



Entrepreneurship Development

B. Com 2nd year

UNIT NO.	TOPICS
1	<p>Introduction: Entrepreneurship Development: Concept, types and importance of entrepreneurship and significance of entrepreneurship in economic development, Startup process</p> <ul style="list-style-type: none">• Need problems, Challenges and solutions- Women entrepreneurship and rural entrepreneurship• Report preparation: Profiling of entrepreneurship after visiting small scale entrepreneurs.
2	<p>Sources of Business Ideas & Test of Feasibility:</p> <ul style="list-style-type: none">• Generation of startup ideas, Innovation vs creativity• Significance of writing the business plan/project proposal; Contents of business plan/ project proposal/DPR (Detail Project Report)• Project submission/presentation and appraisal thereof by external agencies, such as financial/non-financial institutions.
3	<p>Regulatory Institution and Schemes: Role of Regulatory Institutions;</p> <ul style="list-style-type: none">• Micro, Small and Medium Enterprises• District Industries Centers• Khadi and Village Industries Commission• National Small Industries Corporation• Small Industries Development Bank of India • Commercial banks and various self-employment oriented grant and schemes;• The concept, role and functions of self-help groups, business incubators, angel investors, venture capital and private equity fund in startup ideas.



UNIT 1

Entrepreneur

- An entrepreneur is an individual who, rather than working as an employee, founds and runs a small business, assuming all the risks and rewards of the venture. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services and business/or procedures.
- Entrepreneurs play a key role in any economy. These are the people who have the skills and initiative necessary to anticipate current and future needs and bring good new ideas to market. Entrepreneurs who prove to be successful in taking on the risks of a startup are rewarded with profits, fame and continued growth opportunities. Those who fail suffer losses and become less prevalent in the markets.
- Word entrepreneur comes from a French background derived from word 'entreprendre' meaning between taker or go between or undertaker. Near about 15th century, 1000 A.D. the word entrepreneur was used to mean an actor and person in charge of large-scale production projects. Therefore, in early 16th century leading military expeditions were also referred to as entrepreneur. Later in 17th century a person bearing risk of profit/loss in a fixed price contract with government was denoted as entrepreneur. Francis walker in 1876 included in entrepreneur a person who receives profit from managerial capabilities & distinguished them from person who supplies funds and receives interest. In 1961 David Mc Clelland defined entrepreneur as an energetic moderate risk-taker.
- The concept of Entrepreneurship has assumed prime importance for accelerating economic growth both in developed and developing countries. It is a basis of free enterprise. It promotes capital formation and creates wealth in the country. It is the hope and dream of millions of individuals around the world. It has the thrill of risk, change, challenge and growth. It builds wealth. It is a pathway to prosper. It reduces unemployment and poverty.

Entrepreneurship

- ▶ Entrepreneurship is a process of organizing and managing a business venture and assuming risk involved in it. It involves creating and implementing new ideas and creative solutions.
- ▶ Entrepreneurship has traditionally been defined as the process of designing, launching and running a new business, which typically begins as a small business, such as a startup company, offering a product, process or service for sale or hire, and the people who do so are called 'entrepreneurs'.

Nature and Characteristics of Entrepreneurs

Considerable research has been dedicated to the task of identifying the traits and characteristics of the typical entrepreneur. According to John Hornaday the characteristics of successful entrepreneurs are as follows:



- Self-confidence
- Energy, diligence
- Ability to take calculated risk
- Creativity
- Flexibility
- Positive Response to Challenges
- Dynamism, Leadership
- Ability to get along with people
- Responsiveness to suggestions
- Responsiveness to criticism
- Knowledge of market
- Perseverance, determination
- Resourcefulness
- Need to achieve
- Initiative
- Independence
- Foresight
- Profit orientation
- Perceptiveness
- Optimism
- Versatility
- Knowledge of product and technology

Significance

- Generates employment.
- Plays important role in commercialization new inventions and products
- Economic development
- Creates new markets and facilitates expansion into international markets.
- Raises productivity through innovation



Some of the types of Entrepreneurs

- **Pure Entrepreneur:** He is motivated by psychological and economic rewards. He starts activities for his personal satisfaction is work, ago or status.
- **Induced Entrepreneur:** Such entrepreneur is induced to take up an entrepreneurial task due to the policy measures of the government.
- **Motivated Entrepreneur:** Such an entrepreneur is motivated by the desire for self-fulfilment. He is also motivated by the desire for innovations and profit.
- **Growth Entrepreneur:** These entrepreneurs choose an industry which has high growth prospects.
- **Super-Growth Entrepreneur:** He is an individual who has shown enormous growth performance in has venture.
- **First-Growth Entrepreneur:** He is one who starts an industrial unit by means of an innovative skill.
- **Modern Entrepreneur:** He is one who undertakes those ventures which go well along with the changing demand in the market. He cares for the current marketing needs.
- **Copreneurs:** It is related to the married couples working together in a business. When a married couple shares ownership, commitment and responsibility for a business, they are called 'copreneurs'.
- **Young Entrepreneurs and Part-Time Entrepreneurs:** Starting a part-time business is a popular gateway to entrepreneurship. Part-time entrepreneurs can easily enter into business without sacrificing their service benefits. They have lower risk in case the venture flops. Many part-timers can test their "entrepreneurial skill" to see whether their business ideas will work or not.

Entrepreneurship on the Basis of Stages of Economic Development

Clarence Danh of classifies entrepreneur into four type :

1. **Innovative:** An Innovating entrepreneur is one who introduces new products, new methods of production and new technology.
2. **Imitative or Adoptive:** Imitative entrepreneur is characterized by readiness to adopt successful innovation initiated by innovating entrepreneurs.
3. **Fabian:** Fabian entrepreneurs are lazy and shy. They lack the will to adopt new methods of production.
4. **Drone:** Drone entrepreneur is one who follows the traditional methods of production.

Role of Entrepreneurship in Economic Development

The major roles played by an entrepreneur in the economic development of an economy is discussed in a systematic and orderly manner as follows.

- ▶ **Promotes Capital Formation:** They employ their own as well as borrowed resources for setting up their enterprises. Such type of entrepreneurial activities lead to value



addition and creation of wealth, which is very essential for the industrial and economic development of the country.

- ▶ **Creates Large-Scale Employment Opportunities:** Entrepreneurs provide immediate large-scale employment to the unemployed which is a major problem of underdeveloped nations. With the setting up of more and more units by entrepreneurs, both on small and large-scale numerous job opportunities are created for others.

As time passes, these enterprises grow, providing direct and indirect employment opportunities to many more. In this way, entrepreneurs play an effective role in reducing the problem of unemployment in the country which in turn clears the path towards economic development of the nation.

- ▶ **Promotes Balanced Regional Development:** Entrepreneurs help to remove regional disparities through setting up of industries in less developed and backward areas. The growth of industries and business in these areas lead to a large number of public benefits like road transport, health, education, entertainment, etc. Setting up of more industries lead to more development of backward regions and thereby promotes balanced regional development.
- ▶ **Reduces Concentration of Economic Power:** Economic power is the natural outcome of industrial and business activity. Industrial development normally lead to concentration of economic power in the hands of a few individuals which results in the growth of monopolies. In order to redress this problem a large number of entrepreneurs need to be developed, which will help reduce the concentration of economic power amongst the population.
- ▶ **Wealth Creation and Distribution:** It stimulates equitable redistribution of wealth and income in the interest of the country to more people and geographic areas, thus giving benefit to larger sections of the society. Entrepreneurial activities also generate more activities and give a multiplier effect in the economy.
- ▶ **Increasing Gross National Product and Per Capita Income:** Entrepreneurs are always on the lookout for opportunities. They explore and exploit opportunities, encourage effective resource mobilization of capital and skill, bring in new products and services and develops markets for growth of the economy.

In this way, they help increasing gross national product as well as per capita income of the people in a country. Increase in gross national product and per capita income of the people in a country, is a sign of economic growth.

- ▶ **Improvement in the Standard of Living:** Increase in the standard of living of the people is a characteristic feature of economic development of the country. Entrepreneurs play a key role in increasing the standard of living of the people by adopting latest



Development

innovations in the production of wide variety of goods and services in large scale that too at a lower cost.

This enables the people to avail better quality goods at lower prices which results in the improvement of their standard of living.

- ▶ **Promotes Country's Export Trade:** Entrepreneurs help in promoting a country's export-trade, which is an important ingredient of economic development. They produce goods and services in large scale for the purpose earning huge amount of foreign exchange from export in order to combat the import dues requirement. Hence import substitution and export promotion ensure economic independence and development.
- ▶ **Facilitates Overall Development:** Entrepreneurs act as catalytic agent for change which results in chain reaction. Once an enterprise is established, the process of industrialization is set in motion. This unit will generate demand for various types of units required by it and there will be so many other units which require the output of this unit.

This leads to overall development of an area due to increase in demand and setting up of more and more units. In this way, the entrepreneurs multiply their entrepreneurial activities, thus creating an environment of enthusiasm and for overall development of the area.

Startup Process

How to Start a Business in 7 Easy Steps

1. Start with a Good Business Idea

If you're wondering how to start a business, it may be easier than you think. Like other successful businesses, you'll want to make sure you have a good idea first. From there, you can build a product or service that solves a need for consumers. But before you jump into anything, you'll want to make sure you do your research. This is crucial, because only an estimated 79.4% of companies survive their first year in operation.¹

So, whether you're starting a business in retirement or just looking to earn more cash, you'll want to find the right startup growth strategies. Don't be afraid of being a sole proprietorship and starting your company on your own because you can always grow and hire employees later on.

To help get ideas, think about these easy startup options:

- Business consulting
- Cleaning services
- Tax preparation and bookkeeping



Development

- Event planning
- Jewellery making
- Copywriting services
- Personal training
- Music lessons
- Computer training
- Graphic design
- Landscaping
- Financial planning
- Photography

2. Conduct Research About Your Business Idea

Once you have your small business idea, your next step is to see if it's worth pursuing. To do this, rely on market research and be sure to analyse your competition. This will help you gauge your audience's interest and:

- Understand your customers' needs
- Identify potential problems with your product or service
- Lessen financial losses by helping you make more informed decisions
- Find niche markets you may not have known about
- Set goals that can guide your business

To successfully conduct research, you'll want to:

Identify your target customers: You can do this by looking at who benefits from your product. You'll also want to look at factors like age, location and even marital status.

Engage your audience: Once you know who your target customers are, conduct surveys and talk to people directly to gain more feedback. Don't overlook social media either, which can be the perfect place to engage with them.

Look at competitors: Analysing competing products or services can give you an idea of what already exists in your industry. This can help you find ways to improve your idea. It can also help you target weaknesses in your product or service before you spend time and money creating it. Be sure to note your competitor's prices during this process, which will give you a range of how much customers are currently spending on similar products.

3. Write a Business Plan

Your business plan outlines your current and future goals. Successful businesses use this as a resource to organize the direction of their company. Yours should include:



Development

- **Title page and contents:** Investors use your business plan to get a feel for your company. That's why keeping it organized and easy to navigate is helpful.
- **Statement of purpose:** This summarizes your products, market and business operation. It also states if you're looking for funding or not.
- **Product descriptions:** Explain each detail of your product or services and how they benefit your customers.
- **Market analysis:** Outline your target demographic, selling trends and customer expectations.
- **Competitor analysis:** This should highlight strengths and weaknesses of companies that have similar products or services.

Writing a business plan is important because it can help you make more efficient and strategic decisions. It also helps you focus on your goals and strategies. Some other benefits of a business plan include helping you with:

- Finding potential weaknesses
- Communicating your ideas to stakeholders
- Organizing important information about your business
- Hiring employees that are right for your company

4. Make Your New Business Official

Once you've worked hard researching your idea and know it has the potential to last in the market, it's time to take your business to the next level by making it official.

To do this, you'll want to:

- Register your business with your state: This gives you legal grounds to move forward using your brand's name.
- Pick-up the right licenses and permits: Depending on your business, this can include food, liquor, health or business licenses.
- Get a tax ID number: This allows the IRS to track your transactions. You'll also need this to open a bank account.

Following these steps helps you create a brand name that no one else can use. And once you're official, you can set up an office and create an online business presence.

5. Know Your Finances



Development

You may have asked yourself, “how do I start a business with no money?” Some tips for getting the funding you need for long term success include:

- Asking your friends and family for extra money
- Getting a small business loan
- Looking for grants or local funding
- Encouraging angel investors to back your company

On top of this, if you’ve been asking yourself “what kind of business can I start with no money?” Check out some of these business ideas that you can do part time while gaining enough customers to take it full-time later on:

- Freelance writing
- Business consulting
- Graphic design
- Tutoring
- Web design
- Personal training
- Dog walking
- Child care
- Book keeping
- Interior design

6. Protect Your Business

Starting a small business takes a lot of work, time and money. That means you’ll want to protect it with the right business insurance coverage, including:

- General liability insurance to help protect your company from liability claims alleging bodily injury, property damage, libel or slander.
- Business income insurance for help replacing lost income if you have to temporarily close your operation due to fire, theft or wind damage.
- Data breach coverage which helps pay costs if your customers, patients or employees private data is lost or stolen.
- Professional liability coverage for protection if you’re sued for negligence or errors in the services you provide.
- Commercial property insurance which helps pay for damages to your building, equipment, inventory, furniture and fixtures.

You can also combine these under a BOP policy from us.



7. Build Your Business

You can't build a strong business without investing time and money into it. You'll also need to promote your business and establish a strong marketing plan.

In today's world, building a business also means you'll need a strong website and social media presence. These can help you learn your customers better. With them, you can even request customers' email addresses so you can reach them directly as you promote your business.

If you're looking to add employees to your team right away, be sure to hire the best startup team who will support your operation and set it up for success.

Women as Entrepreneur

Women Entrepreneur may be defined as a woman or group of women who initiate, organize and run a business enterprise.

Women entrepreneurship has been recognized as an important source of economic growth.

Women entrepreneurs create new jobs for themselves and others and also provide society with different solutions to management, organization and business problems. However, they still represent a minority of all entrepreneurs.

In 1988 definition of women entrepreneurship came into existence by GOI, an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated by women. Half of the world's population is of women and India has maximum working women in the world including female employees and workers at all levels.

Tips for Women Entrepreneurs

- ▶ Start a business that works for you and your personal life
- ▶ Research the product/ service
- ▶ Assess the market
- ▶ Start business with adequate funds
- ▶ Do networking
- ▶ Consult with professionals

Problems of Women Entrepreneurs in India/Challenges faced by Women Entrepreneurs

- ▶ Family ties
- ▶ Lack of education
- ▶ Social barriers
- ▶ Problem of finance
- ▶ Tough competition
- ▶ Lack of entrepreneurial aptitude



How to Develop Women Entrepreneurs?

- Consider women as specific target group for all developmental programmes.
- Better educational facilities and schemes should be extended to women folk from government part.
- Adequate training programmes on management skills to be provided to women community.
- Encourage women's participation in decision-making.
- Vocational training to be extended to women community that enables them to understand the production process and production management.
- Skill development to be done in women's polytechnics and industrial training institutes.
- Skills are put to work in training-cum-production workshops.
- Training on professional competence and leadership skill to be extended to women entrepreneurs.

Education and training of women can help to overcome the above hindrances. Easy finance and subsidy can motivate more and more women to become Entrepreneur and self-reliable. With development of gender equality and sensitivity in the society if improved further can improve acquiring of potential skills and funds for Woman as Entrepreneur

Various workshops and training sessions are conducted by NGOs & institutions to develop Woman as Entrepreneur. Bank of India has sponsored more than 300 Entrepreneurial development institute of India exclusively for women. Some more such institutions are SISI,IED,TCO,EDI.

Rural Entrepreneurship

Rural entrepreneurship is that entrepreneurship which ensures value addition to rural resources in rural areas engaging largely rural human resources.

Rural entrepreneurship has arisen as a dynamic concept. It is generally defined as entrepreneurship emerging at village level which can take place in a variety of fields of attempt such as commercial, manufacturing, agriculture and acts as an effective factor for economic development.

“Entrepreneurship development at village level which can take place in a variety of fields of enterprise such as business, industry, agriculture and acts as a powerful factor for economic development can be defined as **Rural Entrepreneurship.**”

Need for Rural Entrepreneurship



Development

As Industrial units started by rural entrepreneurs are providing much employment to men than machines there is a rising need for rural entrepreneurs. Because of additional employment occasions, it has high potential for income generation in rural areas.

The following measures are to be applied for development of rural entrepreneurs.

- There should be a free and continuous supply of raw materials as raw materials generate the basic element of the industry. Continuous supply of raw materials guarantees a constant and smooth production process.
- Rural entrepreneurs face inadequacy of capital which is observed as the lifeblood of business unit. The establishment for sufficient capital will comfort development of rural entrepreneurs.
- Establishing Industrial and business infrastructure in rural areas such as Road, Power, Water, Telecommunication, Banking services, Hotels etc.

Types of Rural entrepreneurship

Rural industry or village industries are generally classified into the following categories:

1. Agro Based Industries
2. Forest Based Industries
3. Mineral Based Industry
4. Textile Industry
5. Handicrafts
6. Engineering and services

Agro Based Industries

This category of village industries involves direct sale or processing of agro based products such as dairy and dairy products, Vegetable processing, fruit processing such as fruit juices or pulps, pickles, jiggery, processing of oil from oil seeds, sugar industries, spices, cleaning and grading of grains, cereals, Pulses Mills etc.

Forest Based Industries

Forest based industries include products manufactured from processing raw material from the forest such as wooden products, bamboo products, beedi making, coir industry, honey making, etc.

Mineral Based Industry

These include quarrying, rock crushing, cement industries, wall coating powders etc.

Textile Industry

These include Cotton Ginning and Pressing, knitting, dyeing, spinning and bleaching, sericulture etc.

Handicrafts



Development

These include making of wooden or bamboo handicrafts that are local to that area, old-fashioned decorative products, toys and all other forms of handicrafts typical to the region.

Engineering and services

These include agricultural tools, tractors and pump sets, repairs etc.

Challenges of Rural Entrepreneurship

Developing entrepreneurship, predominantly rural entrepreneurship, is not so easy. It is controlled by numerous problems. Following are some of the challenges faced by rural entrepreneurs:

1. Finance
2. Knowledge
3. Technical know-how
4. Enterprising skill
5. Infrastructural facilities
6. Unfavourable social, cultural and industrial environments
7. Communication
8. Skilled labour
9. Low-quality products
10. Risk bearing ability
11. Competition
12. Middlemen

Renaissance



UNIT 2

Creating and Starting the Venture –

- Setting up an enterprise requires careful thought attention and supervision. The 1st step in setting up enterprise is to generate no of ideas regarding the core business of the enterprise after generating idea entrepreneur needs to examine market conditions.
- An enterprise can be owned and organized in various forms such as sole proprietorship, partnership, co-operatives and joint stock companies.

Source of new ideas for Entrepreneurs

Entrepreneurs frequently use the following sources of ideas:

1. **Consumers**-The potential consumer should be the final focal point of ideas for the entrepreneurs. The attention to inputs from potential consumers can take the form of informally monitoring potential ideas or needs or formally arranging for consumer to have an opportunity to express their concerns. Care needs to be taken to ensure that the new idea or the needs represents a large enough market to support a new venture.
2. **Exciting Companies**- With the help of an established formal methods potential entrepreneurs and entrepreneurs can evaluate competitive products & services on the market which may result in new and more market appealing products and services.
3. **Distribution channels**- members of the distribution channels are familiar with the needs of the market and hence can prove to be excellent sources of new ideas. Not only do the channel members help in finding out unmet or partially met demands leading to new products and services, they also help in marketing the offering so developed.
4. **Government**- it can be a source of new product ideas in two way firstly, the patent office files contain numerous product possibilities that can assist entrepreneurs in obtaining specific product information, and secondly, response to government regulations can come in the form of new product ideas.
5. **Research & development**- Entrepreneur's own R&D is the largest source of new idea. A formal and well-equipped research and development department enables the entrepreneur to conceive and develop successful new product ideas.
6. **Personal experience**- Many ideas come to entrepreneurs from their day-to-day dealings in life, or from their hobbies and interests. From some of us, frustrating or bad experiences are a source of irritation. For the entrepreneur they might suggest a business opportunity, it is often said that one of the best ways to spot a business opportunity is to look for example of poor customer service (complaints, product returns, persistent queues etc.).Such examples suggest that there is an opportunity to do something better, quicker or cheaper than the exciting products. Hobbies and interests are also a rich source of business ideas, although you have to be careful avoid assuming that, just because you have a passion for collecting rare tin openers, there is a ready market from people with similar interests. Many people have tried to turn their hobby into a business and found that generates only a small contribution to household income.



Development

7. **Observation**- Simply observing what goes on around you can be a good way of spotting an idea. Often an idea will be launched in another country and has not yet been tried in other, similar economies. When Stephen Waring was in the USA attending a wedding, by luck he sat next to someone who ran a household service business (treating lawns). After some brief market research, Stephen found out that there was no similar business in the UK, so he launched one. It has since become a hugely successful franchise business.

Methods of Generating New Idea for Entrepreneurs

The entrepreneurs can use several methods to help generate and test new ideas including focus groups, brainstorming and problem inventory analysis.

The following are some of the key methods to help generate and test new ideas:

1. **Focus Groups** – These are the groups of individuals providing information in a structural format. A moderator leads a group of people through an open, in-depth discussion rather than simply asking questions to solicit participant response. Such groups form comments in open-end in-depth discussions for a new product area that can result in market success. In addition to generating new ideas, the focus groups are an excellent source for initially screening ideas and concept.
2. **Brainstorming** – It is a group method for obtaining new ideas and solutions. It is based on the fact that people can be stimulated to greater activity by meeting with others and participating in organized group experiences. The characteristics of this method are keeping criticism away. Freewheeling of idea, high quantity of ideas, combinations and improvements of ideas. Such type of session should be fun with no scope for domination and inhibition. Brainstorming has a greater probability of success when the effort focuses on specific product or market area.
3. **Problem inventory analysis** – It is a method for obtaining new ideas and solution by focusing on problems. This analysis uses individuals in a manner that is analogous to focus groups to generate new product areas. However, instead of generating new ideas, the consumers are provided with list of problems and then asked to have discussion over it and it ultimately results in an entirely new product idea.

The entrepreneur is not limited by only the three methods presented in this article. There are other creative problem-solving methods and techniques that are also available.

Innovation

What is Innovation in Entrepreneurship?

Entrepreneurial innovation is the process of developing and putting into practice new concepts, ideas, goods, services, procedures, or business models that significantly improve and add value to an entrepreneurial endeavour. It entails using fresh perspectives, questioning the existing quo, and proposing cutting-edge solutions to fill market gaps or cater to client wants.



Development

Innovation is not simply about novel technologies. It may also spread to a variety of business processes. Including business strategy, marketing, operations, and organizational culture.

Entrepreneurial innovation is fundamentally about bringing something new to the market. It enhances current offers in a way that fosters growth, produces value for consumers, and benefits stakeholders. To accomplish desired results entails seeing opportunities, taking measured risks, and putting innovative ideas into practice.

Key Elements of Innovation in Entrepreneurship:

Novelty and Creativity

Innovation involves the generation of original ideas and concepts. It departs from conventional thinking. It requires entrepreneurs to think outside the box. Also, challenge the assumptions, and come up with unique approaches to solving problems or meeting market demands.

Market Relevance

Successful innovation in entrepreneurship requires a deep understanding of the target market. Also, understand evolving customer needs. Entrepreneurs must identify unmet needs. Need to keep an eye on emerging trends, and changing customer preferences to develop innovative solutions that resonate with their target audience.

Value Creation

Innovation is driven by the desire to create value for customers, and stakeholders. Also, society at large. This value can be in the form of improved products or services, enhanced customer experiences, increased efficiency, cost savings, or social impact.

Implementation and Execution

Innovation is not just about generating ideas. It also involves translating those ideas into practical solutions. Entrepreneurs need to execute them effectively. Entrepreneurs must have the ability to turn innovative concepts into tangible products, services, or processes that can be brought to the market.

Continuous Improvement

Innovation is an ongoing process. It requires constant learning, adaptation, and iteration. Entrepreneurs need to embrace a mindset of continuous improvement. Need to seek feedback, and refine their innovations based on customer insights, market dynamics, and evolving trends.

Role of Innovation in Entrepreneurship

Innovation plays a variety of roles in entrepreneurship. It is essential to the development and success of businesses. The following are some crucial roles of innovation in entrepreneurship, each with an example.

1. Driving Competitive Advantage



Entrepreneurs may set themselves apart from competitors by acquiring a competitive advantage in the market through innovation. Entrepreneurs can draw customers and establish a dominant position in the market through innovation. It can be done by providing distinctive goods, services, or business strategies. For example, Tesla has established itself as a superior in the sustainable transportation sector. They did it by developing their electric vehicles and cutting-edge battery technology. This gives them a major advantage over conventional automakers.

2. Identifying Opportunities

Innovation allows entrepreneurs to identify and seize market opportunities that others may overlook. By staying attuned to customer needs, market trends, and emerging technologies, entrepreneurs can spot gaps and unmet demands. For instance, Airbnb identified the opportunity to disrupt the traditional hospitality industry by connecting travelers with unique accommodations offered by individuals, resulting in a successful and innovative business model.

3. Creating Value

The creation of value for consumers, stakeholders, and the economy as a whole is one of the main roles of innovation. Entrepreneurs innovate to create goods, services, or procedures. It caters to the demands of customers and offers them improved advantages. With the release of the iPhone, for instance, Apple completely changed the mobile phone market by providing users with a new level of convenience, functionality, and use.

4. Enhancing Efficiency and Productivity

Innovation can lead to improved efficiency and productivity within entrepreneurial ventures. By adopting new technologies, processes, or management approaches, entrepreneurs can streamline operations and achieve higher levels of efficiency. For instance, online retailer Amazon continuously innovates its fulfillment processes and logistics operations, enabling them to deliver products faster and more efficiently to customers.

5. Solving Societal Challenges

Entrepreneurship innovation can address pressing societal challenges and contribute to positive social impact. Entrepreneurs leverage innovation to develop solutions for healthcare, renewable energy, education, poverty alleviation, and more. For example, the social enterprise Embrace Innovations developed an affordable infant warmer to address the high infant mortality rates in developing countries where access to traditional incubators is limited.



INNOVATIVE ENTREPRENEURSHIP

Role of Innovation Entrepreneurship



Benefits and Advantages of Innovation in Entrepreneurship

1. Market Differentiation

Innovation allows entrepreneurs to differentiate themselves from competitors by offering unique products, services, or business models. This differentiation creates a competitive advantage and attracts customers. For example, Netflix revolutionized the movie rental industry by introducing a subscription-based streaming service, disrupting traditional brick-and-mortar rental stores and gaining a significant market share.

2. Increased Market Share and Revenue

Market share gains and revenue expansion are possible as a result of innovation. Entrepreneurs can gain a bigger share of the market by delivering new goods or services that better satisfy customer wants than competitive items already on the market. For example, the ride-sharing service Uber disrupted the old taxi business by providing a practical and effective substitute. It led to its swift development and global spread.

3. Improved Efficiency and Cost Savings

Innovation often results in improved efficiency and cost savings for entrepreneurs. By implementing new technologies or processes, entrepreneurs can streamline operations, automate tasks, and reduce costs. For example, robotic process automation (RPA) has enabled companies like UiPath to automate repetitive tasks, leading to increased efficiency and reduced operational expenses.

4. Enhanced Customer Experience

Innovation allows entrepreneurs to enhance the customer experience by providing new and improved solutions. By identifying pain points and addressing them through innovative offerings, entrepreneurs can build customer loyalty and satisfaction. For instance, Airbnb



Development

transformed the travel experience by offering unique accommodations and personalized experiences, providing customers with more choices and a memorable stay.

5. Sustainable Business Growth

For a firm to thrive sustainably, innovation is crucial. Entrepreneurs may keep one step ahead of the competition with innovation. Also, take advantage of new possibilities by constantly inventing and adjusting to changing market circumstances. Google, for example, has been able to extend its product range beyond search engines by stepping into markets like cloud computing, artificial intelligence, and self-driving vehicles. They are dedicated to innovation and ongoing development.

Creativity

The meaning of creativity is, the capability to create, articulate or apply inventive ideas, techniques and perspectives often in a collective environment. Entrepreneurship is a creative action focused on excellent communication of production aspects through a suitable investment and motivated behaviour and with rational risk-taking.

Creativity shows imagination and novelty of thought in moving beyond ordinary thinking. It can be considered by extending or even breaking the rules of convention. Even the slightest departure from the norm is defined as creativity.

creativity as the realising of our potential, concerning the integration of our logical side with our intuitive side. It can contain an advance in thought but may also retain relations with the past.

Let's move on to the practical world. Day by day world has new problems, new obstacles, and new risks. But the world going forward, and people going forward because of creativity. People see these problems and they come up with a solution. These solutions are because of their creativity. For example, fuel is the power source which people used mostly in the past. It is harmful to the environment by increasing global warming through carbon emissions. Nowadays we can see the world is more focused on renewable energy sources like solar and electricity. These things help to get out on using fuel step by step. So, this is how the world goes forward by creativity. But creativity starts as the thought process and it needs to convert into a novel solution.

Creativity is one of the main appliances of the economic development of modern business. Thus, lately, it has been treated as the eventual economic resource. Reaching the viable advantages in a global market and an ever more complex business environment of a contemporary organisation leads to the circumstances under which a traditional manner of running a business is impossible. So, organisations need to be more creative than past to overcome these challenges.



Development

Role of Creativity in Entrepreneurship

Creativity removes the limits to the mindset and skill set of an entrepreneur. It helps to gain a competitive advantage over others in the field. However, creativity plays a major role in the field of entrepreneurship.

As such, entrepreneurship and creativity form an interconnected combination. It no longer takes number-crunching skills and practicality to run an effective business. Over time, creativity has become a vital component of good business acumen. A lack of creativity could simply drag your business into a stagnation approach.

Here are the **10 Roles of Creativity in Entrepreneurship**.

1. Creativity Helps to Achieve High Overall Success
2. Creativity Foster the Innovations
3. Creativity Helps to Use Optimal Employee Potential
4. Creativity Builds Competitive Advantages
5. Creativity Enhances Product Development and Entrepreneurial Quality
6. Creativity Changes the Status Quo
7. Creativity Creates New Niches, New Markets
8. Creativity Connects all Departments
9. Creativity Boosts the Business Reputation
10. Creativity Encourage Critical Thinking

Creativity builds competitive advantages like the following.

1. Conquering Fear
2. Practising Courage
3. Commit to Perseverance
4. Bring Some Confidence
5. Stand Out

RE



INNOVATION VERSUS CREATIVITY

INNOVATION	CREATIVITY
Innovation is the introduction of new or improved goods, services, processes, etc.	Creativity is the use of imagination or original ideas to create something
Related to implementation	Related to imagination
Can be measured	Cannot be measured
Follows creativity	Precedes innovation

Business Plan

- A business plan refers to a formal statement of plans of an enterprise.
- It explains business goals of the enterprise and means to achieve those goals. It seeks to address the strengths, weakness, opportunities and threats of starting a venture.
- It takes into consideration all the aspects of business, helps in obtaining external advisors opinion in initial plans & helps in budgeting
- Business plans can help perform a number of tasks for those who write and read them. They're used by investment-seeking entrepreneurs to convey their vision to potential investors.
- They may also be used by firms that are trying to attract key employees, prospect for new business, deal with suppliers or simply to understand how to manage their companies better.
- Simply stated, a business plan conveys your business goals, the strategies you'll use to meet them, potential problems that may confront your business and ways to solve them, the organizational structure of your business (including titles and



Development

responsibilities), and finally, the amount of capital required to finance your venture and keep it going until it breaks even.

Scope Of Business Plan

Business plan is used to know about the following factors -

- Economic factors
- Technical Factors
- Financial Factors
- Production Factors
- Managerial Factors

Evaluating Business plans

- Clarity, completeness, and persuasiveness of the written business plan and oral presentation.
- The usefulness and quality of the business plan concept (e.g., product, technology, service).
- The usefulness and quality of the business model.
- The marketability of the proposed venture (does demand of concept exist).
- The financial and/or social return of the proposed venture.
- Benchmarking performance milestones expressed in the business plan.
- Contingency planning and risk assessment – include plan for mitigating risk factors.
- The capacity and strength of the management team (experience and expertise).
- The quality of the team members' responses to questions from the judges.
- The decisions of the judging panel are final.
- If no submissions are deemed worthy, no financial awards will be made.

Content of the Business Plan / Project:

1. General information
2. Information of promotor
3. Product
4. Location
5. Plant and machinery
6. Production process
7. Labour needs
8. Facilities
9. Transportation and communication
10. Availability of raw material
11. Requirement of working capital
12. Form of ownership



Planning commissions guidelines for formulating a project report

1. General information
2. Preliminary analysis of alternatives
3. Project description
4. Marketing plan
5. Capital requirements and costs
6. Operating requirements and costs
7. Financial analysis
8. Economic analysis
9. Miscellaneous aspects

Project Appraisal

Project appraisal is a detailed and thorough evaluation process that aims to assess the feasibility, viability, and potential of a proposed project. It involves a comprehensive analysis of various aspects of the project, such as its economic, financial, technical, social, management, and environmental factors. The primary objective of this assessment is to determine whether the project is suitable for investment and financing and whether it aligns with the organization's goals and objectives.

Project Appraisal is a consistent process of reviewing a given project and evaluating its content to approve or reject that project by analysing the problem or need to be addressed by the project, generating solution options (alternatives) for solving the problem, selecting the most feasible option, conducting a feasibility analysis of that option, creating the solution statement, and identifying all people and organizations involved with or affected by the project and its expected results. It is an attempt to justify the project through analysis, which is a way to determine the feasibility and cost-effectiveness of the project.

Project Appraisal Objectives

Here are the Key objectives of the Appraisal Process of a Project:

- Assessment of a project in terms of its economic, social and financial viability
- Decide to Accept or reject a Project
- It is a tool to check the viability of a Project Proposal

Features project appraisal

Here are the Key Features of the Appraisal of Project:

- Evaluate the key factor of a project
- Decide to Accept or reject a Project
- It is a tool to check the viability of a Project

Steps in project appraisal process



Development

Here are the key steps this process. Proposal of a Project is assessed with the below steps and aspects.

- Financial and Economic appraisal
- Organizational or Management Appraisal
- Marketing and Commercial Appraisal
- Technical and Legal Appraisal

Types of Project Appraisal and aspects

Project Appraisal is process of assessing the following types of the Appraisal Aspects. And these Key aspects of appraisal will be evaluated before committing a Project. Appraisal factors are evaluated by a personal who is not involved in the preparation of the Project Proposal.

- Organizational Aspects
- Technical Aspects
- Managerial Aspects
- Economic Aspects
- Financial Aspects
- Marketing and Commercial Aspects

Renaissance



UNIT 3

Role of Regulatory Institutions

Regulatory institutions play a pivotal role in maintaining order and fostering sustainable economic development. These entities, often government bodies, are entrusted with formulating, implementing, and enforcing policies and regulations across various industries. Their primary objective is to ensure fair practices, protect consumer interests, and create a level playing field for businesses.

In the context of micro, small, and medium enterprises (MSMEs), regulatory institutions such as District Industries Centers (DICs), Khadi and Village Industries Commission (KVIC), National Small Industries Corporation (NSIC), and Small Industries Development Bank of India (SIDBI) oversee the implementation of specific policies and schemes to promote the growth of these enterprises.

By providing a regulatory framework, these institutions contribute to economic stability, investor confidence, and the overall health of the business ecosystem, thereby fostering sustainable and inclusive economic development.

1. **Policy Formulation and Implementation:** Regulatory institutions are responsible for creating and implementing policies that govern economic activities, ensuring adherence to established norms and standards.
2. **Fair Business Practices:** They play a crucial role in maintaining fair and ethical business practices, preventing monopolies, and safeguarding consumer interests.
3. **Level Playing Field:** Regulatory bodies strive to create a level playing field for businesses, minimizing unfair advantages and promoting healthy competition within industries.
4. **Consumer Protection:** One of their key functions is to protect consumers by enforcing regulations that ensure the safety and quality of products and services.
5. **MSME Support:** In the context of MSMEs, regulatory institutions design and oversee policies and schemes to foster the growth and development of small and medium enterprises.
6. **Financial Regulations:** They establish and enforce financial regulations to maintain the stability of financial markets, safeguarding against fraudulent activities and ensuring the integrity of the financial system.



Development

- 7. Compliance Enforcement:** Regulatory bodies actively enforce compliance with laws and regulations, imposing penalties on entities that violate established norms.
- 8. Economic Stability:** By overseeing and regulating economic activities, these institutions contribute to overall economic stability, investor confidence, and sustainable development.
- 9. Risk Mitigation:** They work towards identifying and mitigating risks in various sectors, contributing to the resilience of the economy against external shocks.
- 10. Innovation and Adaptation:** Regulatory institutions adapt to changes in the business environment, fostering innovation while ensuring that emerging technologies and practices comply with established regulations.

Micro, Small, and Medium Enterprises (MSMEs):

Meaning:

Micro, Small, and Medium Enterprises (MSMEs) form the backbone of most economies, contributing significantly to employment generation, industrial production, and economic growth. In India, MSMEs play a vital role in fostering entrepreneurship and reducing regional imbalances through their decentralized nature.

Classification:

MSMEs are classified based on their investment in plant and machinery or equipment. In India, the **Micro, Small, and Medium Enterprises Development (MSMED) Act of 2006** categorizes them as micro, small, and medium enterprises. Micro-enterprises have the lowest investment threshold, followed by small and medium enterprises.

Revised MSME Classification			
PARTICULARS	MICRO	SMALL	MEDIUM
Investment	Investment < Rs. 1 cr.	Investment < Rs. 10 cr.	Investment < Rs. 20 cr.
	and	and	and
Turnover	Turnover < Rs. 5 cr.	Turnover < Rs. 50 cr.	Turnover < Rs. 100 cr.

Importance:



Development

- **Employment Generation:** MSMEs are prolific job creators, especially in rural and semi-urban areas, contributing significantly to reducing unemployment.
- **Contribution to GDP:** They contribute substantially to the Gross Domestic Product (GDP) by fostering industrialization and economic activities across various sectors.
- **Innovation and Flexibility:** MSMEs often exhibit high levels of innovation, adaptability, and flexibility, making them crucial for technological advancements and meeting evolving market demands.

Challenges:

- **Access to Finance:** Limited access to formal sources of finance poses a challenge for many MSMEs, hindering their growth potential.
- **Technological Obsolescence:** Some MSMEs struggle with technological obsolescence, impacting their competitiveness in the market.
- **Infrastructure Bottlenecks:** Issues related to inadequate infrastructure can impede the growth of MSMEs, especially in rural areas.

Government Initiatives:

To address these challenges, governments implement various schemes and initiatives to support MSMEs, providing financial assistance, technological support, and promoting market linkages. In India, institutions like the National Small Industries Corporation (NSIC) and Small Industries Development Bank of India (SIDBI) play crucial roles in facilitating the growth of MSMEs.

The resilience and dynamism of MSMEs make them essential contributors to economic development. Recognizing their importance, governments and supporting institutions must continue to implement policies that empower and enable the sustainable growth of MSMEs.

DISTRICT INDUSTRIES CENTERS (DIC)

The District Industries Centres (DICs) programming was started in 1978 with a view to provide integrated administrative framework at the district level for promotion of small scale industries in rural areas. The DIC's are envisaged as a single window interacting agency at the district level providing service and support to small entrepreneurs under a single roof.

The main functions of DIC are:

- (1) To prepare and keep model project profiles for reference of the entrepreneurs.
- (2) To prepare action plan to implement the scheme effectively already identified.



Development

- (3) To undertake industrial potential survey and to identify the types of feasible ventures which can be taken up in ISB sector, i.e., industrial sector, service sector and business sector.
- (4) To guide entrepreneurs in matters relating to selecting the most appropriate machinery and equipment, source of its supply and procedure for importing machineries.
- (5) To provide guidance for appropriate loan amount and documentation.
- (6) To assist entrepreneurs for availing land and shed equipment and tools, furniture and fixture.
- (7) To appraise the worthiness of the project-proposals received from entrepreneurs.
- (8) To help the entrepreneurs in obtaining required licenses/permits/clearance.
- (9) To assist the entrepreneurs in marketing their products and assess the possibilities of ancillarization.
- (10) To conduct product development work appropriate to small industry.
- (11) To help the entrepreneurs in clarifying their doubts about the matters of operation of bank accounts, submission of monthly, quarterly and annual returns to government departments.
- (12) To conduct artisan training programme.
- (13) To act as the nodal agency for the district for implementing PMRY (Prime Minister Rojgar Yojna).
- (14) To function as the technical consultant of DRDA in administering IRDP and TRYSEM programme.
- (15) To help the specialized training organizations to conduct Entrepreneur development programmes.

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)

The government of India has set up the Small Industries Development Bank of India (SIDBI) under Special Act of Parliament in 1989 as a wholly owned subsidiary of the IDBI for ensuring larger flow of financial and non-financial assistance to the small-scale sector. The SIDBI has taken over the outstanding portfolio of the IDBI relating to the small-scale sector.

The important functions of IDBI are as follows:

- (1) To initiate steps for technological up gradation and modernization of existing units.
- (2) To expand the channel for marketing the products of SSI sector in domestic and international markets.
- (3) To promote employment-oriented industries especially in semi-urban areas to create more employment opportunities and thereby checking migration of people to urban areas.

Khadi and Village Industries Commission

The Khadi and Village Industries Commission (KVIC) is a statutory body formed by the Government of India, under the act of Parliament, 'Khadi and Village Industries Commission Act of 1956'. It is an apex organization under ministry of micro, Small Medium Enterprises (Govt.



of India), with regard to khadi and village industries within India, which seeks to – “plan, promote, facilitate, organize and assist in the establishment and development of khadi and village industries in the rural areas in coordination with other agencies engaged in rural development wherever necessary.” In April 1957, it took over the work of former All India Khadi and Village Industries Board.

National Small Industries Corporation (NSIC)

The National Small Industries Corporation Ltd. (NSIC), an ISO 9000 certified company, since its establishment in 1955, has been working to fulfill its mission of promoting, aiding and fostering the growth of small-scale industries and industry related small-scale services/businesses in the country

Over a period of six decades of transition, growth and development, the NSIC has proved its strength within the country and abroad by promoting modernization, up gradation of technology, quality consciousness, strengthening linkages with large and medium enterprises and enhancing export projects and products from small-scale enterprises.

Functions of NSIC:

NSIC provides a wide range of services, predominantly promotional in character, to small-scale industries.

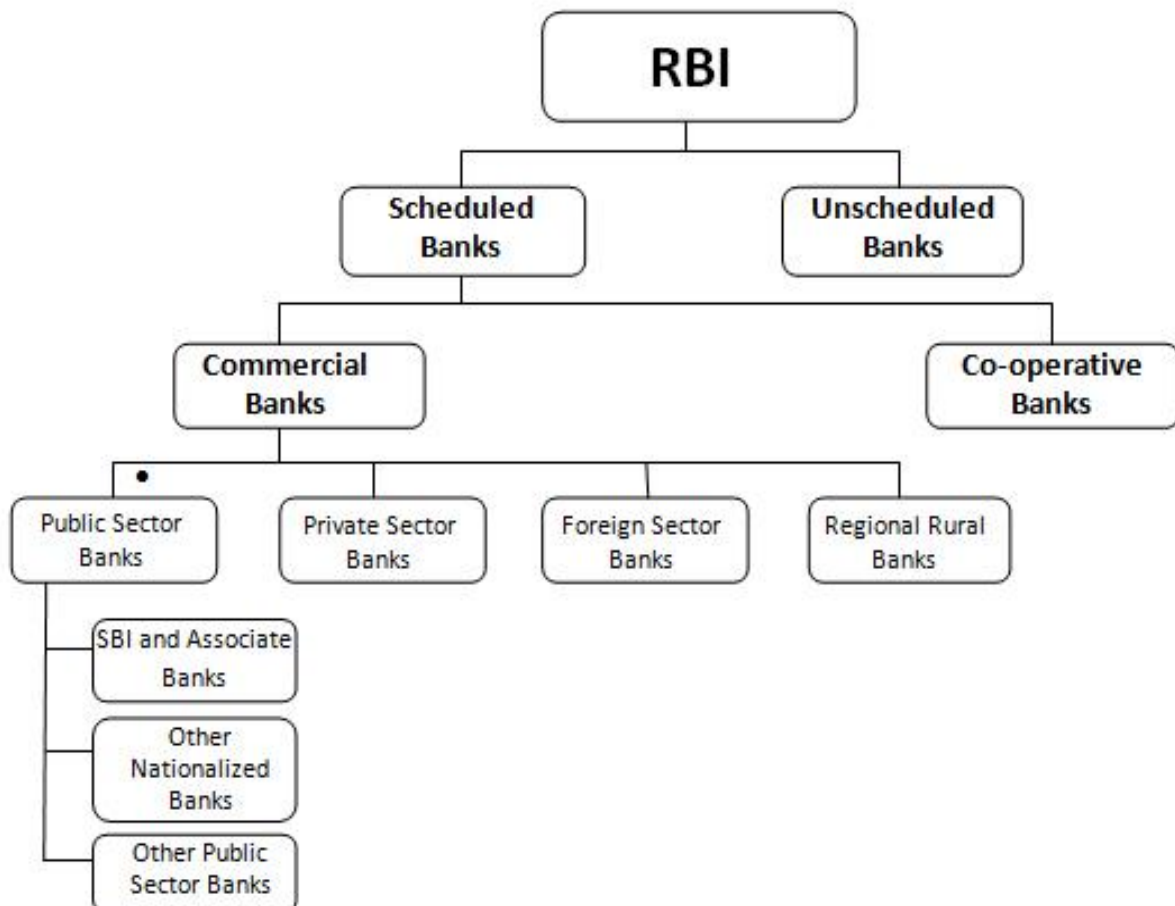
Its main functions are to:

- Provide machinery on hire-purchase scheme to small-scale industries.
- Provide equipment leasing facility.
- Help in export marketing of the products of small-scale industries.
- Participate in bulk purchase programme of the Government.
- Develop prototype of machines and equipments to pass on to small-scale industries for commercial production.
- Distribute basic raw material among small-scale industries through raw material depots.
- Help in development and up-gradation of technology and implementation of modernization programmes of small-scale industries.
- Impart training in various industrial trades.
- Set up small-scale industries in other developing countries on turn-key basis.
- Undertake the construction of industrial estates.

Commercial Banks



- A commercial bank is a financial institution which performs the functions of accepting deposits from the general public and giving loans for investment with the aim of earning profit.
- In fact, commercial banks, as their name suggests, are profit-seeking institutions, i.e., they do bank business to earn profit.
- They generally finance trade and commerce with short-term loans. They charge high rate of interest from the borrowers but pay much less rate of interest to their depositors with the result that the difference between the two rates of interest becomes the main source of profit of the banks. Most of the Indian joint stock Banks are Commercial Banks such as Punjab National Bank, Allahabad Bank, Canara Bank, Andhra Bank, Bank of Baroda, etc.





Roles

- Commercial banks encourage the habit of savings in the community; and channelize funds into productive uses. In fact, the tremendous growth of any nation has been possible only after the establishment of a sound banking system, in that nation. Banks are the carriers of the vehicle of economic development.
- Banks create credit. Credit creation done by banks is the basis of economic development of a modern capitalist society
- Banks promote trade, especially foreign trade; by providing funds and helping in the payment and transfer of money.
- Banks help in allocation of funds; and ensure optimum utilization of savings in the economy, leading to economic development. Through the lending rates of interest determined by market mechanism or fixed by the central bank, credit advanced by banks gets rationed among various potential borrower and sectors.

Functions

Functions of commercial banks - at a glance

(a) Primary functions

1. Accepting deposits
2. Lending money

(b) Secondary functions

3. Collection of cheques and bills
4. Agency functions
5. Provision of remittance facilities
6. Issuing letters of credit
7. Letter of reference
8. Traveller's cheques
9. Locker facility

(c) Modern functions

10. Electronic Funds Transfer (EFT)
11. Automated Teller Machines (ATM)
12. Credit card
13. Debit card
14. Collection of information



Primary Functions

(i) Accepting deposits:

Accepting deposits is the main function of a commercial bank. Banks accept deposits of money from people who have surplus money. Banks offer the following types of deposit schemes to attract money from all quarters of public.

(I) Fixed deposits:

Under fixed deposits schemes, people deposit their money for a period from six months to five years; and fixed deposit is repayable by bank only after the expiry of the specified period. In fact, the longer is the period of deposit; the higher is the rate of interest.

(II) Savings deposits:

The aim of savings deposits scheme is to mobilize the small savings of the public. A person can open a savings bank account, by depositing a small amount of money. He/.she can withdraw money from his/her account and also make additional deposits.

(III) Recurring deposits:

The aim of recurring deposit scheme is to encourage regular savings by people. A person can deposit a fixed amount say Rs. 100, every month for a fixed period. The amount deposited, together with interest, is repayable on maturity.

(IV) Current deposit accounts:

Current deposit accounts are opened by businessmen. The account holder can deposit and withdraw money, whenever required. No interest is paid on current deposit accounts. Rather, a certain charge is made by the bank from the account holder, for the services provided by the bank.

(ii) Lending money Banks lend money, usually, in the following ways:

(I) Loans:

Banks advance a certain sum of money to a customer; which is called a loan. A loan, by a bank, is granted against some security or mortgage. Normally banks do not advance loans for long periods. However, of late, there is a change in this policy.

(II) Overdraft:

Under the overdraft facility, a customer having a current account is allowed to withdraw more than what he has deposited. The excess amount withdrawn by the customer is known as overdraft. The overdraft is allowed up to a certain limit and for an agreed period. Interest is charged by the bank on the overdrawn amount

- **Cash credit:**

Under cash credit scheme, a loan limit is sanctioned and a cash credit account is opened in the name of the borrower. The borrower can withdraw money from the account from time to time – subject to the sanctioned limit. Interest is charged by the bank on the amount actually withdrawn by the borrower, and not on the sanctioned amount.



Development

- **Discounting of bills:**

Under this form of lending money, banks en-cash customers' bills of exchange, before they become actually due for payment. For this, banks charge what is known as a nominal discount.

Secondary Functions

i) Collection of cheques and bills:

Banks collect cheques of their customers drawn on other banks; and credit their proceeds to the accounts of their customers. Banks also collect bills of exchange on behalf of their customers from the acceptors of bills on due dates; and credit the proceeds to the accounts of their customers.

(ii) Agency functions:

Banks, under instructions of the customers:

1. Undertake to pay insurance premium
2. Collect dividend, interest etc. on their investments
3. Undertake to buy or sell shares, debentures etc. on behalf of their customers.

(iii) Provision of remittance facilities:

Banks provide remittance facilities for transfer of funds from one place to another, usually through bank drafts. The banks charge commission for issuing bank drafts.

(iv) Issuing letters of credit:

Letters of credit are most useful in import trade. They give a proof of the credit worthiness of the importer. A letter of credit issued by the importer's bank contains an undertaking by the bank to honor the bills of exchange drawn by the exporter on the importer up to the amount specified, in the letter of credit.

(v) Letter of reference:

Through a letter of reference, a bank provides information about the financial condition of the customer to traders of the same country or other countries.

(vi) Traveler's cheques:

Banks provide the facility of travelers' cheques to their customers who are travelling. With this facility, the customer need not carry cash (which is risky) with him and can travel safety.

Sr. No.	Name of the Scheme/ Programme	Ministry	Remarks
1	Atmanirbhar Bharat Rojgar Yojana (ABRY)	Ministry of Labour and Employment	Aatmanirbhar Bharat Rojgar Yojana (ABRY) was launched with effect from 1 st October, 2020 as part of Atmanirbhar Bharat package 3.0 to incentivize employers for creation of new employment along with social security benefits and restoration of loss of employment during Covid-19 pandemic. The website link for the scheme is https://labour.gov.in/aatmanirbhar-bharat-rojgar-yojana-abry
2	Pradhan Mantri Rojgar Protsahan Yojana (PMRPY)	Ministry of Labour and Employment	Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) was launched with effect from 1.4.2016 to incentivise employers for creation of new employment. The beneficiaries registered upto 31st March, 2019 will continue to receive the benefit for 3 years from the date of registration under the scheme i.e. upto 31st March, 2022.
3	National Career Service (NCS) Project	Ministry of Labour and Employment	Project for transformation of the National Employment Service to provide a variety of career related services like job matching, career counselling, vocational guidance, information on skill development courses, apprenticeship, internships etc. This project consists of three important components namely - (i) NCS Portal (www.ncs.gov.in); (ii) Model Career Centres; and (iii) Interlinking of Employment Exchanges. The website is https://www.ncs.gov.in/



4	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	Ministry of Rural Development	MGNREGA is to provide at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. The website link for the scheme is https://nrega.nic.in/MGNREGA_new/Nrega_home.aspx
5	Pradhan Mantri Garib Kalyan Rojgar Abhiyaan (PMGKRA)	Ministry of Rural Development	The Garib Kalyan Rojgar Abhiyaan (GKRA) is a 125-day Abhiyan launched by Hon'ble Prime Minister on 20th June, 2020 with a mission to address the issues of returnee migrant workers and similarly affected rural population by Covid-19 pandemic through a multi-pronged strategy of providing immediate employment & livelihood opportunities to the distressed, to saturate the villages with public infrastructure and creation of livelihood assets to boost the income generation activities and enhance long term livelihood opportunities by giving focus on 25 works in 116 selected districts across 6 States with a resource envelope of Rs. 50,000 crore. The website link for the scheme is https://rural.nic.in/en/press-release/garib-kalyan-rojgar-abhiyan
6	Aajeevika - National Rural Livelihoods Mission (NRLM)	Ministry of Rural Development	Aajeevika - National Rural Livelihoods Mission (NRLM) was launched by the Ministry of Rural Development (MoRD), Government of India in June 2011. Aided in part through investment support by the World Bank, the Mission aims at creating efficient and effective institutional platforms of the rural poor, enabling them to increase household income through sustainable livelihood enhancements and improved



			access to financial services. The website link for the Mission is https://nrlm.gov.in/outerReportAction.do?methodName=showIndex#gsc.tab=0
7	Pt. Deen Dayal Upadhyaya Grameen Kaushlya Yojana (DDU-GKY)	Ministry of Rural Development	Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) is a placement linked skill development program for rural poor youth under National Rural Livelihoods Mission (NRLM) since September, 2014. Rural Youth in the age group of 15-35 years are covered under this scheme. Sub component of NRLM which is a placement linked skill development scheme for rural poor. The website link for the scheme is http://ddugky.info/
8	Rural Self Employment and Training Institutes (RSETIs)	Ministry of Rural Development	RSETIs are Rural Self Employment Training Institutes, an initiative of Ministry of Rural Development (MoRD) to have dedicated infrastructure in each district of the country to impart training and skill upgradation of rural youth geared towards entrepreneurship development. RSETIs are managed by banks with active co-operation from the Government of India and State Governments. The details is at website: http://nirdpr.org.in/rseti/index.aspx
9	PM- SVANidhi Scheme	M/o Housing & Urban Affairs	Prime Minister Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi) Scheme since June 01, 2020 to provide collateral free working capital loan to Street Vendors, vending in urban areas, to resume their businesses which were adversely affected



			d due to COVID-19 induced lock-down. The details of the scheme is at the website: https://pmsvanidhi.mohua.gov.in/
10	Deendayal Antyodaya Yojana - National Urban Livelihoods Mission (DAY-NULM)	M/o Housing & Urban Affairs	To reduce poverty and vulnerability of the urban poor households by enabling them to access gainful self employment and skilled wage employment opportunities, resulting in an appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots level institutions of the poor. The mission would aim at providing shelters equipped with essential services to the urban homeless in a phased manner. The website for the scheme is https://nulm.gov.in/
11	Prime Minister's Employment Generation Programme (PMEGP)	Ministry of Micro, Small & Medium Enterprises	Prime Minister's Employment Generation Programme (PMEGP), which is a major credit-linked subsidy programme aimed at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and unemployed youth. The details can be seen from the website: https://msme.gov.in/1-prime-ministers-employment-generation-programme-pmegp
12	Pradhan Mantri MUDRA Yojana (PMMY)	Ministry of Finance	Pradhan Mantri MUDRA Yojana (PMMY) is a scheme launched by the Hon'ble Prime Minister on April 8, 2015 for providing loans up to 10 lakh to the non-corporate, non-farm small/micro enterprises. These loans are classified as MUDRA loans under PMMY. These loans are given by Commercial Banks, RRBs, Small Finance Banks, MFIs and NBFCs. The



			<p>borrower can approach any of the lending institutions mentioned above or can apply online through this portal www.udyamimitra.in . Under the aegis of PMMY, MUDRA has created three products namely 'Shishu', 'Kishore' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur and also provide a reference point for the next phase of graduation / growth. The website for the scheme is https://www.mudra.org.in/</p>
13	Pradhan Mantri Kaushal Vikas Yojana (PMKVY)	Ministry of Skill Development and Entrepreneurship	<p>Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is the flagship scheme of the Ministry of Skill Development and Entrepreneurship (MSDE) implemented by National Skill Development Corporation (NSDC). The objective of this Skill Certification scheme is to enable Indian youth to take up industry relevant skill training that will help them in securing a better livelihood. The details of the scheme is at the website: https://www.pmkvyofficial.org/home-page</p>
14	National Apprenticeship Promotion Scheme (NAPS)	Ministry of Skill Development and Entrepreneurship	<p>National Apprenticeship Promotion Scheme (NAPS) was launched in August 2016 by Government of India to promote the Apprenticeship in the country by providing financial incentives, technology and advocacy support. The scheme has the following two components, viz., (i) Sharing of 25% of prescribed stipend subject to a maximum of Rs. 1500/- per month per apprentice with the employers and (ii) Sharing of</p>



			<p>basic training cost up to a maximum of Rs. 7,500 per apprentice. The details of the scheme is at website: https://msde.gov.in/en/schemes-initiatives/apprenticeship-training/naps</p> <p><u>Other details of the scheme is also at website: https://www.apprenticeshipindia.gov.in/</u></p>
15	Production-Linked Incentive (PLI) Scheme	13 Ministries	Hon'ble Finance Minister, Smt Nirmala Sitharaman has announced an outlay of INR 1.97 Lakh Crores for the Production Linked Incentive (PLI) Schemes across 14 key sectors, to create national manufacturing champions and to create 60 lakh new jobs, and an additional production of 30 lakh crore during next 5 years. The details of the scheme is at website: https://www.investindia.gov.in/production-linked-incentives-schemes-india
16	PM GatiShakti - National Master Plan for multi-modal connectivity	At present 21 Ministries/ Departments are involved.	PM GatiShakti National Master Plan (PMGS-NMP) was launched on 13th October 2021 for providing multimodal connectivity infrastructure to various economic zones. Cabinet Committee on Economic Affairs (CCEA) accorded approval for the implementation of PM GatiShakti National Master Plan on 21st October 2021. PM GatiShakti is a transformative approach for economic growth and sustainable development. The approach is driven by 7 engines, namely, Railways, Roads, Ports, Waterways, Airports, Mass Transport and Logistics Infrastructure. The details is at website: https://dpiit.gov.in/logistics-division



Employment Generation Schemes/ Programmes of Government of India

The Concept, Role, and Functions of Self-Help Groups

Self-help groups (SHGs) are voluntary, community-based organizations that consist of individuals with similar backgrounds, interests, or challenges who come together to address common issues. These groups play a crucial role in fostering community development, empowerment, and social change. The concept, role, and functions of self-help groups are multifaceted, encompassing various dimensions of personal, social, and economic development.

Concept of Self-Help Groups:

Voluntary Association:

- SHGs are formed voluntarily, with members joining based on shared interests, needs, or goals.
- Participants come together with a common purpose, such as economic upliftment, social support, or personal development.

Collective Action:

- SHGs emphasize the strength of collective action and collaboration.
- Members pool their resources, skills, and experiences to address common challenges or achieve shared objectives.

Mutual Help and Support:

- The essence of SHGs lies in mutual help and support among members.
- Individuals within the group contribute to each other's well-being, fostering a sense of belonging and solidarity.

Role of Self-Help Groups:

Economic Empowerment:

- SHGs often focus on economic activities, such as microfinance, entrepreneurship, and income-generating projects.
- Members pool small savings and access credit facilities, promoting financial independence and poverty alleviation.

Social Empowerment:



Development

- SHGs contribute to social empowerment by addressing social issues, such as gender inequality, education, and healthcare.
- They provide a platform for collective advocacy, raising awareness, and promoting social change.

Skill Development:

- SHGs play a crucial role in enhancing the skills of their members.
- Skill development workshops and training programs within the group contribute to individual and collective capacity building.

Functions of Self-Help Groups:

1. Financial Inclusion:

Facilitating access to financial services, SHGs empower members economically by promoting savings and providing credit facilities.

2. Community Development:

SHGs contribute to the overall development of communities by addressing local issues, fostering social cohesion, and promoting sustainable practices.

3. Health and Education Initiatives:

Many SHGs engage in health and education initiatives, promoting awareness and improving the well-being of members and their communities.

4. Advocacy and Social Change:

SHGs serve as platforms for advocacy and social change, addressing issues such as gender discrimination, environmental sustainability, and human rights.

5. Psychosocial Support:

Offering a space for individuals to share experiences and challenges, SHGs provide psychosocial support, reducing isolation and promoting mental well-being.

In conclusion, self-help groups are dynamic entities that play a pivotal role in fostering personal, social, and economic development. Their voluntary nature, emphasis on collective action, and diverse functions make them powerful catalysts for positive change at the individual and community levels. As agents of empowerment and social transformation, SHGs continue to make significant contributions to building resilient and inclusive societies.

Business Incubators: Concept, Role, and Functions



Development

Business incubators play a crucial role in fostering entrepreneurship and supporting the growth of startups. These entities provide a nurturing environment for new businesses to develop and thrive.

Concept:

1. **Supportive Ecosystem:** Business incubators are designed to create a supportive ecosystem for startups, offering a range of resources and services to help them overcome initial challenges.
2. **Temporary Space:** Incubators typically provide startups with temporary physical office space, shared facilities, and infrastructure, reducing initial overhead costs.

Role:

1. **Facilitators of Innovation:** Incubators act as catalysts for innovation by bringing together like-minded entrepreneurs, fostering collaboration, and encouraging the exchange of ideas.
2. **Risk Mitigation:** They help mitigate the risks associated with early-stage businesses by providing mentorship, guidance, and access to a network of experienced professionals.
3. **Access to Funding:** Incubators often connect startups with potential investors, offering them opportunities to pitch their ideas and secure funding.

Functions:

1. **Mentorship and Guidance:** Incubators provide startups with mentorship from experienced entrepreneurs and industry experts, guiding them through various aspects of business development.
2. **Networking Opportunities:** They offer a platform for startups to network with peers, potential partners, and investors, creating valuable connections that can contribute to their success.
3. **Training Programs:** Incubators organize training sessions, workshops, and seminars to enhance the skills of entrepreneurs, covering topics such as business strategy, marketing, and financial management.
4. **Access to Resources:** Startups within incubators gain access to shared resources, including office equipment, meeting rooms, and administrative support, reducing operational burdens.
5. **Market Validation:** Incubators help startups validate their business ideas by providing real-world feedback and facilitating market testing, ensuring that products or services meet actual market needs.

In conclusion, business incubators serve as indispensable launchpads for startups, offering not just physical space but a holistic support system that includes mentorship, resources, and networking opportunities, ultimately increasing the likelihood of success for early-stage businesses.

Angel Investors: Concept, Role, and Functions



Development

Angel investors play a pivotal role in the entrepreneurial ecosystem, providing crucial financial support and mentorship to startups in their early stages. Here's a concise overview of the concept, role, and functions of angel investors:

Concept:

1. **Individual Investors:** Angel investors are affluent individuals who invest their personal funds in startups, typically in exchange for equity ownership or convertible debt.
2. **Early-Stage Funding:** Angels focus on providing capital to businesses in their early stages when traditional sources of funding, such as banks or venture capitalists, may be less accessible.

Role:

1. **Risk-Taking Catalysts:** Angel investors are often the first to invest in high-risk, high-reward ventures, playing a critical role in catalyzing the growth of innovative startups.
2. **Mentors and Advisors:** Beyond financial support, angels frequently contribute valuable industry expertise, guidance, and mentorship to entrepreneurs, leveraging their experience to enhance the startup's chances of success.
3. **Bridge to Venture Capital:** Angel investors serve as a bridge between initial seed funding and larger venture capital rounds, helping startups gain the traction needed to attract institutional investors.

Functions:

1. **Capital Injection:** Angel investors provide essential funding to startups, helping them cover initial costs such as product development, market research, and team expansion.
2. **Networking Opportunities:** Angels often open doors for startups by leveraging their networks, connecting entrepreneurs with industry experts, potential partners, and other investors.
3. **Due Diligence:** Angel investors conduct thorough due diligence before investing, evaluating the startup's business model, market potential, and the competence of the founding team to minimize risks.
4. **Strategic Guidance:** Angels actively participate in strategic decision-making, offering insights and advice on business development, market strategy, and operational efficiency.
5. **Exit Strategy:** Angels work towards achieving profitable exits, either through the sale of their equity when the startup succeeds or through other liquidity events such as mergers or acquisitions.

In summary, angel investors fill a critical funding gap for startups, providing not just capital but invaluable mentorship and industry connections. Their willingness to take on early-stage risks and actively contribute to the growth of emerging businesses makes them integral players in the entrepreneurial landscape.

Venture Capital: Concept, Role, and Functions



Development

Venture capital (VC) is a form of private equity financing that investors provide to startups and small businesses with high growth potential. These funds are typically invested in exchange for equity, allowing investors to take an active role in the development of the company.

Concept:

1. **Equity Investment:** Venture capital involves investors providing capital to startups or small businesses in exchange for an ownership stake, usually through the purchase of shares or convertible securities.
2. **High Risk, High Reward:** VC investments focus on businesses with high growth potential, often in sectors such as technology, biotech, and innovative industries where the risk of failure is significant but the potential returns can be substantial.

Role:

1. **Catalyst for Growth:** Venture capitalists play a pivotal role in fueling the growth of early-stage companies by providing the financial resources needed for product development, market expansion, and scaling operations.
2. **Strategic Partners:** VCs often become strategic partners, contributing not only capital but also expertise, industry connections, and guidance to help startups navigate challenges and achieve milestones.
3. **Risk Takers:** Venture capitalists are willing to take on higher risks in exchange for the potential for significant returns, understanding that a portion of their investments may result in losses.

Functions:

1. **Capital Infusion:** Venture capital provides substantial funding for startups, allowing them to pursue ambitious growth plans that may not be feasible with traditional financing methods.
2. **Due Diligence:** VC firms conduct thorough due diligence to assess the viability of potential investments, evaluating aspects such as the market opportunity, competitive landscape, and the strength of the founding team.
3. **Board Representation:** In many cases, venture capitalists secure a seat on the board of directors, enabling them to actively participate in major decision-making processes and contribute to the company's strategic direction.
4. **Exit Strategies:** VCs work towards achieving profitable exits, commonly through initial public offerings (IPOs), mergers, acquisitions, or secondary market sales, allowing them to realize returns on their investments.
5. **Portfolio Management:** Venture capital firms manage a portfolio of investments, diversifying their risk across multiple startups, with the expectation that successful exits from a few investments will offset any losses.

In summary, venture capital is a vital source of funding for startups with high growth potential, providing not just capital but strategic support and guidance crucial for their success in the competitive business landscape.

Private Equity Fund in Startup Ideas: Concept, Role, and Functions



Development

Private equity funds play a significant role in supporting startup ideas by providing capital and strategic guidance. These funds invest in private companies, including startups, with the aim of generating substantial returns.

Concept:

1. **Investment Structure:** Private equity funds pool capital from various investors to invest in privately held companies, including startups. The funds typically take an ownership stake in the companies they invest in.
2. **Long-Term Investment:** Unlike venture capital, private equity often involves longer-term investments, with the goal of enhancing the value of the portfolio companies over an extended period.

Role:

1. **Value Creation:** Private equity funds actively work towards creating value in their portfolio companies. In the context of startups, this involves strategic initiatives, operational improvements, and scaling the business to drive profitability.
2. **Operational Expertise:** Private equity firms often bring in experienced professionals who specialize in areas such as management, finance, and operations to assist startups in achieving their full potential.
3. **Risk Mitigation:** Private equity funds may invest in startups at various stages, providing a more flexible approach that can include early-stage funding as well as funding for established startups looking to scale.

Functions:

1. **Capital Infusion:** Private equity funds inject significant capital into startups, supporting their expansion plans, product development, and market penetration.
2. **Operational Restructuring:** Private equity firms actively engage in operational restructuring to enhance the efficiency and effectiveness of the startup's operations, improving overall performance.
3. **Strategic Guidance:** The involvement of private equity includes strategic guidance and mentorship, with experienced professionals assisting startups in making critical business decisions and navigating challenges.
4. **Due Diligence:** Private equity funds conduct thorough due diligence before investing, assessing the startup's business model, market potential, and management team to ensure the viability of the investment.
5. **Exit Strategies:** Private equity firms aim for profitable exits, often through strategic sales, mergers, or IPOs, with the intention of realizing returns for their investors.

In conclusion, private equity funds contribute significantly to the growth and success of startup ideas by providing substantial capital, operational expertise, and strategic guidance. Their long-term investment approach aligns with the goal of building sustainable and profitable businesses.