MAR GREGORIOS COLLEGE OF ARTS & SCIENCE

Block No.8, College Road, Mogappair West, Chennai – 37

Affiliated to the University of Madras
Approved by the Government of Tamil Nadu
An ISO 9001:2015 Certified Institution

PG DEPARTMENT OF SOCIAL WORK

SUBJECT NAME: ENTREPRENEURSHIP DEVELOPMENT

SUBJECT CODE: HAW4F

SEMESTER: IV

PREPARED BY: PROF. FR.JOHN PETER

Objectives

- To provide an understanding, nature and process of entrepreneurship development
- To motivate the students to go for entrepreneurship development

Unit 1

Evolution of Entrepreneurship: Nature, Elements, Interactive Process.
Entrepreneur and Entrepreneurship: Importance of Entrepreneurs – Characteristics and Competencies – Enterprise culture – Role of Entrepreneurs in Economic development.

Unit 2

Developing the Entrepreneurship Plan: Environmental Assessment, Opportunities in Education. Components of a plan, skills in planning,

Unit 3

Managing Entrepreneurship Growth: Development stages.Financial aspects of Entrepreneurship.

Unit 4

Entrepreneurship Personality characteristics – Social and cultural determinants. Skills required. Entrepreneurship – Factors related to success and failure – preparation of project proposal.

Unit 5

Small Scale Industry – Definition and meaning – Classification – Characteristics. Importance of SSI.Exports and SSI Sector – financial institutions – SSIs.

1

Evolution of Entrepreneurship:

Etymology

Entreprendre (French) = to undertake

Synonyms

Hindi	=	Bania
Rajasthani	=	Marwaris
Gujarati	=	Vyapari, Sheth
Tamil	=	Chettiar
Telugu	=	Komati
Bengali	=	SubarnaBaniks
Malayalam	=	Moplas
Maharashtra	=	Sheroffs
Vedas	=	Vaishyas

Definitions

1. 16^{th}Century, French men who led military expedition
2. 1700 AD – Cochran = civil engineering activities
3. Bernard Belidor = who buys labour and material
4. Quesnay = rich farmer
5. 18^{th} Century Cantillon = dealer
6. J B Say = Organizer
7. Adam Smith = who provides capital
8. Joseph A. Schumpeter = Innovator
9. Frank Young = Change Agent
10. Noah Webster = Risk bearer, Managing business
11. Peter F. Drucker = change, innovations
12. Arthur Dewing = Promotes ideas into business
13. Robert D. Hisrich = starts a new business, visionary leader
14. Martin Luther King = has a dream
15. Hagen E. E = innovation, problem solving

New Encyclopedia

An entrepreneur is an individual who bears the risk of operating a business in the face of uncertainty about future conditions

An entrepreneur is one who uses the land of one the labour of another and the capital of yet another and makes profit

Theories

1. Richard Cotillions' theory of risk bearing
2. Knight's theory of uncertainty (can not be calculated)
3. J. B. Say = coordination, organization, supervision
4. Schumpeter's theory of innovation
5. McClelland's theory of achievement
6. Peter's theory of opportunity

History

1. 17^{th} century – person who bears risks of profit/loss in a fixed price contract with government
2. 1725 Richard Cantillon – person bearing risk is different from one supplying capital
3. 1797 Beaudeau – who bears risks, planning, supervising, organizing and owning

4. 1803 Jean Baptist Say – separated profits of entrepreneur form profits of capital
5. 1876 Francis Walker – distinguished between those who received profit form managerial capabilities
6. 1934 Joseph Schumpeter – innovator who develops untried technology
7. 1958 Haggen- an economic man who tries to maximize his profits by innovations
8. 1961 David McClelland high achievers
9. 1964 Peter Drucker – maximizes opportunities through systematic innovations
10. 1975 Albert Shapero – takes initiatives, organizes some social, economic mechanisms and accepts risk of failure
11. 1980 Karl Vesper – seen differently by economists, psychologists, business persons and politicians
12. 1983 Robert Hisrich – creating sth different,
13. 1999 Vasant Desai – entrepreneurial activities encompass all fields/sectors and foster a spirit of enterprise for the welfare of mankind

<u>Evolution of Entrepreneurship</u>

1. <u>Past Scenario</u>- (pre-independent)
   - a. Rig veda – Metal Work, handicrafts (Brahmins, kshatria, vaishya, shudra)
   - b. Productions
     - i. Bengal – Silk
     - ii. Ahmedabad – Dothi, dhupatta
     - iii. Nagpur – Silk
     - iv. Kashmir – Shawl, Carpet
     - v. Banaras, Mysore, Kanchipuram – Silk
   - c. East India Company
     - i. Industry – Import and Export
     - ii. Ship building and gun factory in Surat
     - iii. Steel industry in Bombay 1852
     - iv. Cotton textile manufacturing unit
   - d. Swadeshi Campaign (emphasis on indigenous goods)
     - i. In North - Parsis, Vaishyas, Marwaries, Guyanties ran business
     - ii. In South – Rajah MuthiahChettiar, T.V. SundaramIyangar were leading business people
   - e. Ideologies of Mahatma Gandhi in Entrepreneurship
     - i. Swadeshi (be Indian, buy Indian)
     - ii. Importance of agriculture
     - iii. Self reliance
     - iv. Trusteeship (Rich sharing the wealth with poor)
     - v. Swaraj (self rule)
     - vi. Importance of education

1.1 **Nature**

1. Economic activity (production, business, market)
2. Creative activity (job, invention)
3. Purposeful activity (profit)
4. Risk bearing
5. Innovative

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6. Business oriented
7. Organizing functions
8. Gap filling (wants & available resources)
9. Knowledge based practice (higher motive, high achievement)
10. Creation of resources (raw material to production)

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Elements

1. Innovation
2. Risk taking; courage and confident
3. Vision
4. Ethics; character, values, inherent qualities, inner strength etc.
5. Organizing skills; managerial skills, coordination, control, direction and communication

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Interactive Process

1. Makes a decision to start a venture (knowledge, skill, motive)
2. Context (law, economic condition, culture …)
3. Opportunities
4. Venturing
5. Resource mobilizer
   a. Financial, physical, managerial
   b. Seed money, venture fund, growth capital
6. Management (process, people, growth)
7. Strategy

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Entrepreneur and Entrepreneurship:

<table>
<tr><th>Entrepreneur</th><th>Entrepreneurship</th></tr>
<tr><td>Administrator</td><td>Administration</td></tr>
<tr><td>Coordinator</td><td>Coordination</td></tr>
<tr><td>Initiator</td><td>Initiatives</td></tr>
<tr><td>Innovator</td><td>Innovation</td></tr>
<tr><td>Leader</td><td>Leadership</td></tr>
<tr><td>Planner</td><td>Planning</td></tr>
<tr><td>Technician</td><td>Technic</td></tr>
<tr><td>Visualizer</td><td>Vision</td></tr>
<tr><td>Technician</td><td>Technology</td></tr>
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Risk Bearer	Risk bearing Practices
Planner	Planning
Leader	Leadership
Innovator	Innovation
Initiator	Initatives
Coordinator	Coordination
Administrator	Administration

1.5 **Importance of Entrepreneurs**

1. Economic growth
2. Job creating
3. Achievers
4. First movers
5. Re-inventing / organizing
6. Economic prosperity
7. Higher productivity
8. Backbone of capitalist system
9. Visionary leader
10. Ingredient of modern production system

1.6 **Characteristics of Entrepreneur**

1. Organizer – Say
2. Capitalist – Adam Smith
3. Innovative – Schumpeter and Drucker
4. Change Agent – Young
5. Risk taker – Webster, Walker and Knight
6. Opportunist – Drucker an d Dewing
7. Decision maker – Danhof
8. Visionary – Hisrich
9. Leader – Hisrich
10. Dreamer – Luther
11. Problem Solver – Hager
12. High Achiever - McClelland

Competency of Entrepreneur

1. Motive
2. Knowledge
3. Skill

1.7 **Enterprise culture**

Culture comprises the values, norms, practices and behaviours of a company's staff. It describes how the team interacts with colleagues and external stakeholders, and it refers to

	the beliefs and behaviours of staff when performing business transactions. Enterprise culture develops over time from the cumulative traits and attributes of the owners and people the company hires. It describes the ways a company's owners and employees think, feel and act, and corporate culture is often implied and not explicitly defined. The owner of a startup will have a significant influence on the culture of the business by contributing to the set of values, practices and ethics. **The importance of the enterprise culture** Business culture can be a particularly important consideration for small businesses and can play an immense role in the success of such a business. A company with a positive culture may increase employees' commitment and productivity. However, a passive culture may inhibit a company's growth or even contribute to its failure. A healthy business culture attracts stakeholders to deal with the business. **Communicating business culture** Your business culture shows the beliefs and values spelt out in your mission statement. It could consist in part of a corporate symbol, brand and image. This culture is usually reflected in the website, documents, dress code, office setup, employee benefits, turnover, hiring decisions and treatment of clients. It also reflects on the branding, imaging and communication plan of a business. Corporate communication usually reveals the organizational culture through associated logo, brand name, designs, website, writing style or recruitment policies.
1.8	**Role of Entrepreneurs in Economic development.** 1. Increases per-capita income 2. Effects economic development 3. Acts as a change agent 4. Causes regional balance 5. Redistributes the wealth equally 6. Improves export and trade 7. Creates job opportunities 8. Promotes visionary leaders 9. Gives confidence to the poor and needy 10. Encourages innovations
2	**Developing the Entrepreneurship Plan** 1. Make a commitment 2. Analyze oneself 3. Choose the product 4. Researching market 5. Forecasting sales revenue 6. Choosing a site 7. Developing a product plan 8. Developing a market plan 9. Developing an organizational plan 10. Developing a legal plan 11. Developing an insurance plan

	12. Developing an accounting plan 13. Developing Total Quality Management 14. Developing a recruitment plan 15. Developing a financial plan
2.1	**Environmental Assessment** I. Internal 1. Ventures 2. Resources 3. Organizing Structure a. 5 Elements i. Planning ii. Organizing iii. Staffing iv. Directing v. Controlling b. 6 Eleme nts i. Process ii. Research iii. Development iv. Accounting v. Marketing vi. Allocation of work II. External 1. Economical 2. Cultural 3. Social 4. Political 5. Legal 6. Technological 7. Ecological 8. Stakeholders III. SWOT Analysis (Strength, Weakness, Opportunity, Threat) IV. Components of Assessment 1. Suppliers 2. Marketing intermediaries 3. Electronic Commerce 4. Market Types 5. Market Demands 6. Industrial Climate 7. Competitions 8. Financial Institutions V. The need and importance of environmental assessment 1. Crucial activity 2. Identifying changes and threats 3. Formation of strategies

	4. Coping with the demands of environment 5. Early warning system 6. Changes adjustment 7. Choosing right course of action 8. Accurate forecast 9. Planning the procedure 10. Success of venture 11. Coping with dynamic environment
2.2	**Opportunities in Education** 1. To educate the students so as to prepare them for being capable of over coming the general fear of taking risks 2. Propagating / inculcating entrepreneurship awareness amongst students a. Seminars b. Fairs c. Involve in the functions of hostel, mess, book shop etc d. Earn while you learn e. Summer courses 3. Training for project a. Select a product b. Analysis of market c. Study market potentiality d. Cost & Risk e. Pre-feasibility study i. In technical ii. In financial iii. In commercial 4. Project guide should give the students a. Innovative ideas b. Imaginative plans c. Moral ventures d. Should not discourage e. Should not be afraid of hurdles f. Should not have initial inhibitions
2.3	**Components of a plan** **1. Mission** The PO must understand the following three missions to start with. • Who is the customer? • What products do they require? • What is the value system of the business? Every product development is done to fulfill the need of a customer. One needs to know who the customer is? What kind of product do they look for? What is the purpose for which the product is developed? Upon evaluating this it will become easy to move to the next element and this has to be the chief amongst all the components of product planning. Another important thing to be remembered is the mission of the business. Yes, what is the value system of the company? These three things must make the mission for every product

development.

2. Objectives
Then comes the goal which is the destination to be reached at the end of all actions. This is the target to be accomplished. It can be long term and short term. Long term is the end product. The short term remains the result of the iterations. Every planning will be built on this basement called objective. The long term objective will also include the market value of the product developed.

3. Policies
Even though there is an understanding of the mission and a well-defined target, without knowing which policy will support the planning, the planning cannot be completed. Business policies will be applicable in concurrence with the policies of the customer company as well. In short, these are the limitations that must be known to make the right plan. Policies can be basic ones like mentioned as the company policy etc. Some specific policies include the security policy related to the product, the quality policies, and DevOps policies.

4. Budget
Yes, as already mentioned money plays a critical role and is one of the most important components in planning for developing a product. How much can the company afford for development? Whether the company can provide rooms for more team members to complete the entire development in the given time? Also, the fund allocated by the customer for the completion of the development and the time frame in which they can release the payment must be taken into account. The product manager must keep all these points in mind before product planning.

5. Time Frame
Next comes the time available for the completion of the product. It depends on both the internal and external factors. Internal include top management decision and external refers to the schedule offered by the client to complete the work. Only based on this the PO can collectively discuss with the scrum master to decide on the sprint lengths and durations.

6. Resources
We may not call people as elements but they also become a key element in product planning. The availability of resources and their competency plays a vital role in allowing the PO to plan. Yes, the following are the conditions in which resource availability falls into.
a) Strong resource but few in numbers
b) Average resources and many are available
c) New joiners but willing to learn and work hard
Based on the above scenario PO must choose teams to plan for delivery.

7. Innovation
Last but the most important component of product planning is innovation. The client must explain what they need as a result. But the product manager must be capable enough to find ways to innovatively design them in a short time and in an economical way. This is not possible by just one person but the entire team and the top management must take part. It is because the team can give confidence in terms of performance and the business can confirm

	the time and budget allocation. Thus everyone should have a brainstorming session to decide on the innovative ways to make the product.
2.4	Skills in planning 1. Knowledge of urban spatial structure or physical design and the way in which cities work. 2. Ability to analyze demographic information to discern trends in population, employment, and health. 3. Knowledge of plan-making and project evaluation. 4. Mastery of techniques for involving a wide range of people in making decisions. 5. Understanding of local, state, and federal government programs and processes. 6. Understanding of the social and environmental impact of planning decisions on communities. 7. Ability to work with the public and articulate planning issues to a wide variety of audiences. 8. Ability to function as a mediator or facilitator when community interests conflict. 9. Understanding of the legal foundation for land use regulation. 10. Understanding of the interaction among the economy, transportation, health and human services, and land-use regulation. 11. Ability to solve problems using a balance of technical competence, creativity, and hardheaded pragmatism. 12. Ability to envision alternatives to the physical and social environments in which we live. 13. Mastery of geographic information systems (GIS) and office (presentation, spreadsheet, etc.) software.
3	**Managing Entrepreneurship Growth** 1. Know when to grow. According to the Maryland Small Business Development Center's Carey Wilson, planning for business growth involves “a constant reassessment of all operational aspects of the business.” You can only grow your business when indicators, such as market demographics, financial stability and product or service success, show that you are ready, he says; but the indicators won't be the same for all industries. 2. Plan for growth. It's important to know what you want to achieve with your business, says business consultant Emma Wimhurst, author of "Boom: Seven Disciplines to Control, Grow and Add Impact to Your Business". You should be able to state your

	goal in less than 50 words, she says. Although your formal business plan should include details like market research, capitalization and staffing issues, your goals should be clear. The plan should also contain a contingency in case things don't go as expected. "You also need to know when to cut your losses and move on," Wasmund says. 3. Finance growth. According to Wasmund, If you don't learn to manage cash flow well, you risk destroying your business. The U.S. Small Business Administration notes that financing growth can come from raising equity capital from investors, but the primary source of capital for small businesses still comes from lenders, such as banks, credit unions and savings and loans. Wasmund says that it is more important than ever for start-up businesses to work on developing a good relationship with their bank manager. 4. Delegate. Many entrepreneurs think they can handle growth by themselves, but that's a mistake says Wasmund. "Force yourself to delegate, invest in quality people you can trust and put stringent reporting in place so you've always got a finger on the pulse," she says. Margaret Heffernan, an entrepreneur-in-residence at the University of Bath in England, suggests hiring based on attitude rather than skills and then making sure that your employees all know the values of the company. 5. Analyze your growth. It's important to know whether your business' growth is because of something that you're doing right or if you're simply being lifted by a rising market, says Heffernan. Growth can hide potential problems as well; for instance, you may currently lack competitors, have an inferior product that is benefiting from a great sales team or you may be relying too much on a single buyer. As with a neglected child, you ignore the growth of your business at your peril.
3.1	**Development stages** **Stage 1: The Birth of Your Start-Up:** This is the beginning of the entrepreneurship cycle of an entrepreneur. It is filled with mixed emotions of excitement, thrill and fear all at the same time. It is time you are seeking independence in the business world and ready to create your own name in the market. You have had a million dollar idea for your startup, but you are not quite sure how to execute it at this stage. But you have a clear vision and a clear mission. **Stage 2: Surviving and Growing Your Business:** This is the stage where you have successfully launched your new company, and now you are looking for strategies to survive in the industry. Some entrepreneurs look for investors who could fund their start-ups while some others chose to stay independent. Both have their pros and cons. While choosing to stay independent will give you more power and control over your start-up, it will put you in a tricky financial situation. The main aim of this stage is survival. You have to select what is best for you. **Stage 3: The Hyper Stage:** When your company is seeing hyper growth suddenly, you will not be in control of the outcomes. At this stage, many start-ups go into trouble because

	entrepreneurs start getting over confident having seen success. They feel that there is nothing they could do wrong. Those who get cocky at this stage end up being blindsided. Some entrepreneurs start celebrating and enjoying in this stage and completely forget about their desired goals and missions. To survive this stage, you have to be stable. Your start-up has to be stable. **Stage 4: The Prime Stage:** When your company has crossed the point of survival and stability that is when real success is reached. This is the more predictable growth phase. It is best to stay in his phase as long as you can. You realize that other businesses and companies can make you stronger because they themselves are strong enough. You start to explore partnerships with other companies. You form inter depended relations with other successful companies. This keeps your company in its prime and enhances your growth opportunities. **Stage 5: Aging and Early Decline:** A situation might come up where one of the most significant faces of your company moves out or your partnerships with others dont work out. Someone else might have come up with a better idea in the market, and your idea might have become useless. This leads to your business and company being disrupted. At this stage, you can do one of two things: You can either restart your journey to unwind what you began, or you can disrupt your company. **Stage 6: Illness and Rapid Decline:** This phase should be expected if you are too late in figuring out the early signs of decline. This happens when your team is no longer sure what they are supposed to do, or it is unable to fix the problems that come up. If you don’t take action immediately, it will lead to fears, uncertainties and doubts setting in. The company is sure to fail and decline if no action is taken. **Stage 7: Death:** There are times when no matter how hard we work to make a start-up work, it just fails. Sometimes you are so deep into the hole that has been created due to bankruptcy or restrained cash flow, that there is no way to dig yourself out. At times like these, the best option is to shut your business down because it is leading nowhere. Take it down before it takes you down with it. It is better to be well informed and well researched before entering the world of entrepreneurships and start-ups. Know what you’re doing and stay focused on your goals.
3.2	Financial aspects of Entrepreneurship. 1. **Community Development Finance Institutions (CDFI)** Across the country, there are thousands of nonprofit Community Development Finance Institutions (CDFIs) that are providing capital to small and micro-business owner intelligent standings. They help those who want to start a business yet struggling on where to access the capital they need to thrive and grow. Some lenders have their rule and regulations about the people who can lend, if they see “poor credit” then the decision is a “no” pile. But in CDFI lender they look in a different way. They understand the unfortunate thing happen to a good person, money-wise and responsible borrowers. 2. **Venture Capitalist** Venture Capitalist is the group of people who take part in the proprietorship of the company

in exchange for capital. The percentage of proprietorship when it comes to capital are mostly based on the company's assessment. Some other benefits are additional resources like hands-on support and a representative of the venture capital firm on your board of directors.

3. **Partner Financing**

Partner Financing is a good alternative because you can be partners with a company in a similar industry or interested industry in your business and the company you will be partnered are usually be a large company. Most large companies have their loyal customers, marketing programming and salespeople that can make you to the top. Assuming that your good service and product are compatible with them, they will surely invest.

4. **Angel Investors**

Angel investor is an individual investor who is interested to invest in a startup business. They have the same business proposal model with the venture capital in securing a loan but the angel investor is more likely to have a greater element of human interest. Because they are an investor who is a lot interested in an equity stake in your company.
Aside form fund, guidance, and assistance are what they offer. Because what is the use of letting them borrow money if you will not guide them on how to use it properly. They provide technical and operational knowledge to a startup business.

5. **Factoring/Invoice Advances**

Factoring/Invoice Advances is a way of paying back the customer with the settled bill and a service provider that will invoice the money to be billed out. And it is also a way to keep the business ongoing while waiting for the customers to pay the balance. The goal of factoring advances is to help the entrepreneurs to grow their businesses.

6. **Grants**

Grants only provide funds to the small businesses which are focused on science researches. The government required those who have a high potential for commercialization to meet their federal research and development goals.

7. **Family and Friends Financing**

Asking for a family or friends to invest in your business is risky. Your strong relationship with them will be in danger because the money you borrow can be the reason for your fights and misunderstandings especially when you cannot give back the money you borrow on time.

8. **Small Business Investments Companies**

Small business investment companies are licensed to provide funding to small businesses. It is very competitive and strict when it comes to requirements.

9. **Mezzanine Financing**

Mezzanine financing that utilizes both debt and equity is truly a hybrid form of funding.
If the company goes well, they will just simply pay back the loan. But when the company didn't succeed then the ownership will be passed to the mezzanine.

10. **Royalty financing**

	Royalty financing has a less formal procedure than venture capital and angel investor. And it all depends on the future sales of a product. Royalty financing allows the entrepreneur to gain capital without the condition of giving up the ownership of the small business. Because the founder of this wants to help motivate those entrepreneurs to be successful. **Conclusion** What you can read is 10 nonbank lists of where you can borrow fund for your business. Make sure to choose wisely and consider fast business lending & working capital before picking a company to lean on. Before borrowing some money to use as capital in your startup businesses, you should plan first and think of the consequences. Taking the risk to make more money is dangerous especially when other people are involved. Make sure you can multiply the money and pay all the dept. And one thing more is that you should be confident in starting a business, this is not a game, take it seriously and responsibly.
4	**Entrepreneurship Personality characteristics** **10 Important personal characteristics of entrepreneurs** Some say that entrepreneurs are born, not made. Whether you believe this or not, there are some personality traits that many successful entrepreneurs share. Related: Infographic on the rise of women entrepreneurs **What are successful entrepreneurship characteristics?** Being an entrepreneur requires much more than big ideas. A true entrepreneur possesses a unique cocktail of skills and characteristics that enable them to beat the odds and go after their dreams full throttle. But what are those attributes? What does an entrepreneur need to succeed? It would be nice to have a handbook to tell us whether or not we have the ‘E factor’ that makes a great entrepreneur. But the truth is, there’s no discernible formula for success, but there are a few traits that successful entrepreneurs tend to have. Some people may be born with the traits, but those who are not can often develop them. Here are some of the personal characteristics that successful entrepreneurs have, with tips along the way to help you develop them. **1. Entrepreneurs are goal-oriented** Entrepreneurs are all about setting goals and putting everything they have into achieving them. They’re determined to make their business succeed and will remove any obstacles that stand in their way. They also tend to be strategic in their game plans and have a clear idea of what they want to achieve and how they plan to do it. How to become goal-oriented: • Create short and long term goals for your business. Short-term goals are those you can complete in an hour, a day, or as long as a week. Long-term goals might take you a year or longer. • Whenever you have a choice to make about what to focus on, choose the thing that will help you make the most progress toward one of your goals.

2. **Entrepreneurs are committed to their business**

Entrepreneurs are not easily defeated. In fact, they view failure as an opportunity for future success. If they don't succeed the first time, they'll continue to try until they do. Most entrepreneurs don't take 'no' for an answer.

How to remain committed:

- Each time you run up against an obstacle, rather than thinking that your idea won't work or thxat you've failed, think about what you can learn from the experience.
- Figure out another way to reach your goal from where you are.
- Remember that many successful entrepreneurs fail several times before they succeed.

Related: 6 Signs of committed entrepreneurs

3. **Entrepreneurs are hands-on**

Entrepreneurs are inherently proactive and know that if something needs to get done, they should do it themselves. They are 'doers' and tend to have very exacting standards. They view their business as an extension of themselves and like to be present in day-to-day operations – even when they don't have to be.

How to stay hands-on: Having a business that grows to the point where you can't do everything yourself is a good problem to have. But it's still important to know how things are being done. Consider:

- Spending some time with each of your key people at least once a month to make sure you know how they're doing their work.
- Filling in for people when they go on vacation just to keep your hand in it.

4. **Entrepreneurs thrive on uncertainty**

Not only do entrepreneurs thrive on facing a new challenges, they remain calm in the face of those challenges. Sometimes things go wrong in business, and when they do, it's your job as the head of the company to keep your cool. Successful entrepreneurs know this and flourish in the wake of a challenge.

How to thrive on uncertainty: Manage uncertainty in three steps.

- When the unexpected happens, stop and take a deep breath.
- Think about how you can solve the problem, and how you can learn from it.
- Remember your goals. How can you continue to move toward them despite this uncertainty?

5. **Entrepreneurs continuously look for opportunities to improve**

Entrepreneurs view every event or situation as a business opportunity, and they're constantly generating new and innovative ideas. They have the ability to look at everything around them through the lens of their goals, seeing opportunity everywhere.

How to continuously improve: Outside-the-box thinking doesn't come naturally to everyone, but you can practice it.

- Each time you do something – whether it's ordering supplies, making a sales call, or creating a new product – ask yourself if there's a way you could do it better.
- If you have employees, reward them for making suggestions that lead to improvement.

Related: How to continue to improve

6. **Entrepreneurs are willing to take risks**

Most entrepreneurs don't ask themselves whether or not they will succeed – they believe they will. This innate confidence allows them to take risks because they firmly believe those risks will pay off.

How to practice taking risks:

- When deciding whether or not to take a risk, ask yourself, "What is the worst thing that could happen?" and then, "How likely is it that the worst thing will happen?" The answers to these two questions can inform your decision.
- If the worst possible outcome is not really that bad, or is extremely unlikely, it's probably a risk worth taking.

7. Entrepreneurs are willing to listen and learn

The most important part of learning is listening – and a good entrepreneur will do this in abundance. They also know that they can learn something new from just about everyone they meet, so they don't hesitate to ask questions.

How to listen and learn:

- When talking to people about your business, make sure you're asking more questions than you're answering.
- You should be trying to learn something from every interaction, whether it's with a customer, a supplier, an employee, or someone you just met.

8. Entrepreneurs have great people skills

Entrepreneurs tend to have strong communication skills, and this strength, combined with their passion for their product or service, helps them to talk to anyone and everyone about their business. They're also natural leaders who can motivate, inspire, and influence those around them.

How to develop people skills: This is another skill that many people think you need to be born with, but it can be learned.

- Start by making an effort to strike up a conversation with someone you don't know.
- Ask open-ended questions.
- Continue the discussion based on their answers to you questions.
- As long as you're asking more questions than you're answering, you'll likely keep their interest.

9. Entrepreneurs are inherently creative

This is one trait that, due to their nature, entrepreneurs tend to have in abundance. They can come up with ingenious ideas and also have the ability to turn those ideas into profits.

How to harness your creativity: People who don't consider themselves creative can sometimes be intimidated by those whose creativity is apparent. But this trait can also be built by practice.

- When faced with a problem, start by writing down every possible solution.
- Make it a point to include solutions you think will never work – the more outlandish the better.
- The one you settle on probably won't be one of these, but it will get you into the habit of considering every possible scenario.

10. Entrepreneurs are passionate and positive

	Passion may be the most important trait of the successful entrepreneur. They genuinely love what they do and are willing to put in the extra hours to make their business grow. They get a sense of satisfaction from their work that goes beyond making money. How to be passionate and positive: • Choose a product or service that you're genuinely interested in. • You must be convinced that your business solves a real need in a way that will improve people's lives. • Once you are sure about that, it's easy to be passionate and positive about what you do. Related: Former teachers turn passion for art into full-time career Very few people are born with all of these characteristics – most people have to work at developing at least some of them. But there are books, courses, and webinars to help you learn. So what are you waiting for? Guest bloggers Andrew Patricio and Stefanie Neyland, small business experts at BizLaunch.com, contributed to this article.
4.1	Social and cultural determinants 1. Joint family system; caring, bearing, joint ownership 2. Caste system; Baniya, Marwadi, Chettiar, Komti 3. Salaries / employed, jobs preferred 4. We prefer leisure than work 5. Entrepreneurs are not given due respect 6. Education does not give importance to entrepreneurship
4.2	Skills required. Entrepreneurship **1. The ability to manage money.** Very simply, if you can't manage money, you can't manage a business. Do you know where your money goes each month? Do you live off less than you earn? If the answer to these questions is no, you'll struggle to manage a business budget as well. **2. The ability to raise money.** Once you can manage money, can you get more? In order to get investment, you need to not only understand where to get money, but how to convincingly make a case that your business is a good risk as well. **3. The ability to relieve stress.** Stress is no laughing matter. If you allow yourself to get frustrated and upset by setbacks, you'll struggle as an entrepreneur. Learning how to use stress to your benefit is essential. **4. The ability to be productive.** This is a big topic, because there's no one right way to be productive that works for everyone. Learn about your peak energy times, your routines, and the productivity tools that work for you in order to create your own plan for success. **5. The ability to make entrepreneur friends.**

According to entrepreneur Jim Rohn, "You are the average of the five people you spend the most time with." So who do you want to be? Improve your odds of success by finding entrepreneur friends who will be able to understand your struggles and give you much needed insight.

6. **The ability to identify strengths and weaknesses.**

As a business owner, you don't need to be perfect at everything. You do, however, have to understand where you're strong and where you're weak. Assessing this will inform everything from the business decisions you make, to the partners you bring on, and to the employees you hire.

7. **The ability to hire effective people.**

Speaking of hiring, this is easily one of the most important skills any entrepreneur could have. Having great people on your team will give you access to new strengths, while also building a company culture that people want to be a part of. Hiring the right people is essential to get where you want to go.

8. **The ability to train new staff.**

When you bring on someone new, a robust onboarding process will ensure that they know what to do and not do. Not only will this help keep your company moving the correct direction, it will increase the commitment level of good employees and give you grounds to follow up on misconduct.

9. **The ability to manage staff.**

Once you have the right people, you need to manage them well. Early on in your business's growth, you'll be everyone's manager, so it pays to be effective. If you don't already know how to manage, take the time to learn how to motivate, encourage, and develop your staff.

10. **The ability to conduct basic SEO.**

In the beginning, you'll be doing the work of every business department. With that in mind, do you understand basic SEO and digital marketing? If not, you'll want to brush up on this area before you launch a business.

11. **The Ability to A/B split test.**

A split test is a simple process that involves running a scenario two ways to test a possible change. It's commonly used to make websites effective, but it can be used in many areas of project management and marketing as well.

12. **The ability to connect via social networking.**

Along with SEO, social networks represent a key part of any business's marketing strategy. Not only will you need to understand each platform, you'll want to arm yourself with the best strategies for getting your startup and personal brand noticed on each one.

13. **The ability to focus on your customers.**

To be clear, without customers, you have no business. Make sure all of your pitches, products, and services are focused on actual customer needs. If you don't know what these are, research and ask questions so that you're able to give great customer service.

	14. The ability to close a sale. Letting customers know you understand their pain is important, but asking for the sale is where many entrepreneurs get stuck. If you're nervous about this step, try enrolling in a sales workshop to learn these much-needed skills. **15. The ability to spot new trends.** Business moves fast, so you've got to have the ability to see changes coming in your industry. Make it a point to keep up to date on new startups and the advances in technology that could be poised to disrupt your field. **16. The ability to deal with failure.** No business venture is a straight line to success; knowing how to deal with ups and downs is essential. Remember that every successful person out there failed dozens of times before getting a win. Failure isn't the end - it's just a data point on the way to success. **17. The desire to improve your world.** In the end, the best and most enduring motivation is to make a positive change in the world. When you focus your business and your success on that top priority, you'll find yourself ready to weather any storm to meet the goal. Don't let this list intimidate or discourage you. Being an entrepreneur is a big task, but all of these skills can be learned. If you notice one you're lacking in, go get it! Your eventual success depends on it.
4.3	Factors related to success 1. Right climate 2. Flow of capital 3. Good fiscal (economic) policy 4. Supply of skilled personal 5. Advanced technology 6. Proper motive 7. Supportive policies and programs 8. Link between business and research **9.** Innovation
4.4	Factors related to failure 1. Traditional ideologies 2. The social system 3. Uneconomic culture 4. Unproductive expense 5. Lack of entrepreneurial spirit 6. Education system 7. Distrust in new ideas 8. Inequalities of income and wealth 9. Lack of infrastructure 10. Lack of motivation and training 11. Lack of technology

	12. Burocracy 13. Lack of govt. facilities 14. Resistance against innovation 15. Monopolistic tendency 16. Competition by multinational companies 17. Bribe 18. Slow process of govt. 19. Strict rules of govt. and banks 20. Lack of women entrepreneurs 21. Lack of rural entrepreneurs 22. Lack of exports 23. Lack of experts
4.5	Preparation of project proposal. **Tips for writing Successful Proposals** • Building credibility goes a long way in getting that grant. Use your board members and advisors to 'advertise' your proposal (and set up an advisory board if you don't have one already!). • Funding organizations work in grant cycles, disbursing grants one to three times a year. So, if you fail for the current grant, you can always apply for the next round. • It is important that the requested budget is within the limits of the funding organization's limits. Check their annual reports or similar documents to see the average size of funding made available. • Make sure to write a proposal that is within the limits of your organization's capacities and competencies. And within the limits of the budget requested. • Make sure you have clearly outlined exactly what is intended - do not use grand language without the substantial details of the exact impact that is intended, or benefits for the target groups. Ask friends and advisors to check the proposal. • Make sure you have fully studied and understood the priorities of the funding organization, and the reasons they are providing funds. • Many times, key wordings and well articulated proposals help convince the funders of its viability and impact. Again, link it strongly to the priorities of the funding organization, but don't quote it verbatim! • Most funding organization have clear guidelines, instructions and guides on their funding procedures. Many times they are targeted at a particular group, for a particular purpose or a region. • Since many organizations apply for funding make sure your proposal and application form is correct in all respects and follows the procedures properly. **Specimen of Project Proposal (Format)** **Section A: - General Information** It includes: • Title of the project • Organization details :- name, address, contact-person, legal status, bankers,

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the activities
Project details: - problem, size of the problem, project area, existing facilities in the project area etc.
Budget: - resources requirements and availability of funds.

Section B: - Organization

Organizational background
Organizational structure
Area covered
Activities in the previous three year
Participants
Beneficiaries

Section C: - Propose Project

Target area
Objectives (specific , general)
Activities and plan
Implementation strategy at central level, inter-mediate level and grass root level
Staffing
Training and development
Survey and evaluation
Project co-ordination and management

Section D: - Budget

Resource requirement for staff, transport, infrastructure and finance
Source of funds
Sustainability of project without outside support. That is internal generation of funds, maximum utilization of volunteers, voluntary donation in kind, sale of project services, and investment of surplus.

Section E:-

Procedures for monitoring and evaluation of project activities
Indicators year wise
Expected impact of the project on target beneficiaries, community and society at large
Conclusion.

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<tr><td>5</td><td>Small Scale Industry</td></tr>
<tr><td>5.1</td><td>Definition
Small Scale Industries (SSI) are those industries in which the manufacturing, production and</td></tr>
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	rendering of services are done on a small or micro scale. These industries make a one-time investment in machinery, plant, and equipment, but it does not exceed Rs.10 crore and annual turnover does not exceed Rs.50 crore. **Meaning** Small scale industries are referred to as those industries in which the process of manufacturing, production and servicing are done on a small scale. The investment on such industries is one time and these investments are mostly done on plant and machinery, the total investment on such industries do not exceed 1 crore. In small scale industries, the manufacturing of goods and rendering of services are done with the help of smaller machines and very limited manpower. Small scale industries or SSIs are known as the lifeline of an economy, which is very important for a country like India. Being a labor intensive industry, it is very helpful in creating employment opportunities for the population of the country. They are also a crucial part of an economy from a financial standpoint, as they help in stabilizing the per capita income of the country
5.2	Classification 1. Manufacture industries 2. Feeder industries 3. Serving industries 4. Ancillary to large industries 5. Mining or quarrying industries
5.3	Characteristics. 1. One man show 2. Knows everything of business well 3. Gets profit fast 4. Scope is local 5. Uses local resources 6. Low investment 7. Stops rural population's migration 8. Open for changes
5.4	Importance of SSI. 1. Fast employment 2. Removes unemployment 3. SSI is in all the villages 4. To develop backward areas 5. Brings regional balance 6. Equitable distribution of income 7. Resource mobilization 8. Improves the life of people
5.5	Exports and SSI Sector SSI Sector plays a major role in India's present export performance. 45% to 50% of the Indian export is being contributed by SSI sector. Direct exports from the SSI sector

	account for nearly 35% of total exports. The number of small scale units that undertake direct exports would be more than 5000. Besides direct exports, it is estimated that small scale industrial units contribute around 15% to exports indirectly. This takes place through merchant exporters, trading houses and export houses. They may also be in the form of export orders from large units or the production of parts and components for use for finished exportable goods. It would surprise many to know that non traditionalproducts account for more than 95% of the SSI exports. The export from SSI sector has been clocking excellent growth rates in this decade. It has been mostly fueled by the performance of garment, leather and gems and jewellery units from this sector. The lucrative product groups where the SSI sector dominates in exports are sports goods, readymade garments, woolen garments and knitwear, plastic products, processed food and leather products
5.6	Financial institutions 1. Tax benefits under income tax 2. Exercise duty 3. Sales tax 4. Electricity tariff 5. Octroi **6.** Subsidies **a.** **Incentives**; is a general one and includes concessions, subsidies and bounties **b.** **Subsidies**; denotes a single lump sum which is given by government to an industry c. **Bounty**; denotes bonus or financial aid which is given by a govt. to an industry to help it to compete with other units or in a nation or in a foreign market