CHAPTER IX
SINGLE WINDOW INDUSTRIAL SUPPORT SYSTEMS

The problems of entrepreneurs analysed in this research endeavour have been stated in such a manner that these can also be construed as problems of small industry. In fact, the entire approach of the present exercise has used a concept of entrepreneurial development which drives from an understanding different from the traditional connotation of the term 'entrepreneur'. It has been stressed time and again that the entrepreneur cannot be treated as an 'atomised' unit. He has to be viewed as one constantly interacting with the business sub-system promoted/created by him and this sub-system is a part of a wider socio-economic system. An open system approach goads us to emphasise the problems encountered in the environment more than those within the enterprise.

The development of an entrepreneur is not something akin to developing his intrinsic worth and capability of innovation and risk-taking. It is the relational approach which makes us infer that ultimately entrepreneurial development is an exercise in developing support systems for new ventures. The individual who is the owner-manager in a new small scale venture is the crucial link or the spark plug in initiating the process of development at the micro level within the constraints of macro environment. The identification, development and nurturing of the entrepreneurial venture has been termed as entrepreneurial
development in this essay. In essence entrepreneurial development is not mere achievement motivation training of an individual as overemphasised by some behaviourists. It is worthwhile quoting A.N. Cza, a veteran of EDPs, in this context "It is... 'follow up' input which insures that the positive morale-boosting effect of AMT and BOG inputs is not nullified by the restrictive, discouraging environment that control the world of small businessmen and suppresses his spirit of entrepreneurship."

Viewed in the light of the comments in the preceding paragraph, the entrepreneurial problem comprises of channelising innovative potential widespread in our rural and urban societies to industrial progress. Our focus is, however, on small scale initiative taken by the craftsmen, technically educated youth and traditional artisans. While raising their incomes and standards of living these motivated individuals are to be helped to adopt appropriate technologies for generating mass employment. Obviously this type of activity cannot be looked upon as just a government effort but seeks active public support and participation. How do the state-sponsored institutions elicit the public response is the precise question we address ourselves to.

The entire governmental effort is geared towards bringing into the charmed circle of entrepreneurs, the poorer classes and not to limit the industrial development exercise to the existing trading communities. It may be
mentioned here that the financial and mercantile background of the existing entrepreneurial stratum has distorted the pattern of industrial growth in India. The question of technology which is at the heart of industrial entrepreneurship recedes into oblivion and commercial aspects gain prominence at the cost of technological innovation. This is not to state that the technological initiative is lacking among the wide masses of Indian population. In fact, the identified categories of the new entrepreneurs among the traditional practitioners of technology and the technically trained youth need a support system so that the ruthless warfare practised by the 'trading entrepreneurs' can be successfully combated in the market place.

It is our realisation that real industrial progress is not to be sought in just floating an industrial unit here or production unit there; it is a basic change in the interaction of rural entrepreneur with the developmental bureaucracy which is the need of the hour. For decentralised support to small entrepreneurs, a centrally directed and administered institutional framework has to be replaced by a structure with state and ultimately district as a unit of planning. Fortunately, the advantages of district as a unit of planning are being realised in overall developmental planning also. The Eighth Five Year Plan is going to rely on this approach. However, in the industrial sector, a beginning has already been made by starting single window information, monitoring and guidance bureaus for small
industry in the form of District Industry Centres. Though the DIC scheme is not very old as yet to warrant any generalisations, yet it appears that rather than being an outfit of promotional effort of the state in industrialisation, these centres have tended to resume functions of a regulatory apparatus. It is with this perspective that we take up the discussion on the role of DICS in entrepreneurial development in the following pages.

9.1 DIC-The Single Window Industrial Support System (SWISS)

As already mentioned, for the development of rural industries, the focal point of development has to be shifted from cities and small towns to the lower levels. To implement this policy, the Government of India launched the "District Industries Centres" (DIC) programme a decade back to provide integrated administrative framework at the district level. The DICs were supposed to provide all services and supports to the entrepreneurs under a single roof at the pre-operative and post-operative stages of small industrial ventures. Till now, in most of the states, the district industries officers were functioning without any active interaction with the other district level development functionaries. It has therefore been considered necessary to weave all the government functionaries in a single institutional frame so that the DIC can act as a focal point for the entire industrial growth of the district.
DIC is an institution at the district level. Its services and facilities include the identification of suitable projects, the preparation of techno-economic feasibility reports, making arrangements for the supply of machinery and equipments, provision of raw materials, credit facilities, marketing and extension services, quality control, research and entrepreneurial training. Prior to emergence of DICs an entrepreneur had to approach several agencies, many of them far from his district, in order to get the above mentioned facilities. This problem was more acute in a state like Himachal Pradesh due to its large area and low density of population.

The DICs make available the services and facilities of the following types:

"(i) To survey existing, traditional and new industries, raw materials and human resources;
(ii) To identify schemes and make market forecasts for different items;
(iii) To prepare sample techno-economic feasibility reports and offer investment advice to entrepreneurs;
(iv) To assess the machinery and equipment requirements and to indicate the locations where the machinery and equipment for different plants may be available to the entrepreneurs;
(v) To liaison with research institutions and arrange for the supply of machinery on hire-purchase basis;
(vi) To arrange training programmes for entrepreneurs
in coordination with various institutions engaged in this activity;

(vii) To ascertain the raw material requirements of various units, their sources and prices and to arrange purchases of raw material for distribution among entrepreneurs;

(viii) To liaison with various financial institutions to arrange supply of financial assistance to the entrepreneurs;

(ix) To organise market surveys and market development programmes for conveying market intelligence to the entrepreneurs and to liaison with government procurement agencies for the marketing of products;

(x) To give special attention to the development of Khadi and Village Industries and Cottage Industries in liaison with State Khadi and Village Industries Boards.  

For the performance of these functions, it was initially proposed that DIC will be headed by a General Manager and there will be seven departmental managers under him to perform the desired functions. The Manager Incharge of economic investigation would be responsible for the survey of the position in respect of raw materials and human skills, for the identification of potential industries, for data collection on existing industries and for the preparation of sample techno-economic feasibility studies. The manager incharge of machinery and equipment would assess the machinery and equipment requirements of various
units and also indicate their sources of supply in the
country by maintaining the lists of prices and of suppliers.
He would place orders on behalf of small entrepreneurs
and keep a contact with research institutions for the
provision of R & D technology.

The manager of Research, Extension and Training,
section was supposed to find out the problems faced by
small entrepreneurs in their production processes and in
the procurement of quality raw materials. He would also
keep himself abreast with research and development in
various product lines, processes and quality control
methods. He was also responsible for arranging training
courses in production management. The manager of raw
materials department helped in ascertaining the raw
material requirements of various units, their sources of
supply and prices at which they were available and further
also make arrangements for their co-operative or bulk
purchases.

The credit manager explained the various credit
schemes to the entrepreneurs and helped them in filling
up application forms for financial assistance. He was
supposed to act as a liaison agency with the lead bank
and other institutions in the appraisal of the loan
applications of entrepreneurs. The manager organised
market surveys for marketing, market development programmes
to convey market intelligence to the entrepreneurs, and
marketing outlets and price preferences with government
procurement agencies. The manager incharge of cottage industries would pay special attention to Khadi and Village Industries in co-ordination with State Khadi Boards and similar organisations engaged in promoting these industries. He also organised training programmes for rural artisans.

In order to convert the objectives of DICs into reality, it was stressed that these centres should not be procure-bound organisations and centres should be manned by experienced persons in the respective fields with complete delegation of authority to these functionaries. Moreover, the DICs were given freedom to work out their own organisation structures depending upon the inter-state and intra-state resource endowments and problems.

9.2 DICs in Himachal Pradesh

In view of the decision of the central government, the Himachal Pradesh Government has set up District Industries Centres in all the districts of the State. The District Industry Centre is headed by a General Manager, who is assisted by Managers, Industrial Promotion Officers, Superintendent, Accountant, Assistant, Cashier, Clerks and other supporting staff. Except for districts of Kinnaur and Lahaul and Spiti, the organisation structure in ten districts of the State is same. The only difference is that General Manager in these two districts are not assisted by Industrial Promotion Officers. The organisation structure of a District Industry Centre is shown in the diagram 9.1.
The district industry centre is headed by a General Manager, who is assisted by four functional managers and other supporting staff. The four functional managers deal with the subjects of administration, development, incentives, and credit. The manager administration is looking after economic investigation and general administration and manager development is looking after registration, imports and exports, approval of schemes, training and marketing. Manager incentives is incharge of subsidies and incentives, industrial areas and raw materials. Manager credit is incharge of loans, recoveries, self-employment schemes, EDP and Hire Purchase of machinery. The functional managers are assisted by the supporting staff in the performance of their functions. The actual organisation structure of DIC is different from the organisation structure as originally proposed in the scheme. No separate managers have been appointed for the functions like machinery and equipment, research, extension and training, marketing and village and cottage industries as envisaged in 1978 scheme. All these multiple functions are performed by these four functional managers, especially by the manager registration and development. The General Manager holds a key position and is responsible for the overall co-ordination and development of industries. At the time of writing this thesis, many positions stipulated in the model structure for DICs in the state were vacant. Most of the positions were being manned by the very same personnel who looked after now abandoned rural industries programmes.
9.3 DIC-Entrepreneur Interaction

Our empirical studies show that most of the new projects in India and the state of Himachal Pradesh have got scuttled by the lengthy and cumbersome process of approvals and clearances. The time involved in getting about a score of sanctions is so long that, sometimes, the project time of the entrepreneurial venture is more than a year. It is for overcoming the problem of interaction with multiple agencies that the institution of DIC was created so that the distinct advantage of short gestation period in small scale production is not lost. The cost escalations on account of delays in sanctions take a very heavy toll on the new venture and in some cases the costs are so heavy that the project turns sick before it has actually gone operational.

The systems diagram 9.2 portrays the DIC-entrepreneur interaction in the proposed set up. DICs normally have a resource potential survey and action plan for industrial development of the district. These institutions also keep with them the profiles of probable projects which have technical as well as commercial feasibility. In Himachal Pradesh most of the projects identified are related with tourism industry, and are forest or agro or horticulture based. Of late stress is also being laid on electronics industry. During the Entrepreneurship Development Programmes, conducted by various DICs with the help of HIMCON or SID, the participants are asked to pick up one from the existing
Diagram 9.2
Systems Flow Chart for Project stage of a small Venture

The Entrepreneur Submits the Proposal to DIC

DIC Examines it

Proposal Rejected

DIC Accepts the proposal

Get Plot/Shed Alloted or Building plan Approved

Take Physical possession of Shed/Constructed Permissses

Obtain Sanction for Power & Water

Obtain Factory Act Licence

Obtain Seed Capital

Install Machinery

Get Termloan Sanctioned

Get Import Licence if needed

Obtain Sanction for Marketing

Obtain Sales Tax Registration

Obtain provisional SSI Registration

Get ceiling limit for Working Capital

Complete legal/Financial Sanctions and Plant Layout

Start Production
project profiles. A few of them, of course, come up with their own projects as distinct from the project plans available with the DICs.

After the entrepreneurial training is over, some of these participants submit their project reports to the DICs for examination and approval. Some applications are also received from those who may not have undertaken entrepreneurial training. The Economic Investigation Cell of DIC studies these projects and makes necessary suggestions for modifications. Various functional managers offer their advice in the availability of raw materials, credit, incentives, subsidies and markets. They keep ready stock of application forms required by entrepreneurs to obtain the provisional SSI registration, Factory Act licences, term-loan, incentives/subsidies, seed capital, sales tax registration and ceilings for working capital needs. DICs in Himachal Pradesh, with the help of Industries Department or HPSIDC, have also erected some industrial sheds or have acquired lands for industrial plots in the identified growth centres. If the project is found to be promising enough and a suitable plot or shed is available then one of these is allotted to the interested entrepreneur. In the case of entrepreneurs who have their own premises or prefer leasing in private premises for their ventures, the building plans are scrutinized by the technical staff of the DIC. After getting all legal and financial sanctions, physical possession of the premises is taken by the entrepreneur.
and the plant lay-out is worked out. Ultimately, after the procurement of raw materials and installation of machinery, the project commences production. Special sanctions for marketing and import or export licences have also to be procured if some of the raw materials need to be imported or the entrepreneur plans to export the end-product.

Activities involved in a normal project cleared by D.I.C. and the Critical Path Scheduling (CPS) diagram appear as table 9.1 and diagram 9.3 respectively. It is evident from the diagram that even with the help of D.I.Cs, all the clearances are difficult to obtain and consume a lot of time. The critical time or project completion time on an average is 167 days. The critical activities have to be singled out in each project and care has to be taken that minimum possible time is taken on the critical activities; the resources - human as well as financial have to be diverted to these activities from the non-critical activities. A schedule is prepared on the basis of Critical Path Scheduling and needs strict adherence. It is interesting to note in the CPS diagram that installation of machinery can be allowed slack time. This contradicts the common sense understanding that lay out of the plant is the most crucial activity which results in long gestation period.

On paper, the D.I.C-entrepreneur interaction is very smooth but in practice the entrepreneur faces lot of problems.
Table 9.1  
Framework of Activities for New Ventures

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Events</th>
<th>Prerequisites</th>
<th>Time (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Submit the proposal and get it sanctioned by DIC</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>B</td>
<td>Get plot/shed allotted or building plan approved</td>
<td>A</td>
<td>50</td>
</tr>
<tr>
<td>C</td>
<td>Obtain the Factory Act Licence</td>
<td>B</td>
<td>3</td>
</tr>
<tr>
<td>D</td>
<td>Obtain SSI Registration (Provisional)</td>
<td>CF</td>
<td>5</td>
</tr>
<tr>
<td>E</td>
<td>Take physical possession of shed/constructed premises</td>
<td>B</td>
<td>7</td>
</tr>
<tr>
<td>F</td>
<td>Obtain sanction for power and water connection</td>
<td>E</td>
<td>20</td>
</tr>
<tr>
<td>G</td>
<td>Get term loan sanctioned</td>
<td>D</td>
<td>30</td>
</tr>
<tr>
<td>H</td>
<td>Get ceiling limit for working capital</td>
<td>G</td>
<td>20</td>
</tr>
<tr>
<td>I</td>
<td>Obtain incentives/subsidies</td>
<td>D</td>
<td>10</td>
</tr>
<tr>
<td>J</td>
<td>Obtain seed capital</td>
<td>H</td>
<td>25</td>
</tr>
<tr>
<td>K</td>
<td>Get import licence if needed</td>
<td>D</td>
<td>25</td>
</tr>
<tr>
<td>L</td>
<td>Obtain sales tax registration</td>
<td>D</td>
<td>25</td>
</tr>
<tr>
<td>M</td>
<td>Install machinery</td>
<td>E</td>
<td>60</td>
</tr>
<tr>
<td>N</td>
<td>Obtain sanction for marketing</td>
<td>D</td>
<td>1</td>
</tr>
<tr>
<td>O</td>
<td>Complete legal/financial sanctions</td>
<td>M,N,C,K,L,J</td>
<td>5</td>
</tr>
</tbody>
</table>
CRITICAL PATH SCHEDULING
FOR A SMALL VENTURE IN H.P.

CRITICAL PATH: A→B→E→F→D→G→H→J→O

PROJECT COMPLETION TIME 5+50+7+20+5+30+20+25+5 = 167 DAYS
Most of these problems arise from the distorted perception of DIC functionaries about their roles. As most of them have functioned under the auspices of Industries Department in their earlier assignments, their attitude is that of the traditional bureaucrats. They feel that they are supposed to regulate the private enterprises and if some concessions and facilities are to be extended by them they treat these as personal favours doled out to the entrepreneur concerned. Obviously in this scenario, DICs tend to further complicate the proverbial red-tapism. Rather than functioning as the single window clearance, support and guidance agency, DIC becomes another hurdle to be crossed by the prospective entrepreneur. In fact, sometimes, it is alleged that the administrative structure created by the Industries Department and various other institutions, in garb of assisting entrepreneurs, consumes more than half of the total allocations made by the Central as well as the State Governments under the head of entrepreneurial development or promotion of SSI. There are considerable leakages of incentives, subsidies and even loans in the delivery system envisaged for channelising financial support to the new ventures. The stories of unhealthy nexus between DIC officials, bank staff and the functionaries of financial institutions keep on appearing in the press. This nexus was, in fact, created for speedy disbursal of various incentives, subsidies and finances.

For changing their role from regulators to promoters, the attitudes of DIC staff have to be changed with suitable
It will not be unreasonable to suggest feedback studies of the performance of officials by the entrepreneurs who are supposedly drawing the benefits from a particular DIC while evaluating the performance of the functionaries in these pivotal institutions.

The present occupants of the various positions like General Managers and Functional Managers lack suitable training. It is suggested that with the retirement of some of them, the new incumbents have to be recruited from the abundantly available technocrats and management professionals of the state. It is suggested that apart from training the entrepreneurs, these guardians of entrepreneurs also need to be trained. The Central Government and various developmental institutions promoted by the State Governments conduct courses for training the DIC staff. The training has not to stress imparting of knowledge but attitudinal changes. Like in all the developmental projects the success of DIC will ultimately depend on the commitment of the personnel to the cause for which they are supposed to function. Ultimately, we suggest that the use of matrix organisations which we shall discuss in details while proposing a single window support system at the level of state, needs to be extended to the district level. Already the lead banks are coordinating their functioning with that of the DIC but as is evident the supports needed by an entrepreneur depend upon a host of other district level institutions. It is hoped that the introduction of district
level planning during the Eighth Plan shall facilitate interaction between the DIC and various other developmental agencies operating at the district level.

9.4 **Entrepreneurial Guidance Bureau - The State Level**

While the present study is not in disagreement with the need to decentralise the support systems for entrepreneurial development, it is sincerely felt that geographical and demographic characteristics of Himachal Pradesh call for certain adjustments in the institutional framework. Himachal Pradesh is a small state with population of around 50 lakhs and financial resources available with state government are also meagre. A number of districts in India have almost same population as that of the entire state of Himachal Pradesh. The structure envisaged for DIC in prosperous states like Punjab, Maharashtra and Gujarat may be too elaborate to cater to the needs of people in districts where population density does not touch even double digits. Though, we have pointed to certain deficiencies in the existing structure of DICs but our focus in that case has been on the entrepreneurs in small, tiny, handicrafts and cottage sectors.

In fact in industrially backward state like Himachal Pradesh, a good beginning can be made even if vibrant and functional SWISS is created at the state level. It is with this understanding probably that the Entrepreneurial Guidance
Bureau was created in the Industries Department. Besides, H.P. Mineral and Industrial Development Corporation was reorganised recently and renamed as H.P. State Industrial Development Corporation for placing the accent of its functioning more on the promotional role. In fact, in its earlier form, the corporation had taken up direct investment in some manufacturing units. Most of these have been gradually turned into either independent corporate entities or have been attached to other commercial undertakings in Himachal Pradesh. H.P. State Industrial Development Corporation, in contrast with Himachal Pradesh Financial Corporation, participates in seed capital also. It has also undertaken joint ventures with private entrepreneurs. It is suggested that one of the above mentioned corporations should function as a venture capital firm to allow easy availability of risk capital. Presently, the role of HPISDC does not seem to be clearly defined and it appears that it is trying to assume the role of autonomous body rendering all possible assistances to private entrepreneurs. However, with its preoccupation with certain industrial projects and development of infrastructure in industrial states, the corporation, even in its present form cannot be assigned the role of SWISS. As already discussed, similar system at the district level operates under the auspices of Industries Department. It will be advisable if SWISS at state level is created in the Department. The cynics, however, feel that there is no need for creating such window because Industries Department, through various functional divisions in its organisation, is catering to the multifarious needs of private entrepreneurs.
It is pertinent to point out here that SWISS is a superstructure to be created over the existing functional divisions of work in the Industries Department. It is a matrix organisation where different functional heads sit together with the functionaries from various promotional, financing and training institutions, discussed earlier in this study, to sort out the project stage problems of a new venture. They are to be assisted by the functional managers in the Industries Department. The proposed "single window support system" is not to function only as a public relations outfit of the Industries Department but extension work in the form of creating entrepreneurial awareness is one of its basic functions. It is probably with this understanding that the institution of Entrepreneurs Guidance Bureau (EGB, hereafter) was created in the Industries Department. We first report the existing structure of EGB and later suggest a matrix organisation for turning it into an effective SWISS.

The EGB was constituted in June 1985 by the Government of Himachal Pradesh to provide single window service to prospective entrepreneurs. It comprised of (i) Deputy Director (Industries), (ii) Industrial Adviser, HPIDC, (iii) General Manager (Technical), HPFC, (iv) General Manager (Tech.) H.P. Electronics Development Corporation, (v) Director/Executive Engineer (Commercial), HPSEB, (vi) Executive Engineer, H.P. State Board for Prevention and Control of Water Pollution, (vii) General Manager (Headquarters), H.P. State Forest Corporation,
(viii) Superintending Engineer (Irrigation and Public Health) and (ix) Deputy/Under Secretary (Revenue).

The Guidance Bureau functions twice a week and all the concerned officers attend the meetings which are chaired by the Minister of Industries or the seniormost member. To make this programme more purposeful, on every first Tuesday of the month, the State Minister for Industries along with Secretary Industries, Director of Industries, Managing Directors of the member Corporations and representatives of banks are also available in the Bureau to discuss and decide on the spot problems and matters relating to entrepreneurs.

The objectives of the Bureau are to guide the entrepreneurs in the setting of new industries keeping in view their technical background and the scope of the proposed line of manufacture. Bureau provides information to the entrepreneurs regarding the incentives given by the government, availability of raw materials, power, land and other facilities. It also renders assistance to the entrepreneurs in filling up application forms for registration, financial assistance, import applications and other necessary clearances. Ultimately, the EGB makes entrepreneurs aware of the current policies, procedures and practices of various departments and government agencies and helps them in resolving the inter-departmental problems faced by the entrepreneurs in setting up their projects and the bureau also looks into the problems in implementing the on-going projects.
The representative of the Industries Department is supposed to indicate to the prospective entrepreneurs, the scope of the proposed project and commit availability of land/plots in the industrial areas/estates. He is also supposed to render assistance to the entrepreneur in filling up the application form for provisional registration. The representative of HPIDC shall commit available plots in industrial areas being developed by the corporation and is also supposed to give commitment regarding financing of the unit. The HPFC representative is supposed to commit term loan upto Rs.5.00 lakhs and explain the policy of the corporation regarding loans above Rs.5.00 lakhs. The official of H.P. State Electronics Development Corporation is supposed to provide guidance and assistance to the entrepreneurs for setting up electronics industries in the State. The official of HPSEB is supposed to commit availability of power upto 100 KW at the spot and shall inform the commitment within 15 days for the load above 200 MW.

The official of H.P. Board for Prevention and Control of Water Pollution is supposed to give "No Objection Certificate" from the water and air pollution angle to the prospective entrepreneurs. The official of H.P. State Forest Corporation is supposed to commit availability of timber upto 500 cubic mtrs. per annum for each project. He is also supposed to indicate and commit the availability of other forest-based raw materials to the entrepreneurs. The representative of H.P. Irrigation and Public Health is supposed to commit availability of water upto 5000 litres.
per day. For requirements above 5000 litres per day, he is supposed to intimate the position within fifteen days.
The function of Deputy/Under Secretary Revenue is to expedite clearance required under H.P. Tenancy and Land Reforms Act for the transfer of private land for industrial use.

9.5 **SWISS - A Matrix Organisation**

DIC at the district level and EGB at the level of state are to be adopted as SWISS. Both call for inter-departmental and inter-organisational co-operation. The need is to provide a single interface with entrepreneur of all these organisations and functional divisions of the Industries Department. In order to provide a single window service we have to weave together the complimentary efforts of all the clearance agencies and supporting institutions. The autonomous nature of these institutions can create problems of co-ordination and communication among their functionaries to meet the system's objective of supporting and assisting an entrepreneur. In providing SWISS, various organisations become interdependent and interacting by deputing their key personnel to provide their specialised services on the EGB and at the level of DIC, as is portrayed in diagram 9.4.

The task of integrating is complex because the functionaries steeped in their routine specialisations are called to function as a team to ensure long term viability of the project they are assisting. The services provided
by the team have to be highly innovative because entrepreneurs with varied projects shall approach SWISS. In order to develop expertise in dealing with the needs of an entrepreneur, horizontal and diagonal relationships between the functionaries in different organisations have to be defined. In such relationships the possibility of conflict is very high and the commitment to this unfamiliar responsibility may be low initially. The functionaries may adopt rigid postures representing the narrow outlook of their particular institutions/department/divisions.

This unfamiliar exercise of bringing together officials from credit, training and infrastructural institutions has faced initial hurdles as has been frankly admitted by the Industries Department in Himachal Pradesh. EGB shall continue to be non-functional if the Director Industries doesn't assume the role of an effective leader in gearing the efforts of Bureau to help the entrepreneur combat uncertainties of the environment. The matrix relationship has to be instilled in the brains of the functionaries who meet once or twice in a week as members of SWISS and perform their functional responsibilities rest of the time.

Similar efforts are required on the part of General Manager of DIC also who will gear the efforts of many departments towards the goal of entrepreneurial development. The Chief Secretary at state level and Deputy Commissioner at district level have to provide the necessary support to
the project leaders of SWISS at both the levels. They should allow the project leaders to retain the same team of representatives from various institutions for fairly long tenure because it is only through experience that the team will learn the expertise of entrepreneurial guidance and development. Short refresher courses can be organised for these teams in developing the requisite procedures and expertise for a more meaningful interaction within SWISS and as an interface with entrepreneurs.

As is evident from the existing constitution of EGB, the representatives, only from state infrastructural and credit institutions have been represented on it. The proposed structure in the diagram 9.5 shows that the constitution of EGB and consequently similar outfit in DIC needs to be made more broad-based. Representatives of supporting organisations like H.P. Handicrafts and Handloom Corporation, H.P. Small Industry and Export Corporation, H.P. Store and Purchase Organisation HIMCON, etc. also need to be included in the EGB.

A detailed plan of ancilliariation has to be worked out in the case of fruit processing, tourism, transport, hydel power generation government commercial undertakings in Himachal Pradesh. For working out subcontracting arrangements by these organisations and for providing information about key sectors to entrepreneurs, the representatives of HPTDC, HPMC and HPSEB can be co-opted on the Bureau. They can also educate potential entrepreneurs in the key sectors about the possible raw material and machinery sources as well as markets for their product/
AN ILLUSTRATIVE MATRIX ORGANISATION FOR SWISS

CHIEF
SECRETARY

MINISTER
INDUSTRIES
SECRETARY
INDUSTRIES
M.D.
HPSC.
M.D.
HPFC.
M.D.
SEDC.
M.D.
HSS.I & E.
M.D.
HPSC.
G.M.
H.P.H.
& HC.
CHAIRMAN
HPSE.
B.
CHAIRMAN
HPK & VIB.
RMOM
COMM.
BANKS.
INCH.
S.P.O.
PCB.
I & P.H.

DIRECTOR
INDUSTRIES
G.M.
HPSC.
G.M.
HPFC.
G.M.
SEDC.
G.M.
HSS.I & E.
G.M.
HPSC.
MANAGER
HPH &HC.
EE.
HPSEB.
MANAGER
HPK & VIB.
AGM/
MANAG.
BANKS.
REPRESENT.
S.P.O.
EE.
PCB.
I & P.H.

G.M.
D.I. C.

DISTRICT LEVEL OFFICIALS

ABBREVIATIONS USED
MD MANAGING DIRECTOR
GM GENERAL MANAGER
AGM ASSISTANT GENERAL MANAGER
RM REGIONAL MANAGER
DM DIVISIONAL MANAGER
EE EXECUTIVE ENGINEER
PCB POLLUTION CONTROL BOARD
I & PH IRRIGATION AND PUBLIC HEALTH

FOR REMAINING ABBREVIATIONS, CF LIST OF ABBREVIATIONS
services. Privatisation of the expanding responsibilities of state public sector undertakings can offer ancillary type of projects to entrepreneurs. Routes are being privatised by HRTC, minor works are being sub-contracted by HPSEB, HPTDC needs to complement its services through the private hotels, and transporters in meeting the varied needs of increasing tourist influx to the state. Similarly HPKVV and HPHSH corporation can help in creating commercial complexes like emporia for providing local/national markets to the product of native industry's products. HIMFED too can be drafted in providing markets to the product of local entrepreneurs. For taking up export of small ventures in Himachal Pradesh, the Small Industries and Export Corporation can play an important role.

Marketing assistance is vitally needed by Small scale industry and EGB can provide facilities or liaison services for the above cited marketing facilities through state sector organisations. The structure to be worked out in DICs and EGB should prepare support teams comprising the representatives from all organisations mentioned above which facilitate networking of the entrepreneur with the governmental institutional framework.

The usual complaint of Industries Department that the entrepreneurs do not contact the EGB in requisite numbers may be on account of inadequate extension work in entrepreneurial awareness. Though not modelled as public relation outfit of Industries Department, as already stressed the SWISS at both levels should take up vigorous
extension work so that large number of potential entrepreneurs approach SWISS rather than running from door to door for clearances and assistances for their projects. It may be pertinent to note here that a cursory reading of "In Search of Excellence", the popular treatise on entrepreneurship, one gets the impression that entrepreneurs are off-beat, impatient on-getters with a lot of zeal. It is not ordinary men that SWISS is supposed to deal with. The entire functioning of this agency has to get in motion all institutions involved immediately, preferably on a single table, for helping the highly motivated entrepreneur in getting his innovative ideas acquired a concrete shape of a viable venture in the shortest possible time.

Bureaucratic adherence to rules, regulations and its impersonal attitude may not deliver the services for which this agency is created for. In a sense bureaucracy is the very anti-thesis of entrepreneurial organisation. There is every danger of stifling the creative activity of enterprise building if the SWISS team doesn't shed its bureaucratic approach. The matrix organisation helps the functional managers/bureaucrats come out from their traditional shells and undo the red-tapism inherent in hierarchical organisations. The effectiveness of SWISS leader depends on facilitating this process. Humanising the impersonal approach is the responsibility which SWISS leader has to shoulder.
Developmental approach to administration faces its biggest challenge in the present exercise of entrepreneurial development. Various suggestions with regard to professionalising developmental bureaucrats by adopting appropriate personnel policies have been suggested by various Administration Reform Reports. One of the key areas of ensuring success of endeavours like SWISS for entrepreneurs uses a blend of management by exception as well as results. Many models of recruitment, performance, evaluation, merit rating, training and promotions for development bureaucrats have been proposed. Without going to details of all these we have only to maintain that the entrepreneurs with their visions shouldn't be left hanging like a spider in the network of institutional frame, the real task of SWISS is to ensure that the project of entrepreneur acquires concrete shape as early as possible. The support system has not only to promote entrepreneurship but also work out 'turnaround' strategies for sick units and provide incentives to 'group entrepreneurship' in self-employment schemes as suggested by many experts.

Ultimately a supporting official for entrepreneurs can only succeed by merging 'his overt identity with them by showing empathy (not just sympathy) with their problems and life conditions.' This is the only way to cut project time and costs. The disadvantages of a high cost economy that India is, are too well known to be elaborated upon. The behavioural disposition of the personnel in SWISS at both levels shall determine whether institutional framework becomes a support system to entrepreneurs or legendary Kafka's Castle.


5. A Notification, Secretary Industries, 16.5.1985, Shimla.


