

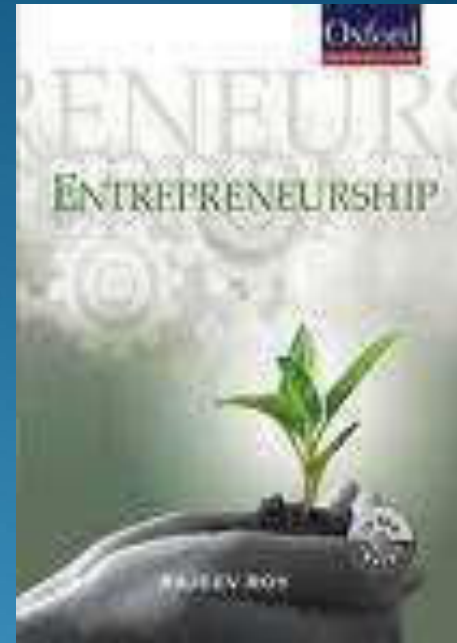
ENTREPRENEURSHIP DEVELOPMENT AND MANAGEMENT

BY

RAVINDRA VAISHNAV

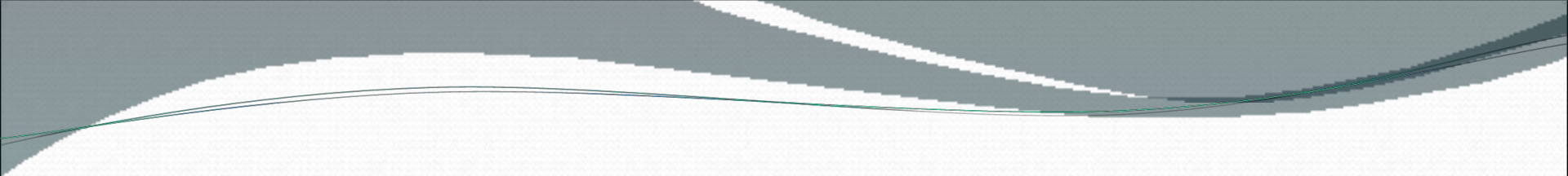
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ROLE OF GOVERNMENT IN ENTREPRENEURSHIP



AGENDA

- Role of Government, Role of IDBI – By 09HP1E0037 & 12
- Role of IDBI, NIESBUD – By 09HP1E0020 & 46
- Role of SISI, DIC – By 09HP1E0018 & 46
- Other Financial Institutions – By 09HP1E0032 & 13
- Commercial Banks – By 09HP1E0007 & 13
- Entrepreneurial Development Institutes – By 09HP1E0014 & 09
- Universities and other Educational Institutions offering EDP – By 09HP1E0048
- Entrepreneurial Development Programme – By 09HP1E0008



*Everyone in the world has at least one talent,
one passion, one hobby that can become
profitable if used correctly.*

Entrepreneur:

One who organizes, manages and assumes the risks of a business or enterprise.

Entrepreneurship is the process of creating or seizing an opportunity and pursuing it regardless of the resources currently controlled.

- Entrepreneurship Development: Role of Financial Institutions

Industrial growth and economic development of developing nations depend to a great extent on the role played by entrepreneurs.

There are many instances of individual entrepreneurs whose creativity has led to the industrialization of many nations.

However, in India the economic and industrial growth was slow due to lack of efficient entrepreneurs, industrial environment, technical know-how.

Government and financial institutions have played a very important role in the entrepreneurship development.

Efforts to Foster Entrepreneurship in India

Many of India's leaders have perceived the need for the development of entrepreneurship in their country, and a number of programs have emerged to meet this need.

The National Institute for Entrepreneurship and Small Business Development (NIESBUD).

The Entrepreneurship Development Institute of India (EDII).

Industrial Development Bank of India (IDBI).

Small Industries Development Bank of India (SIDBI).

North Eastern Development Finance Corporation Limited
(NEDFCL)

RBI's role and steps for the development of SSI sector

- ## The Entrepreneurship Development Institute of India

Sponsored by several financial institutions, namely (ICICI), (IDBI), the Industrial Finance Corporation of India (IFCI), and the State Bank of India.

One of the institute that, focuses on creating entrepreneurial personalities among youth.

EDII launched a variety of programs to do just that. The Rural Entrepreneurship Development division, for instance, concentrates on rural development, employment generation, and poverty all aviation through the promotion of micro-enterprises. This divisional so has an informal micro-credit delivery system.

Industrial Development Bank of India (IDBI)

- IDBI is the tenth largest bank in the world in terms of development. The National Stock Exchange (NSE), The National Securities Depository Services Ltd. (NSDL), Stock Holding Corporation of India (SHCIL) are some of the institutions which has been built by IDBI.

IDBI is a strategic investor in a plethora of institutions which have revolutionized the Indian Financial Markets.

IDBI Bank, promoted by IDBI Group started in November 1995 with a branch at Indor with an equity capital base of Rs.1000million

Main functions of IDBI

IDBI invested with the responsibility of coordinating the working of institutions engaged in financing, promoting and developing industries. It has evolved an appropriate mechanism for this purpose.

Developmental Activities of IDBI:-

Promotional activities:

The Bank continues to perform a wide range of promotional activities relating to developmental programmes for new entrepreneurs, consultancy services for small and medium enterprises and programmes designed for accredited voluntary agencies for the economic upliftment of the under privileged.

Contents

- Introduction
- Role of IDBI
- IDBI Operations
- conclusion

IDBI-Getting Familiar



- Established in 1964 .
- Largest Financial institution in India, with assets at the end of 1999 approximating to Rs.600 billion.
- During the Financial Year 2009-10, achieved a Net Profit of Rs.1,031 crore and also crossed business of Rs.3,00,000 crore.
- The 10th largest development bank in the world.
- The National Stock Exchange (NSE), The National Securities Depository Services Ltd. (NSDL), Stock Holding Corporation of India (SHCIL) are some of the institutions which has been built by IDBI.
- Now, it has been categorized under “Other Public sector Banks”
- Resources of IDBI



IDBI BANK

IDBI OPERATIONS

- Idbi initially provided long term assistance to industries such as textiles, fertilizers, chemicals products and machinery.
- In 1964, IDBI also began a role in assisting the state finance corporations (SFC) of various states.
- By 1965, IDBI entered into rediscounting of machinery bills.

Cont...,

- Subsequently, IDBI entered into financing exports on a different payment basis , till the time export – import (EXIM) bank of india was formed in 1982.
- In 1986, IDBI created a small industries development fund(sidf)
- Played a major role in setting up of stock holding corporation india limited (SHCIL)

Role of IDBI

- Planning , promoting and developing industries
- Co ordinating the working of institutions.
- IDBI's role as a catalyst.
- Development activities of IDBI
 - promotional activities
 - technical consultancy org.
 - entrepreneurship develop in

ROLE OF IDBI & NIESBUD

Contents

- Introduction
- Definition of entrepreneurship
- ROLE OF IDBI & NIESBUD

Defintion of enterpreneurship

- The concept of **entrepreneurship** has a wide range of meanings.
- On the one extreme an **entrepreneur** is a person of very high aptitude who pioneers change, possessing characteristics found in only a very small fraction of the population.
- On the other extreme of definitions, anyone who wants to work for himself or herself is considered to be an entrepreneur.

- To provide national international forums for interaction and exchange of experiences helpful for policy formulation and motivation .

entrepreneur

- The word *entrepreneur* originates from the French word, *entreprendre*, which means "to undertake." In a business context, it means to start a business.
- The Merriam-Webster Dictionary presents the definition of an entrepreneur as one who organizes, manages, and assumes the risks of a business or enterprise

NIESBUD

The national institute for entrepreneurship and small business development (NIESBUD).

NIESBUD was established in 1983.

NIESBUD limits its only training activities and conducting such programmes.

OBJECTIVES

- The following are the main objectives of NIESBUD
- To help support an affiliate institution organization in carrying out training.
- And other entrepreneurship development related activities with greater success.
- To evolve standardized materials and process of selection, training support and sustenance to potential entrepreneurs.

ROLE OF IDBI

- IDBI role as a catalyst to industrial development encompasses a wide spectrum of activities.
- IDBI can finance all types industrial concerns covered under provisions of the IDBI act its 3 activities
-
- The IDBI developmental role the bank continues to perform a wide range of promotional activities.

Technical consultancy organization

- India financial institutions has a set up network of technical consultancy organizations its covering to the entire country

Entrepreneurship development institute

- It has established similar institutes in bihar orissa, madhyapradesh and uttarpradesh .
- IDBI has also extends financial support to various organizations conducting in studies or surveys of relevance to industrial development

OBJECTIVES

- To evolve standardized materials and processes for selection, training, support and sustenance of entrepreneurs, potential and existing.
- To help/support and affiliate institutions/organizations in carrying out training and other entrepreneurship development related activities .
- To train trainers, promoters and consultants in various areas of entrepreneurship development
- To provide vital information and support to trainers, promoters and entrepreneurs by organizing research and documentation relevant to entrepreneurship development

ROLE OF NIESBUD

- The institute organizes:-
- Entrepreneurship development programs,
- Prepares manuals , and produces educational videos;
- ❖ Its training activities are stimulating, supporting, and sustaining entrepreneurship.

ROLE OF SIS I

- 1) Technical Consultancy
- 2) Industrial Management Training
- 3) Economic Information
- 4) Marketing Assistance
- 5) Export Promotion Marketing

ROLE OF DIC

- Technical support for preparation of Project Report.
- Information on sources of machinery & Equipment.
- Priority in Power supply/ Telephone connection.
- Promotion of new Industrial Estates/ Growth Centers.
- Land/ Shed in Industrial Estate.
- Approval of Project Reports of special types.
- Promotion of Electronic Industries.

CONCLUSION

- ❖ Entrepreneur is a play vital role in the Financial institutions
- ❖ This about the role of NESBUD,SISI,DIC



ROLE OF DIC

ROLE OF DIC

- Technical support for preparation of Project Report.
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District Industries Centre

To develop and promote Cottage and Small Scale Industries in the district. The Small Scale Industries (SSI) means the Industries with investment upto Rs 1 (one) crore in plant & machinery

FINANCIAL ASSISTANCE SCHEMES (DEPARTMENTAL)

- Prime Minister Rozgar Yojona (PMRY)
- Normal Bank Finance Scheme
- Loan Under BSAI Act

INCENTIVE SCHEME

- Registration
- Preference for power connection
- Project/Scheme Vetting
- Marketing Assistance to Handicraft Products
- Special Assistance rendered

- National Project of Bio-Gas Development (NPBD)
- Pollution Clearance
- Training Programme
- Minority Loans
- Rural Employment generation programme

The image features several stacks of gold coins of varying heights, scattered across a document that appears to be a financial report or newspaper. In the lower-left quadrant, a line graph is visible, showing a fluctuating trend with a notable downward slope. The background text is mostly out of focus, but some words like 'The Dow Jones', 'rise', and 'decline' are discernible. The overall color palette is warm, dominated by the golden tones of the coins and the yellowish-brown hues of the paper.

Role of Financial Institutions in Entrepreneurship

Synopsis of Presentation

- Introduction to financial institutions
- Role of different banks in development of entrepreneurship
- Contribution to the economy
- conclusion

Financial Institutions

- A financial institution is an institution which collects funds from the public and places them in financial assets, such as deposits, loans, and bonds, rather than tangible property.

Non Banking Financial Institutions(NBFC)

- NBFCs help to bridge the credit gaps in several sector which traditional institution are unable to fulfill.
- NBFCs are more flexible in their operations and quick in decision-making.

Aao Sochein Bada!



इंडस्ट्रियल डेवलपमेंट बैंक ऑफ इंडिया लिमिटेड
Industrial Development Bank of India Limited

IDBI-Getting Familiar

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- The 10th largest development bank in the world.
- The National Stock Exchange (NSE), The National Securities Depository Services Ltd. (NSDL), Stock Holding Corporation of India (SHCIL) are some of the institutions which has been built by IDBI.
- Now, it has been categorized under Other Public sector Banks.
- Resources of IDBI



Role of IDBI

- Planning, promoting and developing industries .
- Co-coordinating the working of Institutions.

Development Activities of IDBI

- Promotional activities
- Technical consultancy organization.
- Entrepreneurship Development institute

Small won't always be small.



SME Business Solutions  IDBI BANK
Know More » Not just for the big boys





**EXPORT-IMPORT
BANK OF INDIA**

Exim bank

- SET UP BY AN ACT OF PARLIAMENT , 1981
- WHOLLY OWNED BY GOVERNMENT OF INDIA
- COMMENCED OPERATIONS IN MARCH 1982
- APEX FINANCIAL INSTITUTION
- OBJECTIVES:

Dz for providing financial assistance to exporters and importers, and for functioning as the principal financial institution for coordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade..dz

Dz shall act on business principles with due regard to public interestz

FINANCIAL ASSISTANCE TO INDIAN COMPANIES

- Delayed Payment Exports
- Pre-Shipment Credit
- Term Loans for Export Production
- Foreign Investment Finance
- Financing Export Marketing.

Export Marketing Finance

- Administered an Export Marketing Fund from **World Bank**
- SMEs extended export marketing finance to implement strategic export marketing plans
- Exim Bank's assistance resulted in generation of significant exports to developed country markets.
- Successes achieved in this Programme .
- Over 300 Companies supported in variety sectors :
 - ✓ Knitting
 - ✓ Needles
 - ✓ Polyester Ropes
 - ✓ Home Appliances

Introduction of IFCI

- The government of India set up the IFCI under the IFCI act in July in 1948.
- It is the first development financial institution in the country to cater to the long term financial needs of the industrial sectors.
- The main objective of IFCI is to make medium and long term credits more readily available for industrial concerns in India.

Role of IFCI

- To provide much needed guidance in project identification , formulation, implementation, operation to the new, tiny, small scale and medium scale entrepreneurs.
- Fill in the gaps in the industrial infrastructure for promotion and growth of industries.

FINANCIAL INSTITUTIONS AND COMMERCIAL BANKS

FINANCIAL INSTITUTES

- National level
- State level
- National level:

large scale industries

Ex: ICICI, NIDC, IFCI, LIC, UTI etc.,

- State level:

medium and small scale industries

Ex : state financial corporations(SFCs),

State small industries development corp(SSIDs).,

Commercial Banks

- These are the easiest and quickest sources.
- Three familiar methods of obtaining loans from commercial banks are:
 1. Cash credits
 2. overdrafts
 3. term loans

Cont.,

ICICI :

- Fast decisioning - decentralised operations, centralised decision making.
- Fast disbursement - subject to complete documentation, disbursement in 25 days.
- Working capital limits - ranging from 25 lacs to 5 crores.
- Exclusive relationship managers - who can provide you all financial services - including trade accounts & services, remittances.

Cont.,

Key Features:

- Loan amount of up to Rs. 50 lacs*.
- Charge on current assets .
- No requirement of third-party guarantee.
- No requirement of collateral security.

Cont.,

- Interest rate :
Maximum – IBAR + 3% p.a.
(ICICI Bank Benchmark Advance Rate) .
- *ICICI Bank has also announced an increase of 0.50% in its benchmark prime-lending rate and in its Floating Reference Rate (FRR) for consumer loans.*

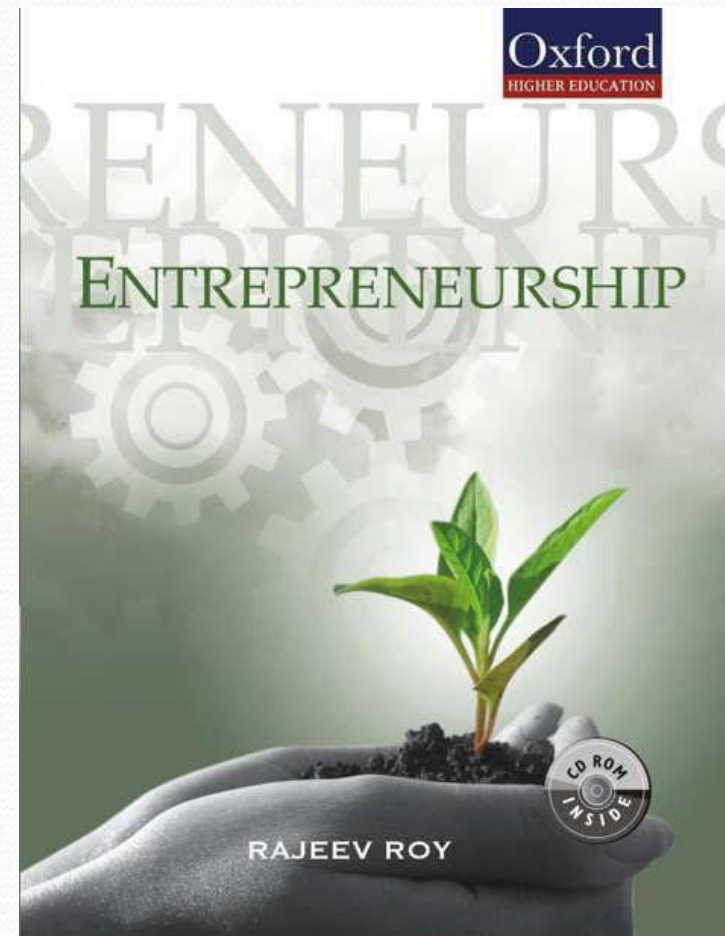
Cont.,

- *With effect from July 1, 2010, interest rate on new loans and advances including consumer loans is determined with reference to ICICI Bank Base Rate (IBR)-Based. IBR is currently at 7.75% p.a.*

Commercial Bank's

Contents

- Entrepreneurship
- Commercial Bank
- IFCI promotion for entrepreneurship
- ICICI promotion for entrepreneurship
- Conclusion



Entrepreneurship, Entrepreneur

- **Entrepreneurship** is the act of being an entrepreneur, which can be defined as "one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods".
- Entrepreneurs have been defined as ~~D~~persons who are ingenious and creative in finding ways that add to their own wealth, power, and prestige~~d~~

Commercial Bank

- A **commercial bank** is a type of financial intermediary and a type of bank. Commercial banking is also known as **business banking**. It is a bank that provides checking accounts, savings accounts, and money market accounts and that accepts time deposits.



Cont...

- Banks are expected to provide entrepreneurs with financial assistance as well as inputs to support and promote their enterprise. The banks have been found to be lacking on both counts and the concept of integrated approach to entrepreneurship development is totally absent
- One of the major causes that may be identified for huge Non-Performing Assets (NPAs) is the negligence on the part of banks in realizing their role in the proper development of entrepreneurs..



IFCI Policies & Strategies

- Entrepreneurship is the backbone or a mother of healthy industrialization.
- Entrepreneurship & industrialization encourages the drive, skills, motive, trait, innovative spirit in the dynamic world of trade, industry, commerce, science, technology and management.
- To provide assistance and guidance for the revival & rehabilitation of sick & ailing Entrepreneurship in the country.

- To provide assistance in the form of rupee and foreign currency loans, underwriting of shares & debentures, guarantee for deferred payments & foreign loans for the promotion of medium & large scale entrepreneurship in the country.
- To provide assistance for expansion, diversification, modernization, renovation, & rehabilitation so as to encourage, accentuate the pace of Entrepreneurship promotion, creation & profile ration in the country.

- To encourage the wide network of TCOs with concrete support for the promotion of tiny, small & medium scale Entrepreneurship in every nook & corner of the country.
- To encourage co-operative Entrepreneurship in co-operative sector.
- IFCI has been giving due attention to the industrialization of backward areas & no industry districts through the promotion of regional Entrepreneurship.
- IFCI is extending developmental finance to potential entrepreneurs on concessional terms.

ICICI

- ICICI is one of the principle development bank's of the country which was established after IFCI but before IDBI on Jan 05, 1955



Policies & objectives of ICICI

Policy of entrepreneurship promotion is based on following objectives:

- To broaden the entrepreneurial base in the country.
- To sponsor small scale entrepreneurship in rural areas.
- To encourage and promote entrepreneurship in backward areas, special hill regions & no industry districts.
- To assist in the rehabilitation of sick, ailing and withering Entrepreneurship.

Cont...



The main reasons accounted for growing corporate sickness in ICICI assisted units are:

- Increasing demand recession.
- Withering health of agriculture sector due to severe natural disasters.
- Uncertain policy environment caused by Government announcement from time to time.
- Imbalance in internal and external resources resulting in high capital expenditure.

10 Characteristics of Successful Entrepreneurs

1 Passion & Motivation

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

2 Risk Taking

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

3 Self-belief and Hard Work

- **Successful entrepreneurs believe in themselves and enjoy what they do.**
- **Can you focus and have faith in your ideas?**
- **Can you demonstrate discipline and dedication despite detractors?**

4 Adaptability & Flexibility

- **Successful entrepreneurs welcome all suggestions for optimization or customization that enhances their offering and satisfies market and customer needs.**
- **Can you be flexible in adapting to dynamic markets and changing customer needs?**

5 Understand the Market

- **Successful entrepreneurs ~~know their market~~ and their product inside and out.**
- **Can you stay aware of changing market needs, competitor moves, and other external factors to avert failure?**

6 Money Management

- **Successful entrepreneurs realize money management is mandatory and plan for present and future obligations.**
- **Can you handle keeping sufficient cash flows after becoming operational?**

7 Planning

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

8 Networking Abilities

- **Successful entrepreneurs find experienced mentors and build networks to seek valuable advice.**
- **Can you create a network to tap for solutions?**

9 Being Prepared to Take the Exit

- **Not every attempt ends in success. Successful entrepreneurs ~~know when to cut their losses~~ and try something different rather than continue to lose money in a failing venture.**
- **Can you leave a venture if it fails?**

10 Self-doubt, but not too much

- **Successful entrepreneurs ~~do gut checks~~.**
- **Can you do this?**
- **Do you want this?**



Micro, Small & Medium Enterprises



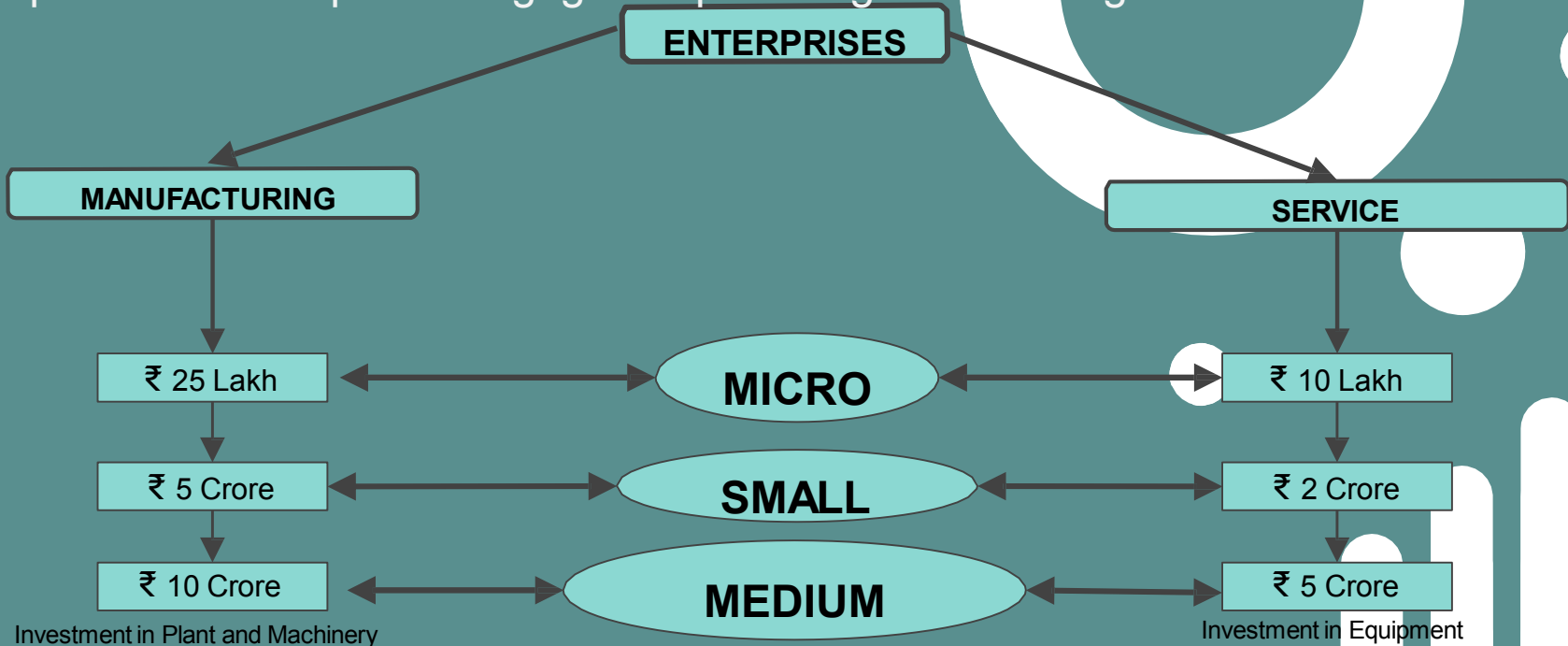
Introduction:



The Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 on June 16, 2006, which was notified on October 2, 2006. With the enactment of the Act 2006, the paradigm shift that has taken place is the inclusion of service sector in the definition of Micro, Small and Medium Enterprises, apart from extending the scope to Medium Enterprises.

Definition:

The MSMED Act, 2006 defines the Micro, Small and Medium Enterprises based (i) on the investment in plant and machinery for those engaged in manufacturing or production, processing or preservation of goods and (ii) on the investment in equipment for enterprises engaged in providing or rendering of Services.



Characteristics of MSME:

- Labour intensive
- Less capital required
- Short gestation period
- Helps in decentralisation
- Greater flexibility
- Large market share
- Employment generation



Role of MSME in Indian Economy

SMEs and their contribution to the growth of India



*Source: Small and Medium Business Development Chamber of India

Importance:

- Facilitates Women Growth
- Brings Balanced Regional Development
- Helps in Mobilization of Local Resources
- Paves for Optimisation of Capital
- Promotes Exports
- Complements Large Scale Industries
- Meets Consumer Demands
- Ensures Social Advantage
- Develops Entrepreneurship



Challenges:

- Finance
- Raw Material
- Idle Capacity
- Technology
- Marketing
- Infrastructure
- Under Utilisation of Capacity
- Project Planning
- Skilled Manpower
- Managerial



Advantages:

- Close Supervision
- Nature of Demand
- More Employment
- Need of small Capital
- Direct Relation between the Workers and the Employers
- Direct Relation between the Customers and the Producers
- Easy Management

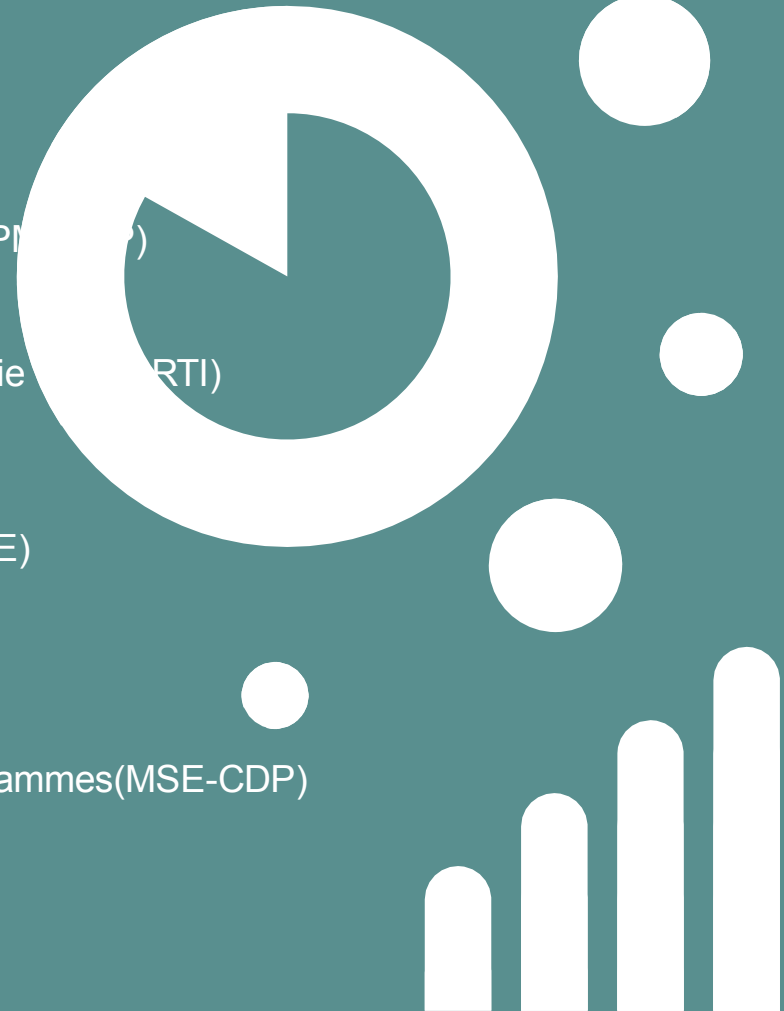
Disadvantages:

- High Cost of Production
- Less Use of Machines
- Lack of Division of Labour
- Difficulty in Getting Loans
- Costly Raw Materials
- Lack of Research
- Competition



Government Schemes

- Prime Minister's Employment Generation Programme(PMEGP)
- National Manufacturing Competitiveness Programme
- ASPIRE
- Scheme of Fund for Regeneration of Traditional Industries(SFURTI)
- Performance & Credit Rating Scheme
- Assistance to Training Institution
- Marketing Assistance
- Credit Guarantee Fund Scheme assists MSE (CGTMSE)
- Credit Linked Capital Subsidy Scheme (CLCSS)
- Coir Udyami Yojana(CUY)
- Coir Vikas Yojana(CVY)
- Mahila Coir Yojana(MCY)
- Micro and Small Enterprise Cluster Development programmes(MSE-CDP)
- Tool Rooms
- International Cooperation



Institutions

Central Government:

- Small Scale Industries Board (SSIB)
- National Bank For Agriculture And Rural Development (NABARD)
- Small Industries Development Organisation (SIDO)
- National Small Industries Corporation (NSIC)
- Khadi and Village Industries Commission (KVIC)
- Small Industries Development Bank of India (SIDBI)

State Government:

- State Financial Corporation (SFC)
- Small Scale Industries development Corporation (SSIDC)
- Technical Consultancy Organizations (TCO)

Non Government:

- Indian Council of Small Industries (ICSI)
- Laghu Udyog Bharti (LUB)





ENTREPRENEURSHIP & MSMEs

PROFILE OF SIDO, SISI, NISC

CONTENTS

- SIDO : Objectives, Mission, Vision of SIDO
- SISI : Objectives & Functions of SISI
- NSIC : Objectives & Functions of NISC



SIDO

- SIDO is a small industries development organization.
- Established in October 1973 as a parastatal organization under now Ministry of Trade, Industry and Marketing.



Objective

- Its objective was to develop the small industry sector in Tanzania.
- It was expected to fulfill a very wide range of functions, from policy formulation to direct support to industries, to hands-on involvement in the establishment of SMEs in both rural and urban areas.



SIDO PROGRAMMES

- MUVI Program
- Waste Recycling
- Artisan Program
- Incubator Program
- WED Program
- Bamboo Program



VISION

- A leading business support organization unlocking potentials for growth and competitiveness of SMEs.

MISSION

- Create, promote and sustain innovative entrepreneurial base by providing SMEs with tailor made services in a businesslike manner

SISI

- Training to small and prospective entrepreneurs.
- 28 SISI's and 30 Branch SISI's set up in state capitals and other places all over the country.
- 40 percent share in total industrial output.
- 35 percent share in exports.



Objectives of SISI

- Initiating steps for technological upgradation and modernization of existing units.
- Expanding the channels for marketing the products of the small scale sector
- Promotion of employment-oriented industries.



Functions of SISI



- Assist existing and prospective entrepreneurs.
- Conduct EDPs all over the country.
- Testing of raw materials and products of SSIs.
- Financial assistance.
- Conduct economic and technical surveys.
- Market information.

NSIC

- The National Small Industries Corporation Ltd., (NSIC), is an ISO 9001 certified company.
- Established in 1955



OBJECTIVE

- To fulfill its mission of promoting, aiding and fostering the growth of small and medium enterprises in the country.
- To enhance the competitiveness of micro, small and medium enterprises, NSIC provides integrated support services under

Marketing

Finance

Technology

Other
support
services

Marketing Support

- Consortia and Tender Marketing
- Exhibitions and Technology Fairs
- Buyer-Seller meets



Credit Support

- Tie-up arrangements with Banks
- Financing for Procurement of Raw Material
- Financing for Marketing Activities