CHAPTER – III

ENTREPRENEURSHIP DEVELOPMENT
CELLS – A PROFILE
Chapter III

ENTREPRENEURSHIP DEVELOPMENT CELL

– A PROFILE

3.1 ENTREPRENEURSHIP DEVELOPMENT CELLS

The main purpose of Entrepreneurship Development Cells is, to create awareness about entrepreneurship in the minds of young Indians. The qualified individuals from technical institutions like ITIs, Polytechnics and Engineering colleges are targeted to provide opportunities to the individuals to know the ways and means to be a successful entrepreneur. Experts of nearer industries are invited to provide valuable suggestions and in house experts provide valuable guidance and training to make the Programme successful.

The Science and Technology Department initiated the Entrepreneurship Development Cell (EDC) scheme to develop institutional mechanism to create entrepreneurial culture in S&T academic institutions and to foster techno-entrepreneurship for generation of wealth and employment. The Entrepreneurship Development Cells are established in academic institutions (Arts & Science Colleges, Engineering Colleges, Universities, Management Institutes) having requisite expertise and infrastructure.

The mission of the EDC Scheme is to "Develop institutional mechanism to create Entrepreneurial Culture in Science & Technology academic institutions to develop technocrat entrepreneurs for generation of wealth and employment ".

50
In order to develop Entrepreneurship in India, central Government Agencies like AICTE, UGC, Department of Science and Technology provides funds to eligible educational Institutions for setting up Entrepreneurship Development Cells for the purpose of creating awareness in the minds of young budding graduates, technicians or professionals. The state governments also take more efforts for entrepreneurship development by way of setting up Centre for Entrepreneurship Developments, which also play vital role in creating awareness about Entrepreneurship, training and consultancy and all.

3.2 OBJECTIVES OF THE ED CELL

➢ To act as an institutional mechanism for providing various services including information to budding S&T entrepreneurs.

➢ To create Entrepreneurial culture in the Parent Institution and other institutions in the region and to promote the objectives of NSTEDB, including programmes related to women and weaker sections of the society.

➢ To foster better linkages between the Parent Institution, Industries and R&D institutions in the region and other related organizations engaged in promoting Small & Medium Enterprises (SMEs) including NGOs and other Voluntary Organization.

➢ To catalyze and promote development of S&T based enterprises and promote employment opportunities.

➢ To respond effectively to the emerging challenges and opportunities both at national and international level relating to SMEs and micro enterprises.¹
3.3 ROLE OF ED CELLS

➢ To develop entrepreneurship in the minds of technically qualified individuals.

➢ To assist technically qualified individuals through need based training programmes to enable them as a self-employed and self-determined.

➢ To groom their managerial ability in the different facets of management.

➢ To guide them through the expertise of in-house and outside experts, so as to make them competent in their work areas, and

➢ To develop and suggest a module of entrepreneurship curriculum to the technical education and to offer entrepreneur development programmes to the students of various technical oriented studies.

3.4 FUNCTIONS OF ED CELLS

➢ To organise Entrepreneurship Awareness Camps, Entrepreneurship Development Programmes and Faculty Development Programmes in the region for the benefit of S&T persons.

➢ To develop and introduce curriculum on Entrepreneurship Development at various levels including degree/diploma courses of the parent institution and other institutes in the region.

➢ To conduct research work and survey for identifying entrepreneurial opportunities (particularly in S&T areas and service sector).

➢ To guide and assist prospective entrepreneurs on various aspects such as preparing project reports, obtaining project approvals, loans and facilities from agencies of support system, information on technologies, etc.
➢ To organise guest lectures, TV & Radio talks, Seminars, etc. for promotion and growth of S&T based entrepreneurship.

➢ To arrange visits to industries for prospective entrepreneurs.

➢ To extend necessary guidance and escort services to the trainees in obtaining approval and execution of their projects.

➢ To act as a Regional Information Centre on business opportunities, processes, technologies, market, etc. by creating and maintaining relevant databases.

• To provide testing, calibration, quality assurance, design, tool room, pilot plant and other facilities for entrepreneurs besides expertise in intellectual property rights, patents search, etc.

• To render advice to sick enterprises and assist the entrepreneurs in rehabilitating them.

• To conduct skill development training programmes leading to self/wage employment.

3.5 Criteria for Selection of an Institution to set up an Entrepreneurship Development Cell

The sponsoring/parent institution should fulfill the following criteria:

The institution should be a University/deemed to be University or a premier Institute/College offering Engineering, Technology, Science & Management courses for at least 5 years. In case of a college/institute, it should be duly recognised and affiliated. In case of private institution, it should be promoted by a Trust or a Society registered under relevant Acts.
Qualified and dedicated faculty in various disciplines with a good Research & Development base and industry related activities.

Adequate space for locating the Cell and facilities of office equipment and furniture required for the Cell.

Availability of workshops, laboratories and computational facilities.

Library with a good collection of books and journals.

Experience in Entrepreneurship Development and Promotion and Industry related activities such as Consultancy, Product Development, Testing, Calibration, etc.

3.6 Entrepreneurship Development Training Programmes

Entrepreneurship Development Training Programmes are defined as those programmes which: (a) create awareness of entrepreneurship, (b) provide career orientation in enterprise, (c) lead to the creation of new enterprises through the training of potential entrepreneurs, (d) promote self-employment, (e) training existing entrepreneurs for business survival and growth and (f) stimulate entrepreneurial values in the community.

The Entrepreneurship Development Training Programmes was introduced in 1970 in Gujarat and was sponsored by Gujarat Industrial Investment Corporation (GIIC). The Entrepreneurship Development Training Programmes was based on McClelland’s experiment in Kakinada district in Andhra Pradesh, where businessmen provided with motivation training later on improved their performance.

The Entrepreneurship Development Training Programmes are designed as a human resources development tool to help a person in strengthening his
entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively.

3.6.1 Phases of Entrepreneurship Development Training Programmes

The Entrepreneurship Development Training Programmes consists of three distinct phases of pre-training, training and post-training or follow-up. The duration of the Entrepreneurship Development Training Programmes may vary from two weeks to three months. The Entrepreneurship Development Training Programmes is characterized by an emphasis on operational rather than academic training and flexible designing of training programmes to meet the specific needs of the participants. The programmes directly tie its training to setup of enterprises and tailor its techniques and strategies to the socio-economic and cultural constraints in which it operates.

The various phases of Entrepreneurship Development Training Programmes are summarized below:

i. Pre-Training Phase

The Pre-training phase may also be termed as 'preparation' phase for the training Programme. The process starts with basic understanding of situation that calls for transforming people to be entrepreneurs. An analysis of situation can provide conviction towards the goal achievement. The training institutions are required to undertake a series of activities to prepare themselves for the training programs. Some of the activities are listed below: (i) documentation of entrepreneurial opportunities in the area, (ii) information about the possible supply of entrepreneurs, (iii) motivational campaign for attracting and identifying potential entrepreneur, (iv)
selection of potential entrepreneurs, (v) identifying training needs of the target groups, (vi) risk taking, (vii) positive self concept and (viii) problems solving and urge for goal setting. In the selection process, persons possessing a minimum level of entrepreneurial traits are selected.

ii. Training Phase

The main objective of the training phase is to bring desirable change in the behaviour of the trainees. This change is succinctly put as ‘need for achievement’, i.e., motivation among the trainees. The Entrepreneurship Development Training Programmes have normally there components, (a) Achievement Motivation Training, (b) Business Opportunity Guidance and (c) Management Education Component.

a) Achievement Motivation Training

The aim of the achievement motivation training is to develop the latent motivation of the trainees. The motivational inputs include psychological games, tools, goal setting exercises and role-play. The most well known technique is the ring toss game, which tests the trainees’ aptitude to risk taking. The objective of these inputs is to enable the participants to understand their own entrepreneurial personality and behaviour and bring about through self-study, changes in self-concept, values and skills leading to positive entrepreneurial behaviour.

b) Business Opportunity Guidance

The trainees are provided information about various opportunities available and guided to select a project suitable to them. The trainees are exposed to the actual problems of running an enterprise by conducting field trips to successful industrial units in the area. The trainees are guided to conduct a market survey in order to ascertain the available market for their chosen product and determine the appropriate
market mix. The trainees are also provided guidance with regard to the preliminary work to be completed before setting up an enterprise. Information on government policies and guidelines are also provided.

c) Management Education Component

The management training is important because the typical small entrepreneur will have to manage the unit himself. This concept will help entrepreneurs to understand the concepts and principles of management and apply them in the day-to-day management of the industrial unit.

iii) Post-training / Follow-up Phase

The post - training or follow - up phase of the Programme includes follow-up support, guidance and counseling provided for preparing applications for financial assistance, getting sanction of loans, selecting and securing suitable location, getting governmental approvals and registration under various statues. The follow-up phases of the Programme are as important as the first two phases. This continuous flow of follow-up programmes simply aims at finding out the practical difficulties faced by the entrepreneurs while interacting with various financial and promotional agencies and overcoming these difficulties. This activity provides encouragement to the entrepreneurs to continue their efforts towards the achievement of their goals. If adequate follow-up is not provided, there is every possibility that trainees, even highly motivated ones, may run into problems with bureaucracy or lending agencies and discard the idea of setting of an industrial unit.
3.7 PROGRAMMES ORGANISED BY ED CELLS

3.7.1 Entrepreneurship Awareness Camps

In this era of Liberalization, Privatization, Globalization, the students flying out of the technical institutions and professional institutions are competing with each other in finding an entry into any public or private organizations. But most of them are left out with no chances, and to remain idle.

Entrepreneurship Awareness Camps are being organized with the objective of bringing to the limelight, the inner being of those qualified individuals to develop them into successful entrepreneurs. As such, Entrepreneurship Awareness Camps are targeted on the individuals from institutions like polytechnics, ITIs, Engineering colleges and professional colleges. That is very essential and important thing to create awareness about entrepreneurship among the students. Sometimes it may use to start a business with the help of their friends.

The EAC Programme having different interesting module whereby the qualified individuals are provided opportunity to learn the aspects of becoming a successful entrepreneur and to interact with those officials, who will be providing supportive assistance in their endeavor. Real lifetime successful entrepreneurs are being invited for direct interaction, with visits to their units, for first-hand understanding of the benefits arising out of self-employment than under-employment. When they interact with the successful entrepreneurs, they can get an idea to start a new business or new concern. They can motivate with the help of hearing successful stories of successful entrepreneurs.

Each Camp, of 3 days duration, is conducted in the premises of an academic institution and aims at creating awareness among students about various facets of
entrepreneurship while highlighting the merits of pursuing such a career option. In each EAC, about 75 students are exposed to different aspects of entrepreneurship, including opportunity guidance, services offered by agencies of support system etc. A visit to the industries located in the region is also arranged to bring the students in direct touch with practicing entrepreneurs.

3.7.2 Entrepreneurship Development Programmes

Entrepreneurship development is a very important catalyst in context of the rapid growth of small and medium industries in a country. The efficient performance of this sub-sector is dependent on effective utilization of man, machine and materials and human factor plays more important role as compared to machine and tools.

Getting to know about entrepreneurship and imparting the basics regarding the establishment of their own ventures, will be sufficient to provide the required stamina to manage and run the new ventures. The world of competition and uncertainty poses a big threat even to the determined new entrants. This has indeed necessitated the Entrepreneurship Development Centers to provide for learning cum performance – based programmes for the new as well as existing entrepreneurs.

Entrepreneurship Development Programmes has been developed with the main objective of grooming the entrepreneurs to face up the challenges of this ever-changing world. Entrepreneurship Development Programme has been devised as a long – term supportive Programme, whereby the new and existing entrepreneurs get the required inputs in different aspects of their venture like Business management, Marketing Management, Financial Management, Product Management, Total Quality Management, Reengineering Process, Risk and change Management and so on and find out their source of assistance from where they can get lending-hands.
The entrepreneurs are not only the owners of the business but are also the Managers. EDP shall adequately put the new and existing entrepreneurs through various processes to build up their managerial ability in the different facets of management, with the expertise of in-house and outside experts, so as to make them competent in their work areas.

An Entrepreneurship Development Programme (EDP), of 6-8 weeks duration, aims at training the S&T graduates the diploma holders in the essential of conceiving, planning, initiating and launching an economic activity or an enterprise successfully.

The Programme content includes class room training on essentials of entrepreneurship survey of the prevalent socio-economic scenario, identification of business opportunities, role and function as well as schemes of assistance offered by various constituents of the support system, preparation of a technically feasible and economically viable project report, Achievement Motivation Training and also the nuances of management of an enterprise. Sessions on technology and finance are also arranged, depending upon the nature of project selected.

Special EDPs are being conducted with more emphasis on linkages with R&D institutions to take up projects based on indigenous technologies and services, in the area of high technology, such as Leather, Plastics, Bio-Medical Equipment, High Speed Data Communication and other emerging areas of technology.

3.7.3 Entrepreneurship Counseling Programmes

Business opportunities are available in plenty of numbers. Even though all the facilities are available in hands, Something bothers the man to put his leg in a business. After undergoing training programmes, some of the participants are not
ready to start the business. Entrepreneurship counseling is meant for these kind of people.

Entrepreneurship counseling is conducted for the purpose of rectifying the unnecessary fears in the mind of participants and to motivate them to start the business. This Programme not only deals the personal problems of people but also other problems such as financial problems, marketing problems.

These kinds of training are conducted for one day. But the People in ED cells are ready to offer counseling to the needed at any time.

3.7.4 Vocational And Skill Development Programme

Major changes in the Indian Economy and the accelerated rate of industrial growth imply a larger demand for vocational skills. The rapid migration of rural population to urban areas has also created a demand for trained people to meet the needs of urban services. Further, a variety of new services has emerged such as financial, health, media, advertisement, urban utilities, cable TV and entertainment, and telecom services. There has also been a sharp growth and new product/service introduction in the agro-food processing industries for both internal use and for exports, requiring special skills. Skill Development Training aims at development of skills through training intervention by developing special curricula and creation of models for offbeat and innovative skill areas. With development of new and better technologies it becomes essential to upgrade the skills of man-power using such enhanced versions of equipment/tools.

The objectives of skill Development training are i) demonstrate that skills can be developed/upgraded through the application of Science and Technology ii) harness the resources of S&T infrastructure of the country, which have so far remained under-
utilized, for skill development training iii) enhance quality of services/products and thereby enhance income generation among skilled workers.

Each training Programme will vary depending upon the type of trade. However, an attempt would be made to keep the duration less than a year and in most cases between 2 to 3 months.

3.8 Entrepreneurship Development Organizations & Support System

A support structure sensitive to the call of the day would certainly offer a hand in floating a wholesome, growing business environment. An able support system has the inherent potential to give the necessary thrust to entrepreneurship, so that the resultant exemplary performance aids economic development.

In line with this thought, one can well assume that EDI-promoted Entrepreneurship Development Institutes must expand their roles and grow beyond being mere facilitators. They must become the ambassadors of entrepreneurship and through various interventions, develop as also share their insights into business essentials. EDI looks into the capacity building of functionaries with these organisations so that they grow with the changing age.

Subsidies, technology, advancement etc., appear bleak and cease to have any meaning if the support system doesn't favour its reach to the society. EDI has mounted several programmes to drive home the sooth that the 'quintessence of economic success lies in their support'. The system's sensitization and capacity building, therefore, holds primary significance.

Training Programme on Project Appraisal and Entrepreneur Assessment drives home that corporate performance can be spurred by a systematic approach to identification of opportunities, formulation of industrial project and their appraisal,
and equips in this direction. The Programme for bankers advocates that financial institutions and banks must adopt a scientific and detailed appraisal method to assess a project report as also the 'man-behind-the-project'. (i.e. entrepreneur)

The environment today is certainly rife with entrepreneurial occurrences and to push the phenomenon ahead, it is important to undertake qualitative and quantitative research. This would envelop institutions involved in entrepreneurship related activities, thus ensuring that awareness and sensitization do not perplex any further.

3.9 INSTITUTIONAL ARRANGEMENTS

For the last five decades, the Government has seriously attempted to create a new class of entrepreneurs, who are expected to take up different activities on their own leading to economic development and to make people generate employment for them. The strategy to achieve this objective is to encourage people to establish their units in small-scale sector and tiny sector. Basically, this strategy is adopted with the objectives of achieving socio-economic equality and self-reliance of the Indian masses. The entrepreneurial development strategy has been implemented through three-tier system consisting of (i) National Level Institution, (ii) State Level Institutions and (iii) district Level Institutions along with several Non-Governmental Organizations (NGOs). The major institutions imparting entrepreneurship development training programmes have been the Rural Urban Development and Self Employment Training Institute (RUDSETI)\(^{10}\).

(i) National Level Institutions

The institutions involved in entrepreneurship development at the national level are as follows: (a) The Small Industry Development Organization (SIDO), (b) The
National institute for Small Industries Extension Training Institute (NISIET), (c) The National Institute for Entrepreneurship and Small Business Development (NIESUBUD), (d) The National Small Industries Corporation (NSIC), (e) The National Entrepreneurship Development Board (NEDB), The Khadi and Village Industries Commission (KVIC) and (f) The Entrepreneurship Development Institute of India (EDII). A brief analysis of the role and functions of these institutions is presented below:

(a) SIDO

The Ministry of Industries established the Small Industry Development Organization (SIDO) in 1954 for entrepreneurship development activity. It is an apex body and is a nodal agency for formulating, coordinating and monitoring the policies and programmes for promotion and development of small-scale industries. A variety of support services are available to small-scale units from SIDO and its associate institutions. These services include entrepreneurship development and training: training and extension services, skill development, assistance to entrepreneur’s development institutes, preparation of project profiles, plant modernization studies, testing services, sub-contract exchanges, establishment of tool room and product and process development centers and marketing support. SIDO has formed a network of twenty eight Small Industries Service Institutes (SISIs), more than thirty branches of SISIs, forty-one extension centers, four Regional Testing Centers, one Product and Process Development Centre to look after the entrepreneurial needs all over the country.
(b) NISIET

The National Institute for Small Industries Extension Training Institute (NISIET) formally SIET trains the trainers and entrepreneurs. It has a sub-center in Assam for entrepreneurship development in North Eastern States of India. The role played by the institute is (a) to provide the training to the personnel engaged in small industry development and management activities, (b) to undertake sponsor or plan research programmes related to development of small industry and (c) to enter into and execute technical assistance agreements with international or other organizations for the provision of necessary services related to development of small industry.

(c) NIESBUD

The National Institute for Entrepreneurship and Small Business Development (NIESBUD) was established in 1984 to serve as an apex body to coordinate the training Programme of various centers and organizations in the country, to train the trainers and motivators in entrepreneurship development and to prepare model syllabus for training for various target groups and target areas. The functions of NIESBUD can be listed as follows:

(a) to serve as an apex organization, (b) to organize and conduct training programmes for motivators, trainers and entrepreneurs, (c) to coordinate the training activities of various institutes and organizations in the country imparting training in entrepreneurship, (d) to affiliate institutes and organizations, conducting entrepreneurship training and (e) to identify, train, assist potential entrepreneurs amongst technical and non-technical personnel in setting up self employment ventures in small industries including service industries.
(d) NSIC

The National Small Industries Corporation (NSIC) was established in 1955 with the main objective of supplying machinery and equipment on a hire-purchase basis to small entrepreneurs and assisting them in procuring Government orders for various items for stores. Its other main functions are (a) to supply of indigenous or imported machinery to Small Scale Industries (SSIs) on hire purchase basis and guidance on adoption of modernized technology for improved methods of production and a combination of all, (b) to distribute raw materials through their depots, and to import components and parts for small industries and (c) to assist in marketing small industry products and tender marketing through bulk purchase of tenders of central / state governments and for government stores purchase programmes.

(e) NEDB

The National Entrepreneurship Development Board (NEDB) was formed in 1983 with industry Ministry as its Chairman and Minister of State as its Vice-Chairman along with other 20 members. This Board is the apex body for recommending policy issues covering facilities, incentives needed for acceleration of entrepreneurship development. NIESBUD is the secretariat of the Board and the Executive Director of NIESBUD is its member secretary.

(f) KVIC

The Khadi and Village Industries Commission (KVIC) were established as a statutory body by an act of Parliament in 1957 to strengthen the rural industries. The main functions of the commission are to plan, organize the implement programmes for development of Khadi and Village Industries (KVI) through the State Khadi and Village Industries Board and registered institutions. While doing so, it finances the
eligible agencies, trains the artisans, supervisors and other functionaries, involves in research and development in KVI, supply raw materials and marketing of KVI products.

(g) EDII

The Entrepreneurship Development Institute of India (EDII) was formed in 1983 as an autonomous body sponsored by several financial institutions like Industrial Development Bank of India (IDBI), Industrial Credit and Industrial Corporation of India (ICICI), Industrial Finance Corporation of India (IFCI) and the State Bank of India (SBI). Its main function includes training of trainers for initiating, supporting and accelerating entrepreneurship training development training development in the country. Its Rural Entrepreneurship Development (RED) division concentrates on rural development, employment generation and poverty alleviation through the promotion of micro enterprise.

(ii) State Level Institutions

Apart from the national level organizations for the development of small-scale industries, there are state level organizations to carry out the policies and programmes framed at national level and to frame and implement the programmes at state level. Hence the Directorate of Industries and State Small Industries Development Corporations are set up along with the state financial corporations, state industrial development corporation and state industrial infrastructure corporations.

The Directorate of Industries is the most important institution set up at the state level for the development of all industries in the state. All functions such as the registration of units, distribution of raw materials and allotment of industrial lands and development of industrial estate are preformed by this directorate.
The State Financial Corporations (SFCs) came into being under the provision of the State Financial Corporations Act, 1951. At present, there are 18 SFCs, of which 17 being set up under the SFCs Act and one viz., Tamilnadu Industrial and Investment Corporation Ltd., under the Companies Act. The main objectives of the SFCs are to finance and promote industrial enterprises in their respective States for achieving a balanced regional growth and to catalyze investment, generate employment and widen the ownership base of industry. Financial assistance to small and medium enterprises is provided by way of term loan, direct subscription to equity / debentures, guarantees, discounting of bills of exchange and seed capital assistance. They also provide financial but there as no such agency at early stages of Indian economy. The move was made only after sixties through establishing Rural Industries Projects (RIPs) and District Industries Centres (DICs).

**District Industries Centres**

The District level structure is characterized by the District Industries Centres (DICs). These were established in 1978 by each State Government for the promotion and development of tiny, cottage, and village industries. The District Industries Centre conducts entrepreneurial development programmes, conducts market survey, assists potential entrepreneurs in preparing project reports, acts as a nodal agency through which all the schemes of the government are implemented and co-ordinates the activities of different agencies involved in entrepreneurial development. The service provided by the Centre include (i) economic investigation of the districts covering raw materials and other resources, (ii) supply of machinery and equipment, (iii) provision of raw materials, (iv) arrangements for credit facilities and effective set up for marketing and (v) a cell for quality control, research and extension. The District Industries Centres have close linkages with developmental agencies. Their aim is to
accelerate the emergence of entrepreneurship by avoiding the delays between different stages of building up an enterprise. The extension services provided by the DICs include: (i) dissemination of information, (ii) supply of machinery and equipment, (iii) provision of raw materials and quality inputs and (iv) arrangements for credit facilities, (v) marketing and (vi) consultancy.

REFERENCES

1. www.dst.gov.in
2. www.dst.gov.in
3. www.dst.gov.in
4. www.dst.gov.in