

### UNIT-3

Subject Name	Subject Code	Semester	Prepared by
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#### **Entrepreneurship Development Programmes:**

##### **Meaning:**

As the term itself denotes, EDP is a programme meant to develop entrepreneurial abilities among the people. In other words, it refers to inculcation, development, and polishing of entrepreneurial skills into a person needed to establish and successfully run his / her enterprise. Thus, the concept of entrepreneurship development programme involves equipping a person with the required skills and knowledge needed for starting and running the enterprise.

##### **Need for EDPs:**

That, entrepreneurs possess certain competencies or traits. These competencies or traits are the underlying characteristics of the entrepreneurs which result in superior performance and which distinguish successful entrepreneurs from the unsuccessful ones.

Then, the important question arises is: where do these traits come from? Or, whether these traits are in born in the entrepreneurs or can be induced and developed? In other words, whether the entrepreneurs are born or made? Behavioural scientists have tried to seek answers to these questions.

A well-known behavioural scientist David C. McClelland (1961) at Harvard University made an interesting investigation-cum-experiment into why certain societies displayed great creative powers at particular periods of their history? What was the cause of these creative bursts of energy? He found that 'the need for achievement (n' ach factor)' was the answer to this question. It was the need for achievement that motivates people to work hard. According to him, money-making was incidental. It was only a measure of achievement, not its motivation.

In order to answer the next question whether this need for achievement could be induced, he conducted a five-year experimental study in Kakinada, i.e. one of the prosperous districts of Andhra Pradesh in India in collaboration with Small Industries Extension and Training Institute (SIET), Hyderabad.

This experiment is popularly known as 'Kakinada Experiment'. Under this experiment, young persons were selected and put through a three-month training programme and motivated to see fresh goals.

One of the significant conclusions of the experiment was that the traditional beliefs did not seem to inhibit an entrepreneur and that the suitable training can provide the necessary motivation to the entrepreneurs (McClelland & Winter 1969). The achievement motivation had a positive impact on the performance of entrepreneurs.

In fact, the 'Kakinada Experiment' could be treated as a precursor to the present day EDP inputs on behavioural aspects. In a sense, 'Kakinada Experiment' is considered as the seed for the Entrepreneurship Development Programmes (EDPs) in India.

The fact remains that it was the 'Kakinada Experiment' that made people appreciate the need for and importance of the entrepreneurial training, now popularly known as 'EDPs', to induce motivation and competence among the young prospective entrepreneurs.

Based on this, it was the Gujarat Industrial Investment Corporation (GIIC) which, for the first time, started a three-month training programmes on entrepreneurship development. Impressed by the results of GIIC's this training programme, the Government of India embarked, in 1971, on a massive programme on entrepreneurship development. Since then, there is no looking back in this front. By now, there are some 686 all-India and State level institutions engaged in conducting EDPs in hundreds imparting training to the candidates in thousands.

Till now, 12 State Governments have established state-level Centre for Entrepreneurship Development (CED) or Institute of Entrepreneurship Development (IED) to develop entrepreneurship by conducting EDPs. Today, the EDP in India has proliferated to such a magnitude that it has emerged as a national movement. It is worth mentioning that India operates the oldest and largest programmes for entrepreneurship development in any developing country.

The impact of India's EDP movement is borne by the fact that the Indian model of entrepreneurship development is being adopted by some of the developing countries of Asia and Africa. Programmes similar to India's EDPs are conducted in

other countries also, for example, 'Junior Achievement Programme' based on the principle of 'catch them young' in USA and 'Young Enterprises' in the U. K.

**Objectives of EDP:**

**The major objectives of the Entrepreneurship Development Programmes (EDPs) are to:**

- a. Develop and strengthen the entrepreneurial quality, i.e. motivation or need for achievement.
- b. Analyse environmental set up relating to small industry and small business.
- c. Select the product.
- d. Formulate proposal for the product.
- e. Understand the process and procedure involved in setting up a small enterprise.
- f. Know the sources of help and support available for starting a small scale industry.
- g. Acquire the necessary managerial skills required to run a small-scale industry.
- h. Know the pros and cons in becoming an entrepreneur.
- i. Appreciate the needed entrepreneurial discipline.
- j. Besides, some of the other important objectives of the EDPs are to:

k. Let the entrepreneur himself / herself set or reset objectives for his / her enterprise and strive for their realization.

l. Prepare him / her to accept the uncertainty in running a business.

m. Enable him / her to take decisions.

n. Enable to communicate clearly and effectively.

o. Develop a broad vision about the business.

**The entrepreneurship development programme (EDP) normally runs through three important phases followed by EDP evaluation:**

Phases of Entrepreneurial Development Programme An entrepreneurial development programme consists of three broad phases: 1. Pre-training Phase 2. Training Phase 3. Post-training Phase

**1. Initial Phase :** This phase includes the activities and the preparations required to launch the training programme. The main activities of this phase are: (a) Arrangement of Infrastructure for training (b) Preparation of training syllabus and application form (c) Tie up of guest faculty (d) Designing tools and techniques for selecting the trainees (e) Formation of selection committee (f) Publicity campaign for the programme Thus, initial stage involves the identification and selection of potential entrepreneurs and providing initial motivation to them.

**2. Training Phase :** In this phase the training programme is implemented to develop motivation and skills among the participants. The objective of this phase is to bring desirable changes in the behaviour of the trainees. The trainers have to

judge how much, and how far the trainees have moved in their entrepreneurial pursuits. A trainer should see the following changes in the behaviour of participants. (329) (a) Is there any change in his entrepreneurial outlook, role and skill ? (b) Is he motivated to plunge for entrepreneurial venture and risk that is expected of an entrepreneur? (c) What kind of entrepreneurial behaviour does the trainee lack? (d) Does he possess the knowledge of technology, resources and other related entrepreneurial knowledge? (e) Is he skilful in choosing the right project, mobilising the right resources at the right time?

**3. Post-Training or Follow-up Phase :** Under this phase it is assessed that how far the objectives of the programme have been achieved. Monitoring and follow up reveals drawbacks in the earlier phases and suggests guidelines, for framing the future policy. In this phase infrastructural support, counselling and assistance in establishing new enterprise and in developing the existing units can also be reviewed. Selection of Potential Entrepreneurs

**Problems of EDPs:**

EDPs suffer on many counts. The problems and lacunae are on the part of all those who are involved in the process, be it the trainers and the trainees, the ED organisations, the supporting organizations, and the state governments.

**The important problems EDPs face are but not confined to the following only:**

a. Trainer-motivations are not found upto the mark in motivating the trainees to start their own enterprises.

b. ED organisations lack in commitment and sincerity in conducting the EDPs. In some cases, EDPs are used as means to generate surplus (income) for the ED organisations.

c. Non-conducive environment and constraints make the trainer-motivators' role ineffective.

d. The antithetic attitude of the supporting agencies like banks and financial institutions serves as stumbling block in the success of EDPs.

Thus, it is clear that the problems are not with the strategy but with its implementation.

### **Entrepreneurship Development Programme – Course Contents and Curriculum of EDPs**

The course contents of an EDP should be formulated as per the objectives of the EDPs.

**It should consist of the following:**

#### **1. General Approach to Entrepreneurship:**

The participants should be given exposure about the conceptual framework of entrepreneurship role, expectation, Entrepreneurial environment etc. Innovative behaviour related issues should be focused to enlighten the entrepreneurs about their future challenges and prospects. Besides, development agencies should try to design appropriate strategies enabling the potential entrepreneur to tackle different risk inherent in an innovation activity.

**These risks are as follows:**

- (i) Technical risks – the risk of not knowing enough about the technical processes, materials etc.
- (ii) Economic Risks – the risk of market fluctuations and changes in relation to raw materials etc.
- (iii) Social Risks – the risk inherent in the development of new relationship.
- (iv) Environmental Risks – risk which result from environmental changes in the manager's work as an outcome of the new activity.

Moreover, prospective entrepreneurs should be given a detailed information with regard to facilities generally provided by the government and other agencies involved in promotion of entrepreneurship.

**2. Motivational Training:**

Motivational training inputs are meant for developing the motivation of potential entrepreneurs and their enterprise building skills. Besides, motivational inputs also include psychological games, tests, goal setting exercises, role play etc.

The motivational inputs will be aimed at increasing the participants, understanding of the entrepreneurial personality and entrepreneurial behaviour and bring about through self-study, changes in self-concept, value, skills thereby leading to positive entrepreneurial behaviour.

The major motivational inputs may be given in the beginning of the training programme on full time basis though the learning effected through them will be reinforced and used throughout the training programme. The understanding of the entrepreneurial personality and behaviour will be supplemented through interface with one or two successful as well as not so successful entrepreneurs.



### **3. Developing Management Skills:**

Prospective entrepreneurs should be given exposure in different types of management problems. It would sharpen their management skills. The management problems take different forms and the management patterns are peculiar to the situation. So, training for exposing managerial skills will be arranged in keeping the situational requirements. However, managerial aspects should include production planning, labour laws, cost analysis, financial accounting, selling arrangements, taxation laws etc.

### **4. Training for Project Management:**

Project inputs are required to help the potential entrepreneurs to develop their project ideas into bankable projects. They should be given acquaintance with the industrial opportunities in the area and also necessary guidance on product selection. Necessary knowledge about project feasibility, viability and implementation should also be given to the potential entrepreneurs.

Under project preparation, technical feasibility includes selection of technology, availability of raw materials, selection of location and site, availability of plant and machinery, infrastructure facilities, roads, transport, power, manpower/personnel requirement.

Similarly, market analysis, level of competition, capital cost, working capital requirement, estimated cost of production, projected sales volume, profitability estimates, expected rate of return, projected cash flows and break even analysis are different aspects that have to be incorporated in assessing the commercial viability of the project.

Sufficient exposure is necessary with regard to financing of the project. Financing arrangement generally includes sources of financing, promoter's contribution,

level of institutional financing, seed capital, investment subsidy etc. Prospective entrepreneurs should be instructed about the importance of timely implementation of project. They should be given proper training about scheduling of various activities, provision for effective supervision and need for avoiding delay and consequent cost escalation.

#### **5. Structural Arrangement:**

Training inputs also aim at familiarising the participants about the proposed structural arrangement for the business or industrial unit. They should be given adequate familiarisation about government policy regarding development of industries, especially with regard to small scale industries, registration and licensing procedures, forms of organisation like proprietary, partnership, private company and Joint Stock Company, institutional setup etc.

#### **6. Support System:**

In most of the cases, participants are generally first generation entrepreneurs and they do not know about the government and institutional support system. Support system may also be used as motivational inputs to encourage the participants about their future prospects. They should be familiarised with the incentives/concessions available, tax-incentives, tax holiday, backward/zero industries districts concessions, soft loan scheme, special schemes for technicians etc. This should be followed by acquainting them with procedure for approaching government departments and agencies, applying for and obtaining these concessions from them.

#### **7. Factory Visits/In-Plant Training:**

Practical exposure is also necessary. Depending upon their products the potential entrepreneurs may feel the need to gain more knowledge about the production

process etc. by visiting some of the similar units in production. For this purpose, factory visits may have to be arranged.

Similarly, entrepreneurs who select relatively sophisticated products will be expected to have a good idea of the product and the process facilities should be arranged for in-plant training or prototype development on exceptional basis.

### **EDP –Evaluation of Entrepreneurial Development Programme:**

Evaluation of EDPs begins with an assessment of philosophy or the central objective of the programme. The agency conducting the programme must be clear about the purpose underlying entrepreneurial development.

The objective may be to increase the production, to help the entrepreneur for selection of the product or project and for formulation of the project, to uplift certain people, to appreciate the needed social responsibility etc. Evaluation of EDPs means to check-

1. How these programmes do their work properly or not,
2. How many problems are faced by these programmes at the time of implementation?

#### **1. How these programme do their work properly or not:**

**These programmes do their work properly or not, we can measure with the help of following aspects:**

- i. Selection strategy and the Procedure – The success of an EDP depend largely on proper selection of trainees. Evaluation of selection strategy and the procedure is very necessary. The Behavioral Science Centre (India), has been rating the selection of potential entrepreneurs, positive self-concept, initiative, independence, problem solving, hope of success, searching environment and time bound planning.

ii. To measure the financial result of Entrepreneur – In order to judge the financial health of units, return on capital employed, net profit over sales, net profit over net-worth and other ratios were used.

iii. To check the knowledge and ability of the Entrepreneur – For evaluation of the EDP, to check or measure the knowledge and ability of the entrepreneur. It refers to the education, training and experience of the entrepreneur.

iv. To consider the Socio-cultural background of Entrepreneur – It implies the environment in which the entrepreneur was born and brought up. It considers the values and attitudes of the entrepreneur.

v. To consider the Environmental Variables – For evaluation of these programmes, should consider the environmental variables. Environmental variables include Government policies, Market conditions, Availability of technology and Labour situation.

## **2. Problems faced by entrepreneur development programmes:**

EDPs suffer on many counts.

**The problems are the part of those who are involved in process such as:**

i. The trainers

ii. The trainees

iii. The Entrepreneur Programme Organization

iv. The supporting organization

v. The State Government.

There are various problems faced at the time of organizing these programmes.

**These problems are explained as follows:**

**1. Lack of National Level Policy:**

There is no suitable national level policy in India for entrepreneurship development. The Government did not formulate and enforce a policy for the promotion of entrepreneurship. Because of that the entrepreneurship development programmes faced many problems at the time of their organization.

**2. Difficulty in Pre-Training Phase:**

It is also stated that there is ill-planned training methodology inconsistency during that phase, its content sequence, theme and the focus of the programme is not clear. There are large number of problems in that phase such as identification of business opportunities, finding and locating target group, selection of trainee and trainers etc.

**3. Over Estimation of Trainees:**

There are over estimation of trainees by assuming that the trainees have aptitude for self-employment and training will motivate and enable the trainees in the successful setting up of their enterprise.

**4. Time Period of EDPs:**

The duration period of these EDPs varies between 4 to 6 months, which is too short a period to instill basic managerial skills in the entrepreneurs. In that short period the trainees cannot develop their skills those are important for a successful entrepreneurs.

**5. Lack of Infrastructure Facility:**

These programmes are conducted in the rural and backward areas. In that area there are many problems regarding class rooms, guest speaker etc., so that we

can say that the EDPs faced many problems such as – no proper infrastructure facility.

#### **6. Wrong Selection Procedure:**

Because of competition, the institutions not follow uniform method for the selection of trainees or prospective entrepreneurs. Some of institutions are still debating whether to have a proper identification and selection of entrepreneurs for preparing successful entrepreneurs.

#### **7. Absence of Competent Management or Faculty:**

Experience revealed that entrepreneurial failures are mostly due to incompetence faculty and management. There is a problem of non-availability of competent teachers and even they are available, they are not prepared to take classes in the rural and backward areas.

#### **8. Non-Availability of Inputs:**

Non-availability of various inputs i.e., raw materials, power etc., with poor follow up by the primary monetary institutions resulted failing in the entrepreneurship development programmes.

#### **9. Lack of Standardization:**

The course content of training are not proper standardized – It is also another problem that there are not standard even in terms of a broad module being adopted by interventions.

#### **10. Other Problems:**

Those involved in and concerned with the selection and follow up activities have either limited manpower support or a narrow linkage with other support agencies. Training institutions do not have much concern for the objectives

identification and selection of entrepreneurs for preparing successful entrepreneurs.

The problem is that there is a low institutional commitment for local support to the entrepreneurs. There is also a very low level of involvement in the marketing of the products of the units. Most of the existing support organizations meant for maintenance operation are not for innovative functions.

There is also an element of cynicism. A re-orientation in the attitude of supporting organization is called forth.

### **EDP INSTITUTIONS IN INDIA AND THEIR FUNCTIONS & INSTITUTIONAL SUPPORT TO ENTREPRENEURS:**

Governments-both Central and State, have in the past taken a number of measures for the development of small and medium enterprises. Government has set up a number of development institutions to support entrepreneurs. Some of the institutions assisting entrepreneurs include District Industries Centres (DICs) and Industrial Estate, Small Industries Development Organisation (SIDO), Small Industries Service Institutes (SISI), Small Industry Development Corporation (SIDCO), Entrepreneurial Guidance Bureau (EGB), National Alliance of Young Entrepreneurs (NAYE), National Productivity Council (NPC) and Venture capital funds (VCF). In addition, all India financial institutions-IDBI, IFCI, ICICI-have promoted/sponsored a number of Technical Consultance Organisations (TCOs) to assist small entrepreneurs in different ways. Recently, the Small Industries Development Bank of India (SIDBI) has been established to help small scale units. Besides, agencies like Khadi and Village Industries Commission, Commercial Banks, Cooperative Banks, EXIM Bank and National Science and Technology Entrepreneurship Board undertake promotional activities aiming at support in

entrepreneurship development. Now, what follows in the subsequent pages is the various kinds of support provided by aforesaid institutions to the entrepreneurs to help them establish industries.

### **Small Scale Industries Board (SSIB)**

The Government of India constituted a Board, namely, Small Scale Industries Board (SSIB) in 1954 to advise on the development of small scale industries in the country. The SSIB is also known as Central Small Industries Board. The range of developmental work in small scale industries involves several departments/ministries and several organs of the Central/State Governments.

Hence, to facilitate co-ordination and inter-institutional linkages, the Small Scale Industries Board has been constituted. It is an apex advisory body constituted to render advice to the Government on all issues pertaining to the development of small-scale industries. The Industries Minister of the Government of India is the Chairman of the SSIB. The SSIB comprises of 50 members including State Industry Minister, some Members of Parliament, Secretaries of various Departments of Government of India, financial institutions, public sector undertakings, industry associations and eminent experts in the field.

### **State Small Industries Corporations**

Many State Governments have set up Small Industries Corporations in order to undertake a number of commercial activities. The most important of these activities are distribution of scarce raw materials, supply of machinery on hirepurchase basis, constitution and management of industrial estates, procurement of orders from Government Departments, assistance in export marketing and in certain cases provision of financial, technical and managerial assistance to small enterprises.



### **Small Industries Development Corporation (SIDCO)**

In Tamilnadu SIDCO is the state small industries corporation. It plays a lead role in developing small scale sector. It provides the following facilities to small scale units :

- (a) It makes provision of constructed sheds/plots in industrial estates. These are sold to entrepreneurs on hire-purchase basis or given on rental basis.
- (b) Assistance in procuring some scarce key raw materials like iron and steel, paraffin wax, potassium chlorate, Fatty Acids, etc., through its various distribution centres.
- (c) Financial assistance in the form of subsidies to industrial units in backward areas like Central Investment subsidy, state capital subsidy. Interest-Free sales tax loans, power tariff subsidy and margin money assistance for the rehabilitation of the sick small scale industries.
- (d) Marketing assistance to small entrepreneurs.

### **Small Industries Service Institutes (SISIs)**

The Small Industries Services Institutes (SISIs) are set up to provide consultancy and training to small entrepreneurs-both existing and prospective. The activities of SISIs are coordinated by the Industrial Management Training division of the DCSSI's office. There are 28 SISIs and 30 branch SISIs set up in State capital and other places all over the country.

#### **The main functions of SISIs include :**

- To serve as interface between Central and State Governments.
- To render technical support services.
- To conduct Entrepreneurship Development Programmes.

- To initiate promotional programmes.

The SISIs also render assistance in the following areas :

- (i) Economic Consultancy/Information/EDP Consultancy.
- (ii) Trade and market informations.
- (iii) Project profiles.
- (iv) State industrial potential survey.
- (v) District industrial potential surveyes.
- (vi) Modernisation and inplant studies.
- (vii) Workshop facilities.
- (viii) Training in various trade/activities.

### **District Industries Centres (DICs)**

The District Industries Centres (DICs) were established in May 1978 with a view to provide integrated administrative framework at the district level for promotion of small-scale industries in rural areas. The DICs are envisaged as a single window interacting agency with the entrepreneur at the district level. Services and support to small entrepreneurs are provided under a single roof through the DICs. They are the implementing arm, of the Central and State Governments for various schemes and programmes. Registration of small industries is done at the district industries centres. The organisational structure of DICs consists of General Manager, four Functional Managers and three Project Managers to provide technical service in the area relevant to the needs of district concerned. Management of the DIC's is done by the State Governments. The scheme has now been transferred to the states and from the year 1993-94, funds will not be provided by the Central Government to the States for running the DICs.

**Functions :** The DICs role is mainly promotional and developmental. To attain

this, they have to perform the following main functions :

- To conduct industrial potential surveys keeping in view the availability of resources in terms of material and human skill, infrastructure, demand for product, etc. To prepare techno-economic surveys and identify product lines and then to provide investment advice to entrepreneurs.
- To prepare an action plan to effectively implement the schemes identified.
- To guide entrepreneurs in matters relating to selecting the most appropriate machinery and equipment, sources of its supply and procedure for procuring imported machinery, if needed, assessing requirements for raw materials etc.
- To appraise the worthiness of the various proposals received from entrepreneurs.
- To assist the entrepreneurs in marketing their products and assess the possibilities of ancillarisation and export promotion of their products.
- To undertake product development work appropriate to small industries.
- To conduct artisan training programmes.
- To function as the technical arms of DRDA in administering IRD and TRYSEM programmes.

### **National Small Industries Corporation Ltd. (NSIC)**

The National Small Industries Corporation Ltd. (NSIC), an enterprise under the Union Ministry of Industries, was set up in 1955 to promote, and foster the growth of small scale industries in the country. NSIC provides a wide range of services, predominantly promotional in character to small scale industries.

Its main functions are:

- To provide machinery on hire-purchase scheme to small scale industries.
- To provide equipment leasing facility.

- To help in export marketing of the products of small scale industries.
- To develop proto-type of machines and equipments to pass on to small scale industries for commercial production.
- To distribute basic raw material among small scale industries through raw material depots.
- To help in the development and upgradation of technology and implementation of modernisation programmes of small scale industries.
- To impart training in various industrial trades.
- To undertake the construction of industrial estates.

### **Small Industries Development Organisation (SIDO)**

Small Industries Development Organisation (SIDO) is a subordinate office of the Department of SSI & ARI. It is an apex body and nodal agency for formulating, coordinating and monitoring the policies and programmes for promotion and development of small-scale industries. Development Commissioner is the head of the SIDO. He is assisted by various directors and advisers in evolving and implementing various programmes of training and management consultancy, industrial investigation, possibilities for development of different types of Small scale industries, development of industrial estates, etc. The main functions of SIDO are classified into (i) co-ordination, (ii) industrial development and (iii) extension. These functions are performed through a national network of institutions and associated agencies. All small-scale industries except those falling within the specialised boards and agencies like KVIC, Coir Boards, Central Silk Board, etc. fall under the purview of the SIDO.

Following are the main tasks performed by the SIDO in each of its three categories of functions.

### **Functions Relating to Co-ordination**

- To evolve a national policy for the development of small scale industries,
- To co-ordinate the policies and programmes of various State Governments,
- To maintain a proper liaison with the related Central Ministries, Planning commission, State Governments, Financial Institutions, etc., and  
To co-ordinate the programmes for the development of industrial estates.

### **Functions Relating to Industrial Development**

- To reserve items for production by small-scale industries,
- To collect data on consumer items imported and then, encourage the setting of industrial units to produce these items by giving coordinated assistance,  
To render required support for the development of ancillary units, and
- To encourage small scale industries to actively participate in Government Stores Purchase Programme by giving them necessary guidance, market advice and assistance.

### **Functions Relating to Extension**

- To make provision of technical services for improving technical process, production planning, selecting appropriate machinery, preparing factory layout and design.
- To provide consultancy and training services to strengthen the competitive ability of small-scale industries.
- To render marketing assistance to small-scale industries to effectively sell their products, and

- To provide assistance in economic investigation and information to small scale industries.

### **Entrepreneurial Guidance Bureau (EGB)**

The EGB has, been set up to guide entrepreneurs in identifying investment opportunities, assisting them in selecting locations or the projects, preparing project profiles, assisting them to get financial assistance. EGB has been supplying information pertaining to the products that offer scope for manufacture, statistical details relating to demand, capacity production, sources of raw materials, types of equipments required, investment involved, sources of finance, etc. Information of procedures pertaining to obtaining letters of intent, import of capital equipment, export of finished products is also furnished. EGB also renders assistance from banks/financial institutions or for submitting proposals for the letter of intent, etc. EGB also establishes direct contact with engineering graduates, technically qualified personnel and small entrepreneurs to promote entrepreneurship development. To render required support for the development of ancillary units, and

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### **Khadi And Village Industries Commission (KVIC)**

KVIC was set up in 1953. The primary objective of establishing KVIC is to develop Khadi and Village industries and improving rural employment opportunities. Its wide range of activities include training of artisans, extension of assistance for procurement of raw materials, marketing of finished products and arrangement for manufacturing and/ distribution of improved tools, equipment and machinery to producers on concessional terms. KVIC provides assistance to Khadi and Village industries which are characterized by low capital intensity and ideally suited to

manufacturing utility goods by using locally available resources. There are about 26 specified-village industries such as processing of cereals and pulses, leather, cottage matches, gur and khandsari, palm gur, non-edible oils and soaps, village pottery, carpentry, gobargas, household aluminium utensils, etc. KVIC's policies and programmes are executed through 30 State Khadi and Village Industries Boards, 2320 institutions registered under the Societies Registration Act, 1960 and about 30,600 Industrial Cooperative Societies registered under State Cooperative Societies Act. Activities involving pioneering types of work, such as developing new industries in hilly, backward and inaccessible areas are undertaken by KVIC directly.

**National Institute of Entrepreneurship and Small Business Development (NISEBUD), New Delhi**

It is an apex national level institute of its kind set up at New Delhi in 1983. Its main functions are to coordinate research and training in entrepreneurship development and to impart specialised training to various categories of entrepreneurs. Besides, it also serves as a forum for interaction and exchange of views between various agencies engaged in activities relating to entrepreneurial development

**National Institute of Small Industries Extension Training (NISIET), Hyderabad**

This institute was set up in 1956 to develop the required manpower for running small-scale industries in the country. Accordingly, its main functions are:

- (a) To impart training to the persons engaged in small-scale industries.
- (b) To undertake research studies relating to development of small-scale industries.



(c) To enter into agreements relating to consultancy services both with national and international organisations to provide consultancy services to small industries in the country. The institute conducts courses in business management for the benefit of the entrepreneurs and semi-managerial personnel of small industries. It is located at Hyderabad.

### **Other Institutes Supporting Entrepreneurs**

Following are some of the important institutes set up by the Government for development of small-scale industries :

- (a) Electronic Training and Service Institute, Nainital.
- (b) Central Machine Tools Limited, Bangalore.
- (c) Sports Goods and Leisure Time Equipment, Meerut.
- (d) Central Institute of Plastics Engineering and Tools, Madras.
- (e) National Institute of Foundry and Forging Technology, Ranchi.

### **Technical Consultancy Organisations (TCOs)**

A network of Technical Consultancy Organisations (TCOs) was established by the all India financial institutions in the seventies and the eighties in collaboration with state level financial/development institutions and commercial banks to cater to the consultancy needs of small industries and new entrepreneurs. At present, there are 17 TCOs operating in various states, some of them covering more than one state. These 17 TCOs are:

1. Andhra Pradesh Industrial and Technical Consultancy Organisation Ltd. (APITCO).
2. Bihar Industrial and Technical Consultancy Organisation Ltd. (BITCO).
3. Gujarat Industrial and Technical Consultancy Organisation Ltd. (GITCO).
4. Haryana-Delhi Industrial Consultants Ltd. (HARDICON).

5. Himachal Consultancy Organisation Ltd. (HIMCO).
6. Industrial and Technical Consultancy Organisation of Tamil Nadu Ltd.(ITCOT).
7. Jammu and Kashmir Industrial and Technical Consultancy Organisation Ltd. (J&KITCO).
8. Karnataka Industrial and Technical Consultancy Organisation Ltd. (KITCO).
9. Madhya Pradesh Consultancy Organisation Ltd. (MPCON).
10. Maharashtra Industrial and Technical Consultancy Organisation. Ltd. (MITCON).
11. North-Eastern Industrial Consultants Ltd. (NECON).
12. North-Eastern Industrial and Technical Consultancy Organisation Ltd. (NEITCO).
13. North-India Technical Consultancy Organisation Ltd. (NITCON).
14. Orissa Industrial and Technical Consultancy Organisation Ltd. (ORITCON).
15. Rajasthan Consultancy Organisation Ltd. (RAJCON).
16. U.P. Industrial Consultants Ltd. (UPICO).
17. West Bengal Consultancy Organisation Ltd. (WEBCON).

### **Functions**

Initially, TCOs' functions were focused on pre-investment studies for small and medium scale enterprises. Over the years, they have diversified their functions to include the following:

- To prepare project profiles and feasibility profiles.
- To undertake industrial potential surveys.
- To identify potential entrepreneurs and provide them with technical and management assistance.
- To undertake market research and surveys for specific products.

- To supervise the project and where necessary, render technical and administrative assistance.
- To undertake export consultancy for export-oriented projects based on modern technology.
- To conduct entrepreneurship development programmes.
- To offer merchant banking services.
- A summary view of the progress/performance of TCOs

### **Commercial banks and Entrepreneurial Development**

In recent times commercial banks have not confined themselves to mere extension of finance to small entrepreneurs but have shown genuine concern for their progress and development. They have now entered the challenging field of promoting new small scale entrepreneurs through entrepreneurship development programmes. In their new role as promoters of small scale sector they have accepted yet another challenging task. They are now holding EDPs in collaboration with specialized institutions such as DIC, SISI, TCOs, etc. with a view to identifying entrepreneurs, especially in backward areas, and training and monitoring them to start new ventures.

*The Content in the E-Material has been taken from the text and reference book as given in the Syllabus*