI is located at Gurgaon(Haryana). It was established in 1973 and is sponsored by Industrial Finance Corporation of India with objectives of improving managerial effectiveness in the industry. It conducts management development programs in various fields. It also includes the programmes for the officers of IAS, IES, BHEL, ONGC and many other leading PSU's.

9. Entrepreneurship development institute of India (EDI)

Entrepreneurship Development Institute of India (EDI), an autonomous and not-for-profit institute, set up in 1983, is sponsored by apex financial institutions – the IDBI Bank Ltd., IFCI Ltd., ICICI Bank Ltd. and the State Bank of India (SBI). EDI has helped set up twelve state-level exclusive entrepreneurship development centres and institutes. One of the satisfying achievements, however, was taking entrepreneurship to a large number of schools, colleges, science and technology institutions and management schools in several states by including entrepreneurship inputs in their curricula. In the international arena, efforts to develop entrepreneurship by way of sharing resources and organizing training programmes, have helped EDI earn accolades and support from the World Bank, Commonwealth Secretariat, UNIDO, ILO, British Council, Ford Foundation, European Union, ASEAN Secretariat and several other renowned agencies. EDI has also set up Entrepreneurship Development Centre at Cambodia, Lao PDR, Myanmar and Vietnam and is in the process of setting up such centres at Uzbekistan and five African countries.

10. All India Small Scale Industries Board(AISSIB)

The Small Scale Industries Board (SSI Board) is the apex advisory body constituted to render advice to the Government on all issues pertaining to the small scale sector. It determines the policies and programmes for the development of small industries with a Central Government Minister as its president and the representatives of various organizations i.e. Central Government, State Government, National Small Industries Corporations, State Financial Corporation, Reserve Bank of India, State Bank of India, Indian Small Industries Board, Non-government members such as Public Service Commission, Trade and Industries Members.

11. National Institution of Entrepreneurship and Small Business Development(NIESBUD), New Delhi

It was established in 1983 by the Government of India. It is an apex body to supervise the activities of various agencies in the entrepreneurial development programmes. It is a society under Government of India Society Act of 1860. The major activities of the institute are:

- i) To make effective strategies and methods

- ii) To standardize model syllabus for training
- iii) To develop training aids, tools and manuals
- iv) To conduct workshops, seminars and conferences.
- v) To evaluate the benefits of EDPs and promote the process of Entrepreneurial development.
- vi) To help support government and other agencies in executing entrepreneur development programmes.
- vii) To undertake research and development in the field of EDPs.

12. National Institute of Small Industries Extension Training

It was established in 1960 with its headquarters at Hyderabad. The main objectives of national Institute of Small Industries Extension Training are:

- i) Directing and Coordinating syllabi for training of small entrepreneurs.
- ii) Advising managerial and technical aspects.
- iii) Organizing seminars for small entrepreneurs and managers.
- iv) Providing services regarding research and documentation.

13. National Small Industries Corporation Ltd. (NSIC)

The NSIC was established in 1995 by the Central Government with the objective of assisting the small industries in the Government purchase programmes. The corporation provides a vast-market for the products of small industries through its marketing network. It also assists the small units in exporting their products in foreign countries.

14. Risk Capital and Technology Finance Corporation Ltd. (RCTFC)

RCTFC was established in 1988 with an authorized capital of 15 crores rupees. The main objectives of RCTFC are provision of risk capital for the extension and expansion of entrepreneurial development and venture capital for the projects with high techniques for technology development and transfer.

15. National Research and development corporation (NRDC)

NRDC was established in 1953 under Department of Science and Industrial Research under Government of India. Its main objectives are:

- i) Providing assistance in technology transfer

- ii) Transfer of technology
- iii) Establishing relations with various technology institutions and collecting various indigenous techniques developed by them.

16. Indian Investment Centre

This is an autonomous organization established by Central Government. Its main objective is to assist in promoting foreign cooperation with Indian entrepreneurs and providing necessary information to foreign entrepreneurs.

17. Khadi and village industries Commission(KVIC)

Khadi and Village Industries Commission established by an Act of Parliament in 1956. It is a service organization engaged in promotion and development of Khadi and Village Industries in rural areas. Its main objectives are:

- i) Providing employment in rural areas.
- ii) Improvement of skills
- iii) Rural Industrialisation
- iv) Transfer of Technology
- v) Building strong rural community base and self-reliance among rural people.

18. Indian Institute of Entrepreneurship(IIE)

It was established by the Department of Small Scale Industries and Agro and Rural Industries in 1953. It is an autonomous organization with its headquarters at Guwahati. Its main objective is to undertake research, training and consultancy activities in the field of small industry and entrepreneurship.

GOVERNMENT POLICIES ON ENTREPRENEURSHIP

From the announcement of first Industrial Policy Resolution (IPR) a step by step approach was followed & various policies were implemented during past 5 decades.

- i) **IPR 1948** – Aimed at Post independent national reconstruction through industrialization. Envisaged the importance of cottage & small enterprises for employment creation and utilization of local resources and skills. The main thrust in small scale sector was centred round Protection.

ii) **IPR 1956** – Provided a clear emphatic policy and incentive support to small scale & cottage industries. It aimed at Protection plus Development of small industrial sector.

IPR 1977 – Establishment of DICs focusing on regional growth of industries & utilization of local resources and skill. IDBI & KVIB are established & small scale sector was given priority. This policy focused on promotion. Thus Protection, Development plus promotion became its focus.

IPR 1980 - Thrust areas were Industrial infrastructure, higher productivity promotion of agro based industries, consumer protection & quality control. For generation of wage employment & development of entrepreneurial spirit among people small scale sector was again treated most important.

IPR 1990 - Policy of economic liberalization & Introduce simple procedures, formalities, rules & regulations. More emphasis to women & youth was given under entrepreneurship. SIDBI was established to assist entrepreneurs in the small scale sector.

NEW SMALL ENTERPRISE POLICY (NESP):

This was made to provide adequate support to tiny and micro enterprises. Thrust areas are

- I. Inclusion of industry- Business & service related enterprises irrespective their location as small scale industries
- II. Widen scope of National Equity Fund, enlarge Single window scheme and associate commercial banks with provision of composite loan scheme
- III. Financial support to entrepreneurs by allowing equity participation up to 24% of share
- IV. Setting up of technology development cell in SIDO
- V. Setting up of Export development centre in SIDO
- VI. Liberalization by limited partnership act
- VII. Integrated infrastructure development system
- VIII. Technology development and equitable distribution of local & imported raw material on a priority to small & tiny sector
- IX. Improvement in incentive delivery system.
- X. Marketing, market promotion and export support modernization.
- XI. Quality up gradation and procedural simplification.

XII. Increase in investment limit from 2 to 5 lakhs for plant & machineries and tiny industrial units.

Department of Ag. Ext. CoA, BUAT, Banda

CHAPTER- 9

EXPORT AND IMPORT POLICIES RELEVANT TO HORTICULTURE SECTOR.

Agriculture Export Policy

Introduction-

India, with a large and diverse agriculture, is among the world's leading producer of cereals, milk, sugar, fruits and vegetables, spices, eggs and seafood products. Indian agriculture continues to be the backbone of our society and it provides livelihood to nearly 50 per cent of our population. India is supporting 17.84 per cent of world's population, 15% of livestock population with merely 2.4 per cent of world's land and 4 per cent water resources. Hence, continuous innovation and efforts towards productivity, pre & post-harvest management, processing and value-addition, use of technology and infrastructure creation is an imperative for Indian agriculture. Various studies on fresh fruits and vegetables, fisheries in India have indicated a loss percentage ranging from about 8% to 18% on account of poor post-harvest management, absence of cold chain and processing facilities. Therefore, agro processing and agricultural exports are a key area and it is a matter of satisfaction that India's role in global export of agricultural products is steadily increasing. India is currently ranked tenth amongst the major exporters globally as per WTO trade data for 2016. India's share in global exports of agriculture products has increased from 1% a few years ago, to 2.2 % in 2016. Recent growth rates show that agri-food production is rising faster than growth in domestic demand, and volume of surplus for export is witnessing accelerated growth. This offers scope and opportunity for capturing overseas markets to earn foreign exchange and enable producers to earn higher prices for farm produce.

2. Agriculture Export Policy: Objective and Vision

A dynamic nation of 1.3 billion consumers with rising discretionary incomes, changing food patterns, vast farming area, diverse agriculture and a large population dependent on agriculture has propelled India to the world's center stage as a big consumer market and also as a key supplier of food products. It has often been suggested that an essential element of **"Make in India"** has to be **"Bake in India"**, i.e. a renewed focus on value addition and on processed agricultural products.

The rapidly growing global population and shrinking farmlands, coupled with changing socio-economic, agroclimatic and dietary patterns, have challenged scientists and policymakers to reconsider how we grow and feed 7.5 billion global citizens. India's quest, then, is to grow sustainably, trade abundantly and progress harmoniously. Agriculture export, if properly supported by infrastructure, institutional back up, packaging, freight transport and connected to the internal

production system backed by market access will be in a position to transform the agricultural economy.

INDIA'S AGRICULTURE EXPORT POLICY- OBJECTIVES

- To double agricultural exports from present ~US\$ 30+ Billion to ~US\$ 60+ Billion by 2022 and reach US\$ 100 Billion in the next few years thereafter, with a stable trade policy regime.
- To diversify our export basket, destinations and boost high value and value added agricultural exports including focus on perishables.
- To promote novel, indigenous, organic, ethnic, traditional and non-traditional Agri products exports.
- To provide an institutional mechanism for pursuing market access, tackling barriers and deal with sanitary and phytosanitary issues.
- To strive to double India's share in world agri exports by integrating with global value chain at the earliest.
- Enable farmers to get benefit of export opportunities in overseas market. INDIA'S

AGRICULTURE EXPORT POLICY-VISION

Harness export potential of Indian agriculture, through suitable policy instruments, to make India global power in agriculture and raise farmer's income.

Institutional mechanism for promoting agricultural/ horticultural exports has been set up in the States for the first time.

Focus on clusters

In order to provide direct export market linkage to farmers/FPOs and to encourage export oriented production, AEP advocates a cluster-based approach for promoting agriculture exports. As part of the Agriculture Export Policy, 47 unique product-district clusters have been notified for export promotion. The States have further identified around 100 more product-district clusters, which would be evaluated and notified in due course.

9 clusters (21 districts) have been activated by forming cluster-level committees, forming FPOs, connecting exporters to the FPOs, and sorting out the issues of transportation/ logistics/ pack houses etc. These clusters have been made operative with none or minimal additional investments by pooling the existing resources.

For the first time, the Department of Commerce has reached out directly at cluster and farm levels to give farmers a stake in export of their produce. The FPOs/ farmers have been sensitized about

requirements of export-oriented production.

The following clusters have shown good results and value realizations for farmers have increased in these clusters:

Varanasi cluster including Ghazipur, Jaunpur, Mirzapur, Chandauli and Sant Ravidas Nagar districts (fresh fruits & vegetables): Fresh Vegetables and Fruits Exporters Association (VAFA), Mumbai signed an MOU with FPOs for sourcing of fresh vegetables and fruits for export to international market. The FPOs in the region were encouraged for exports and the existing value chain was strengthened with the cooperation of stakeholders towards the initiative to develop “**Varanasi as an Export Hub**”. As an outcome, a series of export consignments of fresh fruits, vegetables have been shipped by air, sea and multimodal route to Middle East, UK etc. including three “For the first time we are moving towards agriculture export policy so that our farmers can also face global competition with confidence.”

The first air shipment of vegetables (1MT) directly from Varanasi to Sharjah by AirIndia Express in January, 2021. Flagged off at LBSI airport, Varanasi by Chairman APEDA and Divisional Commissioner, Varanasi. Reforms to Promote Agri Exports 3 | Page air shipments during the COVID-19 pandemic.

Black rice from Chandauli district and Mango varieties like Banarasi Langra, Ramkheda, Chausa, Dasherri etc. were exported for the first time. →

Lucknow cluster (Mango): The first sea consignment of 26.25 MT of mangoes (Dasherri and Langra varieties) from Lucknow cluster to Oman was dispatched in June, 2020 from Rehmankheda packhouse to JNPT Mumbai for further shipping. Subsequently multiple consignments of fresh mango were exported from Lucknow to Dubai via JNPT Mumbai. →

Nagpur cluster (Orange): BSM and field visit were organized for cluster development activity in the cluster. The first container of 15MT of Nagpur Oranges was exported to Dubai from VHT packhouse, Vashi in February, 2020. Oranges were directly procured from Nagpur cluster farmers for export. Till date, more than 100MT of oranges have been exported to UAE. →

Ananthpur Cluster (Banana): The first train shipment of banana was dispatched from Tadipatri, Ananthpur (Banana Cluster) to JNPT Mumbai in January, 2020. During last year, 9790 MT of banana from the cluster have been exported through 11 reefer rail movements for export to Middle East, thereby covering 600 Ha of cultivation land and benefiting around 15,000 farmers and many FPOs in the cluster region. The average price of Banana received by FPOs/farmers has more than doubled from Rs 5/kg to Rs 11/kg. →

Theni cluster (Banana): During the last one year, more than 80 containers of G9 and Nendran

banana have been exported to Dubai, Saudi Arabia, Maldives from Theni and Pollachi districts after sourcing the fresh produce from the local farmer producer group.

Kolhapur, Solapur & Jalgaon cluster (Banana): Till date, 3278, 275 & 77 containers of Banana has been exported from Solapur, Jalgaon and Kohlapur respectively.

Surat, Narmada & Bharuch cluster (Banana): Till date, 8735 MT of fresh banana exported to Middle East countries viz. Bahrain, Dubai, Georgia, Iran, Oman, Saudi Arabia, Turkey, UAE, Iraq etc. from the cluster. **Sangli, Nasik & Pune cluster (Grapes):** Supply chain of grapes export was further strengthened which enabled increase in exports. Grapes in large quantities are being exported from the cluster.

Bangalore Rural & Chikkaballapura cluster (Rose Onion): 7167.618 MT of Rose onions were exported from the cluster area to Malaysia, Singapore, Indonesia, Bangladesh and Sri Lanka during October 2020 to December 2020. “The agriculture sector has a very important role to play in making India a five trillion dollar economy. For this, our government is focusing on formulating a cash crop and export centric farming system,” -PM Narendra Modi Fresh banana from Anantapur cluster district dispatched through reefer rail for export via JNPT (January, 2021) Reforms to Promote Agri Exports 4 | Page

In addition to the clusters identified under AEP, 54 districts are covered under One District One Product (ODOP) scheme for export promotion of spices. Spices Board has initiated steps to implement Entrepreneurship Development Program for increasing export in ODOP districts. Export of 5 products under 26 districts have been promoted. The details are as under: –

Saffron - Kharewa, Pulwama, Budgam, Kishtwar and Srinagar districts of Jammu & Kashmir: For the first time, Kashmiri saffron is being exported to UAE Kashmiri Saffron export has increased by 101.37% during Apr-Dec 2020 as compared to the previous period. –

Ginger – Bidar (Karnataka), South District (Sikkim), Dima Hasao, West Karbi Anglong & Karbi Anglong (Assam), Sirmaur (Himachal Pradesh), Koraput (Orissa) and Pherzawl (Manipur) Ginger export has increased by 81.98% during Apr-Dec 2020 as compared to the previous period.

Turmeric – Chamraajnagar (Karnataka), Erode (Tamil Nadu), Bilaspur (Himachal Pradesh) Guntur & Prakasam (Andhra Pradesh), Bongaigoan (Assam) Kandhmal (Orissa), Lalitpur (Uttar Pradesh, Kangpokpi (Manipur) Turmeric export has increased manifold i.e. Dry Turmeric by 33.95%, Other Turmeric by 58.14% & Turmeric Oleoresins by 78.7% during Apr-Dec 2020 as compared to the previous period.

Coriander - Kota (Rajasthan) Coriander export has increased by 18.34% during Apr-Dec 2020 as compared to the previous period.

Cumin – Patan & Surendranagar (Gujarat) and Jodhpur (Rajasthan) Cumin export has increased by 14.90% during Apr-Dec 2020 as compared to the previous period.

Direct involvement of farmers in exports -

Farmer Connect Portal - A Farmer Connect Portal has been set up on APEDA’s website for providing a platform for FPOs/FPCs, cooperatives to interact with exporters. Around 2360 FPO/FPCs and 2324 exporters have been registered in the portal so far.

Traceability Systems – In order to ensure quality of exports and establishing India as a reliable supplier of quality produce, traceability to the farm level is vital. A number of digital platforms for traceability have been developed for enabling smooth flow of business and ensuring transparency in the system.

Horti Net-Mango: 38000+ Farmer and 66000+ Farms have been registered.

Horti Net-Vegetables: The system covers 43 vegetables. Till date, over 10,000 farmers as well as 10k farms have been registered.

Horti Net-Citrus Fruit: This system was implemented in July 2018. So far, significant numbers of farmers and farms have been registered.

Elements of the Agriculture Export Policy Framework The policy recommendations in this report are organized in two broad categories: strategic and operational. The salient features of the agricultural export policy are highlighted below and discussed in greater detail in subsequent sub-sections.

Strategic	Policy Measures
	Infrastructure and Logistics Support
	Holistic Approach to boost exports
	Greater involvement of State Governments in Agri Exports
Operational	Focus on Clusters
	Promoting Value added exports
	Marketing and promotion of “Brand India”
	Attract private investments into production and processing
	Establishment of Strong Quality Regimen

	Research & Development
	Miscellaneous

As part of the Agriculture Export Policy, following unique product-district clusters have been identified for export promotion. A Product / cluster is identified based on the existing production contributing to exports, exporters operations, scalability of operations, size of export market / India's share, awareness about SPS requirements, and potential for increase in export in short term. The list of clusters provided below is tentative and could be expanded, provided the conditions for formation of cluster are met.

Product	Region	State	District
Banana	South	Kerala	Thrissur, Wayanad, Thiruvananthapuram
		Andhra Pradesh	Kadapa, Anantapur
		TamilNadu	Trichy, Theni, Pollachi
	West	Maharashtra	Jalgaon, Kolhapur, Solapur
		Gujarat	Bharuch, Narmada, Surat
Pomegranate	South	Andhra Pradesh	Anantapur, Kurnool
		Karnataka	Belgaum, Mysore
	West	Maharashtra	Solapur, Ahmednagar, Pune
	Central	Madhya Pradesh	Khargone, Khandwa, Burhanpur
Mango	West	Maharashtra	Ratnagiri, Sindhudurg
		Gujarat	Junagarh, Valsad, Kutch, Navsari
	North	Uttar Pradesh	Saharanpur, Meerut, Lucknow
	South	Telangana	Rangareddy, Mehboobnagar, Warangal
		Andhra Pradesh	Krishna, Chittoor, Kurnool
Grapes	West	Maharashtra	Pune, Nasik, Sangli
Rose Onion	South	Karnataka	Bangalore Rural, Chikkaballapura
Onion	West	Maharashtra	Nasik
	Central	Madhya Pradesh	Indore, Sagar, Damoh

Potato	North	Uttar Pradesh	Agra, Farukkabad
		Punjab	Jalandhar, Hoshiarpur, Kapurthala, Navashehar
	West	Gujarat	Banaskantha, SabarKantha
	Central	Madhya Pradesh	Indore, Gwalior
Tea	East	Assam	Tinsukia, Sibsagar, Dibrugarh
Coffee	South	Karnataka	Chikkamagaluru, Kodagu, Hassan
Marinproducts	South	Andhra Pradesh	East Godavari, Vishakapatnam, West Godavari, Nellore
	East	Odisha	Jagatsinghpur, Bhadrak, Balasore
	West	Gujarat	Kutch, Veraval, Navasari, Valsad
Chilli	South	Telangana	Khammam, Warangal
		Andhra Pradesh	Guntur
Turmeric	South	Telangana	Nizamabad, Karimnagar
		Kerala	Wayanad, Alleppy
	East East	Meghalaya	West Jaintia Hills
		Odisha	Kandhamal
Cumin	West	Gujarat	Banaskantha, Mehsana
	North	Rajasthan	Jalore, Jodhpur, Barmer, Nagaur, Pali
Pepper	South	Kerala	Wayanad
	South	Karnataka	Chikmagalur
Cardamom	South	Kerala	Idukki
Isabgol	North	Rajasthan	Jodhpur, Nagaur, Barmer, Jaisalmer
Castor	West	Gujarat	Banaskantha, Kutch, Patan, Sabarkantha, Mehsana
Orange	West	Maharashtra	Nagpur, Amravati, Wardha

CHAPTER- 10

FORMS OF BUSINESS- VENTURE CAPITAL, CONTRACT FARMING, JOINT VENTURES, AND PUBLIC-PRIVATE PARTNERSHIPS.

VENTURE CAPITAL

Origin and Evolution

The concept of venture capital is a relatively new phenomenon in the Indian industrial scenario. It is a new financial service which facilitated the development of new breed of entrepreneurs to start high-risk and high-technology projects for higher returns. As the name suggests, it implies capital provided to start a new venture.

The origin of venture capital may be traced back to **General Doritos** who set up the **American Research and Development Fund (AR and D)** at **Massachusetts Institute of Technology in 1946** to finance the commercial exploitation of new technologies developed in universities in USA. This organization financed about 100 companies nearly for 11 long years and made its investment 35 times.

Allured by the performance of the AR and D, large companies in the USA like Xerox, 3m and General Electric entered into the field of venture capital. The Japanese suddenly followed the Americans and started venture capital division in their country.

The beginning of 1950 marked the growth of venture capital companies in different countries. The origin of venture capital in UK is also traceable during the 19th century when European Merchant Bankers helped the growth of industry in their dominions like South Africa, India and USA. Inspired by the success of venture capital abroad, many companies in India came forward to promote venture capital. The TATA Group's Investment Corporation of India successfully developed a number of companies like Associated Bearings, CEAT Types during the Independence period. In the post-Independence period, venture capital financing was first started by IFCI which sponsored The Risk Capital Foundation In 1975.

Concept, Aims and Features of Venture Capital

Venture capital is a form of equity financing especially designed for funding high- risk, high-technology and high-reward projects. It is equity finance based upon the fact that a partnership can be formed between the entrepreneur and the venture capitalist or the investors and thus, represents an attempt to innovative entrepreneurship which goes beyond the conventional projects and project financing. Venture capital implies investment in such types of enterprise where the uncertainties

have yet to be reduced to risks. This type of capital is provided to the entrepreneurs who have conceived good business ideas have sound knowledge of the particular business but lack financial resources to implement them. Venture capital can open new avenues for such entrepreneurs.

Thus, **venture capital can be defined as equity support to fund new concepts that involve a high risk and at the same time, have high growth and profit potential.** Venture capital is important enough to help the small and medium entrepreneurs to launch innovative enterprises. It is closely linked with creativity, innovation, high growth and high profit. It is regarded as the launching pad to innovative entrepreneurship by which adequate boost is given to convert novel business ideas to commercially-viable ventures.

Aims of venture capital: Venture capital aims at the following things:

- a) It fulfils the ambition of entrepreneurs.
- b) It breathes life into promising business initiative.
- c) It provides telescopic faculty with a free sense of direction.
- d) It helps in building enterprise vision.
- e) It partners enterprises on to thrilling success.

Features of venture capital: The following are the salient features of venture capital arrangement:

- a) It assumes a high degree of risks in the expectation of earning a high return.
- b) It finances high-technology projects.
- c) It takes active interest in guiding the assisted enterprise.
- d) The gestation period is usually high. It takes generally 4 to 5 years to yield the desired level of profit.
- e) It is basically long-term investment and the returns are in the form of capital gains.
- f) Venture capitalists normally liquidate their investment in the assisted company when it reaches a certain stage of profitability.
- g) It has provisions to have conditional financial assistance, which, unlike the traditional loans, does not carry interest charges. Instead, it carries a royalty linked to sales generated by the company after commercialization.

VENTURE CAPITAL: FINANCING STEPS

First step-Speed money finance: Small amount of financing needed to prove a concept or to

create a product. Marketing is not included in this stage.

Second step-Start-up: Financing for a firm that started up in the past one year. Funds are utilized to pay for marketing and product development.

Third step-First round financing: Additional money to start sales and manufacturing after a firm has spent its start-up capital.

Fourth step-Second round financing: Finance kept for working capital for a firm that is selling its product, but is still losing money.

Fifth step-Third round financing: Financing for a firm that reaches breakeven point and is contemplating an expansion project.

Sixth step-Fourth round financing: Money provided for firms that are likely to go public soon. This is also known as bridge finance.

SOURCES OF VENTURE CAPITAL

Venture capital is a transitory start up financing in the form of equity capital or loans, with return linked to profits and managerial control measures. For starting a high-risk and high-return project, venture capital is instrumental and thus, entrepreneurs search for the sources from which venture capital can be obtained. Due to liberalization and privatization in the economy, a number of companies have established venture capital divisions to assist the entrepreneurs. Though initially the major players in this field were financial institutions all over India, subsequently others also have followed them. The important funds and the schemes by which the venture capitalists in our country provide financial assistance can be deputed as follows:

- 1. Programme for Advancement of Commercial Technology (PACT):** The first venture capital funding in India was US AID's Programme for Advancement of Commercial Technology which started in 1995 to provide finance to Indian firms in commercializing the innovative technologies by Indo-US joint ventures.
- 2. Technology Development and Investment Corporation of India (TDICI):** This was the first venture capital company of India and was promoted by ICICI in 1986.
- 3. Risk Capital and Technology Finance Corporation (RCTFC):** This institution is an independent body launched by Industrial Finance Corporation of India (IFCI) to enhance the purview of venture-capital operations. It assists the entrepreneurs especially those who engage themselves in technological development.

4. Venture capital scheme of IDBI: IDBI's venture capital fund has been set up with an initial corpus of Rs 10 crores. This scheme of IDBI has been emerging as major source of venture-capital funding. It is designed especially to assist projects which promote new and untested technologies in Indian conditions.

Apart from the above organizations, the following are some of the players in the venture capital finance in the country:

- a) ANZ Grindlays Bank
- b) Credit Capital Venture Fund (India) Ltd
- c) 20th Century Venture Capital Corporation
- d) APIDC Venture Capital Ltd
- e) Canbank Venture Capital Fund
- f) Gujarat Venture Finance Ltd
- g) Industrial Development Bank of India
- h) IL and FS Venture Corporation
- i) SBI Capital Venture Fund
- j) Pardeshiya Industrial and Investment Corporation of Uttar Pradesh Ltd (PICUP)

CRITERIA ADOPTED BY VENTURE CAPITALISTS TO PROVIDE VENTURE CAPITAL FINANCE:

The following criteria are adhered to by the venture capitalists while making investment decisions:

- a) The integrity, business acumen and the entrepreneurial spirit of the management team as the most important factors.
- b) The track record of the entrepreneur and his management team
- c) The technical feasibility and commercial viability of the project, process or service
- d) Large and rapidly-growing market opportunity
- e) Competitive advantage in terms of price or cost
- f) Potential for adequate profitability and attractive returns over a period of four to seven years.

Merits of venture capital:

The following are the merits of venture capital:

- (a) Venture capital helps in accelerating the pace of industrialization in the country.
- (b) It helps in developing new technologies and new methods of production.
- (c) It helps the first-generation entrepreneurs both small and medium scale to translate their ideas into reality.
- (d) It generates employment opportunities.
- (e) It promises entrepreneurship in the country.

Organizing decision that an entrepreneur makes is most crucial and critical one. It is the form of legal ownership for the venture. The choice of the form of legal organization helps you in fulfilling the goals of venture. Primary factors that influence the choice of ownership are **taxes** and **legal liability**. There are three basic ways of organizing entrepreneurial venture or legal ownership form of venture.

Sole proprietorship

Partnership and

Corporation

Sole proprietorship: It is a form of organization where owner maintains sole and complete control over business and is personally liable for debts. There are no legal requirements for establishing that business except obtaining licenses, permits & registration. The biggest disadvantage of this form is unlimited liability.

Partnership: Here two or more business owners share the management and risk of the business. Legally a written partnership agreement is highly recommended, according to rules of Uniform Partnership Act (UPA). Here pooling of talent & resources is there. Continuing partnership & transfer of ownership is a problem. One partner is also held liable for other partner's negligence. Here also unlimited liability.

Limited liability partnership (LLP): Forms of organization where general partners & limited liability partners exist. General partners operate & manage the venture with unlimited liability. At least one general partner should be there and many limited liability partners who are passive investors. The main advantage is that it is a good way for an entrepreneur to raise capital. Disadvantage is the cost and complexity of forming LLP.

Corporation: It is most complex to form and operate. It is a business entity that is separate from its owners and managers. Many entrepreneurial ventures are organized as closely held corporations. Corporation is owned by limited group of people who do not trade the stock publicly. Major advantage is limited liability and ownership is transferable and enjoys continuous existence. Disadvantages are it is expensive to set up and there is double taxation problem. (Income is taxed at both corporate & shareholder level)

Limited Liability Company is new form of organization and ownership – a hybrid between partnership & corporation. The LLC enjoys liability protection of corporation and tax benefits of partnership. It is highly flexible.

CONTRACT FARMING

Contract farming can be defined as an agreement between farmers and processing and/or marketing firms for the production and supply of agricultural products under forward agreements, frequently at predetermined prices.

The arrangement also invariably involves the purchaser in providing a degree of production support through, for example, the supply of inputs and the provision of technical advice. The basis of such arrangements is a commitment on the part of the farmer to provide a specific commodity in qualities and at quality standards determined by the purchaser and a commitment on the part of the company to support the farmer's production and to purchase the commodity. Contract farming is thus a means of allocating the distribution risk between processor and grower. The latter assumes risk associated with production while the former assumes the risks of marketing the final produce.

An FAO guide "contract farming: partnerships for growth" argues that well managed contract farming has proven effective in linking small farm sector to sources of extension advice, mechanization, seeds, fertilizer and credit, and to guaranteed and profitable markets for produce. "It is an approach that can contribute to both increased income for farmers and higher profitability for sponsors." When efficiently organized and managed, contract farming reduces risk and uncertainty for both parties and provides the producer the opportunity to add value to his production.

With effective management, contract farming can be a means to develop markets and to bring about the transfer of technical skills in a way that is profitable for both the sponsors and farmers. The approach is widely used, not only for tree and other cash crops but, increasingly, for fruits and vegetables, poultry, pigs, dairy produce and even prawns and fish. Indeed, contract farming is characterized by its "enormous diversity" not only with regard to the products contracted but also in relation to the many different ways in which it can be carried out. The contract farming system

should be seen as a partnership between agribusiness and farmers. Exploitative arrangements by managers are likely to have only a limited duration and can jeopardize agribusiness investments. Similarly, farmers need to consider that honouring contractual arrangements is likely to be to their long-term benefit.

Merits and problems of Contract farming:

FARMERS-

Advantages for farmers

1. Inputs and production services are often supplied by the sponsor – This is usually done on credit through advances from the sponsor
2. Contract farming often introduces new technology and also enables farmers to learn new skills
3. Farmers' price risk is often reduced as many contracts specify prices in advance
4. Contract farming can open up new markets which would otherwise be unavailable to small farmers

Problems faced by farmers

1. Particularly when growing new crops, farmers face the risks of both market failure and production problems
2. Inefficient management or marketing problems can mean that quotas are manipulated so that not all contracted production is purchased
3. Sponsoring companies may be unreliable or exploit a monopoly position
4. The staff of sponsoring organizations may be corrupt, particularly in the allocation of quotas
5. Farmers may become indebted because of production problems and excessive advances

SPONSORS

Advantages for sponsors

1. Contract farming with small farmers is more politically acceptable than, for example, production on estates
2. Working with small farmers overcomes land constraints

3. Production is more reliable than open-market purchases and the sponsoring company faces less risk by not being responsible for production
4. More consistent quality can be obtained than if purchases were made on the open market

Problems faced by sponsors

1. Contracted farmers may face land constraints due to a lack of security of tenure, thus jeopardizing sustainable long-term operations
2. Social and cultural constraints may affect farmers' ability to produce to managers' specifications
3. Poor management and lack of consultation with farmers may lead to farmer discontent
4. Farmers may sell outside the contract (extra-contractual marketing) thereby reducing processing factory throughput
5. Farmers may divert inputs supplied on credit to other purposes, thereby reducing yields

TYPES OF CONTRACT FARMING:

Contract farming agreements can be classified into three, not mutually exclusive categories: i) market-specification, ii) resource providing, and iii) production management.

Market specification contracts are pre-harvest agreements that bind the firm and grower to a particular set of conditions governing the sale of the crop. These conditions often specify price, quality and timing.

Resource providing contracts oblige the processor to supply crop inputs, extension, or credit, in exchange for a marketing agreement.

Production management contracts bind the farmer to follow a particular production method or input regime, usually in exchange for a marketing agreement or resource provision. In various combinations, these contract forms permit firms to influence the production technology and respond to missing markets without having to operate their own plantations.

Eaton and shepherd have presented **five organizational models** for **contract farming**.

- a) **Centralized Model:** The sponsor purchases crops from farmers for processing, and markets the product. Quotas are distributed at the beginning of each growing season and quality is tightly controlled. This model is generally associated with tobacco, cotton, sugarcane, bananas, coffee, tea, cocoa and rubber crops.

b) **Nucleus estate Model:** The sponsor owns and manages – plantation, usually close to a processing plant, and introduces technology and management techniques to farmers (sometimes called “satellite” growers). Mainly used for tree crops, but has also been applied to dairy production.

c) **Multipartite Model:** Usually involves statutory bodies and private companies jointly participating with farmers. Common in china, where government departments, township committees and foreign companies have entered into contracts with villages and individual farmers.

d) **Informal or Individual developed Model:** Individual entrepreneurs or small companies make simple, informal production contracts with farmers on seasonal basis, particularly for fresh vegetables and tropical fruits. Super markets frequently purchase fresh produce through individual developers.

e) **Intermediary Model:** Formal subcontracting of crop production to intermediaries is common in Southeast Asia. In Thailand, large food processing companies purchase crops from individual “collectors” or farmer committees, who make their own informal arrangements with farmers.

SUCCESSFUL VENTURES IN INDIA:

1. Pepsi Foods Ltd. In Punjab having contract with farmers for Tomato crop, Basmati rice, groundnut
2. Appachi’s Integrated Cotton Cultivation
3. Ugar Sugar’s experience with Barley
4. Kerala Ayurveda Pharmacy

PUBLIC PRIVATE PARTNERSHIP IN AGRICULTURE

PPP is a risk-sharing relationship between the public and private sectors which is developed to bring about a desired public policy outcome. Private sector entrepreneurs having the necessary skill, finance and risk taking ability are selected by the public sector as partners. Trust & cooperation are essential for the success of such venture. The concept of PPP may be utilized in diverse areas such as setting up of big input industry, to multilane highways to field level activities like Joint Forest Management etc.

Kinds of partnerships:-

Permanent - Temporary

Long term - Need based
Bilateral - Indo-swiss, Indo-dutch etc. Multilateral - world Bank, EU and other countries
Foreign donor - External donor + Govt + NGO MNCs + Industry - De-Nocil, Kesoram, Nagarjuna.
NGO - Adarsh gaon (AnnaHazare), BAIF, Myrada, RDT etc. Professional bodies- Univ. & Res. Institutes – ICAR, SAU, IVRI other universities.

The public & private sectors in agriculture and allied sectors can come together and work in partnership mode in providing supply & services to farmers in following areas.

1. Input production & distribution
2. Human resource sharing
3. Marketing.
4. Extension delivery system
5. Enterprise establishment & management
6. Institutional

IMPRTANCE OF PUBLIC PRIVATE PARTNERSHIP

Public sector capital resources are getting scarce Hence it becomes necessary to utilize funds available with private sector.

Climate change, natural resource management, etc. are some important areas where concept of PPP can be used or employed.

PPP can enhance the process of development because of higher investment by two sectors.

General resistance by people towards privatization can be greatly reduced by resorting to PPP mode.

Expertise available with private sector may be properly used to build required infrastructure.

Public sector organizations are generally under funded, Hierarchical and follow standard packages.

While private sector is characterized by flexibility, decentralization being more innovative and demand driven.

Growing commercial and specialized nature of agriculture demands sound R & D, quick and technically sound advice with appropriate market information. Neither private sector nor public sector can fully shoulder this. A PPP mode is appropriate to take this challenge.

PARTNERSHIP SUCCESS FACTORS:

Need & demand based partnerships with common interest and objective are successful.

There must be compatibility among partners in the areas of their functioning.

Team spirit, Trust and Credibility sustain the partnerships longer.

All partners should have role clarity

Activity / project should be cost effective and must meet requirements of national & global policies.

Partners should be constantly innovative & dynamic to face emerging challenges.

JOINT VENTURE

A joint venture is a new enterprise owned by two or more participants. It represents a combination of subsets of assets contributed by two (or more) business entities for a specific business purpose and a limited duration. It is essentially a medium to long-term contract which is specific and flexible. Though, the joint venture represents a newly created business enterprise, its participants continue to exist as separate firms. A joint venture can be organized as a partnership firm, a corporation or any other form of business organization which the participating firms choose to select. It is a restricted or a temporary partnership between two or more firms to undertake jointly complete specific venture. It is a type of external growth strategy adopted by business firms.

A joint venture (often abbreviated JV) is an entity formed between two or more parties to undertake economic activity together. The parties agree to create a new entity by both contributing equity, and they then share in the revenues, expenses, and control of the enterprise. The venture can be for one specific project only, or a continuing business relationship. This is in contrast to a strategic alliance, which involves no equity stake by the participants, and is a much less rigid arrangement. The phrase generally refers to the *purpose* of the entity and not to a type of entity. Therefore, a joint venture may be a corporation, limited liability company, partnership or other legal structure, depending on a number of considerations such as tax and liability. Business structure formed by two or more parties for a specific purpose. Joint ventures are similar to partnerships, but are usually limited to one or two projects.

Characteristics:

- ❖ Contribution by partners of money, property, effort, knowledge, skill or other assets to the common undertaking.

- ❖ Joint property interest in the subject matter of the venture.
- ❖ Right of mutual control or management of the enterprise.
- ❖ Right to share in the property.

Thus, joint ventures are of limited scope and duration. They involve only a small fraction of each participant's total activities. Each partner must have something unique and important to offer the venture and simultaneously provide a source of gain to the other participants. However, the participants' competitive relationship need not be affected by the joint venture arrangement.

It is also known that joint ventures in low-developed countries show a greater instability, and that JVs involving government partners have higher incidence of failure (private firms seem to be better equipped to supply key skills, marketing networks etc.) Furthermore, JVs have shown to fail miserably under highly volatile demand and rapid changes in product technology.

Reasons for forming a joint venture:

- Build on company's strengths
- Spreading costs and risks
- Improving access to financial resources
- Economies of scale and advantage of size
- Access to new technologies and customers
- Access to innovative managerial practices

Few examples of joint ventures in agriculture:

Avesthagen forms global Joint Venture with Limagrain in Atash Seeds Private Limited.

Novel seeds for the challenges of the changing environment. October 27, 2009: Today, India's leading life sciences company, Avesthagen Limited announced the formation of a joint venture (JV) "Atash Seeds Private Limited" with Limagrain, an international cooperative group.

The JV brings together strong expertise of Limagrain research and global marketing strengths combined with licensing of Avesthagen's EAC (Environment Adjusted Crops™) patents and technologies to build a strong agri-biotech business model for Field Crops. Avesthagen will license its patented technologies to Atash Seeds to develop, produce and market seeds nationally and internationally by leveraging Limagrain's domain expertise, knowledge and marketing strengths.

Atash Seeds will be the first company in India to have brought together the strength of Indian science

with Multinational reach and will contribute significantly to the Indian and global agricultural market in the years to come. The new entity Atash Seeds thus born, from this JV, will be based in Hyderabad and headed by an International CEO from Limagrain. Dr. Viloo Morawala-Patell will be the Chairman of the company

NAFED joint venture with cooperative federations/marketing societies

During the year 2008-2009, NAFED handled various commodities valuing Rs.1016.55 lakhs in joint venture with cooperative federations/marketing societies to promote cooperation among cooperatives and to strengthen cooperative marketing. Commodities handled in joint venture were 1894 MTs like Paddy, Gram, Mustard seed, Soybean (Yellow), Potato, cotton and Apples valuing.

KRIBHCO Reliance Kisan Limited Joint Venture

KRIBHCO Reliance Kisan Limited, the Joint Venture Company, would synergize the respective strengths of KRIBHCO and Reliance ADA Group to catalyze tele-density growth and provision of state-of-the-art products and services to the rural people in India.

Benefits of Joint Venture:

- Joint ventures perform a useful role in assisting companies in the process of restructuring.
- It can enable a firm to achieve market penetration into new areas overtime, enter and develop new product markets, expand into new geographic areas and participate in new technology driven value activities.
- They can also be used by smaller firms protectively as an element of long-range strategic planning. Thus, a small firm in a highly concentrated industry can negotiate joint ventures with several of the industry's dominant firms to form a self-protective network of counterbalancing forces.

Joint ventures are formed with several motives:-

- ❖ It reduces the risks in a number of ways as the activities can be expanded with smaller investment outlays than if financed independently.
- ❖ It helps to increase the competitive strength of the business.
- ❖ The expressed purpose of most of the joint ventures is knowledge acquisition. Advanced technology, new knowledge that is not available with the firm can be better utilized.

- ❖ It provides the benefit of scale of economy by reducing production & marketing costs and increase

A small firm with a new product idea that involves high risk and requires relatively large amounts of investment capital may form a joint venture with a large firm. The larger firm might be able to carry the financial risks and be interested in becoming involved in a new business activity that promises growth and profitability. In addition, the larger firm might thereby gain experience in the new area of activity that may represent the opportunity for a major new business thrust in the future. Tax advantage is a significant factor in many joint ventures. It also helps in expanding the firm's operations into foreign countries. The local partners contribute in the form of specialized knowledge about local conditions, which are essential to the success of the venture.

A joint venture may be subjected to several difficulties. As circumstances change, the contract might be too inflexible to permit the required adjustments to be made.

A joint venture is, in effect, a form of partnership that is limited to a particular purpose." Joint ventures have grown in popularity in recent years, despite the relatively high failure rate of such efforts for one reason or another. Creative small business owners have been able to use this business strategy to good advantage over the years, although the practice remains one primarily associated with larger corporations.

CHAPTER- 11

SUPPLY CHAIN MANAGEMENT AND TOTAL QUALITY MANAGEMENT.

Supply chain management (SCM) represents the management of the entire set of production, manufacturing/transformations, distribution and marketing activities by which a consumer is supplied with a desired product. The practice of SCM encompasses the disciplines of economics; marketing, logistics and organizational behaviour to study how supply chains are organized and how institutional arrangements influence industry efficiency, competitions and profitability.

SCM provides a means to conceptualize management of the changes required in the system to efficiently respond to consumer needs, based on integration and co- ordination of the efforts of all the business units involved in the production and delivery processes.

INPUT INDUSTRY → FARMER TRADE → DISTRIBUTION CENTER → RETAILING

Managing supply chains requires an integral approach in which chain partners jointly plan and control the flow of goods, information, technology and capital from 'farm to fork', meaning from the suppliers of raw materials to the final consumers and vice versa. Supply chain management results in lower transaction costs and increased margins. Because of the many activities and aspects involved it demands a multidisciplinary approach and sustainable trade relations.

Advantages of supply chain management:

1. Reduction of product losses in transportation and storage.
2. Dissemination of technology, advanced techniques,
3. Capital and knowledge among the chain partners.
4. Better information about the flow of products, markets and technologies.
5. Transparency, Tracking & tracing to the source.
6. Better control of product safety and quality.
7. Large investments and risks are shared among partners in the chain.

Stages of Supply chain

In general, supply chain may involve a variety of stages. The supply chain stages include;

Customers/Retailers

Wholesalers/Distributors/Manufacturers

Component / Raw material suppliers

Process of a supply chain

A supply chain is a sequence of processes and flows that take place within and between different stages and combine to fill a customer need for a product. There are two different ways to view the processes performed in a supply chain.

Cycle view: The processes in a supply chain are divided into a series of cycles, each performed at the interface between two successive stages of a supply chain.

Push/pull view: The processes in a supply chain are divided into two categories depending on whether they are executed in response to a customer order or in anticipation of customer orders. Pull processes are initiated by a customer order whereas push processes are initiated and performed in anticipation of customer orders.

Cycle view of supply chain processes

All supply chain processes can be broken down into the following four process cycles. **Customer order cycle:** The customer order cycle occurs at the customer / retailer interface and includes all processes directly involved in receiving and filling the customer's order. Typically, the customer initiates this cycle at a retailer site and the cycle primarily involves filling customer demand.

Replenishment cycle: The Replenishment cycle occurs at the retailer/distributor interface and includes all processes involved in replenishing retailer inventory. It is initiated when a retailer places an order to replenish inventories to meet future demand.

Manufacturing cycle: The manufacturing cycle typically occurs at the distributor/manufacturer (or retailer/manufacturer) interface and includes all processes involved in replenishing distributor (or retailer) inventory.

Procurement cycle: The procurement cycle occurs at the manufacturer/supplier interface and includes all processes necessary to ensure that materials are available for manufacturing to occur according to schedule. During the procurement cycle, the manufacturer order components from suppliers that replenish the component inventories.

Push / Pull View of Supply Chain Processes

Pull processes, execution is initiated in response to a customer order. With push processes, execution is initiated in anticipation of customer orders. Therefore, at the time of execution of a pull process, customer demand is known with certainty whereas at the time of execution of a push process, demand is not known and must be forecast. Pull processes may also be referred to as reactive

processes because they react to customer demand. Push processes may also be referred to as speculative processes because they respond to speculated (or forecasted) rather than actual demand.

Drivers of supply chain performance-

Four key drivers of supply chain performance are facilities, inventory, transportation and information. These drivers not only determine the supply chain's performance in terms of responsiveness and efficiency, but also determine whether strategic fit is achieved across the supply chain.

Inventory

Inventory is nothing but raw materials, work in process and finished goods within a supply chain. Inventory is an important supply chain driver and it is one of the factors that decide the supply chain's efficiency and responsiveness.

Transportation

Transportation entails moving inventory from one point to another point in the supply chain. Transportation choices have a large impact on supply chain responsiveness and efficiency.

Facility

These are locations where raw materials, finished goods are stored or fabricated and distributed. The two major types of facilities are production sites and storage sites. Whatever the function of the facility, decisions regarding location, capacity and flexibility of facilities have a significant impact on the supply chain's performance.

Information

Information consists of data and analysis concerning facilities, inventory, transportation, and customers throughout the supply chain. Information is potentially the biggest driver of performance in the supply chain as it directly affects each of the other drivers.

Scope of Agri-supply chain management

At the farmer level a key preliminary step is often the development of relationships between individual farmers to create a trading entity with capacity to supply sufficient quantity and continuity to be a credible supply chain member. This may be championed by a farmer, by another member of the chain, or by an external facilitator or manager. Hence the technical and professional issues in supporting the operation of supply chains may include facilitating:

- the development of relationships between farmers to allow their participation
- the development of relationships between members of the supply chain
- information flows between members of the supply chain
- establishing common standards between members of the supply chain
- Optimizing performance within each level of the supply chain and in the linkage processes.

Promotion activities needed in Agri-Chain Development

- Public private partnership in needed.
- Investing in transportation, communication and electricity.
- Subsidies or co-financing supply for high -risk investments.
- Ensure the availability of (production, price, industry) information and statistics to facilitate market activity and to monitor market progress.

Advantages of supply chain management:

1. Reduction of product losses in transportation and storage.
2. Dissemination of technology, advanced techniques,
3. Capital and knowledge among the chain partners.
4. Better information about the flow of products, markets and technologies.
5. Transparency, Tracking & tracing to the source.
6. Better control of product safety and quality.
7. Large investments and risks are shared among partners in the chain.

Total Quality Management

"TQM is a management approach for an organization, centred on quality, based on the participation of all its members and aiming at long-term success through customer satisfaction, and benefits to all members of the organization and to society."

TQM is composed of three paradigms:

Total: Organization wide

Quality: Quality has been the most exploited word but at the same time most mis- understood word.

Quality is an off shoot of the work we do. It is a bi-product of an act. It shows the level of

commitment in doing our activity.

The Quality is defined in many ways:

Quality is Excellence: When quality is defined as excellence, it loses its measurability. Each person understands to the level of his own excellence and involves in his work. It is often misunderstood that high cost is high quality. Judgmental in nature. Ex. (Rolex watches, BMW automobiles). Quality is

Value: With this definition the performance and features or the usefulness of the products are compared to only the cost of price of the product. Many a times the utility/ possession value is more than the value of the product. Ex: the features of the product are compared to the cost of the product.

Quality is Conformance to Requirements: This definition has a manufacturing orientation. It requires that the customer gives the specification and the products are manufactured to that requirement.

- **Management:** The system of managing with steps like Plan, Organize, Control, Lead, Staff, etc.

Basic Concepts: TQM requires six basic concepts

1. **A committed and involved management:** TQM is a continual long term activity that must be imbibed in the culture of the organization. Everything begins with the long-term-top-to-bottom-organization support. Management must participate in the quality program, establish a council to develop clear vision, set goals and direct the programs.
2. **An unwavering focus on the customer:** Customers are the very purpose of any organization. Key to an effective TQM is orienting all activities towards the need of the customer, both internally and externally.
3. **Effective involvement and achievement of the entire work force:** Implementing TQM is everyone's responsibility. Employees are the future of any organization. All personnel must be trained in TQM, its tools. They must be empowered to perform processes in an optimal manner.
4. **Continuous improvement of the business and production processes:** All employees must continually strive to improve all business and production systems.
5. **Treating Suppliers as Partners:** 40 to 60 % of the product cost is outsourced. So all supplier organizations have to be treated as extension of one's organisations.

6. Establish Performance measures: Measure and prosper. Measures should be available to note downtimes, nonconformities and satisfaction of customers, absenteeism etc.

Principles of Total Quality Management: The eight principles are:

1. Customer-Focused Organisation
2. Leadership
3. Involvement of People
4. Process Approach
5. System Approach to Management
6. Continual Improvement
7. Factual Approach to Decision Making and
8. Mutually Beneficial Supplier Relationships

Principle 1 - Customer-Focused Organization

"Organizations depend on their customers and therefore should understand current and future needs of the customer meet customer requirements and strive to exceed customer expectations".

Steps in application of this principle are:

1. Understand customer needs and expectations for products, delivery, price, dependability, etc.
2. Ensure a balanced approach among customers and other stake holders (owners, people, suppliers, local communities and society at large) needs and expectations.
3. Communicate these needs and expectations throughout the organization.
4. Measure customer satisfaction & act on results, and
5. Manage customer relationships.

Principle 2 - Leadership

"Leaders establish unity of purpose and direction of the organization. They should create and maintain the internal environment in which people can become fully involved in achieving the organization's objectives."

Steps in application of this principle are:

1. Be proactive and lead by example.

2. Understand and respond to changes in the external environment.
3. Consider the needs of all stake holders including customers, owners, people, suppliers, local communities and society at large.
4. Establish a clear vision of the organization's future.
5. Establish shared values and ethical role models at all levels of the organization.
6. Build trust and eliminate fear.
7. Provide people with the required resources and freedom to act with responsibility and accountability.
8. Inspire, encourage and recognize people's contributions.
9. Promote open and honest communication.
10. Educate, train and coach people.
11. Set challenging goals and targets, and
12. Implement a strategy to achieve these goals and targets.

Principle 3 - Involvement of People

"People at all levels are the essence of an organization and their full involvement enables their abilities to be used for the organization's benefit".

Steps in application of this principle are:

1. Accept ownership and responsibility to solve problems.
2. Actively seek opportunities to make improvements, and enhance competencies, knowledge and experience.
3. Freely share knowledge & experience in teams.
4. Focus on the creation of value for customers.
5. Be innovative in furthering the organization's objectives.
6. Improve the way of representing the organization to customers, local communities and society at large.

7. Help people derive satisfaction from their work, and
8. Make people enthusiastic and proud to be part of the organization.

Principle 4 - Process Approach

"A desired result is achieved more efficiently when related resources and activities are managed as a process."

Steps in application of this principle are:

1. Define the process to achieve the desired result.
2. Identify and measure the inputs and outputs of the process.
3. Identify the interfaces of the process with the functions of the organization.
4. Evaluate possible risks, consequences and impacts of processes on customers, suppliers and other stake holders of the process.
5. Establish clear responsibility, authority, and accountability for managing the process.
6. Identify internal and external customers, suppliers and other stake holders of the process, and
7. When designing processes, consider process steps, activities, flows, control measures, training needs, equipment, methods, information, materials and other resources to achieve the desired result.

Principle 5 - System Approach to Management

"Identifying, understanding and managing a system of interrelated processes for a given objective improve the organization's effectiveness and efficiency."

Steps in application of this principle are:

1. Define the system by identifying or developing the processes that affect a given objective.
2. Structure the system to achieve the objective in the most efficient way.
3. Understand the interdependencies among the processes of the system.
4. Continually improve the system through measurement and evaluation, and
5. Estimate the resource requirements and establish resource constraints prior to action.

Principle 6 - Continual Improvement

"Continual improvement should be a permanent objective of the organization." Steps in application of this principle are:

1. Make continual improvement of products, processes and systems an objective for every individual in the organization.
2. Apply the basic improvement concepts of incremental improvement and breakthrough improvement.
3. Use periodic assessments against established criteria of excellence to identify areas for potential improvement.
4. Continually improve the efficiency and effectiveness of all processes.
5. Promote prevention based activities.
6. Provide every member of the organization with appropriate education and training, on the methods and tools of continual improvement such as the Plan- Do-Check-Act cycle, problem solving, process re-engineering, and process innovation.
7. Establish measures and goals to guide and track improvements, and
8. Recognise improvements.

Principle 7 - Factual Approach to Decision Making

"Effective decisions are based on the analysis of data and information." Steps in application of this principle are:

1. Take measurements and collect data and information relevant to the objective.
2. Ensure that the data and information are sufficiently accurate, reliable and accessible.
3. Analyze the data and information using valid methods.
4. Understand the value of appropriate statistical techniques, and
5. Make decisions and take action based on the results of logical analysis balanced with experience and intuition.

Principle 8 - Mutually Beneficial Supplier Relationships

"An organization and its suppliers are interdependent, and a mutually beneficial relationship enhances the ability of both to create value."

Steps in application of this principle are:

1. Identify and select key suppliers.

2. Establish supplier relationships that balance short-term gains with long-term considerations for the organization and society at large.
3. Create clear and open communications.
4. Initiate joint development and improvement of products and processes.
5. Jointly establish a clear understanding of customers' needs.
6. Share information and future plans, and
7. Recognise supplier improvements and achievements

Benefits of TQM:

- Improved quality
 - Employee participation
- Team work
 - Working relationship
- Customer satisfaction
 - Employee satisfaction
- Increased productivity
 - Communication
- Profitability
 - Increased market share

CHAPTER- 12

OVERVIEW OF HORTICULTURE INPUTS INDUSTRY, CHARACTERISTICS OF INDIAN HORTICULTURAL PROCESSING AND EXPORT INDUSTRY

OVER VIEW OF INDIAN HORTICULTURE PROCESSING INDUSTRIES

The food processing industry is one of the largest industries in India – it is ranked fifth in terms of production, consumption, export and expected growth. It covers activities such as agriculture, horticulture, plantation, animal husbandry, fisheries, etc. It also includes other industries that use agriculture inputs for manufacturing of edible products.

Processed food industry in India contributes 6.3 percent of the GDP, and accounts for 13 percent of export and 6 percent of the capital investment. There are an estimated 40,000 food processing units in India. Besides, there are 1,000 cold storages, 369 units for freezing fish, 499 frozen storage, 165 units of meat processing, 144 pork processing units, 54,000 bakery production units and 530 dairy products processing units.

In addition, there are 100 units for aerated cold beverages, 215 units for packaged drinking water, 12 joint ventures for production of alcoholic beverages and 56 beer units.

(Source: Virtual University for Agricultural Trade; <http://www.vuatkerala.org>.)

In spite of these facilities, the level of processing has been as low as 2 percent in case of fruits and vegetables, in comparison to 60 percent in U.K. and U.S.A., 70 percent in Brazil, 78 percent in the Philippines and 80 percent in Malaysia. The level of processing in other commodities has been to the tune of 14 percent in milk, 4 percent in fish and 1 percent in meat and poultry. Thus India's contribution to processing of farm produces in the year 2004-05 has been only about 1 percent at the global level and 2 percent at the national level.

The biggest bottleneck in expanding the food processing sector, in terms of both investment and exports, is lack of adequate infrastructure. Without a strong and dependable cold chain, vital sector like food processing industry can not survive and grow. Even at the current level of production, 30-35 percent farm produce, particularly fruits and vegetables, is being wasted every year, because of lack of adequate storage, transportation, cold chain facilities, and other infrastructural support.

Essential conditions for processing industry in Agriculture, Horticulture, Fishery,

Dairy and different Foods

Irrespective of the nature of raw materials or finished products, the food processing industry should

have the following basic conditions.

Food processing industry should be set up and run in a clean and Hygienic environment.

Availability of raw materials and infrastructural facilities, including trained manpower must be ensured.

Strict quality control all through, from collection of raw materials to finished product, and must be enforced.

Enhance shelf-life of products, with no contamination or deterioration of the product.

The food produced should be hygienic, wholesome and tasteful and Suit the taste of consumers.

The produce should have good market demand and generate employment and income.

The endeavour should be economically viable and socially desirable.

Characteristics of Food Processing Industry:

The food processing industry in India ranks fifth in terms of production, consumption export and expected growth and contributes 6.3% of GDP.

Food processing industry / Sector is highly fragmented comprising of Fruits & vegetables, milk & milk products, meat & poultry, marine products, grain processing, beer & alcoholic beverages and convenience food & drink

Entrepreneurs in this sector are small & unorganized & this sector constitutes 42%

Though organized sector is small (25%) it is growing at a much faster rate.

Small scale Industries in Food processing sector constitutes 33%

Fruits & vegetables processing industry is also fragmented with large number of units in house hold & small scale sector with low capacity up to 250 tonnes per annum.

Primary milling of grains is important activity of Grain processing industry.

Oil seed processing is largely concentrated in cottage industry.

Branded grains as well as processed products is gaining popularity due to hygienic packaging

Products of bakery & bread manufacturing are reserved for small – scale sector. In Biscuits 80% is under unorganized sector only.

India's Dairy Industry was considered as one of the successful development industries in Post – Independent era with total milk processing around 35% of which organized sector accounts 13% & remaining at (farm level) unorganized

Dairy cooperatives account for major share in organized sector

Since 2001 exports of dairy products is increasing at 25%.

Poultry industry is also among faster growing sectors with 8% increase per year

Meat export is largely driven by poultry, buffalo, sheep & goat growing at 30% per annum
Exports of marine products have been inconsistent and declining trend due to adverse European & American markets. Ex: Antidumping initiated against Indian shrimp by America.

Changing life styles, food habits, post liberalization trends, organized food retail gave boost to processing sector.

In India processing sector is characterized by poor infrastructure, in adequate quality control, inefficient supply chain, high transportation, high taxation & packaging cost.

Availability of raw material, priority sector status to agro processing by Govt. And vast domestic market are major strengths of processing industry

Setting up of SEZ/AEZ, food parks & mega food parks and promotional schemes, opening of global markets provide lot of opportunity for entrepreneurs in this sector.

Policy Initiatives for Food Processing Industry

In order to promote investment in the food processing sector, several policy initiatives have been taken. These include:

Food processing industry has been declared a priority area. So, it qualifies for a number of fiscal relief and incentives to encourage commercialization and value addition to agricultural products.

Full repatriation of profits and capital is allowed.

Almost the entire sector is delicensed, freeing it from bureaucratic hassles.

Automatic approvals for foreign investment up to 100 percent, except in few cases, and also technology transfer.

Zero-duty import of capital goods and raw materials for 100 percent export-oriented units.

Government grants given for setting up common facilities in Agro Food Park.

Vision 2015 adopted by the Ministry of Food Processing Industries envisages:

Trebling the size of the processed food sector.

Increasing level of processing of perishables from 6 percent to 20 percent.

Value addition to increase from 20 percent to 35 percent.

Share in global food trade to increase from 1.5 percent to 3 percent.

Mega Food Park:

Mega Food Park is an industrial park meant for the food processing industry only. The government has planned to set up 30 mega food parks to help India double its share in global trade of processed food by 2015, out of which 10 are under implementation in the first phase. These are –

Shirwal (Maharashtra)

Ranchi (Jharkhand)
Chikmagalur (Karnataka)
Dharmapuri (Tamil Nadu)
Jalandhar (Punjab)
Haridwar (Uttarakhand)
Jagdishpur – Raibareilly (UP)
Jangipur (West Bengal)
Chittoor (Andhra Pradesh)
Nalbari – Assam (North East)

The Mega Food Parks are envisaged to be a well defined agri/horticultural processing zone continuing state of the art processing facilities with support infrastructure and well established supply chain. The proposed scheme aims to provide a mechanism to bring together farmers, processors and retailers, and link agricultural production to the market so as to ensure maximum value addition, minimize wastage and improve farmers' income.

The Mega Food Park is designed to link the farmers with the retail markets with minimizing the intermediaries, thus helping farmers earn higher returns from their produce. These food parks will be spread over 10 to 100 hectares. Minimum size of 10 hectares shall enable smaller food processing units to start operation within the SEZ. The government will provide a subsidy of Rs. 50 crore per park to private investors and will have cold warehousing, grading centers and research laboratories. The Mega Food Parks will create an integrated value chain from the farm gate to the consumer and will envisage complete backward and forward linkages along with common processing facilities.

Opportunities & Scope in Food Processing Industry In India

Vast source of raw materials is available: India is one of the largest producers of wheat & rice, second largest producer of Groundnut, fruits & vegetables and tops in production of mangoes and bananas. India is the world's largest producer of milk. India has potential to be leading global food supplier if it creates efficient supply chain & marketing.

Shift from conventional farming to commercial farming

With huge population of 1.08 billion India has large growing market with 350 million strong urban middle class and changing food habits.

A large part of shift in consumption is to processed food market accounting 32% of total food market.

According to the confederation of Indian Industry (CII), the food processing sector has potential of attracting US \$33 billion of investment in 10 years & generates employment of 9 million person days.

Government has introduced several schemes to promote food processing sector.

Foreign Direct Investment in the country's food sector is poised to hit the US \$ 3 - billion mark in coming year. FDI approvals in food processing have doubled in last one year alone.

In an effort to boost food sector Government is working on Agri-zones & concept of mega food parks.

Conducive food policy environment: National policy on food processing aims at increasing the level of food processing from present 2% to 10% by 2010 & 25% by 2025. Government has allowed 100% FDI in processing sector. The policy seeks to create an appropriate environment for entrepreneurs to set up food processing units through infrastructure development, promotion of forward, backward linkages.

The vision 2015 of GOI for the food processing sector aims at target increase of Level processing of perishables from 6 % to 20% value addition from 20 to 35% share in Global trade from 1.5 to 3% (by 2015).

Department of Ag. Ext. CEPF BUA F Banda

CHAPTER- 13

SOCIAL RESPONSIBILITY OF BUSINESS

Introduction and meaning of social responsibility

Business depends on the society for the needed inputs like men, material and labour. They also depend on the society for selling their products. Thus, business depends on the society for existence, sustenance and encouragement. Hence, business being so much depended on society has definite responsibility towards the society.

A businessman should keep his social obligation in mind before contemplating any action. Social responsibility is understood as the obligation of decision – makers to take actions which protect and improve the welfare of society as a whole along with their own interests. Every decision a businessman takes and every action he contemplates like decision on expansion, opening a new branch, closure of a branch or appointment of new employees, will have an effect on the society in one way or the other. Hence, he has to keep the society in mind before making any decision.

Definition of social responsibility

According to Koontz and O'Donnell “social responsibility is the personal obligation of every one, as he acts in his own interest, to assure that the rights and legitimate interests of all others are not infringed”

In the words of Adolph Berle “social responsibility is the business’s responsiveness to public consensus, i.e., the obligation of the business to meet those demands and aspirations of the society about which there is public consensus”.

H.E. Bownen defines as “social responsibility is the obligation to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of objectives and values of our society.”

Evolution of social responsibility

“A Healthy Business and a Sick Society are hardly compatible”.

The social responsibility has evolved over a period of time. In the Eighteenth century, businesses were small and few. Even then the businessmen made contributions to schools, institutions and to poor. During the nineteenth century, businesses charitable contributions increased as great fortunes were made in business.

During the latter part of the 19th century and 20th vigorous industrial growth had many negative

social impacts. Due to new rigid governmental rules and regulations many businessmen started manipulating the accounts. By 1920's, government brought about rules that large scale organizations have to compulsorily contribute towards the welfare of the society or donate to governmental funds which will be exempted from tax. Gradually, many new rich business families started setting up trusts or contribute towards schools, colleges, hospitals, orphanages, art galleries, museums etc. During the freedom movement period, business contributed to many of the social and cultural causes associated with the movement. Many of Indian leading businessmen-GD Birla, Jamnalal Bajaj, Lala Shri Ram, Ambalal Sarabhai and others came under the influence of Mahatma Gandhi and contributed liberally to his programmes for the removal of untouchability, rural reconstruction, etc. They have started many scientific and technical research and art academies. For eg-Tata Institute of Fundamental Research, the Birla Institutes of Technology at Pilani and Ranchi, the Calico Textile Museum in Ahmedabad, etc.

Now-a-days, big businessmen or companies are also contributing towards the welfare of the society. They are providing bus stop's shades, sign boards, directions to various places, road-side warnings (such as drive slowly, don't drink and drive, over- take from the right, etc). Many companies are opening schools, colleges, hospitals and public toilets.

SOCIAL RESPONSIBILITY

Entrepreneurial development is the key to achieve all-round economic development through acceleration of industrial and entrepreneurial activities. Entrepreneurship, therefore, will flourish in an atmosphere which is favourable for enterprise building—politically, economically and socially. In the context of new economic scenario where liberalization, privatization and globalization are glorified, the responsibilities of business have undergone radical changes. Ethical discipline plays a great role in the changing environmental conditions. Entrepreneurs have to follow the ethical norms of the business in the society. As such, social responsibility implies responsibility of the entrepreneur towards smooth operation of the society by efficient utilization of national resources for greater interest of the people.

To remain in business on a sustainable basis, an entrepreneur has to exercise his responsibilities to the society in the following ways:

Responsibility of the entrepreneur towards conservation of national resources: The first and foremost social responsibility of an entrepreneur is to efficiently conserve and utilize national resources for the public good.

Responsibility towards owners/shareholders: An entrepreneur is responsible to safeguard the capital invested by the shareholders and the owners of the enterprise. He should ensure that they get adequate dividend from their investment.

Responsibility towards customers: An entrepreneur has to satisfy his customers by the following two ways:

- I. Providing quality products to the customers
- II. Charging reasonable and affordable price for the product

5. Responsibility towards employees: Social responsibility of an entrepreneur is to provide adequate measures to make the employees contented in all respects so as to encourage them to contribute their best. The responsibility of an entrepreneur towards the employees may include the following:

- A. Providing at least minimum wages to the employees
- B. Providing conducive working environment for good work culture
- C. Provision of social security measures
- D. Granting weekly holidays
- E. Settling employees grievances
- F. Giving opportunity to employees participation and management

1. **Responsibility towards creditor/banker:** One of the most important social responsibilities of an entrepreneur is responsibility towards creditors and bankers who provide financial assistance. This responsibility includes the following:

- Regular repayment of principal and interest

Effective utilization of funds

Adhering to the repayment schedule without any default.

- Restricting diversion of loans to the uses other than the specific purpose for which it has been advanced

Responsibility towards community: An entrepreneur should have the concern for the community where the enterprise is located. The following are the responsibilities of the entrepreneur towards the community:

Generation of employment opportunities for local youth

Prevention of environmental pollution

Restricting the problem of congestion housing and crime in the community where the enterprise is located

Creating awareness about population pressure and the family welfare measures

- Reducing the deleterious effects of industrial products on human health and environmental balance
- Reduction of illiteracy among the people, both for men and women.

2. **Responsibility towards government:** India is considered the largest democracy in the world. Its policies aim at public welfare. In the country, the responsibility of the entrepreneur towards the government includes the following:

To pay taxes, duties in time and discourage tax evasion

To comply with the government rules, procedures and legal requirements

To support the socio-economic development policies of the government

To work in close association with the government for social welfare.

3. **Responsibility to uphold general values and philosophy of the country:** In Indian context, this includes:

Respect towards ideologies of the society like democracy, freedom and tolerance

Fair play in marketing and establishing enterprises

Due respect towards secularism

Emancipation of weaker sections of the society

- Empowerment of women in the society
- Highlighting technological dynamism

The following are the arguments cited against social responsibility:

- The concept of social responsibility is vague. It is difficult to distinguish it from economic responsibility.

- Entrepreneurs and business managers are familiar with economic aspects of the activities. They are not social scientists and, therefore, lack social skills.
- It would be unjust to overburden the businessmen since they have several economic responsibilities like payment of tax, payment of tariff, etc.
- A social responsibility approach may not always be viable and hence be suicidal in the long run.
- Business enterprises have hardly any social power. No responsibility can be accepted without the necessary power.
- Private entrepreneurs are essentially responsible only to their shareholders.
- Social responsibility influences the decision-making process and would involve additional cost.
- It would entail certain division of resources meant for economic activities.

BUSINESS ETHICS: MEANING

“Earning of profit cannot be the objective of a business any more than eating is the objective of living”. A truly successful business can be built up only if the objective of service to community is constantly kept in view. Then, profit will come automatically. Therefore, business ethics are of much importance to business.

Business ethics refers to the moral principles which are considered right by the society, and so; should govern and guide the activities of a business. They are the moral principles and rules of conduct which should guide the activities of a business. Business ethics are derived from social values. They lay down the norms of behaviour for the business. In short, business ethics is the study of good and evil, right and wrong, and just and unjust actions of businessmen.

APPLICATION OF ETHICS TO BUSINESS

In the past, it was assumed in most companies that ethics was a matter of individual conscience. Today, many companies are using managerial techniques that are designed to encourage ethical behaviours. Every organization should have a culture that it exercises, so that, it can influence the employees to follow the same. Employees pick up subtle hints and clues that tell them what behaviour is approved and what is forbidden. Therefore, a company culture is a blend of ideas, customer traditional practices, company values and shared meanings that help define normal behaviour for everyone who works in a company. Nearly 95% of fortune 500 companies have code

of conduct which they follow.

The council for Fair Business Practices (CFBP) established in 1966, by leading private sector industrialists in western India, have given certain ethics applicable to business. They are

1. To Charge only fair and reasonable price and take every possible step to ensure that the prices to be charged to the consumer are brought to his notice.
2. To take every possible step to ensure that the agents or dealers do not charge prices higher than fixed.
3. In times of scarcity, not to withhold or suppress stocks of goods with a view to hoarding or profiteering.
4. Not to produce or trade in spurious goods of standards lower than specified.
5. Not to adulterate goods supplied.
6. Not to publish misleading advertisements.
7. To invoice goods exported or imported at their correct prices.
8. To maintain accuracy in weights and measures of goods offered for sale.
9. Not to deal knowingly in smuggled goods.
10. Providing after-sales service where necessary or possible.
11. Honoring the fundamental rights of the consumers like, Right of safety, Right to choose, Right to information and Right to be Heard.
12. Discharging social responsibilities and the responsibility to protect the environment and nature's infrastructure.
13. Ensuring that the product warranty is offered in simple, unambiguous and concise language, highlights the rights of consumer under it.

The CFBP has instituted a set of prizes and awards called '**Jamnalal Bajaj Uchit Vyavahar Puraskar**' to promote exemplary application of the above norms.

The Federation of Indian Chambers of Commerce and Industry has recently issued a declaration of 'Norms of Business Ethics', which is almost identical to that of CFBP. The Punjab, Haryana and Delhi Chamber of commerce has also lately formulated a 'Code of Ethics' applicable to business.

The code says -

- (1) Business must maintain the highest standards of behaviour for the benefit of industry, employees, customers, shareholders and the society.
- (2) Goods and services must conform to the commitment promised to customers. Business must be realistic and truthful in stating claims.
- (3) Customers must be given best possible service and treated with respect and fairness.
- (4) Business must understand and respect the needs, concerns and welfare of the community and society. It should use knowledge and experience for upgrading the quality of life. All business endeavours must combine the qualities of private excellence for public good.
- (5) The best way of promoting high standard of business practices is through self- regulation.

Therefore, it is mandatory for all business firms to follow Business Ethics, which will result in its own welfare.

What is communication? It is the process of transferring an idea, skill or attitude from one person to another accurately and satisfactorily. In other words, it is the sharing of ideas, attitudes or skills, between two or more persons. The main purpose of communication is to influence the behavior of people exposed to the communication. Needless to say, a good extension worker should be a good communicator.

Definitions

Hovland defines Communication as the process by which an individual - - the communicator - - transmits stimuli to modify the behavior of other individuals - - communicatees. In other words, the communicator's *expression* should make the intended *impression* on the communicatee.

According to Leagans, Communication is the process by which two or more people exchange ideas, facts, feelings or impressions in ways that each gains a common understanding of the meaning, intent and use of messages.

The word communication is derived from Latin word 'Communis' which means establishing 'commonness'. Communication therefore, is a conscious effort to share information, ideas, attitudes, skills etc., with others.

The success of extension worker depends largely on his ability in effective communication. He should, therefore, be familiar with the key elements of the communication process to be fulfilled by each of the elements if the communication is to be successful.

FUNCTIONS OF COMMUNICATION:

Communication has four basic functions-

1. **Information function:** The basic requirement of adapting and adjusting oneself to the environment is information. There must be some information about what is going on in the environment which concerns the people. The getting or giving of information underlies all communication functions, either directly or indirectly.
2. **Command or instructive function:** Those who are hierarchically superior, in the family, society or organization, often initiate communication either for the purpose of informing their subordinates or for the purpose of telling them, what to do, how to do, when to do etc. The command and instructive functions of communication are more observable in formal organizations than in informal organizations.
3. **Influence or persuasive function:** According to Berlo (1960), the sole purpose of communication is to influence people. Persuasive function of communication i.e. to induce people is extremely important for extension in changing their behaviour in the desirable direction.
- 4 **Integrative function:** A major function of communication is integration or of continuously offsetting any disintegration at the interpersonal or at the organizational level. This helps to maintain individual, societal or organizational stability and identity.

TYPES OF COMMUNICATION

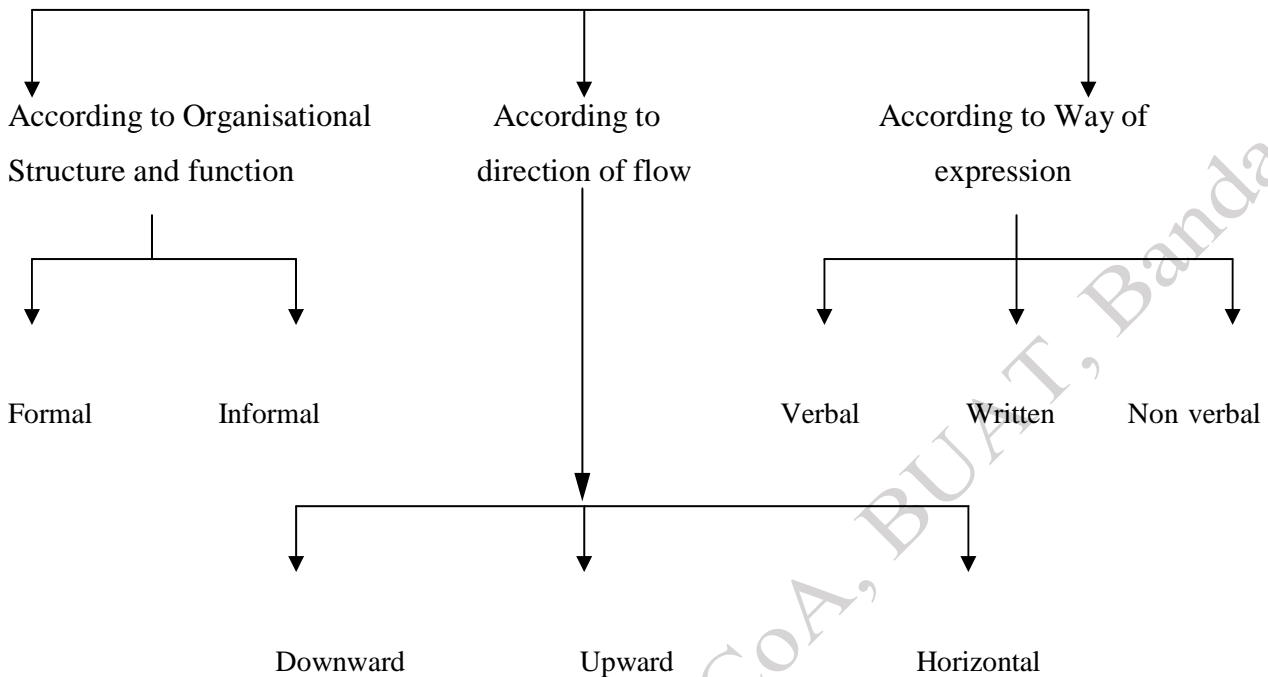
Types of communication may be different according to media and means adopted. Communication is the flow of messages from communicator to the receiver. The organization is concerned with flow of communication. As such, it may flow by words, letters, symbols or messages.

Thus, the total communication set up is broadly classified as follows:

1. According to organizational structure and function
 - a. Formal
 - b. Informal
2. According to the directions of flow
 - a. Downward communication
 - b. Upward communications
 - c. Horizontal Communication or lateral communication or cross wise Communication
3. According to way of expression
 - a. Oral or verbal communication
 - b. Written communication or black and white communication

c. Non-verbal communication

Chart showing various types of communication



ACCORDING TO ORGANISATIONAL STRUCTURE

A. FORMAL COMMUNICATION

When information is transmitted by virtue of one's status, placement in the organization it is termed as formal communication. It flows through officially prescribed route in which there are officially recognized positions.

E.g.: Executive instructs his subordinates. It is a two way communication

B. Informal or grapevine communication

When an informal channel is used to communicate it is termed as grapevine or informal communication.

It is information communication network formed out of personal relationship, social and group relations but not out of position of line of authority, superior and Subordinate or based on organisational hierarchy.

IT IS A QUICK VEHICLE FOR MESSAGE. E.g.: RUMOURS

Informal communication may be conveyed by a simple glance, gesture, smile or mere silence.

II. According to direction of flow

a. Down ward communication

When information comes from higher level to a lower level in the organisation structure, it is termed as downward communication.

E.g. Information passes through written orders, reports, rules, Instructions, manuals, policy directives etc,

Down ward communication is needed

- To get things done
- To prepare for changes
- To discourage misinformation and suspicion
- To let the people feel the pride of being relatively well informed.

b. Upward communication

Whenever information moves from a lower level to a higher level in the organization it is named as upward communication. Through this, executives can know the activities and progress achieved by their subordinates.

c. Horizontal communication / sideways / lateral / crosswise /inter scalar communication

A communication is said to be horizontal when it takes place between two subordinates of the same superior.

III. According to the way of expression

a. Verbal or oral communication

The process is a face to face conversation through oral words or words of mouth. It is the most widely practiced medium of communication

b. Written Communication

The process involves sending message by written words. Media for written communication are letters, circulars, notes, explanation and memorandum.

c. Non – Verbal communication

One of the multimedia of communication is non-verbal communication or communication by implication. Communicating a message without using arbitrary symbols i.e., words or meaning of words is termed as ‘non-verbal communication or word-less communication.

Non – verbal messages consists of hidden messages. It is the **cues** which convey message. These messages are necessarily wordless or non-verbal, conveyed through without resorting to words or meaning of words, but conveyed through other media like spatial, Kinesics, oral cues, objective language, action etc., Kinesics is the most generally used medium of non-verbal communication.

Non – Verbal communication includes all messages other than those expressed in oral or written words. Smile symbolizes friendliness, in much the same way as cordiality is expressed in words.

Forms or media of Non – verbal communication

1. Sign language:

Marks or symbols used to mean something is termed as signs of language.

E.g.: The language system of deaf people.

2. Action language:

It is a language of movements. Some people do what they say while some others say one thing but do another.

3 Objective languages (Artifacts): It is non – verbal message communicated through appearance of objects. i.e., their display and arrangement. This method may include intentional or unintentional communication of material things like clothing, ornaments, books, buildings, room furniture, and interior decoration etc., Objective language speaks something. It refers to dress and decoration which communicate a great deal about speaker's feelings, emotions, attitudes; opinions etc., Clocks, jewellery, hairstyle, and interior decorative items communicate something. Their revealing is symbolic, communicating something special about the person

4. Spatial or environmental:

The necessary requirements of environment are lighting, colour, ventilation, temperature, seating arrangement, chalk board, public address system, audio visual equipment etc, would contribute a lot to attract and make listeners more attentive.

5. Silence:

It is also an effective medium of communication through silence, some people evoke response from others.

E.g.: Speaker occupies his position on the dais near the mike – a silent posture to attract the attention of audience.

Silence as a medium of communication is considered as a dangerous mode of communication.

E.g.: legal doctrines

6. Demonstration:

It indicates display / exhibition of how something works.

Non – verbal skills are shown. It is yet another effective method of non-verbal words or meaning of words.

E.g.: Demonstration by sales man & airhostess

7. Inaction:

It explains with illustrations as to how to use or operate a product.

E.g.: Some machinery has been removed from the production floor under the orders of the manager, without telling the workers the reasons for the same.

8. Proxemics: (Science of space)

The distance that the people keep themselves between the speaker and the listener is termed as proxemics. Space between persons indicates relations at the same time and is a dimension of interpersonal communication. Personal space and interpersonal distance are important components of communication. Edward T. Hall in his scholarly work identified three components of interpersonal distance. They are 1) Intimate 2) Social and 3) Public. They govern interpersonal relationship.

- a) Intimate: The intimate distance ranges from
 - A. Very close – 3” to 6” (for whispers, secrets are intimate communication)
 - B. To Close – 8” to 12” for giving confidential information
 - C. Near – Distance from 12” to 20” for speaking in a soft voice
 - D. Social: Distance range from 20” to 5 feet.
 - E. Public: Distance from 6 feet to above 100 feet.

Cultural patterns regulate personal space and interpersonal communication. According to Edward T.Hall, the interpersonal distance in different cultures is as follows:

For e.g., In America – the comfortable distance for social conversation is 2-3 ft.

In France, Mexico and Arab Countries it is shorter than 2 ft.

9. Time:

Use of time is also known as CHRONEMICS .Time speaks. Time also conveys the message.

E.g.:A telephone call at too early hours or late night conveys significant message. (1 A. M.or 2 A. M. urgent matters)

10. Paralanguage:

Non – verbal things in communication are called paralanguage. Sounds are the basis for paralanguage. Paralanguage include tone of voice, power or emphasis, pitch, rhythm, volume, pause or break in sentence, speed of delivery, loudness or softness. Paralanguage can be divided into four parts

- 1) Voice qualities: Pitch, resonance, volume rate and rhythm
- 2) Vocal characterisers: Embracing laughter, coughing, throat clearing and sighing
- 3) Vocal qualifiers: Referring to variations in pitch and volume
- 4) Vocal segregates: Including the silent sound such as ‘ahs’ and ‘ers’ and pauses.

These languages do much to influence meaning.

11. Kinesics:

1. Facial expressions
2. Gestures E.g.: Thumbs Up, sitting position
3. Body movements
4. Postures
5. Eye contact: Serves as a signal of readiness to interact.
6. Tactile (touch):- one of the earliest methods of communication of human beings. The science dealing with touch is HAPTICS

E.g.: Infants learn much about environment by touching, feeling, cuddling and tasting.

Touch is a powerful communication tool.

The science dealing with speech, sounds in PHONETICS.

COMMUNICATION SKILLS

Communication forms an essential part of our life. In fact it is as important to us as air, food, clothing and shelter. A person shares his sorrows, happiness, moments of excitement and grief with

some one through communication only. A man would become quite irritated and frustrated if he cannot write or speak to his kith and kin for a long time. Official communication is carried out through letters, telephone fax, e-mail and computers. About 70 to 80 percent of the total working time of a professional is spent on communication. It may be verbal or non verbal. The success of communication is measured in terms of not only the effective transmission of the message but also the achievement of the intended result.

1. Verbal Communication: When two or more persons interact with each other through conversation, they are said to be following the mode of verbal communication. Meetings, Seminars, telephonic conversation, Face to face interaction between two individuals can be cited as classic examples of verbal communication. The advantage of this communication is that we can get immediate feedback. Oral communication varies according to person and also situation..

2. Written Communication: It is the commonest mode of communication in the official circles. Much of your success depends on your ability to communicate efficiently through this mode. You may reproduce, multiply or store any information in this type of transaction. Immediate feedback, however, is not possible through this type of communication.

3. Non-Linguistic Communication:

Communication can also be made through symbols. Traffic lights, road signs, railway signals are a few examples of non-linguistic communication. We also communicate through gestures if we are at a far off distance or are not in a position to meet somebody due to some obligations.

4. Dyadic Communication: The term dyadic is derived from 'di' that means two. As such, dyadic communication takes place between two persons. It may be verbal or nonverbal. Informal conversation between husband and wife, two friends, two acquaintances at a party and so on. There are no hard and fast rules for this conversation. It is a routine one and is a part and parcel of our life. Telephonic conversation, Interview, Instruction and Dictation.

5. Face to Face conversation: Majority of time at home is spent on face-to-face conversation. This conversation does not require any official decorum. Conversation outside our home i.e. the one which we have at restaurants, parties, parks and even offices need not follow any rigid rule.

CHAPTER- 14

LISTENING AND NOTE TAKING, WRITING SKILLS, ORAL PRESENTATION SKILLS, FIELD DIARY AND LAB RECORD; INDEXING, FOOTNOTE AND BIBLIOGRAPHIC PROCEDURES

Listening Skills

What does it mean to really listen?

Real listening is an active process that has three basic steps.

- 1- Hearing.** Hearing just means listening enough to catch what the speaker is saying. For example, say you were listening to a report on zebras, and the speaker mentioned that no two are alike. If you can repeat the fact, then you have heard what has been said.
- 2- Understanding.** The next part of listening happens when you take what you have heard and understand it in your own way. Let's go back to that report on zebras. When you hear that no two are alike, think about what that might mean. You might think, "Maybe this means that the pattern of stripes is different for each zebra."
- 3- Judging.** After you are sure you understand what the speaker has said, think about whether it makes sense. Do you believe what you have heard? You might think, "How could the stripes to be different for every zebra? But then again, the fingerprints are different for every person. I think this seems believable."

Tips for being a good listener

- Give your full attention on the person who is speaking. Don't look out the window or at what else is going on in the room.
- Make sure your mind is focused, too. It can be easy to let your mind wander if you think you know what the person is going to say next, but you might be wrong! If you feel your mind wandering, change the position of your body and try to concentrate on the speaker's words.
- Let the speaker finish before you begin to talk. Speakers appreciate having the chance to say everything they would like to say without being interrupted. When you interrupt, it looks like you aren't listening, even if you really are.
- Let yourself finish listening before you begin to speak! You can't really listen if you are busy thinking about what you want say next.
- Listen for main ideas. The main ideas are the most important points the speaker wants to get across. They may be mentioned at the start or end of a talk, and repeated a number of times. Pay

special attention to statements that begin with phrases such as "My point is..." or "The thing to remember is..."

- Ask questions. If you are not sure you understand what the speaker has said, just ask. It is a good idea to repeat in your own words what the speaker said so that you can be sure your understanding is correct. For example, you might say, "When you said that no two zebras are alike, did you mean that the stripes are different on each one?"
- Give feedback. Sit up straight and look directly at the speaker. Now and then, nod to show that you understand. At appropriate points you may also smile, frown, laugh, or be silent. These are all ways to let the speaker know that you are really listening. Remember, you listen with your face as well as your ears!

Thinking fast

Remember: time is on your side! Thoughts move about four times as fast as speech. With practice, while you are listening you will also be able to think about what you are hearing, really understand it, and give feedback to the speaker.

Taking Notes

Hearing something once is not enough to really learn it, and that is why note taking is so important. Clearly written, accurate notes help to capture information for later study and review. Taking notes also helps you to focus and learn during class time.

Taking notes in class

Sit close to the front of the class to minimize distractions.

Be prepared to keep your notes neat and organized. Use a separate spiral-bound notebook for each subject, or use dividers in your loose-leaf notebook to make separate sections for each subject.

Begin each note taking session at the top of a fresh page. Start by writing down the date.

Do not try to write down everything the teacher says, but do try **to record as many facts and ideas as you can**. Mark important facts or main ideas with an asterisk or star or underline them.

Use short sentences and phrases and easily remembered abbreviations and symbols. Some commonly used abbreviations and symbols are:

- cf (compare)
- ie (that is)
- eg (for example)
- w/ (with)

- w/o (without)
- &, + (and)
- = (equals, is)

Write clearly, and leave lots of blank space in the left margin or between ideas in case you need to add information later.

Read over your notes as soon as you can after class. If there is anything you don't understand, ask the teacher at the next class.

Taking notes from textbooks

Organize your paper the same as for class notes.

Put the date at the top of the page.

Write down the name of the book and the chapter or section you will be taking notes from

Leave space in the left margin or between ideas for your own comments or questions.

Keep textbook notes separate from class notes. Use a separate notebook or a separate section in your loose-leaf notebook.

Get a general idea of what the reading is about.

- Read the introduction, headings and subheadings, and any paragraphs that summarize the content.
- Look at any illustrations or graphs and charts and read the captions.

Go back and read the chapter or section carefully. Look for the main ideas.

Try not to copy information directly from the textbook into your notes. Instead, summarize the information in your own words. This will help you to concentrate and learn.

If you do copy directly from the textbook, use quotation marks to indicate that it is a direct quotation. Take care to copy the quotation exactly. Summarize the main ideas at the end of your notes and circle them

1. ORAL PRESENTATION

The Presentations are basically the same for all professional domains such as business, technical, scientific, industrial, managerial, etc. Oral presentation is also a type of public speaking. This term is generally used to refer to a speech containing specialized information on a specific topic or subject for a relatively smaller but knowledgeable audience.

As a student you will often be required to present to a group of student/teachers the

results of your advanced study, the findings of your research, a proposal which you want to undertake or a report on the work you have already done. In fact, the occasions for oral presentation increase with the advancement in one's career.

2. ORAL PRESENTATION SKILL

1 Planning and Preparation: The steps to be taken for preparing an oral presentation are similar to those taken for writing a composition. Keeping in mind the main purpose, audience, time available, etc., gather the material from reliable sources and organize it in a logical sequence under different sub-headings. Besides the points, in our note-cards we may also write important quotations or hints for anecdotes, jokes etc., which we propose to narrate for greater impact. Give each note-card a number and a sub-heading. Once the note-cards are ready, prepare slides if you plan to use an overhead projector or Power Point for your presentation. Number the slide and ensure that the matter on each slide corresponds to that on the note-card. This would enable us to keep your attention focused on the topic and enable you to maintain eye contact with the audience. Looking at the points on the slide time and again reduces the impact of a presentation.

2 Practice and Rehearsal: For an effective oral presentation, practice and rehearsals are as important as they are for a stage performance, such as a play or dance. For doing this, simulate this situation by arranging a mike, audio-visual aids, etc., If possible do this rehearsal before your friends, asking them to suggest improvements. Accept constructive suggestions; these may enhance the effectiveness of your presentation. If we plan and practice as suggested above, our confidence-level would rise and we would find ourselves ready for the presentation. Remember, intensive practice and rehearsals are the best antidote to nervousness.

3 Articulation and Delivery: Whether we have got with us the note-cards and the slides and that they are neatly kept in a proper size envelope and whether we are gracefully dressed to suit the occasion. On reaching the venue, size up the audience and carefully view the physical arrangements, such as the placing of the lecture, mike and other technical equipment, the position of the display screen, etc. For this preliminary survey, the speaker would take a few minutes – the time taken by the organizers to talk about the occasion and to introduce him to the audience. One should speak extemporaneously, which we consider to be the most effective mode of delivery, especially when the matter is of a professional nature. When you are invited to speak, walk gracefully to the lectern, put your note-cards on it, look at the entire audience, ask the technical assistant to display the first slide and start speaking. Pronounce each word properly stressing on the right syllable and using appropriate intonation pattern. Do not eat any syllable or word.

4 Choice of words: If the thoughts are clear and well-organized, it will not find difficult to express

them in plain (also called simple) English. If the words are short, concrete and familiar, the meaning would easily sink into the minds of listeners and create the desired impact.

3. Listening Skills

You probably spend more time using your listening skills than any other kind of skill. Like other skills, listening takes practice.

What does it mean to really listen? Real listening is an active process that has three basic steps.

1- Hearing. Hearing just means listening enough to catch what the speaker is saying. For example, say you were listening to a report on zebras, and the speaker mentioned that no two are alike. If you can repeat the fact, then you have heard what has been said.

2- Understanding. The next part of listening happens when you take what you have heard and understand it in your own way. Let's go back to that report on zebras. When you hear that no two are alike, think about what that might mean. You might think, "Maybe this means that the pattern of stripes is different for each zebra."

3-Judging. After you are sure you understand what the speaker has said, think about whether it makes sense. Do you believe what you have heard? You might think, "How could the stripes be different for every zebra? But then again, the fingerprints are different for every person. I think this seems believable."

Tips for being a good listener

Give your full attention on the person who is speaking. Don't look out the window or at what else is going on in the room.

Make sure your mind is focused, too. It can be easy to let your mind wander if you think you know what the person is going to say next, but you might be wrong! If you feel your mind wandering, change the position of your body and try to concentrate on the speaker's words.

Let the speaker finish before you begin to talk. Speakers appreciate having the chance to say everything they would like to say without being interrupted. When you interrupt, it looks like you aren't listening, even if you really are.

Let yourself finish listening before you begin to speak! You can't really listen if you are busy thinking about what you want say next.

Listen for main ideas. The main ideas are the most important points the speaker wants to get across. They may be mentioned at the start or end of a talk, and repeated a number of times. Pay special attention to statements that begin with phrases such as "My point is..." or "The thing to remember is..."

Ask questions. If you are not sure you understand what the speaker has said, just ask. It is a good idea to repeat in your own words what the speaker said so that you can be sure your understanding is correct. For example, you might say, "When you said that no two zebras are alike, did you mean that the stripes are different on each one?"

Give feedback. Sit up straight and look directly at the speaker. Now and then, nod to show that you understand. At appropriate points you may also smile, frown, laugh, or be silent. These are all ways to let the speaker know that you are really listening. Remember, you listen with your face as well as your ears!

Thinking fast

Remember: time is on your side! Thoughts move about four times as fast as speech. With practice, while you are listening you will also be able to think about what you are hearing, really understand it, and give feedback to the speaker

4. LISTENING TO SHORT TALKS

1 How to listen well

The following tips will help us to listen well.

- Maintain eye contact;
- Don't interrupt the speaker;
- Sit still'
- Nod your head;
- Lean towards the speaker;
- Repeat instruction and ask appropriate questions when the speaker has finished.
- A good listener knows that being attentive to what the speaker doesn't say is as important as being attentive to what he does say. Look for non-verbal clues such as facial expressions and posture to get the full gist of what the speaker presents.

2 Barriers to Listening

- Beware of the following things that may get in the way of listening.
- Bias or prejudice;
- Language differences or accents;
- Noise;

- Worry, fear, or anger; and
- Lack of attention

5. Taking Notes

Hearing something once is not enough to really learn it, and that is why note taking is so important. Clearly written, accurate notes help to capture information for later study and review. Taking notes also helps you to focus and learn during class time.

Taking notes in class

Sit close to the front of the class to minimize distractions.

Be prepared to keep your notes neat and organized. Use a separate spiral-bound notebook for each subject, or use dividers in your loose-leaf notebook to make separate sections for each subject.

Begin each note taking session at the top of a fresh page. Start by writing down the date.

Do not try to write down everything the teacher says, but do try **to record as many facts and ideas as you can**. Mark important facts or main ideas with an asterisk or star or underline them.

Use short sentences and phrases and easily remembered abbreviations and symbols. Some commonly used abbreviations and symbols are:

cf (compare)

ie (that is)

eg (for example)

w/ (with)

w/o (without)

&, + (and)

= (equals, is)

6. Write clearly, and leave lots of blank space in the left margin or between ideas in case you need to add information later

Read over your notes as soon as you can after class. If there is anything you don't understand, ask the teacher at the next class

Taking notes from textbooks

Organize your paper the same as for class notes.

Put the date at the top of the page.

Write down the name of the book and the chapter or section you will be taking notes from

Leave space in the left margin or between ideas for your own comments or questions.

Keep textbook notes separate from class notes. Use a separate notebook or a separate section in your loose-leaf notebook.

Get a general idea of what the reading is about.

Read the introduction, headings and subheadings, and any paragraphs that summarize the content.

Look at any illustrations or graphs and charts and read the captions.

Go back and read the chapter or section carefully. Look for the main ideas.

Try not to copy information directly from the textbook into your notes. Instead, summarize the information in your own words. This will help you to concentrate and learn.

If you do copy directly from the textbook, use quotation marks to indicate that it is a direct quotation. Take care to copy the quotation exactly.

Summarize the main ideas at the end of your notes and circle them.

6. BIBLIOGRAPHY

Bibliography (from Greek βιβλιογραφία *bibliographia*, literally "book writing"),

A **bibliography** is a list of resources you have used in your research. **The aim of a bibliography is:**

To show where you obtained information and acknowledge your sources

To allow your readers to find this information if they need to

HOW TO WRITE OR PROCEDURE A BIBLIOGRAPHY FOR BOOKS

Author (surname first, followed by first name or initials)

Title of publication (underlined, or using Italics)

Publishing company

Place of publication (usually a town or city)

Year of publication

Examples: (note punctuation):

Author: Surname first, then initial or first name Title underlined or in italics Place of publication

Publisher Year of publication

Dungworth, R. and Wingate, P., *The Usborne Book of Famous Women*, London : Usborne, 1996

Indexing

Index is a systematic arrangement of entries designed to enable users to locate information in a document. The process of creating an index is called **indexing**, and a person who does it is called

an **indexer**. There are many types of indexes, from cumulative indexes for journals to computer database indexes. This discussion concentrates on the back-of-the-book index, found in nonfiction books.

Indexing is the process of creating indexes for record collections. Having indexes allows researchers to more quickly find records for specific individuals; without them, researchers might have to look through hundreds or thousands of records to locate an individual record.

8. Footnotes

A footnote is a notation at the bottom of the page in a printed document. Footnotes are usually presented in smaller print than the dominant text, and they are used for a variety of purposes. The “foot” in “footnote” refers to the fact that the notation is located in the “footer” or “bottom” of the document. A similar concept is the endnote, a note which is provided at the end of a document, rather than at the bottom of a specific page.

Department of Ag. Ext. CoA, BU, Uda

CHAPTER- 15

DEVELOPING ORGANIZATIONAL AND MANAGERIAL SKILLS, PROBLEM SOLVING SKILLS.

Developing organizational skills

Meaning:

In any business activity there is always a person who guides and controls its functions. He also coordinates and regulates all the factors which are employed in the business activity. Apart from monitoring it, he takes the responsibility of the outcome. We call such a person an entrepreneur (organizer) and the business activity which he is doing is called an enterprise or organization.

If management is seen as a body of knowledge, then the organization is skeleton or framework on which the management is built. Barnard referred to an organization as the activities of two or more persons were concisely coordinated towards a given objective. An organization structure is effective if it facilitates the contribution of individuals in the attainment of enterprise objectives.

Purpose:

The purpose of organization in an enterprise involves

1. The process of identification, classification and grouping up of required activities
2. Grouping of activities in light of resources and situations
3. Assigning these activities to positions
4. Delegation of the authority to different persons and
5. Horizontal and vertical co-ordination of the authority and information relationships to enable them to carry out these activities very effectively and efficiently towards achieving the objectives.

Organization brings co-operation, harmony and integrity among the people. As a part of the organization function, the agribusiness manager must see that each employee has a role that is clearly defined. The employees' work goals, the decision to place someone in charge, and the overall goals of the organization, coupled with the ways in which each person and department relate to each other, comprise the organizational plan. Such a plan allows management to establish accountability for the results achieved; it prevents buck passing and confusion as to who is responsible; and it details the nature and degree of authority that is given to each person as the activities of the firm are accomplished.

The process of organization starts with staffing and recruitment of persons. **Functions of organizer:**

1. To determine the jobs to be done by the staff (job description, selecting, allocating & training personnel)
2. Defining the line of activities of the staff.

3. Establishment of relationship among the staff.
4. Selecting and training of personnel in organization.

Organizational Skills

Organizational skills are a set of techniques used by an individual to facilitate the efficiency of future-oriented learning, problem-solving, and task completion. Organization requires the integration of several elements to reach a planned goal.

1. **Planning** – There never seems to be enough time in the day for business leaders. That is why planning is a critical part of being organized and taking advantage of every moment to get things done. Many leaders believe that using one calendar for the entire office can help keep things organized. Google Calendar and other online options can keep everyone on the same page and reduce overbooking a day.
2. **Office Management** – Many businesses have a designated person who keeps the office organized. For example, when the copier breaks down or the clients are running late, an employee should be a point person that can keep things running smoothly even in the absence of the owners or management.
3. **Goals** – While it is a great idea to have a planning calendar, often managers and owners can get bogged down by the day-to-day activities and not keep the ultimate goal in mind. Organized business leaders have regular meetings with key members of the team or office staff to check in on goals and see what the progress is for each goal. Be sure to set both realistic as well as long and short term goals. Prioritize them according to your company's needs.
4. **Clean Things Up** – At the end of each long work day it is tempting to leave for home and relax with your family. Take an extra ten minutes to tidy your desk and prep for the next day's meetings or activities. You won't believe how good it feels to come in the next day with a start on the day already.

Some of the important organizational skills should have in entrepreneurs. These are the direction, order and control which are discussed below-

Direction:

Direction is nothing but motivating, ordering, guiding, leading, executing and supervising the organization. It is an important management function making the people engaged in various positions to move towards the achievement of goals and objectives.

Managers as directors know that the successful measure of the output / profits is due to sum of the performance or work output of all those who work under their control in the firm. Such managers recognize that no one or someone in the firm is completely satisfied. It is also true that all employers cannot be happy all the time. The good manager would always have good qualities of directing and building leadership that could help his staff to succeed in their work and derive job satisfaction in

their work. Good directors always change their styles to bring about the desired changes. He identifies the skills of the workers in the firm and assigns such job to execute. The function of directing is compared to HEART of body of management.

The direction function of management has the following works:

1. Assigning duties and responsibilities to personnel.
2. Establishing the results to be achieved.
3. Delegating the necessary authority
4. Creating a desire for success.
5. Supervising that the job is done properly by workers.

Orders:

Orders or instructions are the vehicles for messages with proper direction from top to bottom of an organization.

Features of orders:

1. Orders should be very clear and understandable
2. Generally orders are unidirectional and moves from top to bottom operating units
3. The timing of orders is crucial i.e. they must be issued when needed and should reach the gross root level workers in time.
4. To have a check whether the orders are converted into action, a feedback report should be the source of orders
5. Orders vary in form and details depending up on the degree of delegation practiced in the organization. Some of them are negative, which prohibit certain actions, whereas some orders are positive, prescribing the course of action towards the attainment of objectives.

A firm should be conditioned for effective direction. The manner in which it is organized could facilitate conditioning. Often, it is necessary to keep persons in the organization, both as individuals and as groups motivated for proper direction. The workers must also find meaning and purpose in the orders and in implementing the orders.

CONTROL:

Control function is complementary to other management functions and considered as NERVOUS SYSTEM of body of knowledge that reports the function of the parts of the body to the whole system. It measures the deviations from the desired course of action and thereby suggests for desired direction.

Definition: Controlling is the process of influencing the performance or executing the supervision, so that the results of organizational efforts will reach the expectations.

Massie stated four essential elements of control as follows:

1. A pre-determined criterion / goal / benchmark.

2. A means of measuring current activity quantitatively, if possible.
3. A means of comparing current activity with a prefixed criterion.
4. Some means or measures of correcting current activity to achieve desired criterion / goal.

Control does not mean restriction of power over subordinates. Control system sounds a warning when necessary for taking up remedies for problems. Workers in general make mistakes, so the plans finally could not be executed according to schedule. Then there will be great need for having control system to set right the things. Through proper controlling, managers would become aware of weak spots in organizational, directional and co-ordinating efforts and operations of the business.

Another important purpose is to evaluate the progress being made towards organizational goals. In the absence of control system employees cannot respect the programmes, disregard and in-accuracy are likely to result. The control programmes should be checked periodically and reviewed so that the irrelevant control programmes can be dropped. To be successful entrepreneur they must apply this functional knowledge and ability to each of four basic areas of agribusiness viz., financial management and planning, marketing and selling, production and operations, and personal and human dimension.

Developing Managerial Skills & Business Leadership Skills

A good manager has all the skills and can implement those skills for running the organization properly. A manager's job is complex and multidimensional. It requires a range of skill to perform the duties and activities associated with it. Regardless of the level of management, managers must possess and seek to further develop many critical skills. A skill is an ability or proficiency in performing a particular task. Management skills are learned and developed.

An effective manager must possess the following skills to perform his job well. 5 managerial skills are technical skills, conceptual skills, interpersonal and communication skills, decision-making skills.

Managerial Skills

Technical Skill

Technical skill is knowledge of and proficiency in activities involving methods, processes, and procedures. Thus it involves working with tools and specific techniques. Technical skill also includes analytical ability and the competent use of tools and work equipment's to solve problems in that specific discipline. Technical skill is the ability to use the specialized knowledge, procedures, and techniques of a field of activities. Accountants, engineers, surgeons all have their technical skills necessary for their respective professions. Most managers, especially at the lower and middle levels, need technical skills for effective task performance. These skills become less important than human and conceptual skills as managers move up the hierarchy.

For example, mechanics work with tools, and their supervisors should have the ability to teach them how to use these tools. Similarly, accountants apply specific techniques in doing their job. This skill is most necessary and valuable at a supervisory level or first-level/first-level management.

Conceptual Skill

Conceptual skill is the ability to see the "big picture," to recognize significant elements in a situation and to understand the relationships among the elements. Conceptual skill is the ability to coordinate and integrates all of an organization's interests and activities. It requires having the ability to

visualize the enterprise as a whole, to envision all the functions involved in a given situation or circumstance, to understand how its parts depend on one another and anticipate how a change in any of its parts will affect the whole.

A manager's ability to think in the abstract and to view the organization holistically is important. Suggesting a new product line for a company, introducing computer technology to the organization's operations, or entering the international market; for deciding this magnitude, a manager requires conceptual skill is his personality.

Interpersonal and Communication Skills

Communication skill for a manager is a must. The manager must be able to convey ideas and information to others and receive information and ideas from others effectively. A manager's job is to control the subordinates and gives high-level managers or administrators information about what's going on. Communication skill enables a manager to perform them properly. Most of his time, a manager's job is to interact with people inside and outside of the organization. Manager's ability to communication with individuals and groups, controlling and motivation they are what Interpersonal and Communication skill are. A manager requires having an effective Interpersonal and communication skill to keep the responsibilities given to him.

Types of Communication Skills and their Importance

There are the four types of communication skills that entrepreneurs must develop:

1. Writing Skills

Whether entrepreneurs are looking for an investor to invest in their new start-up or they want to form a partnership with other companies, they need to have outstanding and convincing writing skills. New entrepreneurs looking to raise capital can use their strong writing skills to develop impressive business plans and feasibility reports. It helps express business plans flawlessly and convince investors to select their business proposal for investment. Writing skills are as important for established entrepreneurs as they are for new entrepreneurs. It can help established entrepreneurs make partnerships with other companies and attract new clients. Furthermore, today entrepreneurs with strong writing skills can secure a business edge easily. As businesses are competing online, more communication is being done through writing as compared to any other form of communication. Using ones' strong writing skills, one can market his business more cleverly through his business website and send crisp, concise and convincing business emails to clients and capture more business.

2. Speaking Skills

To become a successful entrepreneur a person needs to brush up his speaking skills. If he is able to convince an investor to invest in his business on paper, the next step would be a meeting with the investor. If a person has poor speaking skills and he is unable to articulate his business proposition and sell his idea in person as skilfully as he did on paper, the investor might change his/her idea of investing in his business. And he might lose a potential investor. In addition to this, entrepreneurs should also develop strong speaking skills because they have to give presentations to clients, run team meetings and deliver motivational speeches every now and then. If they can't speak and communicate proficiently in public, they can hurt their brand image. This skill is needed to bridge the gap between the business owner and employees. If a person has immaculate verbal skills, he can easily communicate business goals and his vision to his employees effectively. This helps increase employee productivity. It also comes in handy when entrepreneurs want to introduce new changes in the business. If he can communicate effectively with employees there will be less resistance to change and they will accept it readily.

3. Listening Skills

This skill is often neglected by entrepreneurs. If they don't listen to the people around, they will never be able to progress and grow. This is exactly why most businesses often come to a standstill or start to lose their customers.

a. Customer Perspective

If we take a look at successful entrepreneurs around us, we shall notice that they are open to feedback and suggestions. Here's how: Sometimes a businessman may be offering quality products to his customers but he may still be behind his competitor. In this scenario listening skills can really help. He can ask for customer feedback and product improvement suggestions. The user of his product can tell him its imperfections and how the product can become better. If he focus and listen to what the customer has to say, he can easily outrace his competitor by working on the areas where he lacks and developing a better product for his customers.

b. Employee Perspective:

Listening skills can clear the air inside the organization. If an entrepreneur only communicates his thoughts and ideas to employees and not listens to them, he will never be able to increase employee satisfaction and he will witness a high employee turnover. Successful entrepreneurs are those who listen to their employees. Employees can highlight the problems within the organization clearly and they can address the issues and resolve them easily. If they respond to the employees' problems in a timely manner, it will make them feel valued and they would want to work for their organization. This depicts, whether it's their customers or their employees; if they develop the ability to listen carefully to what they have to say, they can easily improve and grow their business.

4. Reading Skills:

Reading can help keep entrepreneurs abreast of current business scenarios and strategize accordingly. Entrepreneurs who don't have the habit of reading often fail to devise sound business and marketing strategies. Reading gives them exposure and powers their thinking ability. When they start reading they gain more information and get new ideas. Therefore, entrepreneurs must work on developing their communication skills in order to run a successful organization and achieve business success. Becoming an entrepreneur can be one of the most rewarding decisions of one's life. Understanding how to separate oneself from the rest of the rat race and put oneself in control of one's own life is incredibly empowering. By choosing this path, entrepreneurs are giving themselves the ability to control their own destiny rather than simply choosing to work for someone else. The downside of it is, however, that they will have no one but themselves to blame for their failures.

Decision-Making Skill

In simple words, a manager's job is to make decisions that will lead the organization to the attainment of its goals. Decision making skill is the skill that makes a manager able to recognize opportunities and threat and then select an appropriate course of action to tackle them efficiently so that the organization can benefit from them. Managers are not always going to make the best decision. But a good manager most often makes a good decision and learns from the bad ones. Decision making is a skill that improves as managers gain more experience. Training or educating is also a good method to develop the Decision making skill of a manager.

Diagnostic and Analytical Skills

A good manager has Diagnostic and Analytical skills in his bags. Diagnostic skill refers to the ability to visualize the best response to a situation. Analytical skill means, the ability to identify the key variables in a situation. Manager diagnostic skill and Analytical skill helps him to identify possible approaches to a situation. After that is also helps a manager to visualize the result or outcomes of these approaches. This skill sounds similar to the decision making skill, but it is the skill required to make the decision.

PROBLEM SOLVING SKILLS

Entrepreneurial problem solving is the process of using innovation and creative solutions to close that gap by resolving societal, business, or technological problems. The entrepreneur visualizes the prospect of filling the gap with an innovative solution that might entail the revision of a product or the creation of an entirely new product. In any case, the entrepreneur approaches the problem-solving process in various ways.

Decision making is different from problem solving. A decision is needed to continue or smooth a process affecting the operation of a firm. It can be intuitive or might require research and a long period of consideration. Problem solving, however, is more direct. It entails the solution of some problem where a gap exists between a current state and a desired state. Entrepreneurs are problem solvers who offer solutions using creativity or innovative ventures that exploit opportunities.

Two Problem Solving Models: Adaptive and Innovative

There are two prominent established problem-solving models: adaptive and innovative.

A renowned British psychologist, Michael Kirton, developed the Kirton Adaption- Innovation (KAI) Inventory to measure an individual's style of problem solving. Problem-solving preferences are dependent on the personality characteristics of originality, conformity, and efficiency, according to Kirton. The KAI inventory identifies an individual's problem-solving approach by measuring agreement with statements that align with characteristics, such as the ability to produce many novel ideas, to follow rules and get along in groups, and to systematically orient daily behaviour. The results categorize an individual as an innovator or an adaptor. Innovators are highly original, do not like to conform, and value efficiency less than adaptors.

The first and more conservative approach an entrepreneur may use to solve problems is the adaptive model. The **adaptive model** seeks solutions for problems in ways that are tested and known to be effective. An adaptive model accepts the problem definition and is concerned with resolving problems rather than finding them. This approach seeks greater efficiency while aiming at continuity and stability.

The second and more creative approach is the **innovative model** of entrepreneurial problem solving, which uses techniques that are unknown to the market and that bring advantage to an organization. An innovative problem-solving style challenges the problem definition, discovers problems and avenues for their solutions, and questions existing assumptions—in a nutshell, it does things differently. It uses outside-the-box thinking and searches for novel solutions. Novelty is a shared trait of creative entrepreneurship, and its why entrepreneurs gravitate toward this method of problem solving. According to Dr. Shaun M. Powell, a senior lecturer at the University of Wollongong, Australia: "Creative entrepreneurs are notable for a distinctive management style that is based on intuition, informality and rapid decision making, whereas the more conventional thinking styles are not in accord with the unique attributes of creative entrepreneurs."

Problem-Solving Skills

While identifying problems is a necessary part of the origin of the entrepreneurial process, managing problems is an entirely different aspect once a venture is off the ground and running. An entrepreneur

does not have the luxury of avoiding problems and is often responsible for all problem solving in a start-up or other form of business. There are certain skills that entrepreneurs possess that make them particularly good problem solvers.

Critical Thinking

Critical thinking is the complex analysis of a problem or issue with the goal of solving the problem or making a decision. The entrepreneur analyses and peels away the layers of a problem to find the core of an issue facing a business. The entrepreneur focuses on the heart of the problem and responds reasonably and openly to suggestions for solving it. Critical thinking is not only important for developing entrepreneurial ideas: it is a sought-after asset in education and employment.

Communication

Communication skills, the ability to communicate messages effectively to an intended recipient, are the skills entrepreneurs use to pool resources for the purposes of investigating solutions leading to innovative problem solving and competitive advantage. Good communication allows for the free association of ideas between entrepreneurs and businesses. It can illustrate a problem area or a shared vision, and seeks stakeholder buy-in from various constituencies. Networking and communication within an industry allow the entrepreneur to recognize the position of an enterprise in the market and work toward verbalizing solutions that move an organization beyond its current state. By “verbalizing,” we mean communication from and with the company/entity. Internal communications include company emails, newsletters, presentations, and reports that can set strategic goals and objectives, and report on what has been accomplished and what goals and objectives remain, so that employees within an organization are knowledgeable and can work on solving problems that remain within the organization. External communications could include press releases, blogs and websites, social media, public speeches, and presentations that explain the company’s solutions to problems. They could also be investor pitches complete with business plans and financial projections.

Decisiveness

Decisiveness is as it sounds the ability to make a quick, effective decision, not letting too much time go by in the process. Entrepreneurs must be productive, even in the face of risk. They often rely on intuition as well as on hard facts in making a choice. They ask what problem needs to be solved, think about solutions, and then consider the means necessary to implement an idea.

Ability to Analyze Data

Data analysis is the process of analysing data and modeling it into a structure that leads to innovative conclusions. In entrepreneurship, analysing data can help with opportunity recognition, creation, and assessment by analysing data in a variety of ways. Entrepreneurs can explore and leverage different data sources to identify and compare “attractive” opportunities, since such analyses can describe what has happened, why it happened, and how likely it is to happen again in the future. In business in general, analytics is used to help managers/entrepreneurs gain improved insight about their business operations/emerging ventures and make better, fact-based decisions.

Analytics can be descriptive, predictive, or prescriptive. Descriptive analytics involves understanding what has happened and what is happening; predictive analytics uses data from past performance to estimate future performance; and prescriptive analytics uses the results of descriptive and predictive analytics to make decisions. Data analysis can be applied to manage customer relations, inform financial and marketing activities, make pricing decisions, manage the supply chain, and plan for human resource needs, among other functions of a venture. In addition to statistical analysis,

quantitative methods, and computer models to aid decision-making, companies are also increasingly using artificial intelligence algorithms to analyze data and make quick decisions.

Understanding of Business and Industry

Entrepreneurs need sound understanding of markets and industries. Often times, they are already working in a large organization when they see growth opportunities or inefficiencies in a market. The employee gains a deep understanding of the industry at hand. If the employee considers a possible solution for a problem, this solution might become the basis for a new business.

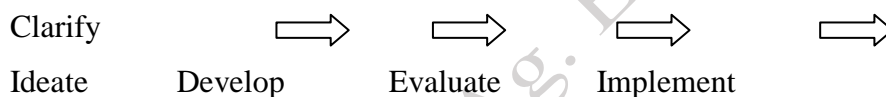
Resourcefulness

Resourcefulness is the ability to discover clever solutions to obstacles. With a resourcefulness mindset you are driven to find a way. An attitude of resourcefulness inspires out-of-the-box thinking, the generation of new ideas, and the ability to visualize all the possible ways to achieve what you desire. Entrepreneurs start thinking about a business venture or start-ups by talking to people and procuring experts to help create, fund, and begin a business. Entrepreneurs are risk takers, passionate about new endeavours.

Creative Problem-Solving Process

Creativity can be an important trait of an entrepreneur. Creativity is the development of original ideas to solve an issue. The intent of being an entrepreneur is to break away from practical norms and use imagination to embrace quick and effective solutions to an existing problem, usually outside the corporate environment.

STEPS OF THE CREATIVE PROBLEM-SOLVING PROCESS-



Clarify

Clarify is the critical step of recognizing the existence of a gap between the current state and a desired state. This can also be thought of as having need awareness, which occurs when the entrepreneur notes a gap between societal or customer needs and actual circumstances. Clarifying the problem by speaking with clients and developing a detailed description of the problem brings the specifics of a problem to light. Failure to identify the specifics of a problem leaves the entrepreneur with the impossible task of solving a ghost problem, a problem that is fully unknown or unseen. To establish and maintain credibility, an entrepreneur must clarify the problem by focusing on solving the problem itself, rather than solving a symptom of the problem.

Ideate

Ideate is the step of the creative problem-solving process that involves generating and detailing ideas by the entrepreneur. After collecting all information relevant to the problem, the entrepreneur lists as many causes of the problem as possible. This is the step in which the largest variety of ideas are put forth. Each idea must be evaluated for feasibility and cost as a solution to the problem.

Develop

Develop is the step in which the entrepreneur takes the list of ideas generated and tests each solution

for feasibility. The entrepreneur must consider the cost of each idea and the obstacles to implementation.

Implement

Implement is the step in which the solution to the problem is tested and evaluated. The entrepreneur walks through the planned implementation with the client and tests each part of the solution, if a service, or thoroughly tests a developed good. The entrepreneur implements the solution and goes through a structured system of follow-up to ensure the solution remains effective and viable.

Evaluate

Evaluate is the step in which the final solution is assessed. This is a very important step that entrepreneurs often overlook. Any fallacy in the implementation of the product or service is reassessed, and new solutions are implemented. A continual testing process may be needed to find the final solution.

Department of Ag. Ext. CoA, BUAT, Banda

REFERENCES

Bahal, Ram 2008. Agripreneurship Development in India, in Dynamics of Entrepreneurship Development in Agriculture: Basics to Advances (eds) Dipak De and B. Jirli. Ganga Kaveri Publishing House, Varanasi.

Chole, R.R. 2010. Communication and Enterprise Management. Paper presented at the Winter School on Entrepreneurship Development and Management, 15 Sept-5 Oct., ICAR, New Delhi and Dr. Panjabrao Deshmukh Krishi Vidyapeeth, Akola.

Chole, R.R., Kapse, P.S. and Deshmukh, P.R. 2012. Entrepreneurship Development and Communication Skills. Scientific Publishers, Jodhpur.

Desai, Vasant and Urmila Rai 2008. Entrepreneurship Development and Business Communication. Himalaya Publishing House, Mumbai.

Leagans, J.P. 1963. The Communication Process in Rural Development. New York, Cornell International Agriculture Development Bulletin, Cornell University, Ithaca.

Kushalakshi and A. Raghurama 2012. Rural Entrepreneurship: A Catalyst for Rural Development.

International Journal of Science and Research (IJSR), Vol-3.

Verma, R.K. *etal* 2018. Opportunities in agri-preneurship in India: Need, challenges and future prospects. *Rashtriya Krishi*, Vol 13.

Websites

<http://www.beattyandco.biz/sites/www.beattyandco.biz/files/documents/beattyandcoab14businessleadership-1-.pdf>

<https://enterprisectr.org/blog/organization-skills-business-leaders/content/uploads/2015/06/Managerial-SkillsAll-Units-AC.pdf>

<http://rmkec.ac.in/tmp/mech/Contents/totalqualitymanagement.pdf>

https://www.academia.edu/6465378/Project_Planning

<https://www.managementstudyguide.com/report-preparation.htm>

<https://www.extension.iastate.edu/agdm/wholefarm/pdf/c5-92.pdf>

<http://rccmindore.com/wp->

<https://openstax.org/books/entrepreneurship/pages/6-1-problem-solving-to-find-entrepreneurial-solutions>

<https://www.managementstudyguide.com/swot-analysis.htm>