CHAPTER – VI

ROLE AND FUNCTIONS OF WOMEN ENTREPRENEURS IN DEVELOPMENT AND ADMINISTRATION OF THEIR BUSINESS FIRMS
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CHAPTER VI

ROLE AND FUNCTIONS OF WOMEN ENTREPRENEURS IN
DEVELOPMENT AND ADMINISTRATION OF THEIR BUSINESS FIRMS

6.0 Introduction –

In this chapter the Researcher has described in detail the role played by women entrepreneurs in development as well as in administration and management of their small scale business firms. For describing this role and evaluating their functions the researcher has collected the data from 123 respondents i.e. 123 women entrepreneurs in her jurisdiction. The researcher had collected this data by way of personal interview, circulation of questionnaire as well as her personal visit to the small scale business firms of women entrepreneurs in Nashik city. After collecting this valuable information, the researcher could enlist the main functions performed by the women entrepreneurs in the administration and management of their business firms.

6.1 Functions related to financial administration and management –

Before considering the financial functions, it is better to take into consideration the definitions of financial management and administration.

Definition by Howard and Option –

“Financial management may be defined as that area or set of administrative functions in an organisation which relate with arrangement of cash and credit so that the organisation may have the means to carry out its objectives as satisfactorily as possible” *1

Definition by Joseph and Massie –

“Financial management is the operation activity of a business that is responsible for obtaining and effectively utilizing the funds necessary for efficient operations” *2


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The financial management of a business firm is important because it has an impact on all the functions of a business firms.

The process of financial administrative not only handles the day to day financial transactions but even the complex situations such as mergers, amalgamations, capital reorganization etc.

After making a detail survey of 123 women entrepreneurs, the Researcher can summarize the financial functions as follows –

6.1.1 **To anticipate the financial needs of the business firm -**

The entrepreneurs are required to anticipate the financial needs of their business firms right from its establishment. The financial needs can be anticipated by using different modern techniques such as preparation of budget, preforms of estimated income and expenditure, expected fund flow and cash flow statement.

6.1.2 **Acquiring Financial Resources -**

It means knowing when, where and how to obtain the funds for a business. The funds should be acquired well before its need is felt in a business. The women entrepreneur should know how to tap the different sources of funds. The requirement of the business may be for short term and long term. It will depend on the size and strength of the borrowing corporation.

6.1.3 **Allocating funds in Business -**

It means the funds should be invested in the best plans of assets. It must be based on the balance between their profitability and their liquidity. The women entrepreneur should maintain a proper balance among the various assets. The prime responsibility of the financial executives is to preserve the continuity of the flow of funds for the smooth functioning of the organisation.

6.1.4 **Administrating of the allocation of Funds -**

After allocating the funds on different investment opportunities, it is the basic responsibility of the finance manager to observe the performance of each rupee that has been invested. She has to supervise closely the flow of funds which will ensure the continuous flow of funds as per the requirement of the organisation.
6.1.5 **Analysing the performance of finance** -

When the funds are administered, it is very comfortable for the women entrepreneur to take the decisions. The cost of each financial decisions and returns on each investment must be analyzed in case of deviations, necessary steps of strategies are to be adopted.

6.1.6 **Accounting and Reporting to Management** -

Modern financial management concentrate on micro-economic, as with which a business enterprise has to deal during its day to day operations. Following is the list of important functional areas of modern financial management.

1. Determining financial needs
2. Determining sources of funds
3. Financial analysis
4. Optimal capital structure
5. Cost volume profit analysis
6. Profit planning and control
7. Fixed asset management
8. Project planning and evaluation
9. Capital Budgeting
10. Working capital management
11. Dividend policies
12. acquisitions and mergers
13. corporate taxation

**Functional Areas of Financial Management**

**Determining Financial Needs** –

The important function of financial manager is to ensure availability of adequate financing. Finance may be required for different purposes e.g. initial promotional expenses, fixed capital and working capital needs, promotional expenditure, fixed assets needs, current assets needs etc.

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1) **Determining sources of funds** –

The financial manager chooses different sources of funds by issuing different types of securities and debentures. She may also borrow from the financial institutions and the public. An organisation is committed to the lenders of finance and has to meet terms and conditions on which they have been given credit.

2) **Financial Analysis** –

The evaluation and interpretation of a firm’s financial position and operations is very necessary. It involves a comparison and interpretation of accounting data. The financial manager has to use a large number of ratios to analyze the financial status and activities of her organisation. She has to measure its liquidity, profitability, assets and overall performance in financial terms.

3) **Optimal Capital Structures** –

The financial manager has to establish an optimum capital structure and ensure the maximum rate of return on investment. The ratio between equity and other liabilities carrying fixed charges should be defined.

4) **Cost-Volume-Profit-Analysis (CVP relationship)** –

For this, fixed costs, variable costs and semi-variable costs have to be analyzed. The financial manager has to ensure that the income of the organization will cover its variable costs as well as fixed costs. She also has to find out the break-even point.

5) **Profit planning and control** –

Profit planning ensure the stability and growth of an organisation. The utmost important responsibility of the finance manager is the profit planning. Profit it the surplus of the organisation after its total expenses are deducted from its revenue. It is necessary to plan profits properly because they measure the economic viability of a business. Profit planning and
control are the two functions which enable the management to determine the cost it has incurred, the revenues it has earned, during a particular period and provides share holder and potential investors with information about the earning strengths of an organisation.

6) Fixed Assets Management –

An organisation has different assets like land, building, machinery and equipments, furniture. It has also intangible assets like patents, copy rights, goodwill etc.

For fixed assets there is long term commitment of funds, so the decisions about their purchases, replacement etc should be taken with great care and caution. To facilitate replacement of fixed assets, appropriate depreciations on fixed assets has to be formulated.

7) Project planning and Evaluation –

A profit is exposed to different types of uncertainties and risks. So it is necessary for an organisation to judge the sensitivity of the project to uncertainties and risks and its capacity to withstand them. It is unjustifiable to accept the most profitable project it is likely to be the riskiest.

8) Capital Budgeting –

Capital budgeting decisions are more crucial because they have long term implications. Current funds are to be invested in long run activities in anticipation of future benefits. Capital budgeting forecasts the returns of long term investments and compares the profitability of different investments. The financial analyst should be able to blend the risks with returns to get the current evaluation of potential investments.

9) Working capital –

Working capital is rightly considered as financial lubricant which keeps business operations smoothly going. It is the life blood of the firm. e.g.
cash, Bills receivable and inventory. The financial manager should judge
the advantage of customer trade credit. She should match inventory trends
with level of sales. The risks and uncertainties of inventory planning
should be dealt with a rational manner. Inventory management thus
includes purchases management and material management as well as
financial management.

10) Dividend Policies –
Dividend policies are a very crucial area of financial management. It
depends on number of financial considerations, e.g. profitability of the
organisation. There are different dividend policy which a firm may chose to
adopt depending upon their suitability for the firm and its stock holders.

11) Acquisitions and mergers –
The organisations may expand through co-operative arrangement i.e. by
acquiring other concerns or by entering into mergers. It involves major
problems of valuation and control. The process of valuing a firm and its
securities is difficult and complex. So the financial manager should go
through this valuation process very carefully.

12) Corporate Taxation –
Corporate taxation is an important function of the financial management
Corporation is a separate legal entity, so it is subject to an income tax
structure.

In India adequate attention has not been given to recent techniques of
financial management. It is necessary to take a fresh look at finance
management in most Indian Industries. The present behaviour of financial
management is a result of Government policies in an uncertain capital
market, George Engler has rightly observed that the absence of sound
financial management during the productions & sales stage leads to an
uneconomic use of funds and brings about deterioration in the fortunes of
the concern. A well informed and competent financial management is an absolute necessity of industrial development.

6.2 **Financial Functions of Women Entrepreneurs in Nashik City observed by the Researcher**–

The women entrepreneurs are generally expected to perform the following financial functions.

6.2.1 **To prepare a financial budget** - Every women entrepreneur is expected to prepare a detail financial budget for her business firm. This financial budget can be for a period of 1 year, 1 month budget, depends upon the nature of business. Generally its common practice to prepare annual financial budget.

Budget is a statement of accounting transactions that may take place in the future period of one year. There are two sides of the budget. 1) Estimated income of the business firm 2) Estimated expenditure of the business firm.

Estimated income side denote the various sources of income and a total amount of income that may be raised during the period of one year. On the other hand the estimated expenditure side of the budget consists of various factors of expenditure; that may take place during the period of 1 year. The budget facilitates the women entrepreneurs to estimate the future trends of the business. It enables her to make necessary provision for meeting requirements of future trends.

**Observation of the Researcher** – When the researcher contacted the sample size of women entrepreneur i.e. 123 women entrepreneur in Nashik city through interview, questionnaire and personal visits to the firms of women entrepreneurs, She had come to the following conclusions.

**Percentage of women entrepreneurs preparing annual budget**

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The above graph indicates the findings of researcher regarding the function of preparation of budget.

**Interpretation of the Researcher** – The following table and diagram indicates that very few i.e. 38% women entrepreneurs are keen on preparation of Annual budget while 62% women are unaware of preparing formal budgets for their business firms. It is observed during interaction with the women entrepreneurs that in the manufacturing sector, women are preparing annual and quarterly budgets to meet designed objects but professional and service industry women entrepreneurs are not serious about the preparation of budget.

6.2.2 **Determining Sources of funds** –

The researcher had an interaction with 123 women entrepreneurs. She found that the 38% women who are keen on preparing financial budget requires the finance while running their business. The need of funds is felt any time at any level of their business. The funds should be acquired well before its need is felt. So, they tap different source of funds to meet their short term as well as long term financial needs.

The need of finance depends on the size of the business as well as on the strength of borrowing of that organisation, they allocate the funds in the organisation in the best possible manner. Almost 80% of the women in Nashik city
invested their money by maintaining the balance between their profitability and their liquidity e.g. production machineries, modern equipment, infrastructure etc.

It is the prime responsibility of these women entrepreneur to closely monitor through their managers, that every rupee of their investment is been utilized in the best possible way.

It is observed by the researcher that these women entrepreneurs who really study the budget, their financial sources and the best allocation of their finance, i.e. 38% of women entrepreneurs perform other important financial management functions also like financial analysis, optimal capital structure, profit planning and control, fixed assets management, project planning and evaluation, capital budgeting, working capital management, Dividend policies, corporate taxation etc.

**Interpretation of the Researcher** – The researcher observed that 62% of women entrepreneurs suffer from shortage of finance. Mainly there are two reasons, firstly, women generally do not have property on their names. So their access to the internal sources of funds is limited. Secondly they do not have the adequate knowledge about the bank loans, the documentation interest rates different schemes available for them, the detail procedure of loans etc. So they still have to rely on their husbands or family male members.

In such situations, the women entrepreneurs have to rely on their own savings if any, loans from friends, relatives etc. So it is observed by the researcher that women entrepreneurs particularly fail or lag behind due to the shortage of finance.

Today variety of sources are there from which women entrepreneurs can obtain the finance. Each has its own advantages and disadvantages. But as a matter of fact, many women hesitate to take bank loans, because they are afraid, that they will not be able to pay them off.

To overcome the financial difficulties in the way of running enterprises, the Nationalized banks, State finance corporation, State industrial development corporation and district industries centers provide loans, subsidies and grants to women entrepreneurs. Different Interest rate schemes, Mahila Udyog Nidhi
Schemes by Industrial Development, Bank of India have been introduced to set up the new industrial projects by women entrepreneur.

Not only this but the direct financial support and indirect financial assistance is also given from Small Industries Development Bank of India (SIDBI), National Small Industries Corporation (NSIC), Industrial Finance Corporation of India (IFCI), State Small Industrial Development Corporations (SSIDCS), National Bank for Agricultural and Rural Development (NABARD) for rendering assistance to women entrepreneurs.

For improving entrepreneurship in women different training programs, vocational courses, work shops, seminars should be conducted. So that some of the challenging problems related to finance can be solved by women entrepreneurs.

**Functions related to marketing and sale of goods and services** –

The shortest definition of marketing is “meeting needs profitably”. The American marketing association defines marketing as ‘marketing’ is an organisational functions and a set of processes for creating, communicating and delivering value to customers and for managing customer’s relationships in ways that benefit the organisation and its stake holders. *4

Marketing management is an art as well as a science of choosing target markets and getting ,keeping and growing customers through creating, delivering and communicating superior customer value.

Marketing follows a logical process. The marketing planning process involves –

1) Analyzing marketing opportunities.
2) Selecting the target markets.
3) Designing marketing strategies.
4) Developing marketing programs.
5) Managing the marketing efforts.

After considering the definition of marketing we come across the following functions of marketing management to be performed by women entrepreneur.

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6.2.3 Developing marketing strategies and plans –

The most important function of marketing management process is the creative marketing strategies and plans which will guide the marketing activities. For developing the effective marketing strategy discipline and flexibility are the two important ingredients. Marketing strategies requires the clear understanding about the working of markets.

The traditional marketing was that the firm makes some product and then sell it in the market, where marketing aspect come in the second half of the process. But this view will not work in the economics where people have lots of choices.

Instead of making and selling, the companies now see themselves as a part of value delivery process which involves three stages.

1) **Choosing the value** – It means the detail study which marketing must do before making the product. For that segmenting the markets, selecting appropriate market targets and then to develop offerings value, positioning is to be done. The formula is (S T P) i.e. segmentation, targeting, positioning.

2) **Providing the value** – Next stage is to determine about the features of the product, prices and distribution.

3) **Communicating the Value** – It can be done by sales promotion advertising and other communication tools to launch and promote the product.

In short, the modern view of business processes puts the marketing at the beginning of the planning.

Strategic planning of marketing in all requires to, understand customer value ,creating customer value and delivering customer value, capturing customer value and sustaining customer value.
Four planning activities in strategic planning –

1) **Defining the corporate mission** – The organisation develop a mission statements to share its managers, employees and customers. The thoughtfully prepared mission statement, provides the employees a sense of purpose direction and opportunity.

2) **Defining the business** – The companies should define their business in view of customer satisfying process and not a goods producing process. The companies should redefine their business in terms of needs and not the products.

3) **Assigning resources to each strategic business unit** - The companies should also develop separate strategies and provide appropriate funding for the business units.

4) **Assessing growth opportunities** – It involves planning, new businesses. The company’s plans for existing businesses give the current total sales and profits. But if there is gap between the future desired sales and projected sales, the corporate management have to develop new businesses.

The internal environment analysis of the business (strengths and weaknesses) and the external environment analysis (opportunities and treat) plays a very import role in the business. The company should evaluate its strengths, weaknesses, opportunities and threats. It is called SWOT Analysis.

The strategic planning in short involves three basic areas of planning.

1) Corporate strategic planning
2) Business unit strategic planning
3) Product planning

6.2.4 **Gathering information and adaptation of the environment** –

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Implementation of marketing plans involves number of decisions to be taken by the management. For this the company must possess extensive and comprehensive, up-to-date information about the business environment. Constantly changing marketing environment provides new opportunities and threats. So it is important to continuously monitor and adapt the changing environment.

The marketing environment in India is undergoing a rapid transformation. This is because of changes in Government regulations, economic policies, Globalization and competition and last but not the least, the evolving nature of consumption behaviour.

For implementation of planning and to control the responsibilities the marketing managers require marketing information system (MIS). The main role of these MIS is to identify the information needs of the managers, to develop the needed information and to distribute that information.

The business can find many opportunities just by identifying the trends and the major social, economic political and technological changes which have long lasting effects.

Due to the rapid force of globalization, the marketers must monitor eight major environmental forces i.e. demographic, economic, social cultural, natural, technological, political and legal.

1) **Demographic Environment** – The marketers should monitor the worldwide population growth, the changing educational level, rise in Non-traditional facilities and move to micro marketing rather than mass marketing.

2) **Economic Environment** – The marketers should focus on the levels of income distribution levels of saving and credit availability.

3) **Socio-cultural Environment** – The marketers must understand the peoples views about themselves, others, society, organisations etc. They must market products which cater to the society’s needs at large.
4) **Natural Environment** – The marketers must understand the raw material shortages, increase in energy costs, pollutions levels and the changing role of Government in the protection of the environment.

5) **Technological Environment** – The marketers should study the rapid technological changes, opportunities for innovations, R and D budgets and increased Governmental regulations brought about by technological changes.

6) **Political and legal environment** - Marketers must work within the laws regulating the business practices and various special interest groups.

6.2.5 **Conducting marketing research and forecasting demand** –

It is extremely important to study and develop the specific knowledge for the marketers about their markets. Good marketers always need information which helps them to interpret past performance and plan future activities. Marketers need information which are timely, accurate and actionable which will help them to understand consumers, competition and their brands. Discovering a consumer insight and undertaking its marketing implications helps for successful product launch discovering and developing consumer insight is both an art and a science.

Companies can conduct their own marketing research or can hire other companies to do the market research. The main characteristics of good market research are –

1) Scientific method 2) creativity 3) Accurate model building 4) cost benefit analysis 5) Healthy uncertainties (risks) 6) ethical focus

The market research process consists of many steps -

1) **Defining the problem and Research objectives** – Clarity in defining the problem is a must. There should be clear definition of the problem and research objectives.
2) **Develop the Research Plan** – The 2nd stage in the marketing research is developing the most efficient plan for gathering the needed information.

3) **Collection of Information** – Data collecting is the most expensive procedure where there are chances of errors but the most important part of the research process.

4) **Analysis of the information** – Next step is to extract the findings from the collected data.

5) **Present the findings** – As per last step the Researcher presents the findings. The researcher should present the findings that are relevant to the major marketing decisions.

6) **Making the Marketing decision** – Researcher findings provide additional information to the managers. Many organisations are using marketing decision support system to help their marketing managers to take better decisions i.e. “marketing decision support system” (MDSS).

The firms must also decide whether to collect their own data or use data that already exist. They must also decide the Research approach and the research instruments. Apart from this, they must decide the sampling plan and contact methods.

Analysis of the data collected should focus on the analysis of sales profits and other goals established in its annual plan. Market demand and company demand are the two types of demand.

Estimation of current demand, the companies determine the total market potential, industry sales and market share and to estimate future demand the company’s survey, buyer’s intentions, seek exports opinions, are engaged in market testing.

Mathematical models, advanced statistical techniques and computerised data collection procedure are essential for demand and sales forecasting.

6.2.6 **Creating customer value, satisfaction and loyalty** –
In modern business the business firms face toughest competitions. The most important of the market orientation is the strong customer relationships. Marketers must connect with the customers, informing the customers, engaging and even energizing the customers. According to John Chambers, CEO of Cisco system “make your customer the centre of your culture”

Customers always want the full satisfaction for the value they pay Buyers will only buy from the firm where they expect highest customer delivered value.

The centre of all business activities is the buyer’s satisfaction. Recognizing that high expectation of buyers leads to high customer loyalty. Many leading companies now are aiming at the Total customer satisfaction (TCS) Customer satisfaction can be the only goal of the companies at the same time it acts as a marketing tool also.

The firm’s profitability majorly affects when firm looses the profitable customers. Because it is a fact that attracting a totally new customer is five times costlier than retaining the current customer.

Many firms develop stronger bonds with their customers by CRM (Customer relationship management). This is a process of managing detailed information about individual customers and maximise customers loyalty. The CRM focuses on meeting the individual needs of valued customers.

Marketing is an art of attracting and keeping profitable customers. Customers today are smarter, more price conscious, more demanding, less forgiving and of courses approached by many more competitors with equal and better offers.

The firms to expand their profits and sales have to spend time and resources to search for new customers also. They have to maintain quality programs also because quality in the main feature and characteristic if they want to remain solvent and profitable.
Lastly, the marketing managers have two basic responsibilities if they want to remain profitable, firstly, they have to formulate policies and strategies to win the quality excellence and secondly they must deliver the marketing quality also.

6.2.7 Analysing Consumer markets –

The basic aim of marketing is to meet the needs of the consumers and satisfy their wants. Consumer behavior has to be studied by the firms. How the individuals, groups and organisations select, buy and use the goods and services. It is clear to that the firms have to improve and increase the sales and develop other marketing activities. It also gives them the idea about other opportunities in their field.

Consumer’s behavior is mainly affected by these factors. Cultural, social and individual study of these factors and influence of these factors on the consumers can give the marketers the ideas to reach and serve the consumers more effectively.

It is extremely important to understand how the consumers actually make the buying decisions and different marketing campaigns might be targeted to each type of persons.

The buying process has mainly following stages –

1) Recognition of the need
2) Information search
3) evaluation of alternatives
4) Decision of purchase
5) After purchase behaviour

It is the job of marketers to understand the behaviour of the consumers at each stage. At different stages of consumer’s behavior, different marketing strategies can be adopted.

6.2.8 Identification of market segments and targets –

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A firm cannot reach to all type of customer's at one time in large and diverse markets. Markets are not homogeneous. Consumers can be grouped by one or more characteristics. A company should identify the different market segments which it can serve effectively. These decisions can be taken by understanding deeply, the consumer behavior and careful strategic thinking.

Target marketing has three activities: market segmentation, market targeting and market positioning. The markets can be targeted at four levels. Segments, reaches local areas and individuals. Market segments are large identifiable groups of customers who share a similar set of needs and wants. The marketer's task is to identify the segments and decide which are to target. A niche is a more narrowly defined group, seeking a distinctive mix of benefits. The marketers identify the niches by dividing a segment into sub segments. Marketers approach to local market for a grass root marketing for trading areas, neighborhoods and individual stores.

The companies now adopt 'customized marketing' or one to one marketing. It is a kind of self marketing where individual consumer takes the initiative in designing products and brands. The major segmentations can be done on the basis of geographic, demographic, psycho-graphic and behavioural variables. These variable can use individually or in combination. It is to be kept in mind that the market segments must be measurable, substantial, accessible, differentiable and actionable. In short, the firms have to choose and evaluate the various segments and then to decide which are to be targeted.

6.2.9 **Facing the competition –**

Good marketers always study keenly about the competitions. In the time of globalization, competition is becoming intense. The companies have to balance their customers as well as their competitors, became successful in the fast changing environment. The companies should study the competitors, strategies, objectives, strengths and weaknesses.
The closest competition of any company is that company which offers some kind of products or serving some kind of customers caters to the same kind of needs. The companies should analyse and identify the competitions by using industry as well as market based analyses.

After identifying the closest competitions the companies need to gather information of each competitor’s strengths and weaknesses.

It is true that the company’s positioning itself competitively as a market leader is extremely essential. But it has to be kept in mind that the companies must not spend all its time focussing on competitors. The company should not be competitor centered but the customer centered because customer centered companies are in a better position to identify new opportunities for long run profits.

In today’s global markets, the companies should not do too much emphasis on competitors rather should maintain a good balance of consumer and competitor monitoring.

6.2.10 Creating Brand equity –

A brand is a name, sign, symbol, design logos or the combination of the above elements to identify the goods and services and differentiate them from those of competitors and other products.

The important function of branding is enable the consumers to perceive differences among different brands. Brands are valuable intangible assets.

Branding strategies to be successful and to create a brand value, the consumers must be convinced that there are meaningful differences among the brands. Brand equity is the added value given to the products and services. It has psychological and financial value to the firm. The power of a brand is in the minds of the customers and what they have experienced directly and indirectly about the brand. The marketers should build a strong brand and ensure that customers have right type of experiences with products and services. They should design the marketing programs to create desired brand knowledge structures for the brand.
The brand elements should be easily recognised and recalled. It should be descriptive and persuasive. Memorable or meaningful brand elements can reduce the burden on marketing communications.

Brand equity needs to be measured. Brand audit is in depth examination of brands. Branding strategy of a firm identifies which brand elements a firm chooses. A brand extension on the other hand, means a firm uses an established brand name to introduce a new product.

In short brands can play very important role. It may expand coverage provide protection, extend an image and fulfill a variety of other roles for the firm.

6.2.11 Designing and managing services–

A service is a performance one party can offer to another which is intangible. It may or may not be tied to a physical product.

Services are intangible, inseparable, variable and perishable. The marketers must try to frame certain strategies and to increase the productivity of service provides to increase and standardize the quality of the services provided and to supply the services as per the market demand.

In the past Service industries were lagging behind in adopting and using the marketing concepts and tools, but now the situation has changed.

Customer’s expectations regarding the services play a vital role in their service experiences. So the companies must provide quality services by understanding the effects of each service on the customers.

The companies which are successful, practice the following strategies –

1) A strategic concept
2) commitment to quality
3) High standards
4) Self service technologies
5) System for monitoring service performance
6) Customer complaints

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7) Emphasis on employee satisfaction

Every product, brands compares must provide post purchase services. For this the manufacturers must identify the services customers’ value and their importance. The service mix includes both the pre-sale services and post-sale service.

6.2.12 Developing pricing strategies and programs–

Price is a critical element in modern marketing even though other non price elements play very important role. Because price is the only factor which produces revenue, the other factors produce costs.

Determining pricing policy, the company goes through six steps –

1) First of all it selects the pricing objectives
2) It estimates the demand
3) Quantities which will be sold at each possible price
4) Estimation of costs variation at different levels of output
5) It examines and studies the competitors cost prices and offers
6) It selects a pricing method and then selects the final price.’

Companies do not set a single price rather several price adaptation strategies are prepared Geographical pricing, price discounts and allowances, promotional pricing and discriminatory pricing are the factors which are considered before setting the price structure.

There are many reasons behind hanging the price policies. Price decreases have to be done because of excess plant capacity, dealing market share, lower prices to dominate the market or because of recession. In the same way price structure is increased because of inflation or over demand. Companies have to study the competitions price also.

The competitors price change should be studied by the firm carefully, their intention and duration of the change. The strategy of the firm mainly depends on whether the products are homogeneous or not. The firms can face this
competition by maintaining the price, raising the quality of their product, and reducing price or launch of low-priced new products.

6.2.13 **Designing and managing integrated marketing communications**

Developing a good product, pricing it attractively and making it accessible are the keys to modern marketing. The companies must communicate with the prospective buyers and the general public. To communicate means what to say, how to say it, to whom and how often.

There are six models of communications in the modern marketing –

- Advertising
- Sales promotion
- Public relations and publicity
- Events and experiences
- Direct Marketing
- Personal Selling

The communication process goes through nine elements, i.e. sender receives massage, media, encoding, decoding, response, feedback and noise.

There are eight steps involved in the effective communication –

- Identifying the target audience
- Determine the communication objectives
- Designing the communications
- Selecting the communication channels
- determining the communication budget
- Deciding on communication mix
- measuring the communications results
- manage the integrated marketing communications process

Managing and co-ordinating the entire communication process needs Integrated Market Communications (IMC). It is a marketing communications planning which recognizes and combines various communication disciplines which help to provide clarity, consistency and maximum impact on the prospective consumers and the public at large.
Managing mass communications, Advertising, Sales promotions, events and Public Relations –

Advertising is a non-personal presentation and promotion of goods and services. There are five steps involved in an advertisement program.

1) **Setting the advertising objectives** – it is a specific communications task and achievement level with a specific audience in a specific period of time. The objectives are classified according to their aim is to inform, persuade, remind and reinforce.

2) **Establishing a budget** – The company has to decide whether it is spending the right amount on advertising. Although it is treated as a current expense part of it is really an investment for creating brand equity.

3) **Choose the advertising massage and creative strategy** – Designing effective advertising campaigns is both an art and a science. To develop a massage strategy, advertisers go through three steps i.e. massage, generation and evaluation, creative development and execution and social responsibility review.

4) **Deciding the media** – The next task is to choose media to carry the massage. The decisions taken about the media is to be then evaluated.

5) **Evaluate communication and Sales effects** – Most advertisers try to measure the communication effects of an advertisement i.e. the effect on awareness, knowledge or preference. They also measure the advertisement and sales effect.

Sales promotions are the incentive tools to stimulate the consumers for greater purchase of the product. There also while using the sales promotion, the company must establish its objects, select the tools to develop the program, implement and control it and lastly evaluate the results.
Events and experiences are the ways to become more personally relevant moments in consumer’s lives. It can broaden the relationship with the target markets. So it should be managed properly.

Public Relations (PR) involves variety of programs designed to promote or protect company’s individual products. It creates public awareness. The main tools of public relations are publications events, news, speeches, public service activities etc.

6.2.15 Personal communications i.e. direct marketing and personal selling –

Due to decrease in communication costs and the new technologies, companies are now encouraged to move from mass communication to more targeted communications and one to one dialogue, Companies are now using human touch to their marketing through fax machine, cell phones, pagers and wireless appliances. The major channels for direct marketing are face to face selling direct mail catalog marketing, telemarketing, interactive T.V. , web sites and mobile devices.

It provides the marketers the opportunity for greater interaction.

This requires proper sales force to be recruited. It can be divided into 5 steps

1) Selecting and recruiting sales representatives
2) Training them in sales techniques
3) Supervising the sales force
4) Motivating the sales force
5) Evaluating individual and group sales performance.

The sales people are trained in the methods of analysis and customer management and in the art of sales professionalism.

6.2.16 Introducing new market offerings –
Customer have to expend by introducing the markets. The marketers play very important role. They have to work with Research & Development and identify and evaluate the new product ideas in every stages of development.

Once a company has segmented the markets, chosen the targeted customers identified their needs the next stage is to develop products.

The new product development process starts with the search of ideas. That can come from interacting with various groups and using creativity generating techniques.

The marketing strategy consists of three parts –

1) The first part describes the size of target markets its structure the planned product positioning and the sales and profit goals of the first year.

2) The second part describes the planned price, distribution strategy and marketing budget for the first year.

3) The third part of the marketing strategy plan describes long run sales and profit goals and marketing mix strategy over time.

It is very essential for new product development to establish an effective organisation, companies can have product managers. New product managers, new product committees, new product departments and new product venture firms.

The new product development involves 8 stages i.e. idea generation, screening, concept development, business analysis, product development, market testing, marketing strategy development, business analysis, product development, market testing and commercialization.

The consumer adoption process is the process by which the consumers know about the new product, try them, accept them or reject them.

6.2.17 Tapping the Global markets–
The world is coming closer and closer because of faster communication, transportation and financial flows. High opportunities are there for Indian companies to enter and compete in foreign markets. Still risk is also high. The companies who trade with global industries have to internationalize their products as well as business operations. No doubt these companies have to face many challenges like unstable Governments, foreign exchange problems, corruption, technological piracy etc.

The companies who decide to go abroad have to define their international marketing objectives and policies. They have to decide whether to market in few countries or many countries.

Once it decide of a particular country, it also have to decide about the best mode of entry like indirect exporting, direct exporting, licensing, joint ventures or direct investments.

While deciding the marketing program, the company must decide on how much to adopt its marketing program, product communications, distribution and price to local conditions. The firm must be aware of the cultural, social, political, technological, environmental and legal limitations they face in other countries.

According to the international involvement firms manage their international marketing activities in three ways –

1) Through export department
2) Through international divisions
3) Through global organisations

6.3 **Functions related to Marketing Management –**

Marketing management is an art as well as Science. It chooses the target markets. It develop the strategies to get to keep and grow the customers. Firstly marketing Management includes the analysis of marketing opportunities, secondly it selects the largest markets thirdly it designs marketing strategies and also develops marketing programs and marketing effects.
It is to be noted that there are two stages of marketing. First is external marketing. Anything that communicates to the customers before service delivery can be firmed as external marketing function. Second is internal marketing function where employees keep the promises that have been made to customers.

The Researcher had interviewed 123 respondents i.e. women entrepreneurs who are falling under different categories e.g. production, trading, service industries, and professional industries etc. By understanding different functions which are to be performed by entrepreneurs related to marketing management the researcher could analyse the following facts.

**Developing marketing strategies and plans** - By developing different marketing strategies and plans, the entrepreneurs can have a guideline for different marketing activities, but for effective strategies to be planned discipline and flexibility are the main ingredients.

It is observed by the researcher that out of 123 women’s entrepreneurs approximately 85% women entrepreneurs develop the marketing strategies, these women create demand for their product. They have to react to new ideas, opportunities. They have to consider the economic viability and technological feasibility in bringing the improved quality. They have to consider the economic viability and technological feasibility in bringing the improved quality. They assume all the possible risks of the business i.e. tastes of the consumers, technique of production, new innovations etc. They use their skills and judgment.

Following chart and graph shares analysis of women entrepreneur in developing marketing strategies and plans.

**Table showing women entrepreneurs in Developing marketing strategies and plans**

<table>
<thead>
<tr>
<th></th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>yes</td>
<td>85%</td>
</tr>
<tr>
<td>No</td>
<td>15%</td>
</tr>
</tbody>
</table>
1. The Researcher has taken interview of 4 main categories.

1) **Marketing function in manufacturing category** - Marketing strategies is always a function of nature of product itself. Accordingly entrepreneurs design the marketing strategies according to their products range, production capacity and logistic available. The food products are consumed locally in nearby areas so these entrepreneurs rely more on mouth to mouth publicity, local newspaper and stalls in exhibitions. The machine tool manufactures are comparatively small scale units cannot go for larger scale in advertising so they always focus on target groups or try to fit themselves in supply chain managements. These manufactures advertise in local newspapers, in telephone and industrial directories and business magazines.

2. **Marketing function in trading Category** – Marketing strategy in trading activity is again a function of range of trading activities. Most of the trading women entrepreneur interviewed have a shop in the market of Nashik city. Shopon the main street and at prime location is itself is a good marketing strategy in today’s world. Apart from this depending upon the products range, advertise in newspapers, magazines, arrange stalls in annual exhibitions and offer commissions to the agents and small suppliers. Particularly trading in ladies garments and boutiques, social networking
plays very important role. Personal contacts, well wishes and discounts in festival seasons are key elements of their marketing strategies.

3  **Marketing function in service industry** – Entrepreneurs in this category rely more on handbills and road hoardings. Apart from that most of the mouth to mouth publicity, T.V. magazines are the marketing and advertising tools they are using for their marketing.

4  **Marketing function in professionals** – Most of the professionals like doctors, advocate, C.A. s are registered member of their professional associations and they participate in the activities conducted by such professional directories, their business friends and on social interactions.

2)  **Gathering information and adaptation of the environment and conducting marked research and forecasting demand**– Detail scientific market survey and environment study is a advance function of marketing carried out mainly by leading players in the market. As women entrepreneur interviewed are small scale category and catering to local needs they are not carrying scientific market survey. However general observations like number of persons dealing in a particular activity in a city and his / her experience, progress and business turnover, scope for new activity to be introduced in a city are the main factors which are observed while conducting a market survey.

3)  **Creating Customer value, satisfaction and loyalty**– Researcher interviewed about 123 women entrepreneurs and asked them what are the efforts they are taking for creating customer value and satisfaction and loyalty. Most of interviewers recognize the importance of customer value and customer satisfaction. They believe if the customer is satisfied, the loyalty will follow theirs entrepreneurs try to cultivate good relations with their customers and give such service which result in maximum satisfaction. Apart from discount and incentives timely attendance of their
complaints, follow up services, product replacement and warm and cordial relationship create value and loyalty.

Certain repeatative products of mass consumption are marked with valued customers in such a way that the customer will not switch to other supplier and hence built a loyalty in their products and services.

4) **Analyzing the consumer market**– As already mentioned women entrepreneurs interviewed are small and marginal entrepreneurs catering to local needs, there is formal study of their customers. The researcher mainly from interaction with the customers, customer needs and expectations and opinions of customers about the products and services consumers behavior plays important role in today’s competition and product substitute market. Women entrepreneurs do not have a clear objective strategy but guiding by fact, experience, they use appropriate strategy of marketing as per needs of time.

5) **Identifications of market segments and targets and facing competition**– Every entrepreneur cannot reach to all the customers at one time in large and diverse market so it was observed after discussion with the women entrepreneurs that they pick up a particular segment observe the response to the product for few months and, set the targets accordingly. While doing this, they take the cognizance of their competitions, product range and pricing structure. Accordingly by showing common sense and business acumen, they adopt strategy of marketing. Market segment study is a main attribute while devising marketing strategy. e.g. in the case of boutiques, the shops, situated in prime locations like college road area, device, product range, catering mainly to college going girls and for women of higher middleclass and affluent society. In the case of coaching classes depending upon the locality and the market segment, they devise marketing strategy and pricing structure e.g. classes run in low income group areas has conventional marketing practice and the service catering to low income groups.

(201)
6) **Creating brand equity**— A brand equity is a modern concept in global marketing and demands lot of research and investment. Small entrepreneurs have a limited product ranges and limited resource at their disposal. Creating a brand and advertise it in a larger scale, is a time consuming and Resource-intensive exercise. However, small entrepreneurs even can create local brands after dedicated efforts for continuous period of time. e.g. brands in bakery and food articles has respect in local markets and consumers show allegiance to such quality product. Some women entrepreneurs have revealed that certain product they are marketing for last 10 to 15 years with around demand which also shows that they have earned brand equity for their certain products although in local markets.

7) **Designing and managing service and designing and managing integrated marketing communication**— Quality services plays, vital role in designing and managing different services apart from the physical products. Before sale service and after sale service are gaining importance in today’s, competitive and customer centered world. Creating congenial atmosphere while making deals or interaction with the customers, positive attitude, respect and regards for customers, showing concern in their complaints simplifying procedures and creating a sense of value for customers, all these factors are crucial while dealing with emerging marketing strategies. Women entrepreneurs interviewed realize importance of presale services and after sale services and customer needs and expectation. They know without managing these services, perfectly they will not succeed in the competitive environment. So, to offer these quality services at offer they forms league of manufacturers with their colleague or make joint ventures or collaborations or sometimes MOU’s to create marketing strategies or bid for a big tender.

8) **Managing Mass Communication advertising, sales promotions, events and public relations**— Most of the women entrepreneurs earmark
small budget for advertising. They choose appropriate, advertising
technique like newspapers, handbills, hoardings or advertise in directory
depending upon product ranges and market segments. They participate in
corporate events like annual trade exhibitions and keep stalls in prime
locations. They take every effort of sales promotion by offering discounts
and incentives on their products and attractive commissions to the trading
agents. As the nature of scale is small, they cannot embank on mass
communication as it is very capital intensive.

9) **Introducing New market offerings and tapping global market**— After
discussing with different women entrepreneurs it was revealed that the
product ranges, they were manufacturing and offering 10 or 15 years
before are not the same today. Every firm has evolved their products over
the time, as per the compulsion and demand of market. Every entrepreneur
speaks at length, how they have started, enterprise with certain objectives
and how over the time they have changed the products and overcome
insurant untenable difficulties to succeed. Some women entrepreneurs
said that their initial products were successful for ten years and a time
come when it was observed that enterprises, are no more economical and
sustainable with these products ranges. We have made research in
different products and by charging layout of the factories adding new
machines, recruiting new skilled staff, we offered new product ranges. The
women entrepreneurs dealing with the boutique business revealed that
fashions is the hallmark in the boutique inducting and we have to keep a
close watch on the emerging fashion trends and the designs and technical
inputs available for such new fashion products.

As already discuss these are small women entrepreneurs with limited
capital and resources catering to local and nearby areas, they cannot
dream of global aspirations.

6.4 **Function of Sales Management** –
A company may spend a large amount of money on advertising marketing, public relations and other promotional activities. But all will be wasted, if the sales person is ineffective. So sales is an important activity which will decide the future of an organisation.

The objective of sales management of a company is to increase the sales volume, contribute to the profits and long term growth of the organisation. To motivate the sales force, the sales management should focus on the three aspects for the task clarity – 1) Definition of accurate measurement of the selling task 2) Impact of selling task on motivation and performance of the sales person and 3) ways to increase the task clarity.

In most of the organisations sales and marketing functions are two separate departments. These departments have conflicting objectives, making them compete with each other.

Company's sales force is the major determinant of its performance in the market so an average, companies invest 12% of their revenue in developing their sales force. The sales force of an organisation includes sales representatives sales executives and sales managers. The effective performance of these people determines the profitability of the organisation.

**Functions of Sales Management performed by Sales Manager** -

Sales managers performs sales manager functions, they also plan, direct and control the personal selling activities of the sales personnel. They also organise recruit, select and train the sales personnel assign them necessary resources, distribute the territories, set the target and of course supervise their sales efforts.

They motivate sales personnel by offering financial and non-financial incentive schemes.

The quality of a sales organisation totally depends on how effectively the sales managers fulfill their responsibilities.

a) **Hiring function** -
Sales managers play an important role in hiring sales personnels for the organisations. They prepare the job description for various sales positions which reduce sales force turnover.

b) **Training function** -

To achieve the sales targets, it is the responsibility of the sales manager to train the sales persons in his team, companies consider the sales training as a boost to sales and enhancement of sales performance.

c) **Coaching function** -

The sales manager should observe the performance of his sales team to identify the training needs and the effectiveness of the sales training.

d) **Motivating function** -

To increase the productively of an employee, the three functions are very important –

2) The belief that his job is important
3) Recognition of his accomplishments
4) Motivated leader

e) **Setting the targets and tracking the Results** -

It is the function of the sales manager to set the target for the sales persons under his supervision. After setting the targets it is his duty to constantly tracking the results.

f) **Recognising and rewarding the performance** -

The sales managers keep constant track on the performances of the sales persons under his supervision, recognize it and reward the excellent performance by giving them incentives and public appreciation at sales meeting.
Providing leads and sales support -

All the obstacles that the sales persons are likely to face in achieving their sales targets should be cleared by the sales managers. He should constantly develop contacts in the community and develop new business. He should constantly visit the perspective customers. He should identify, lead and then hand them to his sales staff to follow upon.

Organising function -

The sales manager helps the sales persons to organise the sales efforts. By this the sales managers can help their sales persons to enhance their efficiency and to meet their sales targets.

Conducting Sales meetings -

One of the important function of the sales manager is to conduct the sales meetings. It boosts the morale of the sales persons by conducting the sales meeting; the sales manager should cover the following aspects –

- Review the sales performance
- Review of the performance of the each sales person
- To recognise and reward the excellent performers.

The aspect of the organisation at sales force is sales executives or a sales person. He has to play variety of roles. He is a persuader, a service provider, an information collector, the reporter, a co-ordinator and a scheduler and a customer ego-builder.

A sales person links four groups of people –

1) People from his own sales management team
2) The customer whom he served
3) Others in the organisation on whom he depends for fulfillment of his sales orders
4) The other sales persons

**Functions of Sales Executives –**

An effective sales person encourages customers to place repeat orders, which requires strategic thinking by the sales person as well as an understanding of the customers’ needs.

1) **Identify the potential customers from the available data –**

To achieve their sales target the sales person continuously has to find potential customers. The databases are used by the sales persons to search for the potential customers. Sometimes the existing customers may also provide such information.

2) **Identifying prospective buyers and deciding upon the priorities for making calls –**

The major responsibility of a sales person is to identify the prospective customers from the existing database and deciding the priorities for making the sales calls to convert these prospects into customers.

3) **Deciding upon the selling approach –**

When customer places an order, the sales person how to ensure that the product is delivered on time. Then he co-ordinates with the employees in the other department who fulfill the order.

**Functions Related to Sales Management –**

Sales management is an important and crucial function of an organisation. Marketing function is for sales promotion and hence become part of sales management. Profitability and turnover mainly depends upon how you do effectively and efficiently the sales management. Large organisations constitute separate sales department with full sales personnel like sales executive, sales
managers, sales representative. The researcher interviewed women entrepreneurs operating on small scale and small turnover. Hence most of women entrepreneur do not have separate sales department but most of the manufacturing entrepreneurs have a sales department and sales managers, sales representative to oversee sales operations. Some entrepreneur them selves co-ordinate these activities on day to day basis and interact with customers.

Sales functions are mainly looked after by sales executive or sales manager. He / She has to carryout lot of activities related to sales management like sales personnel recruitment, assigning the activities, distributing the territories, set the targets and of course supervise their sales efforts. Target setting and motivation are important element in sales management. We will enumerate different sales function and see how our women entrepreneurs, practicing it in their business organisations.

1) **Hiring function** – 90% of the manufacturing women entrepreneurs have sales managers in their organisations. Some entrepreneurs have recruited sales representative but some entrepreneurs appoint sales representative on the basis of commission i.e. among 30 manufacturing women entrepreneur only 3 women entrepreneur (i.e. 10%) appointed sales representative on commission basis. Remaining 27 women manufactures have sales persons of their own. However women entrepreneurs most of the time entrust this job to their relatives like husband, sons etc.

**Women Entrepreneurs doing Sales Management**

**Table No.14**

<table>
<thead>
<tr>
<th>Sales Manager</th>
<th>Sales representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>90%</td>
<td>10%</td>
</tr>
</tbody>
</table>
In case of trading, sales is the major activity so most of the women entrepreneurs recruited sales people but oversee entire sales operations by themselves. In the case of service industry there are no separate sales people as the activity of services is of intangible nature. Offering timely and effective service is the sole motto of these organizations. Entire team dedicate themselves for this job. However interaction with the customer and clients relating to sale of services are carried out by women entrepreneur themselves.

2) **Training function and coaching function** – To achieve the sales target and to carry out the responsibilities in effective and efficient manner, entrepreneurs train and coach their personnel time to time. Every nearly recruited personnel has to undergo this exercise. There is no formal training institute or coaching class but depending upon their product and services, women entrepreneur themselves or referenced persons from their organisation train these people.

3) **Motivating function and recognizing and rewarding the performance** – Motivation is a key in any organisation to excell the performance. Persons are to be motivated to achieve higher sales targets at the same time maintaining good relations with customers and clients. Those personnel
who are performing well have to be motivated further by recognizing and rewarding their performance. Timely appreciation of their work giving new perks and facilities and cash incentives plays important role in these affairs. Women entrepreneurs interviews revealed that there is no clear strategy in this regard but depending upon the situation, depending upon the product and competition we have to resort to appropriate motivational measures.

4) **Setting the targets and tracking the results** – depending upon the production capacity and capacity of management, women entrepreneurs set the sales target for themselves or their sales personnel and track them time to time or take review daily. They oversee the difficulties in not achieving sales target and removing obstacles and bottlenecks. Women entrepreneurs co-ordinate all the activities from manufacturing to sales hence they have to remain alert and vigilant all the time.

5) **Providing leads and sales support and organisation of sales activities** – Identification of potential customers and clients is a key to growth of any sales organisation. Women entrepreneurs and their sales manager take lead in solving the problem of existing customers, efficient delivery of their services and products and interaction with prospective customers. Women entrepreneurs take necessary measures like follow up actions, business meeting etc.

6) **Conducting Sales Meetings** – Sales meeting are important part of sales operations. Women entrepreneurs conduct the sales meeting with their sales personnel frequently. The main motive for such meetings is to review the sales performance of each sales persons and to recognize and reward the excellent performer. Women entrepreneurs interviewed carrying out all these operations themselves apart from co-ordination and organisation of sales activities.

7) **Administering the sales order** –
When customer places an order, the sales person has to ensure that the product is delivered in time. Then he co-ordinates with the employees in the other department who fulfill the order.

1) **Service provider –**

After the order is placed, the sales person has to see whether the product is properly installed at customers place and whether the customers have been given orientation on how to handle that product. He also should guide the customer regarding the complaints or warranty problems that the customer may face in future.

2) **Information gathering and Reporting –**

The sales persons also provide the relevant data about the customers to the company. So that the sales managers can make effective use of this data to decide upon the sales strategies to cater to the future buying needs of the customers.

3) **Skill up gradation–**

The sales persons have to constantly upgrade his technical as well as product knowledge by attending different sales training programmes. He has to learn about the latest developments in technology.

4) **Administrative Responsibilities –**

As a part of administrative duties a sales person has to regularly attend the sales meetings and conferences also. He has to give detail reporting about the sales calls made and expenses incurred.

6.5 **Production Management –**

For any industrial unit production is the basic activity. It means creation of goods and services for the satisfaction of human wants. it is a step by step convention of
one form of materials into another through chemical or mechanical processing. In short, production via process by which goods and services are created.

Production management is the process of planning, organizing, directing and controlling the activities of the production function.

**According to H.A. Harding** “Production management is concerned with those processes which converts the input into output. The inputs are various resources like raw materials, men, machines, methods etc and the outputs are goods and services”.

**According to E.S. Buffa** “Production management deals with decision making related to production processes so that the resulting goods or services is produced according to specifications in the amounts and by the schedule demanded and at minimum cost”.

Following are the list of factors which can be considered as production management –

1) **Production planning** –

   Planning facilitates the anticipation of the probable difficulties so that they can be eliminated before materializing.

   Production planning includes setting up the goals and targets and then allocating the available resources i.e. men, material money plant services etc in different production operations so that the targets can be achieved.

   It is a management technique which attempts to gain the best utilization of the resources. It can be achieved by co-ordinating the man power, machines, materials and plant services employed in the production process.

2) **Production control** –

   Control is a management technique which sees that the activities are carried on with the predetermined standards. In production activities, production
controls, supervises that the actual manufacturing is done as per the predetermined standards and schedules of production. According to Soriegal and Lansburgh “production control is the process of planning production in advance of operations, establishing the exact route of each individual items, part or assembly, seating, starting and finishing dates for each important items and releasing the necessary orders as well as initiating the required follow up to effect the smooth functioning of the enterprise”

3) **Inventory control** –

Production management also includes inventory control. It means the control over raw materials, work in progress, finished product, tools etc. There are 5 R’s which can be considered on scientific purchases. i.e. the raw material, supplies etc are to be purchased at right time, of right quality, in right quantity, from right sources and at right price.

Store keeping is also an important aspect of inventory control. The inventory should be managed properly and the supply of this inventory to different departments should be made promptly and effectively. Proper records should also be kept for various items of inventory control.

There are various methods for pricing the material issues based on different principles like.

1) **First in first out method (FIFO method)** – where material which are received first are issued first.

2) **Last in first out Method (LIFO method)** – It reverses the procedure where materials which are received last are issued first.

3) **Average cost method** – Under this method the issues are charged at a price ascertained from the common pool made up of the varied prices of a several lots.

4) **Replacement price method** – under this method the material issues are priced at the prevailing market price on the date of the issue.
5) **Standard price method** – Under this method the material issues are charged at a predetermined, budgeted or estimated price which reflects normal future price.

6) **Actual price method** – Under this method the material issues are priced at the actual acquisition cost of the respective materials.

7) **Inflated price method** – This method is based on the principle of uniform spreading of normal wastage on the residual units.

4) **Quality Control** –

The success of the organisation largely depends on the ability to maintain the quality standards. The quality standards are in terms of size, colour, shape, tasks etc. It is very essential to maintain the quality through out the production process i.e. the raw materials, works in progress, finished products etc. are inspected at various stages of production. There are two methods for quality control. In the first method 100% quality control where each unit produced is inspected. In the second method there may be a piling of testing the samples where the entire lot produced is either passed or rejected on the basis of tested samples. In this process various statistical techniques are also used.

5) **Method study** –

It is extremely necessary to avoid unnecessary movements and suitable positioning of the workers for different processes should be developed. Standard method should be adopted for performing the repetitive function more efficiently. The workers should be trained accordingly.

6) **Maintenance and Replacement** –

Maintenance and Replacement of machineries are the integral part of production management. Here, preventive methods to avoid machine break downs, policies, regarding repairs and replacement decisions, are to be taken. There are some preventive replacements also. Machine condition is to
be monitored constantly, so that better capacity utilization is possible and it makes our productive system more effective.

7) **Cost Reduction and control –**

Cost reduction means ultimately improvement in productivity. It is a matter of competition, because industry have become competitive and cost reduction & cost elimination are the important productivity techniques. The industries have to keep the cost optimum. So value engineering, budgetary control, standard costing cost control of labour and materials help the industry in this direction.

For all the production decisions, control measures are inevitable. Control function is exercised over the quantity to be produced, quality expected, time needed, inventory consumed and costs incurred.

8) **Environmental changes –**

Environmental changes also affect all the systems of the organisations. A dynamic environment makes it necessary to adopt the production system to changes in technology and other factors of the environment. Product mix composition of products, introducing a new products, changing the layout system are some of the examples where decisions are to be taken according to the environmental changes.

6.6 **Production Function of Women Entrepreneurs –**

After making a detail survey of the women entrepreneurs in her jurisdiction, the researcher can make the analysis of the functions performed by them. The analysis can be presented as follows –

1) **Production planning –**

The researcher had contacted 30 respondents i.e. 30 women manufacturers. She has received the following responses from these respondents.
Production planning means setting up the goals and allocating the available resources in different production operations. It is nothing but coordinating manpower, machines, materials and plant service in the production process.

The researcher communicated to these 30 respondents regarding the process of production planning. It is observed that 90% of women execute the process of product planning. Following chart and graph reveal these responses.

**Table showing women entrepreneurs executing production planning**

**Table No.15**

<table>
<thead>
<tr>
<th>Executing</th>
<th>Non-Executing</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>3</td>
</tr>
</tbody>
</table>

**Graph No.8**

**Interpretation** – From the above schedule and graph the researcher can conclude that 90% i.e. majority of women manufacturers execute the production planning in detail.

Remaining 10% do not execute the production planning due to the lack of education and proper training. They are unaware of the latest technological development and market trends. They do not have the knowledge of measurement.
2) **Production Control** –

Production control is another important function of the entrepreneurs. It involves planning production in advance, deciding the exact route of individual items, setting starting and finishing dates for each important items and taking necessary follow-up for the smooth functioning of the organisation. The researcher observed that the 90% of the women entrepreneurs are following this process. The women entrepreneurs who follow production planning have necessarily control over the production process. It has been observed by the researcher that their working capital requirements are also low due to the better management and effective supervision. Their productivity have also been increased due to production control process.

**Interpretation** – The researcher observed that remaining 10% women entrepreneur should follow the production control process, the women should give additional incentives and mechanism for imparting training and information by promoting competent agencies.

3) **Inventory control** –

Inventory control means the control over raw materials, work in progress finished products, tools etc. Store keeping is an important aspect of inventory control. There are different methods of inventory control e.g. FIFO, LIFO, Average cost method, Replacement price method, standard price method, Actual price method, Inflated price method etc.

As researcher has contacted 30 women entrepreneurs and observed that all of them follow the inventory control process as it is an important aspect of their production process. These women entrepreneurs follow different methods for inventory control. They supply the inventory to different departments for the smooth functioning of their production process. Proper records are also kept by them for various items. Some have their own go downs in the unit and some manage this in their unit lace itself depending on the production items. The researcher observed the methods they use for
inventory control. Following chart shows of % of women entrepreneurs using different method.

**Table showing different methods of inventory control**

<table>
<thead>
<tr>
<th>Method</th>
<th>FIFO</th>
<th>LIFO</th>
<th>Average cost method</th>
<th>Replacement price method</th>
<th>Standard price method</th>
<th>Actual price method</th>
<th>Inflated price method</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of women entrepreneur</td>
<td>20</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>percentage</td>
<td>66.66</td>
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<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
</tr>
</tbody>
</table>

**Table showing women entrepreneurs having their own godowns**

<table>
<thead>
<tr>
<th>Women entrepreneurs having their own godown</th>
<th>Women entrepreneurs having their own godown</th>
</tr>
</thead>
<tbody>
<tr>
<td>83.33%</td>
<td>16.67%</td>
</tr>
</tbody>
</table>

Following diagram shows the women entrepreneurs who have their own godowns for inventory.

**Diagram No.4**

(218)
Interpretation of the Researcher – It is observed that 83.33 do not have separate godowns. After the interaction with the women entrepreneurs rest of them produce their goods after confirmed orders. As the goods are produced, they are dispatching as per schedule. Hence there is no necessity to stock the goods larger period. Even some women entrepreneur can make inventory of their products in anticipation but due to working capital limitations they are not able to stock the goods. As the quantum of goods and raw material is limited and most of the products are food articles and cosmetics, articles they cannot be stored for larger duration they can be accommodated in their units itself and do not require separate godowns. Nevertheless they have enough control on the inventory of the raw materials and goods as it pertains of working capital requirement.

4) Quality Control –

Every successful entrepreneurs has to maintain the quality of the product consistently. The standard of the product should be maintained throughout the production process.

By interviewing women entrepreneurs it has been observed by the researcher that the consumers in today’s globalized market, has become quality conscious as they have ample choice as markets have become consumers market and competing with international markets. Manufactures gets day to day feedback on the quality of the product for the market. So as these manufacturing units are small employing less than 50 workers, they cannot afford to provide dedicated quality control wing. However entrepreneurs pay personal attention to the quality of the product at every process including sourcing of raw materials. For final good quality product, quality is to be tested at every stage apart from personal attention, entrepreneurs train their supervising staff in terms of quality aspects and its exercise. This supervising staff maintain improvise and innovate quality of the product continuously. After interviewing 30 women entrepreneurs it is observed by the researcher that one entrepreneur manufactures an ISI
certified product while six entrepreneurs are contemplating or in process of acquiring ISO certificate.

5) **Maintenance and Replacement**

By interviewing 30 women entrepreneurs 11 women entrepreneurs disclosed that they are observing monthly maintenance schedule of manufacturing machines and equipment. Rest of the entrepreneurs carries out maintenance and repairs as per the necessity arise. Certain manufacturing machines like motors, require maintenance on regular basis as it requires replacement of oils and lubricants consumed by the machines to maintain the efficiency and performance of the machines. Some entrepreneurs told the researcher that by observing manufacturing process and performance of individual machineries they have discovered that when the maintenance is required for a particular machine and accordingly they are doing repair and maintenance. As the replacement cost of the machinery is very heavy they are very keen about the maintenance.

**Table showing schedule maintenance and necessity maintaining**

<table>
<thead>
<tr>
<th>Regular schedule of maintenance</th>
<th>Necessity maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>36%</td>
<td>64%</td>
</tr>
</tbody>
</table>

Following graph shows schedule maintenance and necessity maintenance.

![Graph No.9](image)
6) Cost Reduction and Control –

Entrepreneur try to achieve cost reduction at every stage of manufacturing as market compels him to do so. If she does not observe cost reduction, she cannot achieve value engineering and ultimately she cannot sell a costly product in a competitive market without compromising the turnover and ultimately profit.

After interviewing entrepreneur the researcher came to know that women entrepreneurs try to reduce the cost of the finished product but the areas of cost reduction are varying in importance. According to the type of product, women entrepreneurs highlighted the importance in cost reduction, in sourcing of raw materials like detail enquiry sourcing from outside, sourcing of raw material in season etc. 6 entrepreneurs are very keen in cost reduction in the labour employment. They employ labour on contract basis and observe labour efficiency according to production schedule. 5 women entrepreneurs out of 30 shown interest in observing cost reduction in optimisation of manufacturing process and remaining 8 women entrepreneur disclosed that, they are trying to achieve cost reduction in very stage of manufacturing process. The point here is to be noted that all 30 women entrepreneur were keen in cost control without compromising quality of the product.

7) Environmental charges –

All these 30 women entrepreneur observed by the researcher were very small scale manufacturer catering to the demands of the local markets and surrounding areas. They have certain degree of variation in product mix as per requirement of market and limitations of installed machines.

They have very limited scope for altogether changes and innovation with drastic new technology adaptation as it requires total layout change of factor as procurement of new machineries which demands infusion of new capital and cost of technology transfer.
But some of the women entrepreneur have shown inclination to change the final product and manufacturing process as per the requirement of market in sustained basis and as a continuation process but they should get assurance of viable order and returns on the new products.

6.7 **Personnel Management Text and cases –**

The management of men is a very challenging job because of the dynamic nature of human beings; no two persons are similar in mental abilities, traditions sentiments and behaviour. People are not machines because they are responsive, they feel, think and act. So they need to be tackled tactfully by management personnel.

“Managing people is the heart and essence of a manager” *1 A business can not succeed if human element is neglected. Dynamic organisations do require effective management of people in a fast changing environment. Organisation become successful only through the efforts and competencies of their human resources. So it must continuously be acquired, sharpened and used.

“ It is that phase of management which deals with the effective control and use of man power as distinguished from other sources of power” *2

“The management of human resources is viewed as a system in which participants see k to attain both individual and group goals” *3

“Personal management is the recruitment, selection, development, utilization of the accommodation to human resources by organisation. The human resources of an organisation consists of all individuals regardless of their role, who are engaged in any of the organisations activities” *4

“It is method of developing potentialities of employees so that they get maximum satisfactions out their work and give their best efforts to the organisation” *5

From the above definitions, if we analyse few important basic facts and characteristics may be noted about personnel management.
1) Personal management is concerned with managing people. It covers all levels of personnel including blue collared employees as well as white collared employees.

2) It is concerned with employees both as individuals as well as a group. The aim is to get better results with their active involvement in the organisational activities.

3) Personnel management is helping the employees to develop their potentialities and capacities to the maximum level so that they can derive great satisfaction from their job.

4) It is not confined to industry alone, it is equally useful and effective in government departments, military organisations and non-profit institutions.

5) Personnel management is of a continuous nature, it requires constant alertness and awareness of human relation and their importance in every day operations.

6) Personnel management attempts in getting the co-operation and willingness of the people for the attainment of the desired goals.

In short personnel management is an approach, a point of view and a philosophy of management which is not only concerned with managing people but also solving

*1 Yoder, Dale, Personnel Management and Industrial Relations, Prentice – Hall of India, New Delhi-1972 P.8
*2 Gulick Luther “Notes on the theory of organisation” in Gulick Land Lyneall, Yrwick (EDs) papers on the science of Administration, Institute of Public Administrations, New Yard, 1937, P.13
*3 Yoder D, Personnel Management and industrial relations prentice Hall of India, New Delhi 1972 P.VIII
*5 Pigors, paul and myres charles A, personnel administrators, a point of view and method, Mcgrow Hill Book co. Kagakusha Ltd, Tokyo, 1961, second edition 1961 P.11
the human problems of an organisation intelligently and equitably. Which ensure that employee’s potential is properly developed, maximum satisfaction is derived by them and the objectives of the organisations are achieved with good human relations maintained.

Functions of Personnel Management –

(A) The General and Specific Functions –

**General Functions** – a) to conduct personnel research b) to assist in the programs of personal administration c) to develop plans d) to launch education and training programs e) to develop competent work force f) to establish and administer varied personnel services delegated to personnel department.

Specific functions may involve in areas of employment, safety, wages and salary, benefit schemes. Community relations, advice and counseling the employees.

(B) Personnel Administration and Industrial Relations function –

1) **Personnel Administration Function** –

This is the function of managing people from the lower level to the upper level of the organisation. At the same time determination of policies and implementation of policies by the personnel at the lower level. It involves all type of inter personal relationship between seniors and subordinates.

2) **Industrial Relation function** –

It is not directly related to function of managing people but the interaction between the management and the representatives of the unions. These functions involves the activities of employer employee relationship
The above two functions are inter related and inter dependent.

(C) Functions classified on the basis of capacities *8 –

According to Saltonstall, personnel management function performs three roles

1) He directs the work in his own department, he also performs some service functions such as recruitment, administration of benefits, the plant canteen and allied activities.

2) He co-ordinates the personnel activities. He controls the functions of other departments. He also advises the top management in fulfilling personnel objectives, policies and procedures.

3) He also performs typical staff function, by assisting and advising the line personnel to solve their problems.

(D) Functions according to the degree of authority –

Dale Henning and French have classified the personnel functions into three categories

1) Area of maximum authority i.e. payroll, calculations, orientation procedure, transfer rules etc.

2) Area of combined use of authority and persuasions i.e. Deciding disciplinary procedure. Data collection of inter departments, to determine the number of participants in a training program etc.
3) **Area of maximum persuasion** i.e. salary changes, employment of individuals recommended by the personals department in other departments, taking disciplinary action etc.

**The functions of personnel Management** can be classified under two broad heads

i.e. a) managerial functions b) operative functions

a) **Management functions** – According to Drucker, management is a multi-purpose organ which has three jobs, two of which are directly related to personnel managing a business ‘managing managers’ and ‘managing workers and the work’

b) Management is the personnel administration. It is the development of the people. Being a manager necessarily means ‘managing the people’

The personnel manager has to perform the basic functions of management. His functions involve POSD CORB i.e. planning, organising, staffing, directing, co-ordinating, reporting and budgeting the work of those who are entrusted with the performance of operative functions.

All the above functions are performed at all levels of management. But the top management performs planning functions more and the supervisors devote more time in directing and controlling the production.

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c) **Operative Functions** – These are also called service functions. It is concerned with the activities specifically dealing with procuring, developing, compensating and maintaining an efficient work force. The very purpose of all these activities is to assist in the fulfillment of organisations basic objectives.

Following are some of the important classifications of personnel functions made by different experts in this field

**(A) Scott, Clothier and Spriegel’s classification**

Scott, Clothier and Spriegel, classified the functions of the personnel management into specific categories like

1) Employment
2) Promotion, transfer, termination, demotions and separations
3) Formulation and direction of training programs
4) Job analysis and evaluation
5) Remuneration and incentives
6) Health and sanitations
7) Safety and institutional protection
8) Financial aids to employees
9) Employees service activities
10) Research, record keeping, reports and follow up
11) Employer employee and community co-operation
12) Labour union contracts and co-operation

**(B) National Institute of personnel management’s classification**

The national institute of personal management, India classified the

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**Sources**

10 Gulick Luther “Notes on the theory of organisation” in Gulick Land Lyneall, Yrwick (EDs) papers on the science of Administration, Institute of Public Administrations, New Yard, 1937, P.13

functions of personal management into the following categories.

1) Improvement in industrial relations
2) Promotion a joint consultations
3) Helping management to formulate a labour policy and improving communication between management and employees
4) Advising the management on the fulfillment of statutory obligations relating to safety, health and welfare of the employees.
5) Improving factory amenities and welfare provisions
6) Advising the management on the training and further education of employees.

To conclude the N.I.P.M.” all those functions which are concerned with the human element in industry, as distinct from the mechanical elements, may be categorised into three classes

1) Welfare activities
2) Labour or personnel aspects
3) Industrial relation aspect.

**Personnel Management Functions –**

Human resource and its development is a backbone of any organisation. Efficient and optimum utilization of human resources leads to efficiency and greater productivity. Man is a delicate resource which requires lot of caring and nurturing. Functions of personnel management includes both general and specific functions.

Personnel management in Manufacturing – The researcher, interviewed about 30 women entrepreneurs in manufacturing sector. It was observed that bulk of personnel staff in manufacturing is related to production. Almost 80% staff is dedicated to production activities and 20% for administration and marketing activities.
The women entrepreneurs personally recruited the staff according to their abilities and skills in the production department staff requires specific and general skills to perform operations in a production chain. Machine operation is a production chain. Machine operation is an important task and requires specialists well trained people. Women entrepreneurs revealed that basic machine operators they choose are skilled and highly experienced people. The total production depends upon such few operators. So they are well paid and given incentives from time to time to meet the targets. Some casual labours are also employed on the shift basis for carrying out different production related activity like procurement of raw materials, transport of raw materials, storage of raw materials, material supply in production process, packaging delivery, maintenance of machinery and building etc.

As the nature of scale of operation is small, they recruit one or two clerks for personnel administration like salary, record keeping, banking operations and account operations. Some entrepreneurs separate personal administrative functions from business administration function. They employ separate clerk or manager to oversee business administration function like supply orders, tenders, sales and purchases, inventory, banking operations, Accounts auditing etc.

They prepare monthly and weekly statements of sales and purchases and monthly statements of wages and salaries. Women entrepreneurs personally scrutinize there statements and take necessary appropriate actions according to their business policies and production schedules. Every firm has a part time chartered Accountant services and women entrepreneurs themselves are their collaborators interest personally chartered accountants from time to time for matter relating to taxation and other finance functions. In the case of excise and VAT, one clerk operating in business administration is personally carry out functions relating to these taxes.

Women entrepreneurs co-ordinate all the functions of personnel and business administration people and ensure personal and healthy human relation are maintained and work environment is congenial and comfortable. She iron outs any a disputes and difference among staff members and motivate the people for larger
good of the organisation. Few women entrepreneurs revealed that they carry out certain yearly functions on festival occasions to integrate the staff members as well as they carry out picnics and get together.

**Functions related to trading women entrepreneurs** – The researcher interviewed about 30 trading women entrepreneurs most of them were operating on very small scale just employing 2 to 5 people. Most of the trading entrepreneurs have shops in the markets. They have recruited mainly sales-staff for carrying out their trading activities and other one or two persons for stock and storages activity and collection of bills. The trading entrepreneurs related to boutiques have revealed that in case of purchases of dress materials, they personally go to Mumbai and Surat for purchases. The staff relating to production of garments, certain skilled people called karagirs are recruited on permanent basis women entrepreneurs supply the designs and interact with such karagirs on day to day basis. Other sales staff is personally supervise. The women entrepreneurs

**Personnel management in service industry** – Women entrepreneurs offering services are themselves specialist in those service areas by recruiting other 1 to 5 persons depending upon the needs they are carrying out their operations. In the case of beauticians and catering services they require trained and skilled staff which they recruit from time to time in the case of professional service like doctors they also recruit their staff mainly for assistance. There is no clear strategy or policy about the salary structure but as per market conditions and prevalent practice they recruit the staff, give the salaries and incentives and fix the service conditions.