

**EXHIBIT -1**

**TABLE - 1**

**ENTREPRENERUSHIP DEVELOPMENT PROGRAMME**

(Name of the Centre .....)

Date: From ..... To .....

**List of Possible Business Opportunities**

Sl.No.	Possible Business Opportunity	Any Remark
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
.		
.		
.		
n		

**EXHIBIT -2**

**TABLE - 2**

**ENTREPRENERUSHIP DEVELOPMENT PROGRAMME**

(Name of the Centre .....

Date : From ..... To .....

**Interview Statistics at a Glance**

1. Total Number of Candidates Applied .....
2. Total Number of Candidates Called for  
Written test .....
3. Total Number of Candidates Appeared in  
Written test .....
4. Total Number of Candidates Called for  
Interview .....
5. Total Number of Candidates Appeared in  
Interview .....
6. Total Number of Candidates Finally  
Selected .....

Date and Time of Written Test

Place/Venue of Written Test

Duration of Written Test

Date and Time of Personal Interview

Place/Venue of Personal Interview

Number of the Interview Committee Members Present

**EXHIBIT -3**

**ANNEXURES - V & VI**

**ENTREPRENERUSHIP DEVELOPMENT PROGRAMME**

(Name of the Centre .....

**PROFILE OF THE SELECTED/REJECTED CANDIDATES**

Date of Interview:

Place of Interview:

Sr. No.	Name & address	Age (Yrs.)	Edu. Quali.	Exper. (Yrs.)	Present Status	Product Proposed	Own Investment (US \$)	Remarks (Selected/ Rejected)
1	2	3	4	5	6	7	8	9
1.								
2.								
3								
4								
5								
6.								
.								
.								
.								
n								

**EXHIBIT – 4**

**TABLE – 3**

**ENTREPRENERUSHIP DEVELOPMENT PROGRAMME**

(Name of the Centre & Target Group)

**PROFILE OF THE SELECTED CANDIDATE**

I.	Age (in years) *	No. of selected candidates & <u>percentage</u>
	< 25	..... (%)
	25 – 30	..... (%)
	30 – 35	..... (%)
	35 – 40	..... (%)
	> 40	..... (%)
<hr/>		
	Total	(100)
<hr/>		
II.	Sex	No. of candidates & <u>percentage</u>
	Male	..... (%)
	Female	..... (%)
<hr/>		
	Total	(100)
<hr/>		
III.	Caste	No. of candidates & <u>percentage</u>
1	Muslims	..... (%)
2	Christians	.....(%)
3	Others	.....(%)
<hr/>		
	Total	(100)
<hr/>		

IV. Educational Background No. of candidates and percentage

1.	Uneducated	..... (%)
2.	Less than 10 <sup>th</sup> Grade	..... (%)
3.	10 <sup>th</sup> Grade	..... (%)
4.	Graduate (Arts & Commerce)	..... (%)
5.	Graduate (Science)	..... (%)
6.	Post-Graduate	..... (%)
7.	Engineering Degree	..... (%)
8.	Engineering Diploma	..... (%)
9.	MBA	..... (%)
10.	Others	..... (%)

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Total	(100)
-------	-------

---

V. Present Status No. of candidates and percentage

1.	Unemployed	..... (%)
2.	Student	..... (%)
3.	Service (Pvt)	..... (%)
4.	Service (Govt.)	..... (%)
5.	Trade/Business	..... (%)
6.	Apprentice /Trainee	..... (%)

---

Total	(100)
-------	-------

---

VI. Working Experience (in years) No. of candidates and percentage

No Experience	..... (%)
Less than 1 year	..... (%)
1 - 2	..... (%)
2 - 3	..... (%)
3 - 4	..... (%)
4 - 5	..... (%)
5 - 10	..... (%)
More than 10	..... (%)

---

Total	(100)
-------	-------

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VII. Project proposed (at the time of selection)	<u>No. of candidates and percentage</u>
Food and Food Products	..... (%)
Engineering	..... (%)
Chemicals	..... (%)
Textiles/Garments	..... (%)
Electrical/Electronics	. (%)
Drugs & Pharmaceuticals	..... (%)
Others	. (%)
<hr/>	
Total	(100)

VIII. Own Investment (in US \$) or Investment Capacity	<u>No. of candidates and percentage</u>
Less than 1000	..... (%)
1000 – 2000	..... (%)
2000 – 5000	..... (%)
5000 – 10000	..... (%)
10000 – 20000	..... (%)
20000 – 50000	..... (%)
50000- 100000	..... (%)
More than 100000	..... (%)
<hr/>	
Total	(100)

\* Frequency and the list etc. may be modified according to the needs.

**EXHIBIT – 5**

**ANNEXURE – IX**

**ENTREPRENERUSHIP DEVELOPMENT PROGRAMME**

( Name of the Centre .....

Date : From ..... To .....

**TIME TABLE**

Duration: Weeks (Full-time/part-time)

Commencing on: Dated ..... Month ..... Year .....

Time:

Place/Venue:

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<b>Date &amp; Day</b>	<b>Time</b>	<b>Session/Subject</b>	<b>Faculty and Organization</b>
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**EXHIBIT – 6**

**ANNEXURE – X**

**ENTREPRENERUSHIP DEVELOPMENT PROGRAMME**

( Name of the Centre ..... )

Date : From ..... To .....

List of Faculty Members Invited

Sr.No.	Name & Address	Designation	Organization	Specialization
1.				
2.				
3.				
n.				

**EXHIBIT – 7**

**ANNEXURE – XI**

**ENTREPRENERUSHIP DEVELOPMENT PROGRAMME**

(Name of the Centre ..... )

Date: From ..... To .....

List of Factories Visited

Sr.No.	Name & Address of the unit visited	Product	Date & Time
1.			
2.			
3.			
4.			
.			
.			
n.			

## EXHIBIT – 8

### FORMAT FOR FEEDBACK ON SPECIFIC COMPONENTS OF EDP

#### ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

(Name of the Centre .....

Date: From ..... To .....

1. Name of the component:
2. Date:
3. Place: Name of the Trainee  
.....

---

(Please give your frank opinion on the delivery of this component to you. It will help us. Please tick any one of the choices given as a probable answer to each question)

Q.1) How much did you gain from this component?

- a) Gained very much    b) Gained sufficient    c) Not gained much  
d) Gained nothing    e) No comments

Q.2) What is your opinion about the time devoted to this component?

- a) Very short    b) short    c) Adequate  
d) Too long    e) No comments

Q.3) Did you find the component informative?

- a) Yes    b) To some extent only    c) No  
d) No comments

Q.4) Did it fulfil your expectation?

- a) Yes    b) To some extent    c) No  
d) No comments

Q.5) How has this component helped or is going to help you? Write maximum three sentences.

- 1.
- 2.
- 3.

Q.6) Indicate what you liked most in the component. No more than three sentences.

- 1.
- 2.
- 3.

Q.7) Indicate what you did not like in the component. Maximum three sentences.

- 1.
- 2.
- 3.

Q.8) Any comment on the faculty, which delivered the lectures. (Write maximum three sentences).

- 1.
- 2.
- 3.

Q.9) What are your suggestions to improve the contents of the component or make it more effective? Maximum five sentences.

- 1.
- 2.
- 3.
- 4.
- 5.

EXHIBIT – 9

FORMAT FOR FEEDBACK ON GENERAL COMPONENTS OF EDP  
ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

CENTRE:

DATE:

STATE:

TRAINER:

We request you to please:

- 1) Give your own opinions only
  - 2) Do not write your name
  - 3) Be frank and polite. Your opinion will be helpful to us in making our future programmes more successful.
- 

- 1) Who told you about this programme? (Tick Mark)
  - Through Advertisement .....
  - Through friends .....
  - Through Industries Department .....
  - Any other (Please specify) .....
- 2) Are you making continuous & appropriate efforts to fulfil your object for which you have joined this programme? Yes/No
- 3) How much importance you are giving to this programme in your day-to-day affairs?
- 4) Because of this training programme, is there any change in your confidence? Yes/No  
It has increased/decreased  
If so, it is because of
- 5) Regarding this EDP have you ever discussed anything with anybody? With whom and what were their views?
- 6) 

- Duration of training	:	Short/Long/Appropriate
- Timing	:	Convenient/Inconvenient
- Planning of the whole training	:	Excellent/Very good/ Good/ Satisfactory/ Not Satisfactory

**EXHIBIT – 10**

**TABLE – 4 (a,b,c.....n)  
Analysis of the feed-back on various Inputs**

1. Information Inputs (I.I.)

<u>Questions</u>	<u>Answers (No. of Trainees)</u>			
i) Gain from the I.I. (a) Very much (n = )	(b) Sufficient Nos. %	(c) Not much Nos. %	(d) Nothing Nos. %	
	(e) No Comments Nos. %			
ii) Time/Duration of I.I. (n = )	a) Very short Nos. %	b) Short Nos. %	c) Adequate Nos. %	d) Too long Nos. %
	e) No Comments Nos. %			
iii) Informativeness of I.I. (n = )	a) Yes Nos. %	b) To some extent Nos. %	c) No Nos. %	d) No comments Nos. %
iv) Fulfilling Expectation by I.I. (n = )	a) Yes Nos. %	b) To some extent Nos. %	c) No Nos.	d) No comments Nos. %
v) List down all answers without repeating				
vi)				
vii)				
viii)				
ix)				

2. Opportunity Guidance (O.G.)

Repeat above and tabulate according to the answers

- 3. -do-
- 4. -do-
- 5. -do-
- 6. -do-
- 7. -do-
- 8. -do-

3. Out of all experts who were the best 5 experts you find? Why?

NAME	REASON
1.	:
2.	:
3.	:
4.	:
5.	:

4. Out of all experts, whom did you not like and why?

1.	:
2.	:
3.	:
4.	:
5.	:

5. What were your expectations from experts? (Be specific)

6. Your suggestions to improve this programme:

**EXHIBIT – 11**

**ANNEXURE – XVIII**

**ENTREPRENERUSHIP DEVELOPMENT PROGRAMME**

( Centre ..... )

Date: ..... To: .....

Progress of the Trainees as on (date)

Name of the Trainer-Motivator

1	Serial Number
2	Name & address of the Entrepreneur
3	Name & address of the unit
4	Name of the product selected
5	Total project cost (in US \$)
6	Term Loan (in US \$)
7	Working Capital (Rs. lakhs)
8	Subsidy component (in US \$)
9	Own investment (in US \$)
10	Potential employment (Nos.)
11	Infrastructure (water/power)
12	Location (of the unit)
13	Present status of the unit
14	Remarks Need and future course of action

- 1.
  - 2.
  - 3.
  - 4.
  - 5.
  - .
  - .
  - n
-

## EXHIBIT – 12

### ENTREPRENERUSHIP DEVELOPMENT PROGRAMME

(Name of the Centre .....)

#### At a Glance

ADDRESS:

Name of the Trainer-Motivator  
Designation  
Organizations

- 1) Name of the Organization /Implementing Agency
- 2) Sponsoring Organization and address
- 3) Collaborating Organization and address (if any)
- 4) Target Group (Science &Technology, General, Women, Rural, etc.)
- 5) Duration (Part-time/Full-time)
- 6) Date of commencement
- 7) Date of completion
- 8) Number of application forms issued
- 9) Number of application forms submitted
- 10) Number of applicants called for written test
- 11) Number of applicants appeared for written test
- 12) Number of applicants called for interview
- 13) Number of applicants appeared in the interview
- 14) Number of applicants finally selected
- 15) Number of applicants joined the EDP
- 16) Number of trainees completed the EDP
- 17) Number of trainees dropped out
- 18) Number of trainees identified product
- 19) Number of trainees completed market survey
- 20) Number of trainees registered with Industries Centre
- 21) Number of trainees prepared Project Report
- 22) Number of trainees submitted loan application
- 23) Number of trainees sanctioned loans
- 24) Number of trainees started units with own funds
- 25) Number of trainees started units with loans
- 26) Total number of trainees started their units

- 27) Total number of trainees likely to start their units
  - (within 3 months
  - within 6 months
  - within 9 months)
- 28) Date of first follow-up meeting held
- 29) Number of follow-up meetings proposed in coming 6 months

**EXHIBIT – 13**

**LAYOUT OF THE DOCUMENTATION REPORT**

**CONTENTS**

**TITLE**

**ACKNOWLEDGEMENTS**

**EDP AT A GLANCE**

	<u>Page No.</u>
	1
	11
<b>A) <u>CHAPTERS</u></b>	
<u>Chapter No.</u>	
1. Introduction	
2. Pre-promotional Activities	
3. Promotional Activities	
- Promotional Campaign	
- Identification of the Potential Entrepreneurs	
- Outcome of the Promotional Activities	
- Potential Business Opportunities	
4. Selection of the Trainee Entrepreneurs	
- Constitution of the Selection Committee	
- Selection Procedure	
- Profile of the Selected Candidates	
5. Inaugural function	

6. Training Programme
  - Information Input  
Objective, content, methodology and feedback
  - Opportunity Guidance  
Objectives, content, methodology and feedback
  - Behavioural Inputs  
Objective, content, methodology and feedback
  - Managerial Inputs  
Objective, content, methodology and feedback
  - Procedural Inputs  
Objective, content, methodology and feedback
  - Field Visits/ Inplant Training  
Objective, content, methodology and feedback
  - Market Survey  
Objective, content, methodology and feedback
  - Preliminary Project Report  
Objective, content, methodology and feedback
  - Glaring cases of the Trainees
- 7) Feedback on the EDP
  - Reflections of the Trainer-Motivator
- 8) Valedictory Function
- 9) Follow-up
  - Follow-up Committee
  - First Follow-up Meeting
  - Follow-up Plan and Strategy
  - Progress of the Trainees (case by case)
  - Analysis of the Problems
- 10) Conclusion
  - Trainer-Motivators, views on the programme
  - Suggestions for other EDP in that centre (if any)
  - Invention of Do's and Don'ts

B) List of Tables

<u>Table No.</u>	<u>Title</u>	<u>Page</u>
1	List of possible business opportunities	
2	Interview statistics at a glance	
3	Profile of selected candidates	
4 (a,b,n)	Inputwise analysis of the feedback	
5 (a...n)	Feedback analysis of EDP	

C) List of Annexures

<u>Annexure No.</u>	<u>Title</u>	<u>Page</u>
I	Centre Feasibility Report	
II	Persons Contacted during Promotional Activities	
III	Copies of Press Notes, Handbills, Posters, gist of radio announcement	
IV	Copy of the application blank	
V	Individual Profile of the Selected Candidates	
VI	Individual Profile of the Rejected Candidates	
VII	Copy of the Invitation Card	
VIII	News clippings of the Inaugural Function	
IX	Time-table of the EDP	
X	List and Profile of the Guest Faculty	
XI	List and Address of the Factories Visited	
XII	Copy of the Invitation Card for Valedictory Function	
XIII	News Clippings and Photographs of the Valedictory Function	
XIV	Copy of the Certificate for Successfully Completing the EDP	
XV	List of the Members of the follow-up Committee	
XVI	List of the Invitees in the I Follow-up Meeting	
XVII	List of the Invitees Attended Follow-up Meeting	
XVIII	Progress Report of the Trainees up to I Follow-up Meeting	

## CHAPTER 8

### REPORTING TO SPONSORS AND COLLABORATORS

#### **Objective of the Chapter:**

The major objective of the chapter is to make the trainers aware of the need for reporting to the sponsors and collaborators from time to time.

#### **Introduction:**

It is often observed that the programme implementing agencies cannot comply with a minimum of the reporting requirements of the funding agencies. Consequently, they become suspect in the eyes of the donors, despite having committed no wrong; and because they cannot supply the right kind of information at the right time. It primarily happens because most of them think that it is too tedious, and ignore the reporting. In fact, it is not so difficult, if a system is evolved.

#### **Submitting the Action Plan: The First Reporting**

Immediately after signing the memorandum of understanding or acceptance letter, you (the institution) will be required to submit an action plan, whatever is the project. In the case of EDPs you should submit the plan to the sponsors, indicating the schedule of activities, with dates. (*Please see Annexure – I for the Action Plan Format.*)

#### **Submitting the Publicity Material:**

After submitting the action plan, you will start promotional activities to begin with. The sponsors normally expect a few copies of the posters, handbills or pamphlets, depending upon what is used to create awareness about the programme in the area. Please send two copies of the printed material to each of your sponsors and collaborators immediately after their first use.

#### **Post-Selection Information:**

After promotional campaign you organize the interviews to select the trainees for the EDP. Once the interviews are over and the trainees have been selected, you should send brief information on the process, including the constitution of the selection committee and number of candidates appeared and selected (*for Format see Annexure – II*). Also send the details on the candidates selected for the training in a tabular form (*Format of the Table is enclosed as Annexure- III, for ready reference*).

### **Post-Programme Report:**

On completing the programme, send a post-programme report to the sponsors and collaborators, highlighting the main features of the training. You may use the format given to you under the chapter heading 'Documentation of the EDPs'. Subsequently, after three months of completion of the programme, send the first follow-up report (see *Annexure-IV for format*), along with the candidate wise information in tabular form (as mentioned earlier).

Subsequently, send the progress reports and the candidate wise tabular information, as mentioned in the preceding paragraph, every six months to the sponsors and collaborators up to two years after completion of the programme.

### **Final Report and Audited Statement:**

On completion of the two years of follow-up, send the final report to the sponsors and collaborators as per the monitoring proforma which is put as *Annexure – IV*. Along with the final report, also send the claim for final payment of the grant duly audited by a chartered accountant.

### **Format for Monitoring and Reporting of the EDPs:**

We have developed a new format to collect information from the EDP implementing agencies. This is done to streamline the flow of information to sponsor from the NGOs and other agencies. The reporting has to be done periodically. It broadly conforms to our layout of the reporting, mentioned earlier.

## ANNEXURE - I

### ACTION PLAN FORMAT

Name of the Regional Co-ordinator:  
Dtd.

SR. NO	Name & Address of the Institution	Location	Date of Signing the MoU	Date of Launching Promotion Activities	Date of Selection Interview	Dates of Starting and Completion of the Training		Date of First Follow-up Meeting	Formation of Monitoring/ Interview Committee
						Com-menc-ement	Comple-tion		

## ANNEXURE - II

### ENTREPRENERUSHIP DEVELOPMENT PROGRAMME

(Name of the Centre .....

Date: From ..... To .....

#### Interview Statistics at a Glance

1. Total Number of Candidates Applied .....
2. Total Number of Candidates Called for  
Written Test .....
3. Total Number of Candidates Appeared in  
Written Test .....
4. Total Number of Candidates Called for  
Interview .....
5. Total Number of Candidates Appeared in  
Interview .....
6. Total Number of Candidates Finally  
Selected .....

Date and Time of Written Test

Place/Venue of Written Test

Duration of Written Test

Date and Time of Personal Interview

Place/Venue of Personal Interview

Number of the Interview Committee Members Present

**ANNEXURE - III**

**PROFORMA FOR SUBMISSION OF POST-PROGRAMME INFORMATION**

**Location:**

1. Name & Address of the Institution with Tel.No.:
2. Name of the Trainer Motivator:
3. Total candidates trained:
4. Name of the Sponsor:
5. Starting & Completion Dates of EDP:
6. Name of the Regional Co-ordinator :
7. Total Candidates started their ventures:

Sr. No.	Name & Address of the Candidate	Name & Address of the Unit	Starting Date of the Unit	Age of the Trainee	Educational Qualification	Sex M/F	Target Group	Family Income at the time of joining EDP	Nature of activity before EDP	Present Status	Present Income	Product
1.	2	3	4	5	6	7	8	9	10	11	12	13

## ANNEXURE – IV

### PROFORMA OF PERIODICAL PROGRESS REPORT OF EDPs

*(To be completed by the Agency and furnished to  
\_\_\_\_\_ (SPONSORING AGENCY) as indicated below)*

1. **SECTIONS I TO IV –:** Within 3 months of the completion of each training programme (once for each batch)
2. **SECTION V - :** After 6 months of the completion of training and thereafter once in six months.
3. **SECTION VI-:** After the end of the second year i.e., on completion of the project report (once).

#### I. **ACTIVITY : PRE -TRAINING PREPARATIONS**

##### **(OBJECTIVE)**

*To furnish details on the pre-promotional activities and promotional campaign*

##### **KEY QUESTIONS:**

1. What were the influencing factors for selecting the locations? Was it based on a survey of potential? Give details.
2. How was the message of the EDP spread among people? Which tools and techniques were used? How effective were they?
3. How much time did it take to promote the programme?
4. Which were the institutions (including banks) contacted/ informed about the programme? How did you approach them? What were their responses?

## **II. ACTIVITY: SELECTION OF TRAINEES**

### **(OBJECTIVE)**

*To furnish information on selection process.*

### **KEY QUESTIONS:**

1. What was the composition of the selection committee?
2. What was the process of selecting the trainees? Which were the techniques used?
3. How many candidates applied, called for test/interview, selected and actually joined?
4. What was the basis for selection? Discuss briefly.
5. Please give a brief profile of the selected candidates in terms of age, education, sex, family income, occupational background, caste, community, work experience, etc.
6. Did you ensure that the candidates selected were not eligible for bank loans for any reason? If so, how?
7. What were the motivating inputs provided to the trainees for joining the programme?

## **III ACTIVITY – COURSE DESIGN**

### **(OBJECTIVE)**

*To furnish details on training input structure and design.*

### **KEY QUESTIONS:**

1. Was the course specially designed to suit the target group or was it a standard module followed in other EDPs also?
2. Which factors were taken into consideration before finalising the design of the course?

3. What was the duration of the course and medium of instruction?
4. Please give a sessionwise timetable of the training programme .
5. How many candidates selected their activity:
  - before joining the training itself ?
  - during the training (specify at what stage) ?
  - after training (specify stage) ?
6. How many candidates selected activity on their own and how many through counselling?
7. Was any market assessment (survey) done by the trainees before selection of activity? If so, give details.
8. How did the trainees prepare their project reports?

**IV ACTIVITY – METHODOLOGY OF TRAINING  
(OBJECTIVE)**

*To impart training in an interesting, easily understandable and result-oriented manner using appropriate, simple, innovative and participatory techniques.*

**KEY QUESTIONS**

1. Did the course have a full-time co-ordinator? How many other faculties were involved in the training?
2. What are the experiences of the faculty? Were they fully conversant with the local language?
3. Which topics were required to be handled by the guest faculty and who handled them? What was their background?
4. Did the training programme contain the following?

Number

Group Discussion  
Case Studies  
Role Play and Game Sessions  
Audio-visual Sessions

5. How many industrial/other units were visited during the training? What were the two most important lessons learnt by the trainees from these visits?

6. How many successful entrepreneurs were invited to have experience sharing with the participants? What were the two/three most important messages received by the participants?
7. According to the evaluation of the programme, how many participants felt that the training was
  - Interesting ?
  - O.K. ?
  - Boring ?
  - Useful ?
8. Name 3 of the most important suggestions made by the participants for improving the effectiveness of the programme?
9. How many selected candidates completed training/ how many dropped out? Reasons for dropping out.

## **V ACTIVITY – POST-TRAINING**

**(OBJECTIVES):** *To ensure that:*

*The trained youths set up independent units with credit support from banks and available support services from the existing developmental organizations to produce marketable goods and services on a commercially viable basis and are able to solve the problems of production, management and linkages and stabilize their business.*

### **KEY QUESTIONS:**

1. What is the system of contacting the trainees after training? Individual meeting/ Group meetings/ any other system. Please indicate.
2. How many Group meetings of the trainees were held during the period under reporting? Were the local banks/ DIC officials invited to the Group meetings to solve the problems of trainees?
3. How many times each trainee had been contacted so far? Where and how?
4. How many did not respond to the follow-up invitation? What were the reasons?
5. What type of assistance was provided in the follow-up meetings? Give specific details in respect of the previous meetings.
6. On which occasions did you have to visit bank branches, DIC and other support organizations? Give details of such visits during the period under reporting. What was the result of these visits?

7. Of the units started, how many of them are yet to stabilize in their business and for what reasons? What type of assistance have you rendered to these units?
8. Number of units set up:
  - With bank finance
  - Own funds
  - Other sources (please specify)
  - Total
9. In respect of units set up (detail unitwise)
  - Project cost
  - Bank loan

## VI ACTIVITY – DOCUMENTATION

### OBJECTIVE:

*The agency has to maintain and share with the sponsor a complete document of its experience in training and follow-up so as to identify changes/ refinements/ reforms that may be needed to make the programme more effective.*

### KEY QUESTIONS

1. Whether a detailed profile of the trainee is obtained before training and periodically updated at different stages. Please furnish 4-5 updated profiles.
2. Whether you have documented your experiences of different stages of the programmes. If so, please furnish a copy.
3. Have you identified the lessons learnt so far and thought of possible improvements? Please give details.
4. In respect of units set up:
  - Total number of units set up
  - Average project cost
  - Average bank loan
  - Average income generated
  - Average number of persons employed
5. Improvement in quality of lendings: (Based upon discussion with financing banks)
  - i) What is the degree of utilization of bank credit?
  - ii) What is the recovery performance of banks in respect of the borrowers trained by the organization under the EDP?

## CHAPTER 9

### SELECTION OF POTENTIAL ENTREPRENEUR TRAINEES

#### 1.0 Objectives of the Chapter:

The major objective of the chapter is to facilitate the trainer-motivators in selecting the right kind of trainees who have better potential to start their ventures after the training. The techniques discussed in this chapter will help in identifying the degree of the latent entrepreneurial potential of a person.

#### 2.0 Introduction:

One of the most popular and reliable tool for identification of potential entrepreneur is known as the General Enterprising Tendency (GET) Test.

### SECTION - I

#### General Enterprising Tendency (GET) Test

The General Enterprising Tendency (GET) Test is a technique which measures the enterprising tendency in a person. In GET, a set of 54 statements is given to the candidates. They are required to encircle either 'agree' or 'disagree' against each of the statements, depending on their belief. The test should take about 15 minutes. The test paper should contain the following instructions, name of the candidate, place, date, etc.

#### 3.1 Instructions for the Candidates:

- The exercise is to be completed in about 15 minutes.
- There are no right or wrong answers
- It will help us understand you better.

On the next few pages, you will find a list of 54 statements. You are required to encircle either 'agree' or 'disagree'. If you agree to the statement, and it reflects your thinking most closely, encircle '**Agree**'. If you do not think the statement reflects your thinking or belief about yourself, encircle '**Disagree**'.

For example, if there is a sentence:

'I like to read novels more than books on current political affairs.'      Agree      /  
Disagree

If you like to read novels more than books on current political affairs, encircle Anree. But if you like to read books on current political affairs more than novels, please encircle Disagree.

- If, for any reason, you neither fully agree nor fully disagree to a particular statement, try to decide whether you agree to it more than disagree and circle the appropriate answer.
- Try to be closest to your thinking while answering. This will help us understand you and your training needs more accurately.

Start expressing your agreement or disagreement to the enclosed statements.

## STATEMENT SHEET

1. I would not mind routine unchallenging work, if the pay is good.  
**Agree / Disagree**
2. When I have to set my own targets, I set difficult rather than easy ones.  
**Agree / Disagree**
3. I do not like to do things that are novel or unconventional.  
**Agree / Disagree**
4. Capable people who fail to become successful have not taken chances when they have occurred.  
**Agree / Disagree**
5. I rarely daydream.  
**Agree / Disagree**
6. I usually defend my point of view, if someone disagrees with me.  
**Agree / Disagree**
7. You are either naturally good at something or you are not, effort makes no difference.  
**Agree / Disagree**
8. Sometimes people find my ideas unusual.  
**Agree / Disagree**
9. If I had to gamble Rs. 100/-, I would rather buy a lottery ticket than play cards.  
**Agree / Disagree**
10. I like challenges that really stretch my abilities rather than things I can do easily.  
**Agree / Disagree**

11. I would prefer to have a reasonable income in a job that I was sure of keeping rather than in a job that I might lose if I did not perform well.

**Agree / Disagree**

12. I like to do things in my own way without worrying about what other people think.

**Agree / Disagree**

13. Many of the bad times that people experience are due to bad luck.

**Agree / Disagree**

14. I like to find out about things even if it means handling some problems while doing so.

**Agree / Disagree**

15. If I am having problems with a task, I leave it and move onto something else.

**Agree / Disagree**

16. When I make plans to do something, I nearly always do what I plan.

**Agree / Disagree**

17. I do not like sudden changes in my life.

**Agree / Disagree**

18. I will take risks, if the chances of success are 50/50.

**Agree / Disagree**

19. I think more of the present and the past than of the future.

**Agree / Disagree**

20. If I had a good idea for making some money, I would be willing to borrow some money to enable me to do it.

**Agree / Disagree**

21. When I am in a group, I am happy to let someone else take the lead.

**Agree / Disagree**

22. People generally get what they deserve.  
**Agree / Disagree**
23. I do not like guessing.  
**Agree / Disagree**
24. It is more important to do a job well than to try to please people.  
**Agree / Disagree**
25. I will get what I want from life, if I please the people with control over me.  
**Agree / Disagree**
26. Other people think that I ask a lot of questions.  
**Agree / Disagree**
27. If there were a chance of failure, I would rather not do it.  
**Agree / Disagree**
28. I get annoyed, if people are not on time.  
**Agree / Disagree**
29. Before I make a decision, I like to have all the facts, no matter how long it takes.  
**Agree / Disagree**
30. When tackling a task, I rarely need or want help.  
**Agree / Disagree**
31. Success cannot come unless you are in the right place at the right time.  
**Agree / Disagree**
32. I prefer being quite good at several things to being very good at one thing.  
**Agree / Disagree**

33. I would rather work with a person I like, but who is not very good at the job, than work with someone I do not really like but who is very good at the job.

**Agree / Disagree**

34. Being successful is the result of working hard; luck has nothing to do with it.

**Agree / Disagree**

35. I prefer doing things in the usual way to trying out new ways.

**Agree / Disagree**

36. Before making an important decision, I prefer weighing up the pros and cons quickly to spending a lot of time thinking about it.

**Agree / Disagree**

37. I would rather work on a task as a member of a team than take responsibility for it myself.

**Agree / Disagree**

38. I would rather take an opportunity that may lead to even better things than have the experience that I am sure to enjoy.

**Agree / Disagree**

39. I do what is expected of me and follow instructions.

**Agree / Disagree**

40. For me, getting what I want has little to do with luck.

**Agree / Disagree**

41. I like to have my life organized so that it runs smoothly and as planned.

**Agree / Disagree**

42. When I am faced with a challenge, I think more about the results of succeeding than the effects of failing.

**Agree / Disagree**

43. I believe that what happens to me in life is determined mostly by other people.  
**Agree / Disagree**
44. I can handle a lot of things at the same time.  
**Agree / Disagree**
45. I find it difficult to ask for favours from other people.  
**Agree / Disagree**
46. I get up early, stay late or skip meals to get special tasks done.  
**Agree / Disagree**
47. What we are used to is usually better than what is unfamiliar.  
**Agree / Disagree**
48. Most people think that I am stubborn.  
**Agree / Disagree**
49. People's failures are rarely the result of their poor judgement.  
**Agree / Disagree**
50. Sometimes I have so many ideas, I do not know which one to pick.  
**Agree / Disagree**
51. I find it easy to relax on a holiday.  
**Agree / Disagree**
52. I get what I want from life because I work hard to make it happen.  
**Agree / Disagree**
53. It is harder for me to adapt to change than keep to routine.  
**Agree / Disagree**
54. I like to start new projects that may be risky.  
**Agree / Disagree**

\*\*\*\*\*THANK YOU VERY MUCH\*\*\*\*\*

**3.2 Scoring of the Sheets:**

After 15 minutes, collect the test papers and score as per the following instructions:

- i. Take one scoring sheet for each of the candidates.
- ii. Circle the (A) in the box, which corresponds to the statement number if the candidate has encircled 'Agree' against the statement,

OR

Circle the (D) if the candidate has encircled 'Disagree' against the statement.

**4.0 Calculating the Scores:**

4.1 Starting with box 1 in the top right hand corner of the answer sheet and working across the sheet to the bottom, give one point for every 'D' that has been encircled in the shaded boxes on that column like this.



- 4.2 Similarly, give one point for every 'A' that has been encircled in the unshaded boxes on that column.
- 4.3 Now add up the total score in the top row and write it in the margin.
- 4.4 Do the same for the remaining eight rows scoring in the same manner as above.
- 4.5 When you have finished, transfer the scores for each row to the boxes below.

ROW 1	-----	ROW 2	-----	ROW 3	-----
ROW 4	-----	ROW 5	-----	ROW 6	-----
ROW 7	-----	ROW 8	-----	ROW 9	-----

Add the total for Row 1 and Row 6 together.

This will give you a score for Section 1 \_\_\_\_\_

Row 3 alone will give you a score for Section 2 \_\_\_\_\_

Add the scores in Rows 5 and 8 for Section 3 \_\_\_\_\_

Add the scores in Rows 2 and 9 for Section 4 \_\_\_\_\_

Add the scores in Rows 4 and 7 for Section 5 \_\_\_\_\_

**Grand Total** \_\_\_\_\_

**[RANK THE CANDIDATES ACCORDING TO THE TOTAL SCORES.]**

## 5.0 Assessing the Score

*[This section is for your reference. As a trainer-motivator you should know as to what you are scoring a candidate for. This may be quite useful when you start personal counselling to the trainees. This profile will help you in deciding upon your counselling strategy.]*

Each Section assesses particular attributes. A high score in any category means that the candidate has many of the qualities, which that particular Section has been measuring. The Sections are as follows:

### **Section – 1            Need For Achievement**

Maximum Score – 12

Average Score – 9

If he/she has scored well in this section, he/she is likely to have many, if not all, of the following qualities:

- Forward looking
- Self-sufficient
- Optimistic rather than pessimistic
- Task orientated
- Restless and energetic
- Self-confident
- Persistent and determined
- Dedication to complete a task

### **Section – 2            Need for Autonomy / Independence**

Maximum Score: 6

Average Score – 4

The score reflects the degree of intensity of the following attributes:

- Likes doing unconventional things
- Prefers working alone
- Need to do their own things
- Need to express what they think
- Dislikes taking orders
- Likes to make up his/her own mind
- Does not bow to group pressure
- Is stubborn and determined

### **Section – 3            Creative Tendencies**

Maximum Score: 12

Average Score – 8

The scores mean that the candidate is:

- Imaginative and innovative
- Has a tendency to daydream
- Is versatile and curious
- Has lots of ideas
- Is intuitive and guesses well
- Enjoys new challenges
- Likes novelty and change

### **Section – 4            Risk Taking Tendencies**

Maximum Score: 12

Average Score – 8

Scores indicate moderate/calculated risk-taking behaviour of a person. The person:

- Acts on incomplete information
- Makes judgment when incomplete data is sufficient
- Accurately assesses his/her own capabilities
- Is neither over nor under ambitious
- Evaluates likely benefits vis-à-vis cost before taking a decision
- Sets challenging but attainable goals

### **Section – 5            Drive and Determination**

Maximum Score: 12

Average Score – 8

If a person achieves high score in this section, he/she tends to:

- Take advantage of opportunities
- Discount fate
- Write his/her own luck
- Be self-confident
- Believe in controlling his/her own destiny
- Equate results with efforts
- Show considerable determination

## SCORING SHEET FOR GET TEST

Name of the Candidate:

46 A D	37 A D	28 A D	19 A D	10 A D	1 A D
47 A D	38 A D	29 A D	20 A D	11 A D	2 A D
48 A D	39 A D	30 A D	21 A D	12 A D	3 A D
49 A D	40 A D	31 A D	22 A D	13 A D	4 A D
50 A D	41 A D	32 A D	23 A D	14 A D	5 A D
51 A D	42 A D	33 A D	24 A D	15 A D	6 A D
52 A D	43 A D	34 A D	25 A D	16 A D	7 A D
53 A D	44 A D	35 A D	26 A D	17 A D	8 A D
54 A D	45 A D	36 A D	27 A D	18 A D	9 A D

Name and signatures of the Scorer:

Date:

## CHAPTER 10

### DEVELOPING ENTREPRENEURIAL MOTIVATION AND COMPETENCIES

#### **Session:**

Developing Entrepreneurial Soft Skill Competencies

#### **Objective:**

To help the participants understand the contribution of entrepreneurial soft skills in shaping the competencies required for success in entrepreneurial ventures.

**Duration:** About 15 hours

#### **Advance Preparation & Material Required:**

The inputs for this topic are segregated into two broad areas. One, introduction to the soft skills competency development / framework and, two, simulation exercises which bring out the competencies in the forefront. The facilitator will manoeuvre the analysis and discussion and steer the entire process and proceedings towards a clear focus on competency development. Hence, it is advantageous if the facilitator is trained and experienced, with conceptual clarity on soft skill competency assessment and development. The following props are required during the session for simulation exercises:

- A wooden Peg, four wooden rings and small sheets marked with nos. from 1 to 15.
- 24 wooden blocks (cube) with plain surface of, say, 5 cms<sup>2</sup> each
- Blindfold
- Glossy paper sheets of 25cm x 20cm size with one side colored. Approximately 200 sheets each of three to four colors for two separate rounds.
- Data record sheet for each participant
- Blackboard

#### **Session Guide:**

The objective of the topic is to help the participants understand the fact that they have strengths and weaknesses, which are sometimes resources and sometimes limitations, especially in the event of problem-solving and to help understand the relevance of systematic planning soft skills for effectively influencing the task outcome.

The emphasis shall be on making the participants appreciative of the soft skill competencies by recognizing the existence of such competencies in the participants. Various situations associated with the utilization of these competencies and the results emanating are to be highlighted in the course of the discussion. While emphasis will be on recognizing the soft skill competencies, methods of developing these competencies shall also be a key goal, especially through the use of simulation games.

### **1.0 Goal Setting- Ring Toss**

This exercise is organized for about a group of 20. It is played in three rounds:

- a) Trial Round
- b) Individual Round
- c) Group Round

The exercise is done outside the class room, in an open area, preferably in a hall or large corridor. The wooden peg is put at a place from there distances are marked from 1-15, indicating the distance in feet ('). For each distance points are shown by chalk/white board marker in the following manner: For distance 1'- 10, 2'-10, 3'-15, 4'-25, 5'-35, 6'-50, 7'-65, 8'-85, 9'-100, 9'-120, 10'-125, 11'-155, 12'-185, 12'-220, 13'-260, 14'-300 and 15'-400. The following instructions are given to the participants:

"Let's play an interesting exercise. You see we have kept an wooden peg and from there marked the distances from 1-15. You can select any distance and through these rings onto that peg. If your ring goes there and stays inside the peg, you get certain points that are indicated there. For all four successful throw, you can maximum earn 1600 points, if all are successful. The points will be given for each successful throw. The exercise will be played in two rounds, first individual and then group. In addition, before we actually begin individual rounds everybody will be given a trial round in which two rings will be given and you can try out your distance. In all the rounds, however, you can change your distance for each throw, if you want."

The exercise is then started. Each participant is given two rings to try out the distance. They can come in any order. The result is noted on a separate sheet, where each successful throw is marked with + and each failure is marked as -. However, there are no negative marks for failure that has to be communicated. After the trial round, individual round is done with four rings and may be in the same order of participants. Data again is recorded with points won by each one of them. Finally, The participants are asked to divide themselves into two teams, select a leader for their team and play this exercise as group round, for each member getting two (or four, if time permits) rings. The points are noted.

At the end, data generated in trial, individual and group round is written on board along with names and interpretation is done with the help of following questions:

- Reasons for selecting a distance in trial/individual/group rounds
- Reasons for changing the distance, if any
- Learning from these round
- Learning from others
- Effect of group, if any
- Satisfaction from throwing from extreme distances
- Effect of leader in group round, etc.

Attempts are made to highlight and make them realize following factors:

- Accurate self-assessment
- Sensitivity from the environment
- Information seeking
- Setting challenging and realistic goals
- Learning from own/others' experiences
- Relevance of trials
- Team work
- Self-confidence
- Assertiveness
- Persuasion

## 2.0 Problem Solving – Tower Building

The exercise is organized in small groups of 5 persons. Three of them play a role of

- a) Manager
- b) Supervisor
- c) Worker
- d) While the other two play the role of observers.

The task will be to construct a single-column vertical tower by the **non-operative hand** under the blindfold condition.

“We shall divide ourselves into groups of 4/5 members each. In each small group, one person shall play the role of a manager, another that of a supervisor, and the third that of a worker. The remaining one/two members will be observers. The worker is required to build a single column vertical tower by using the wooden cubes provided to each group. He will be blindfolded and will work with his non-operative hand i.e. the left hand if he is a right hander or vice versa.” There is no instruction to the manager and the supervisor as to what they will do. Only there is a limitation that they can't construct the tower by themselves. They are not permitted to touch the cubes. The height of the tower at the end of five minutes / one cube height less when it falls will be the indicator of the standard of performance.

In case of any additional information required, one may inquire with the instructor. The game will start only after the instruction from the instructor and stop when the tower falls / 5 minutes lapse.

The facilitator gives separate instructions to observer/s that they will not interact with any other members, except observing the proceedings. They are instructed to observe the entire process, i.e., encouragement given and received, guidance and direction offered and received, and differential levels of self-confidence of worker.

Before the exercise starts, the manager, the supervisor and the worker are asked to record on separate sheets their estimation of how many blocks they expect to pile up in the given time and condition. This is done separately by all three members without any consultation. Then the individual estimates are made known to each other and they mutually discuss and arrive at a common target before the work starts.

Data is recorded in separate sheets by observers.

The instructor draws the attention of the participants to various implications of data thus recorded and the detailed analysis of the entire proceedings, group wise. The facilitator raises questions and helps participants in understanding the experiences around the following issues.

- Tendency to perceive shortages, (blindfolded, non-operative hand, etc.) more readily than assets and strengths (sense of touch, concentration) present in the situation;
- Tendency to miscalculate available resources to tackle the problem at hand, (support from supervisor, data from facilitator on past average performances, preparation for problem solving, etc.);
- Dependence on selected resources, (tunnel vision) results in loss of fresh thinking and erosion of simple problem-solving capacity, confidence, etc. which causes more dependence.

The discussion will help the participants to internalize various aspects of the problem-solving (soft skill) competency. The process provides a basis to understand the effective and optimum utilization of available / accessible resources and their significance in task performance. The participants are also made aware of the need to 'strategize' to overcome any handicaps, both present and foreseen, with the help of existing strengths and assets.

### **3.0 Systematic Planning – Boat Game**

The facilitator introduces the exercise by saying, "You are going to participate in an interesting exercise in which you are assuming the roles of an owner, manager and operator simultaneously. Yours will be a manufacturing enterprise. The product that you will have to manufacture is a special type of boat called shallow water boat. This is a defence item. The defence department (facilitator) shall supply the raw materials

at the rate given below and on the basis of final estimate made by you before the start of the actual manufacturing. The material is not available in the open market. The defence department shall procure the finished products at the price given below, provided it meets the following standard:

- The two outer sides are colored
- The corners of the boat are sharp
- The double folds are not revealing.

In case of falling short on any one of the three standards, the products will be rejected. Once rejected, they can't be altered / sold in the open market. Both substandard products and the unused raw material will be a waste and a loss.

You will be given 5 minutes to manufacture the product. After 5 minutes, you are not permitted to touch the materials.

- The participants are given an information-recording sheet.
- The facilitator will explain the technique of making the boat by demonstrating each step.
- The participants are asked to record their first estimate.
- The facilitator invites participants to take a time trial. Sheets for the time trial are supplied free. The participants will try to make the boat and the facilitator will announce the time with an interval of 15 seconds for the first minute and 5 seconds up to the second minute. Beyond two minutes, the time is recorded as two minutes. Participants will be advised to answer all questions under the time trial given in the performance sheet.
- The participants will be instructed to make the final estimate, and complete the C & D parts of the performance sheet.
- The facilitator will give time for any preparation the participants want to make and then distribute the raw material as per the final estimate and announce the time of commencement. Then the facilitator will keep announcing the time with an interval of 30 seconds. At the end of 5 minutes, the work stops and the facilitator goes for purchasing.
- The participants are advised to answer questions under D, E, and F of the performance sheet and discuss their overall thinking / strategy behind their decision.

The facilitator helps focus the discussion towards the behavior regarding systematic planning, learning curve analysis, skill understanding, skill gradation, identifying the bottle-necks, capacity planning, manufacturing systems employed, cluster approach to buying raw material etc. A realistic self-appraisal of the strategy, decision-making and its effect on the performance is made and the participants are called back to help them internalize the intensity of systematic planning to economic productivity and enterprise success.

After discussion, the same exercise is repeated in a second round with a slightly complicated model to improve their performance and help in the process of shaping up the soft skill competency – systematic planning.

## CHAPTER 11

### CREATIVITY AND PROBLEM SOLVING

#### **Objective:**

The objectives of the session are to arouse creativity among the participants and help them develop a problem-solving attitude.

**Duration:** 1 hour and 15 minutes

#### **Advance Preparation & Material Required:**

Hand-out on problem-solving must be kept ready before the session.

#### **Session Guide:**

Tell the participants that an entrepreneur has to be creative. S/he has to arouse and enhance creativity, has to experience competitions both in relation to others as well as in relation to the standards of excellence set by the individual herself/himself.

Due to certain pre-conceived ideas, a lot of barriers develop, impeding the growth of creative thinking. The barriers are:

1. self-imposed
2. restricted mindset
3. compliance nature
4. showing back to obvious challenge
5. jumping to conclusion
6. fear of getting branded a fool

Tell them it needs positive thinking, an open mind, effort, insight and perception to arouse and enhance creativity, to remove the above barriers that stumble the creativity within the human being. These class-room exercises to be taken up during the session will help them enhance their thinking, efforts and insight into a problem from a different angle and perspective and hence provide a creative dimension to their action.

All problems of different nature and magnitude at different times are experienced. In our daily life, problems come so often that we do not even notice their occurrence. This is so because our desires to solve these problems and our experience of dealing with them have equipped us with spontaneous reactions, which usually result into solutions. However, sometimes when we face an unusual or difficult

problem, we get stuck as our routine reaction fails to produce a solution. In such cases, various approaches and ways have to be tried.

An entrepreneur may face a variety of problems in the course of implementation and management of his small-scale enterprise. If an appropriate system, approach and methodology is developed for solving problems, it will help him to manage his affairs smoothly and he would not remain under stress and tension when he encounters problems.

There are various qualitative and quantitative approaches developed in management science, which help us in solving problems. The basic objective of this is to suggest a non-quantitative approach based on common sense and experiences in dealing with small-scale entrepreneurs and their problems.

In fact, the right strategy would be to understand one's own environment, resources, capabilities, limitations, strengths and weaknesses to design an appropriate approach for solving problems. However, the approach suggested here will help you, initially, in working on problems and, at a later stage, in formulating your own strategy for solving them. The following steps are suggested for developing a problem-solving attitude and problem-solving mechanism:

- Build a Problem-solving Attitude
- Recognise the Problem and its Seriousness
- Specify and Understand a Problem
- Formulate Possible Causes
- Test Possible Causes'
- Develop Alternative Solutions
- Establish Objectives
- Compare Solutions

The above approach may be summarized as below:

- Create a desire to solve problems
- Recognize the problem
- Formulate the possible causes
- Specify the problem
- Test each cause
- Explain each cause with minimum of assumptions
- Verify your explanation and determine the cause
- Establish objectives vis-à-vis the resources to be produced and resources used
- Classify the objectives into 'MUST, DESIRABLE' and 'CAN BE IGNORED' categories.
- Generate alternative solutions
- Compare each solution in terms of positive and adverse consequences
- Choose one solution
- Make a decision to implement

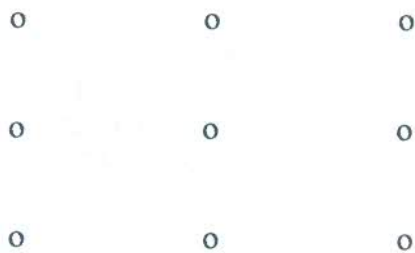
Be ready for a problem of less magnitude  
Internalize the process  
Be creative

### BE A GOOD PROBLEM-SOLVER

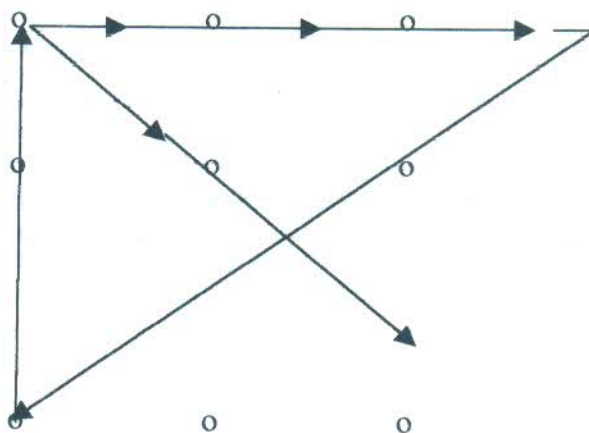
Now give the participants an opportunity to apply their creative thinking on a few practical problems given below:

#### *Problem 1*

Draw nine points on the blackboard as shown below. Tell the participants to join all the nine points without lifting their pencil from the beginning to the end with the help of straight lines and not curved ones. Give them the condition that the number of lines should not exceed four and retracing is not permitted. However, the crossing of one line by another is allowed.

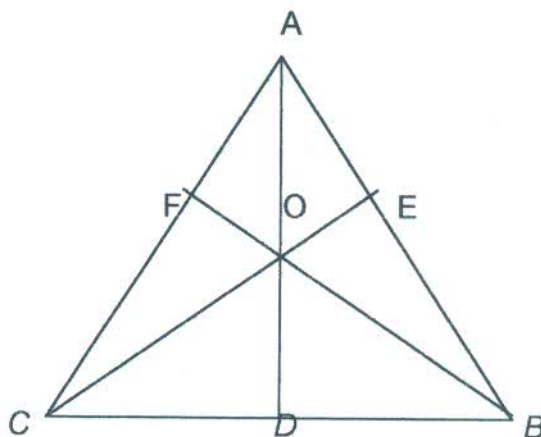


#### *Solution*



Problem II

On the blackboard draw a diagram as shown below. Instruct the participants to draw a similar diagram in their papers. Now ask them how many triangles they see in the diagram.



Solution

16 triangles in all.

$\triangle ABC$	1
$\triangle ABD$ $\triangle ACD$	2
$\triangle BCF$ $\triangle BAF$	2
$\triangle CEB$ $\triangle CEA$	2
$\triangle COD$ $\triangle BOD$	2
$\triangle BOE$ $\triangle AOE$	2
$\triangle AOF$ $\triangle COF$	2
$\triangle COB$	1
$\triangle BOA$	1
$\triangle AOC$	1

-----  
Total 16

Discuss the solutions with the participants and ask them to try and develop their creative thinking and the problem-solving attitude using the learning points they could derive from today's session.

## CHAPTER 12

### EXPERIENCE SHARING WITH A SUCCESSFUL ENTREPRENEUR

#### **Objective:**

To enable participants learn the secrets of success from a successful small entrepreneur and help them gain motivation through interaction with a successful role model. The session also targets at creating awareness about the difficulties and precautions to be taken for a successful entrepreneurial career.

**Duration:** 1 hour and 15 minutes

#### **Session Guide:**

The trainer, keeping in view the level of the trainees, should do the selection of entrepreneurs for an interface. Preferably an entrepreneur operating in the vicinity of the training location should be selected where the option of taking the trainees during factory visit could also be exercised.

Welcome the guest and introduce him/ her to the participants. Speak about the objectives of the interface. Thereafter ask the guest to speak about himself/ herself and the details of the business enterprise. The trainer should act as a facilitator during the interaction and let the trainees interact directly with the guest. See that the discussion points include a profile of the entrepreneur; his/her family background, qualifications, experience, strengths, weaknesses, etc., besides the process of enterprise launching and aspects related to management. The role of the support system and entrepreneurs' experiences in this respect must also be discussed.

It will be the responsibility of the trainer to keep track of the time allocated for discussion. The trainer must intervene whenever the discussion slips off the track so that the issues of interest for the group are properly taken up during the discussion. Towards the end, while thanking the guest for his/her time and views expressed, make a request for a visit of the trainees to his/her enterprise (if the trainees want to do so). The trainer, after the guest leaves the venue, must interact with the trainees. This brief interaction will include matching the profile of a successful entrepreneur discussed in the earlier session with that of the one emerged from the interaction with the entrepreneur. Ask the participants to identify a few characteristics found common. Discuss these in brief with the trainees.

## CHAPTER 13

### BRIEFING ON FIELD / FACTORY VISITS

#### Objective:

Providing guidelines to the participants for the factory visits the next day and helping them develop an inventory of questions and observations to be made during the visit.

**Duration:** 1 hour and 15 minutes

#### Session Guide:

Remind the participants of the session on 'Planning a Small Scale Industry (SSI)' taken up on the second day. Ask them to recollect the discussions on various aspects of an SSI unit. Tell them that we will have an opportunity to visit a few enterprises the next day and interact with the entrepreneurs. The purpose of the visit is to provide the participants with an understanding about the enterprise culture and not a training exposure to manufacturing particular items. They may, however, get a little idea also about the process during the visit. This point must be made clear to the trainees. Ask them to concentrate on the following:

- History of the entrepreneur and the enterprise
- Selection of the particular business proposition
- The steps taken during the launching of the enterprise and the problems encountered
- The enterprise management aspects
- Aspects related to the growth of business operations
- The present status of the business, and
- Suggestions for the new entrants.

Give the participants a brief outline of the businesses selected for the visit. Ask them to take notes during their interaction with the owner and on the visit to the enterprises. Each trainee should prepare a brief report on the visit for discussion in the class. Accordingly, they may also incorporate in the report their own understanding of the various aspects of the enterprises visited.

The participants should be cautioned not to ask questions an entrepreneur may not like to answer, such as 'How much profits are you making?' Or, 'How much salary is paid to the workers and staff?' etc. Tell them that they may also use their own understanding of the business and include their conclusions in the report. They should also be told not to try and extract the above information from the workers or the other staff. Ask the participants to make an inventory of questions well in advance and share them among the group. This will avoid repetitions while

interacting with the entrepreneur and save time. The trainer may also look into the inventory of questions and provide necessary guidelines to refine them. Towards the end of the session provide details about the timings and the place for starting the visit and the time allocated for the visit to respective enterprises.

Objectives

The aim

is to

enable

participants

to

gain

insight

into

the

importance

of

the

## CHAPTER 14

### MANAGING BUSINESS CRISIS – STARTING AND LIQUIDITY CRISIS

#### Objective

The objective of this chapter is to assist the trainees to imbibe necessary insights into anticipating and forestalling starting and liquidity crises in an enterprise. Many enterprises fail within a short period from start-up due to various internal and external factors. Some are, in effect, stillborn! This section provides a cautionary note on the start-up related issues, and on the 'cash' crisis, which is by far the greatest killer of an enterprise.

**Duration:** 1 hour and 15 minutes

#### Advance Preparation and Material Required

A trainer may develop insights into various business crises of enterprises by interacting with leading bankers such as the lead bank in a region. Such customised insights will offer a better frame of reference while offering customized inputs.

#### Session Guide

The theme may be introduced to the trainees through the case study of a cold storage project that turned sick. The case is presented in sub-section 1 of the chapter. The internal and external factors contributing to adverse performance may be elaborated, giving cross-reference to real-life cases in the specific region where an EDP is being conducted. Inputs in sub-section 2 and 3 of the chapter may be then offered to the trainees to highlight the fact that most failed enterprises actually collapse in the first few months of the start-up. The criticality of this phase in a business needs to be emphasised.

A fruit and vegetable-processing enterprise in Jammu integrated backwards and established a cold storage to purchase and stock raw material in season. Given the necessary economic size of such a venture, the project also planned to serve as a cold storage for other processing units in the region. A study of the failure of the enterprise indicates the various crises – internal and external – that an enterprise may have to confront.

#### 1.0 Tawi Cold Storage: Diagnosing Causality for Failure

Tawi Cold Storage is located near Jammu city. The plant had a storage capacity of a few thousand tonnes of fruits and vegetables. The unit was sanctioned a term loan in June 1998 for setting up a cold storage facility.

## 1.1 Working History and Analysis of Performance

The cold storage project was expected to start operations by April 1999. Loan documents were executed and disbursement of term loan started. However, there was a one-year delay in the implementation of the project due to non-disbursement of the sanctioned investment subsidy on time for the facility. The performance of the unit had also been poor in its short period of operation. An analysis of the past performance indicates a poor performance of the enterprise.

**Structural Strength:** The net worth consisting of promoter's funds remained constant, while accumulated losses went up. No fresh equity or funds were invested in the business. The net worth of the unit had been totally eroded by 2002-03. Accumulated losses had increased in a sustained fashion. Long-term liabilities increased by 40 per cent, representing defaults and dues to institutions. The total outside liabilities to net worth ratio also increased. This indicates a greater increase in current liabilities and dues on one hand, and erosion of the net worth on the other. The total current liabilities doubled in 3 years of operation of the enterprise!

**Liquidity:** The current ratio of the unit fell to 0.5 per cent. This represented a decline in cash and stock in the business. This shows that the current liability position was less than current assets and thus the firm could not pay off its current liabilities. The accounts receivable increased several fold, indicating the need for a strategy to recover receivables from debtors. The key contributors to the crisis on the liquidity front were debtors.

**Assets Turnover:** The current assets turnover ratio indicates that the turnover of the enterprise is not even double of the current assets of the organisation. This means the operating cycle of the business is of almost 6 months' duration, implying that the account receivable or debtors figures are increasing continuously. The turnover is hardly 20 per cent of the value of total fixed assets of the enterprise. This situation which persisted through all these years of operation represents underutilisation of the capacity of the plant and machinery in the unit.

**Profitability:** The enterprise has been experiencing cash losses since the first year of operation. This implies that even ignoring 'depreciation', the unit has been making a loss. Operations are virtually unsustainable.

## 1.2 Causes of Collapse

After analysing the past performance, it is observed that there are some deep-rooted causes of sickness rather than the apparent signals or symptoms of incipient sickness. The critical causes of collapse have been attributed to delay in project implementation and non-utilisation of created capacity.

**Delay in project implementation:** The project was expected to be implemented from June 1998 and supposed to start commercial production by April 1999. The

term loan was disbursed from June 1998 onwards. However, there was a delay in the implementation of the project due to delay in the receipt of the sanctioned investment subsidy. There was also an overrun on the cost of civil works, miscellaneous fixed assets, preliminary and pre-operative expenses, and margin money for working capital. The cost of the project increased by over 40 per cent! The financial institutions sanctioned an additional term loan to enable promoters to complete the project and start commercial production. However, the total delay of one year warranted increased requirement of working capital. The enterprise could not mobilize necessary funds.

**Non-utilisation of created capacity:** Storage of fruits, mainly apple, was contemplated, as during season the demand for storage of apples (mainly from Kashmir) is high. But the operations of the unit were mainly confined to storage on rental basis and no captive storage was carried out as originally envisaged due to problems on the cash front.

**Withholding of IS:** The investment subsidy for the cold storage was not received on time. This affected the financial reserves of the enterprise even before implementing the project.

**Inadequate working capital:** The enterprise also suffered due to poor availability of working capital. This was also the case with its already established forward integrated sister concern, processing fruits and vegetables, that too could not function at full capacity. Direct purchase and storage of fruits as a hedge against seasonal price fluctuations was not possible on account of paucity of funds. The enterprise merely collected storage charges on material stored by other enterprises in the region. Even this option could help utilize only a fraction of the installed capacity.

Analysis of the past performance and the causes of ill-health of the cold storage reveals that the demand for cold storage facilities have the potential to increase since the region has good potential for storing apples, onions, potatoes, etc. The promoter is running this unit even without utilizing full capacity. Under-utilisation is due to inadequate term loan and working capital.

## **2.0 Why does an Enterprise Encounter a Starting Crisis?**

A starting crisis may be experienced by enterprises due to the selection of a project with which a promoter is not at all familiar, assumptions on capacity utilisation and market demand being overoptimistic, and inadequate technical assessment of the project, which leads to 'line-misbalancing' or installed equipment being of varying capacity, affecting the total potential capacity, among other things.

## 2.1 How to Avoid a Starting Crisis

It is possible to avoid the crisis by means of interacting with the maximum number of actors before conceiving and implementing a project.

If necessary, encourage other partners or investors to subscribe to the equity base of an enterprise.

Estimate the fixed and working capital investment realistically and make adequate provisions for escalation and contingencies.

Optimism is often about projected sales turnover of the unit. Why should a customer or consumer purchase a product made by a new project in preference to existing products offered by competitors and how long would it take to establish the product in the market? These questions are not really explored or answered by many potential entrepreneurs.

To avoid this mistake, one may let the business idea and project plan thaw for a few weeks and make projections of a range of estimates in respect of implementation schedule, costs, profit, production level, etc. Optimistic and pessimistic estimates may be considered at the upper end and lower end of the segment.

It is ideal to have a project scrutinized by bankers and consultants before embarking on a venture.

For various reasons one may not plan to approach a financial institution for funds, but an advantage of accessing investors like development banks or commercial banks is that they study a proposal thoroughly and objectively. Moreover, these development institutions do not panic when the venture faces a minor crisis. Informal sources and private sources back out on the basis of even small adverse trends against a business. A promoter should not avoid seeking institutional finance, if necessary. It is the professional way of doing business. Estimates of investment in plant and equipment, working capital, pre-operating expenses, etc. are sometimes made with less care than necessary. Adequate levels of hedging cost for contingencies should be made. Equipment should be scrutinized for the necessary specifications and performance. Does the machine need specially trained technicians and skilled labour? If yes, can one get technicians and skilled labour of the required category at an affordable cost?

Are the specifications of the equipment compatible with those of other equipment processes and raw material to be used in the business? How effective is the after-sales service? What is its cost? Identifying activities in the manufacturing process that may be outsourced is also critical.

### **3.0 Cash Crisis in an Enterprise**

#### **3.1 Causal Factors**

A cash crisis may occur due to excessive attention to profits and sales growth rather than to cash-on-hand, overinvestment in raw material stock, and rising levels of debtors. One may extend credit to customers and if the recovery is delayed it causes cash shortage. Other reasons include an excessive investment in fixed assets by tying up funds. When an entrepreneur, on securing loan for land, building, plant and machinery, spends too much money on such assets, he is later starved of cash. It may also occur when an entrepreneur goes in for expansion without considering whether adequate cash reserves/resources exist.

An enterprise Dayanand Marines in seafood processing in Kochi had ventured into too much of speculation in the area of raw material. The enterprise experienced heavy cash loss with a fall in price. The value of stock fell by over 30 per cent. So, the enterprise had a problem of working capital. The partners rushed to their investors for more funds. But, investors did not offer surplus funds. They were worried whether they would get back the money they had already advanced. Then they tried other bankers. As they had enough orders on hand, they were confident that they would be given finance. The bankers, however, had their doubts. The problem had been underestimation of working capital, required in a food processing unit, where raw material costs are most significant and often most volatile.

A small-scale unit manufacturing pickles from vegetables located in Ahmedabad experienced working capital shortage. A considerable amount of money was invested in stocking raw material. The unit manufactured thirty varieties of products. For this it required different varieties of packing materials. As some raw materials were in short supply, seasonally, the proprietor maintained a large stock. But, he also kept a large stock of packing material though it was not necessary. His forte being marketing, he concentrated on that and the business failed. It is necessary to keep such issues in mind when launching a business.

#### **3.2 How to Avoid a Cash Crisis**

To avoid a cash crisis, it is necessary to understand the relation between profits and cash on hand. It is necessary to maintain a cash-cum-cost sheet as an efficient systems tool to monitor raw material stocks, semi-finished goods, inventory of finished goods, and outstanding recoveries. One may also prepare a cash budget for six months which can be reviewed and revised every three months. The estimated figures of income should be checked with figures of actual income. A complete cash-cum-cost statement of every operating cycle may be used as a basis to purchase raw material at a discount, and be more vigilant about giving credit. Instead of purchasing land, building and machinery, one can rent or lease the same or outsource some of the production to save on avoidable expenditure. As in the case of starting crisis, a cash crisis can also be caused by underestimating the capital

required for the project as well as faulty cash management. It would be easier to understand cash, if we divide it into two categories – 'long-term capital' and 'short-term capital'. The money which one invests in fixed assets like land, building, plant and machinery, etc. is called the 'long-term capital'. The cash that is invested in raw material, work in progress, finished goods, working expenses, and debtors is called the 'short-term capital'. Unless the short-term capital is well managed, one will end up in a cash shortage.

## CHAPTER 15

### ACTION PLAN AND FEEDBACK

#### Objective

The objective of this chapter is to help the trainees think and plan for their future course of action, apply the learning derived from the course, and enable them to give their comments on the effectiveness of the programme so as to help the trainer improve upon the programme structure and the inputs.

**Duration:** 1 hour and 15 minutes

#### Advance Preparation and Material Required

Copy of feedback proforma and action plan for each trainee.

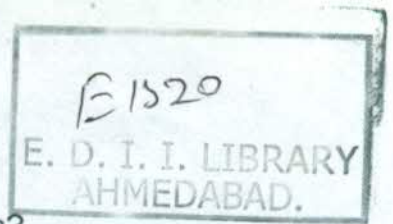
#### Session Guide

A trainer may distribute copies of the action plan format and the feedback proforma to the trainees and give them about 30 minutes to complete them. Explain all the components of the proforma to the trainees.

A trainer must obtain a photocopy of the action plan format from all the trainees for future reference. Ask the trainees to present their action plans individually. Allow about three to four minutes to each trainees.

Towards the end stress the point that 'we' all must try hard to achieve the targets set in the action plan and demonstrate that the programme was a worthwhile learning exercise. Assure them of all possible support in launching their enterprises in the near future.





## 2.0 Feedback Proforma

- How far has this programme fulfilled your expectations?  
(Please tick mark (✓) the relevant percentage)

0 - 10 - 20 - 30 - 40 - 50 - 60 - 70 - 80 - 90 - 100

In your opinion, what was the best part of the programme?

- In your opinion, which were the inputs not found up to your expectation?
- Would you like to suggest any additional inputs for the programme?
- How far has this programme helped enhancing your understanding about planning, launching and managing an enterprise.  
(Please tick mark (✓) the relevant percentage)  
0 - 10 - 20 - 30 - 40 - 50 - 60 - 70 - 80 - 90 - 100
- What comments do you have on the programme management and programme co-ordination?
- Any other comments?