NEHRU COLLEGE OF ENGINEERING AND RESEARCH CENTRE
(NAAC Accredited)
(Approved by AICTE, Affiliated to APJ Abdul Kalam Technological University, Kerala)

DEPARTMENT OF MECHATRONICS ENGINEERING

COURSE MATERIALS

MR 465 ENTREPRENEURSHIP

VISION OF THE INSTITUTION
To mould true citizens who are millennium leaders and catalysts of change through excellence in education.
MISSION OF THE INSTITUTION
NCERC is committed to transform itself into a center of excellence in Learning and Research in Engineering and Frontier Technology and to impart quality education to mould technically competent citizens with moral integrity, social commitment and ethical values. We intend to facilitate our students to assimilate the latest technological know-how and to imbibe discipline, culture and spiritually, and to mould them in to technological giants, dedicated research scientists and intellectual leaders of the country who can spread the beams of light and happiness among the poor and the underprivileged.

ABOUT DEPARTMENT

- Established in: 2013
- Course offered: B.Tech Mechatronics Engineering
- Approved by AICTE New Delhi and Accredited by NAAC
- Affiliated to the University of Dr. A P J Abdul Kalam Technological University.

DEPARTMENT VISION

To develop professionally ethical and socially responsible Mechatronics engineers to serve the humanity through quality professional education.

DEPARTMENT MISSION

1) The department is committed to impart the right blend of knowledge and quality education to create professionally ethical and socially responsible graduates.

2) The department is committed to impart the awareness to meet the current challenges in technology.

3) Establish state-of-the-art laboratories to promote practical knowledge of mechatronics to meet the needs of the society

PROGRAMME EDUCATIONAL OBJECTIVES

I. Graduates shall have the ability to work in multidisciplinary environment with good professional and commitment.

II. Graduates shall have the ability to solve the complex engineering problems by applying electrical, mechanical, electronics and computer knowledge and engage in lifelong learning in their profession.

III. Graduates shall have the ability to lead and contribute in a team with entrepreneur skills, professional, social and ethical responsibilities.

IV. Graduates shall have ability to acquire scientific and engineering fundamentals necessary for higher studies and research.

PROGRAM OUTCOME (PO'S)

Engineering Graduates will be able to:

PO 1. Engineering knowledge: Apply the knowledge of mathematics, science, engineering fundamentals, and an engineering specialization to the solution of complex engineering problems.

PO 2. Problem analysis: Identify, formulate, review research literature, and analyze complex engineering problems reaching substantiated conclusions using first principles of mathematics, natural sciences, and engineering sciences.

PO 3. Design/development of solutions: Design solutions for complex engineering problems and design system components or processes that meet the specified needs with appropriate consideration for the public health and safety, and the cultural, societal, and environmental considerations.

PO 4. Conduct investigations of complex problems: Use research-based knowledge and research methods including design of experiments, analysis and interpretation of data, and synthesis of the information to provide valid conclusions.

PO 5. Modern tool usage: Create, select, and apply appropriate techniques, resources, and modern engineering and IT tools including prediction and modeling to complex engineering activities with an understanding of the limitations.

PO 6. The engineer and society: Apply reasoning informed by the contextual knowledge to assess societal, health, safety, legal and cultural issues and the consequent responsibilities relevant to the professional engineering practice.

PO 7. Environment and sustainability: Understand the impact of the professional engineering solutions in societal and environmental contexts, and demonstrate the knowledge of, and need for sustainable development.

PO 8. Ethics: Apply ethical principles and commit to professional ethics and responsibilities and norms of the engineering practice.

PO 9. Individual and team work: Function effectively as an individual, and as a member or leader in diverse teams, and in multidisciplinary settings.

PO 10. Communication: Communicate effectively on complex engineering activities with the engineering community and with society at large, such as, being able to comprehend and write effective reports and design documentation, make effective presentations, and give and receive clear instructions.

PO 11. Project management and finance: Demonstrate knowledge and understanding of the engineering and management principles and apply these to one's own work, as a member and leader in a team, to manage projects and in multidisciplinary environments.

PO 12. Life-long learning: Recognize the need for, and have the preparation and ability to engage in independent and life-long learning in the broadest context of technological change.

PROGRAM SPECIFIC OUTCOME(PSO'S)

PSO 1: Design and develop Mechatronics systems to solve the complex engineering problem by integrating electronics, mechanical and control systems.

PSO 2: Apply the engineering knowledge to conduct investigations of complex engineering problem related to instrumentation, control, automation, robotics and provide solutions.

COURSE OUTCOME

After the completion of the course the student will be able to

CO 1	Acquire the basic knowledge in fundamentals of entrepreneurship and its process.
CO 2	Understand the various characteristics and competencies of entrepreneurs.
CO 3	Describe about the fundamentals of Business and Projects.
CO 4	Acquire knowledge in process of starting new ventures and international business.
CO 5	Interpret about time management, planning and innovation in entrepreneurship.
CO 6	Understand various funding assistance for starting new venture.

CO VS PO'S AND PSO'S MAPPING

CO	PO1	PO 2	PO3	PO 4	PO5	PO6	PO7	PO8	PO9	PO10	PO11	PO12	PS0 1	PSO 2
CO 1	-	-	2	-	-	2	-	-	-	-	2	2	-	-
CO 2	-	-	2	-	-	2	-	-	-	-	2	2	-	-
CO 3	-	-	2	-	-	2	-	-	-	-	3	2	-	-
CO 4	-	-	2	-	-	2	-	-	-	-	3	2	-	-
CO 5	-	-	2	2	-	2	-	-	-	-	3	2	-	-
CO 6	-	-	2	3	-	2	-	-	-	-	3	2	-	-

Note: H-Highly correlated=3, M-Medium correlated=2, L-Less correlated=1

SYLLABUS

Course code	Course Name	L-T-P - Credits	Year of Introduction
MR465	Entrepreneurship	3-0-0-3	2016

Prerequisite : NIL

Course Objectives

- To impart knowledge on enterprises and entrepreneurship
- To impart knowledge on the various elements in a business systems

Syllabus

Entrepreneurial perspectives- entrepreneurship and economic development- Characteristics of entrepreneur- Process of business opportunity identification and evaluation- industrial policy- Business- Environment market survey - project report preparation- Process and strategies for starting venture- entrepreneurship in international environment- achievement motivation- Time management creativity and innovation structure of the enterprise- Technology acquisition for small units- financing of project and working capital- break even analysis and economic ratios technology transfer and business

Expected outcome

On completion of this subject students will

i. acquire knowledge on the techno economic feasibility assessment procedure .
ii. be able to prepare project proposals
iii. Know the various forms of finance and support available for entrepreneurs.

Text Books:

1. Pandey G.W., A complete Guide to successful Entrepreneurship, Vikas Publishing
2. Harold Koontz & Heinz Weihrich, Essentials of Management, McGraw hill International

References:

1. Hirich R.D. &Peters Irwin M.P., Entrepreneurship, McGraw Hill
2. Rao T V, Deshpande M V, Prayag Mehta & Manohar S Nadakarni, Developing Entrepreneurship a Hand Book, Learning systems

Course Plan			
Module	**Contents**	**Hours**	**Sem. Exam Marks**
I	Entrepreneurial perspectives- understanding of entrepreneurship process- entrepreneurial decision process- entrepreneurship and economic development	7	15%
II	Characteristics of entrepreneur- entrepreneurial competencies- managerial functions for enterprise- Process of business opportunity identification and evaluation- industrial policy	7	15%
FIRST INTERNAL EXAMINATION			
III	Business- Environment market survey - project report preparation-study of feasibility and viability of a project assessment of risk in the industry	7	15%
IV	Process and strategies for starting venture- stages of small business growth- entrepreneurship in international environment- entrepreneurship- achievement motivation	7	15%
SECOND INTERNAL EXAMINATION			
V	Time management creativity and innovation structure of the enterprise- planning, implementation and growth- Technology acquisition for small units	7	20%
VI	Formalities to be completed for setting up a small scale uniforms of organizations for small scale units-financing of project and working capital-venture capital and other equity assistance available- break even analysis and economic ratios technology transfer and business	7	20%
END SEMESTER EXAM			

QUESTION PAPER PATTERN

Maximum Marks : 100 Exam Duration:3 hours

PART A: FIVE MARK QUESTIONS
8 compulsory questions –1 question each from first four modules and 2 questions each from last two modules (8 x 5= 40 marks)

PART B: 10 MARK QUESTIONS
5 questions uniformly covering the first four modules. Each question can have maximum of three sub questions, if needed. Student has to answer any 3 questions
(3 x10 = 30 marks)

PART C: 15 MARK QUESTIONS
4 questions uniformly covering the last two modules. Each question can have maximum of four sub questions, if needed. Student has to answer any two questions
(2 x15 = 30 marks)

QUESTION BANK

MODULE I				
Q:NO:	**QUESTIONS**	**CO**	**KL**	**PAGE NO:**
1	Discuss Entrepreneurial perspectives	CO1	K2	12
2	Investigate in detail about entrepreneurial decision process	CO1	K5	14
3	Relate the role of entrepreneurship and economic development	CO1	K3	19
4	Discuss in detail about the understanding of Entrepreneurship process	CO1	K2	13
5	Investigate the Entrepreneurial perspectives in current scenario, with real time examples	CO1	K5	12
6	Discuss in detail about entrepreneurial decision process	CO1	K2	14
7	Briefly discuss about entrepreneurship and economic development	CO1	K2	17
MODULE II				
1	What are the essential Characteristics of entrepreneur	CO2	K1	22
2	Investigate in detail about various entrepreneurial competencies	CO2	K5	26
3	Write a short note on industrial policy of India 2020	CO2	K2	44
4	Briefly discuss about entrepreneurial competencies	CO2	K2	26
5	Investigate the various managerial functions for enterprise	CO2	K5	30
6	Investigate the Process of business opportunity identification and evaluation	CO2	K5	36
7	What are the managerial functions for enterprise	CO2	K1	30

8	Discuss in detail about the essential Characteristics of entrepreneur	CO2	K2	24
9	Investigate the role of business opportunity identification and evaluation for a good entrepreneur.	CO2	K5	36
MODULE III				
1	Elucidate the basic steps in project report preparation	CO3	K3	53
2	Discuss in detail about the procedure to create a new project report.	CO3	K2	53
3	Investigate the feasibility and viability of project assessment of risk in industry	CO3	K5	54
4	Define business	CO3	K2	48
5	Discuss in detail about the role of market survey in the business	CO3	K2	50
6	What are the major factors to be consider while preparing the project report	CO3	K1	50
7	Investigate in detail about study of feasibility and viability of a project assessment of risk in the industry	CO3	K5	54
8	Discuss in detail about the role of business market survey before starting an enterprise	CO3	K2	50
MODULE IV				
1	Explain about Entrepreneurship .	CO4	K1	64
2	Explain about stages of small business growth	CO4	K1	66
3	Write a short note on Entrepreneurship in international environment.	CO4	K2	68
4	Explain about Starting a Venture.	CO4	K2	64
5	Explain the concept of Achievement Motivation	CO4	K2	74
6	Write a short note on Entrepreneurship in international environment.	CO4	K2	68
7	Explain about strategies for Starting a Venture.	CO4	K2	64
8	Explain the properties of Achievement Motivation.	CO4	K2	76
9	Write a short note on stages of small business growth.	CO4	K2	66

MODULE V				
1	Discuss about Planning in Entrepreneurship.	CO2	K4	104
2	Define Technology Acquisition in small units.	CO1	K2	113
3	Write a short note on Implementation and Growth.	CO1	K1	110
4	Discuss about Time management Creativity.	CO2	K6	79
5	Define Innovation Structure of the enterprise.	CO2	K1	97
6	Write a short note on technology acquisition for small units.	CO1	K4	102
7	Discuss about innovation structure of enterprise.	CO2	K6	97
8	Write a short note on time management Creativity and innovation structure of the enterprise.	CO1	K1	79
MODULE VI				
1	Explain about Venture Capital.	CO6	K2	131
2	Explain the concept of Financing of Projects and working capital.	CO6	K2	126
3	Explain about Break even Analysis and economic ratios technology transfer.	CO6	K2	143
4	Explain about Break even analysis.	CO6	K2	143
5	What are the venture capital and other equity assistance available in Entrepreneurship.	CO6	K1	137
6	Explain about technology transfer in small scale ventures.	CO6	K2	147
6	Explain about Break even Analysis technology transfer.	CO6	K2	143
7	Investigate about technology transfer.	CO6	K5	147

APPENDIX 1		
CONTENT BEYOND THE SYLLABUS		
S:NO;	**TOPIC**	**PAGE NO:**
1	Indian Entrepreneurs Success Stories – Who Started With Nothing	156
2	80 Inspiring Successful Startup Success Stories in India	165

MODULE I

ENTREPRENEURIAL PERSPECTIVES

Being an entrepreneur is more than a matter of simply starting a business.

If you're a lawyer who lives for the excitement of the courtroom, you probably shouldn't open a law practice.

If you're a fashion designer who loves feeling the fabric as it glides through the sewing machine, you probably shouldn't start a design house.

If you're a computer programmer who loves working through the intricacies of lines of code, you probably shouldn't try to create the next Apple or IBM.

In other words, if you're a technician who loves the technical work of your field and would be miserable handing that over to someone else, and even more miserable concerning yourself with selling systems and hiring systems and budgets and customer analysis, then, by all means, continue doing the work you love. But don't try to become an entrepreneur.

Because an entrepreneur has a passion for *creating businesses*, not for doing the technical work of those businesses.

Most people who go into business for themselves and, therefore, believe they are entrepreneurs, are doomed to struggle because they don't have a true Entrepreneurial Perspective. They have a Technician's Perspective.

How can you tell the difference between the Technician's Perspective and the Entrepreneurial Perspective? Here are six ways:

1. The Entrepreneurial Perspective asks the question: "How must the business work?" On the other hand, the Technician's Perspective asks: "What is the work that has to be done?"

2. The Entrepreneurial Perspective sees the business as a system for producing outer-directed results, for the customer and other stakeholders, resulting in profits. The Technician's Perspective sees the business as a place to produce inner-directed results, for his or her own personal satisfaction, resulting in income.

3. The Entrepreneurial Perspective starts with a picture of a well-defined future and then works to change the present to match that picture. The Technician's Perspective starts with the present, sees the future as uncertain, and hopes to keep the future much like the present.

4. The Entrepreneurial Perspective envisions the business in its entirety first, and then derives the parts from that. The Technician's Perspective sees the business first in its parts and then puts them together to form a whole.

5. The Entrepreneurial Perspective is an integrated vision of the world. The Technician's Perspective is a fragmented vision.

6. In the Entrepreneurial Perspective, the present-day world is modeled after the entrepreneur's vision. In the Technician's Perspective, the future is modeled after the present-day world.

The Entrepreneurial Perspective is absolutely necessary for the creation of a great, growing business. The Technician's Perspective produces exactly the opposite--a place where work is done for its own sake alone, without any higher purpose or meaning, and without any vision for the future that connects where the business is going with where it is now.

If you are planning to start a business, and if you want that business to have a hope of succeeding, be sure you are approaching your venture from a true Entrepreneurial Perspective.

UNDERSTANDING OF ENTREPRENEURSHIP PROCESS

Definition: The **Entrepreneur** is a change agent that acts as an industrialist and undertakes the risk associated with forming the business for commercial use. An entrepreneur has an unusual foresight to identify the potential demand for the goods and services.

The entrepreneurship is a continuous process that needs to be followed by an entrepreneur to plan and launch the new ventures more efficiently.

ENTREPRENEURIAL PROCESS

1. **Discovery:** An entrepreneurial process begins with the idea generation, wherein the entrepreneur identifies and evaluates the business opportunities. The identification and the evaluation of opportunities is a difficult task; an entrepreneur seeks inputs from all the persons including employees, consumers, channel partners, technical people, etc. to reach to an optimum business opportunity. Once the opportunity has been decided upon, the next step is to evaluate it.

   An entrepreneur can evaluate the efficiency of an opportunity by continuously asking certain questions to himself, such as, whether the opportunity is worth investing in, is it sufficiently attractive, are the proposed solutions feasible, is there any competitive advantage, what are the risk associated with it. Above all, an entrepreneur must analyze his personal skills and hobbies, whether these coincides with the entrepreneurial goals or not.

2. **Developing a Business Plan:** Once the opportunity is identified, an entrepreneur needs to create a comprehensive business plan. A business plan is critical to the success of any new venture since it acts as a benchmark and the evaluation criteria to see if the organization is moving towards its set goals.

   An entrepreneur must dedicate his sufficient time towards its creation, the major components of a business plan are mission and vision statement, goals and objectives, capital requirement, a description of products and services, etc.

3. **Resourcing:** The third step in the entrepreneurial process is resourcing, wherein the entrepreneur identifies the sources from where the finance and the human resource can be arranged. Here, the entrepreneur finds the investors for its new venture and the personnel to carry out the business activities.
4. **Managing the company:** Once the funds are raised and the employees are hired, the next step is to initiate the business operations to achieve the set goals. First of all, an entrepreneur must decide the management structure or the hierarchy that is required to solve the operational problems when they arise.
5. **Harvesting:** The final step in the entrepreneurial process is harvesting wherein, an entrepreneur decides on the future prospects of the business, i.e. its growth and development. Here, the actual growth is compared against the planned growth and then the decision regarding the stability or the expansion of business operations is undertaken accordingly, by an entrepreneur.

   The entrepreneurial process is to be followed, again and again, whenever any new venture is taken up by an entrepreneur, therefore, its an ever ending process.

THE ENTREPRENEURIAL DECISION PROCESS

Just a traveller has to pass through a road from starting point to reach to his/her destination point; an individual also needs to pass through a process from present status to become an entrepreneur.

In other words, the individual / entrepreneur has to take a number of decisions in sequential order, call it the entrepreneurial decision process, to leave the present status and become an entrepreneur.

Following is an illustrative decision process individual's follow to become entrepreneurs:

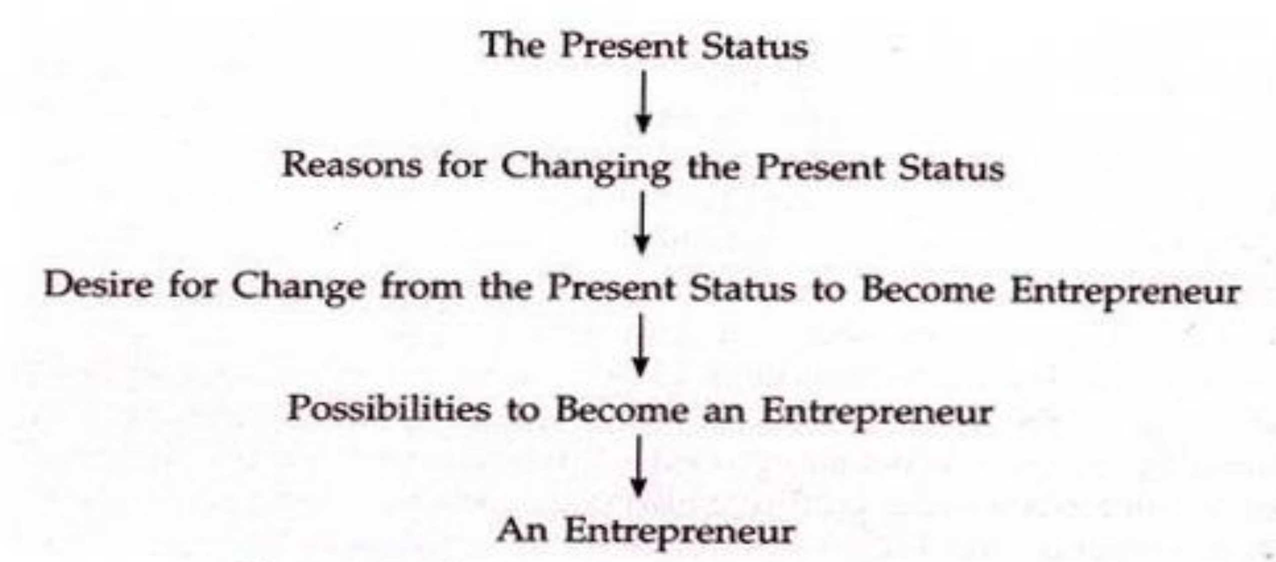


Figure 1.1: The Entrepreneurial Decision Process

Let us discuss these one by one:

The Present Status:

There is an apt saying: "Change is the law of nature and change is the only permanent thing in this world" Yet, change is often resisted because it involves uncertainty which causes fear. It is due to uncertainty, the present state of affair is considered better than the unknown one after the change. As such, leaving the present status and becoming an entrepreneur (i.e., a synonym of risk and uncertainty) is not easy as it takes a great deal of preparation and courage to do so. Nonetheless, individuals dare it and become entrepreneurs.

Broadly, there are two reasons for individuals to become entrepreneurs:

(i) By chance, and

(ii) By compulsion.

As regards choice, individuals working in marketing area become familiar with market and gain experience and, in turn, they decide to start their own business in that market. Sales representatives working in publishing companies generally start their own publishing business and present such example of becoming entrepreneurs by choice.

On the other hand, disruption in the present job/status due to retirement, lay-off, and other compulsions also compel people to become entrepreneurs. Thus, the idea and decision to become an entrepreneur, i.e. to start one's own business enterprise occurs when an individual perceives and realizes that establishing a new enterprise is desirable for him / her.

Reasons for Changing the Present Status:

Entrepreneurship being a difficult journey, the obvious question is: What are the reasons that people still become entrepreneurs? Researchers have tried to understand and answer these questions. The researchers report that people generally become entrepreneurs because of economic reasons.

These include unemployment, completion of education, dislocation, no or less possibility for career and / or economic prosperity, etc. Nonetheless, the personal dislocation is reported as one of the most powerful reasons galvanizing an individual's will to become an entrepreneur.

This is duly supported by an increase of 12% in number of new business enterprises in the United States during a lay-off period. Completion of one's education is reported another major reason for becoming an entrepreneur.

Desire for Change from the Present Status to Become Entrepreneur:

Evidences are available to believe that the desire to start one's own enterprise and, thus, become an entrepreneur is spawned by some factors like the culture and family one belongs to and the teachers and peers one comes into contact with. Like elsewhere in the world, there are cultures in India also which place a high value on being entrepreneur. For example, Punjabis and Gujaratis in India represent such cultures which value more on making money, becoming one's own boss, having more individual opportunities for being successful in career and life.

It is, therefore, not surprising to find the more number of enterprises formed by the people belonging to the Punjabis and Gujaratis cultures. This is contrary in the Assamese culture which places low value on being self-employed i.e. entrepreneur and high value on being an employee. As such, the rate and number of new enterprise formation is expectedly low in the Assamese culture.

Of late, educational institutions and teachers are also found encouraging individuals to regard entrepreneurship as the desirable and viable career. Concerted efforts are made by the educational institutions to design and develop exciting course curriculum on entrepreneurship and enterprise management to mould and stimulate individuals to become entrepreneurs.

For example, Central Board of Secondary Education (CBSE), Nagaland Board of School Education (NBSE), Meghalaya Board of Secondary Education (MBOSE), and Council of Higher Secondary Education (CHSE), Odisha has very recently introduced entrepreneurship as an optional subject at their higher secondary level of education.

Somuchso, Jammu & Kashmir State Board of School Education (JKBSE) has just introduced entrepreneurship as a compulsory subject in Class 11 and 12. Not only that, the premier national educational institutions likes Universities, Indian Institutes of Management (IIMs), and the Indian Institute of Technologies (IITs), besides teaching the subject entrepreneurship, have even established Centre of Entrepreneurship and Innovation Incubation to stimulate the students to form their own enterprises.

Possibilities to Become an Entrepreneur:

No doubt, the desire to form an enterprise needs to be present before forming an enterprise, but just desire to form an enterprise cannot make an individual an entrepreneur. Also needed is possibility, better call it supportive and facilitative structure, to form an enterprise.

Available literature on entrepreneurship indicates that an individual's business background, educational background, previous experience, government attitude, availability of finance and market and, of course, one's role models in business world make it possible to form an enterprise.

This is precisely the reason why more enterprises are formed by the individuals belonging to business family background. Similarly, it is also no wonder why more enterprises are established in the places with supporting facilities like roads, communication, transportation systems, utilities, economic and political stability, finance, and market.

Finally, to have someone else successful in business as one's role model also makes enterprise formation possible. The reason is the role model develops the feeling of 'self efficacy' in the individual. That is: "If that person can do and succeed, so can I also." In other words, entrepreneurs are not born, they develop. It is possible to become entrepreneur.

ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT

Role of Entrepreneurs in economic development of a country are discussed under the following heading.

1. Employment opportunities

Entrepreneurs employ labour for managing their business activities and provide employment opportunities to a large number of people. They remove unemployment problem.

2. Balanced Regional Development

Government promotes decentralized development of industries as most of the incentives are granted for establishing industries in backward and rural areas. Thus, the entrepreneurs to avail the benefits establish industries in backward and rural areas.

They remove regional disparities and bring balanced regional development. They also help to reduce the problems of congestion, slums, sanitation and pollution in cities by providing employment and income to people living in rural areas. They help in improving the standard of living of the people residing in suburban and rural areas.

3. Mobilization Of Local Resources

Entrepreneurs help to mobilize and utilize local resources like small savings and talents of relatives and friends, which might otherwise remain idle and unutilized. Thus they help in effective utilization of resources.

4. Optimization Of Capital

Entrepreneurs aim to get quick return on investment. They act as a stabilizing force by providing high output capital ratio as well as high employment capital ratio.

5. Promotion of Exports

Entrepreneurs reduce the pressure on the country's balance of payments by exporting their goods they earn valuable foreign exchange through exports.

6. Consumer Demands

Entrepreneurs produce a wide range of products required by consumers. They meet the demand of the consumers without creating a shortage for goods.

7. Social Advantage

Entrepreneurs help in the development of the society by providing employment to people and paves for independent living. They encourage democracy and self-governance. They are adept in distributing national income in more efficient and equitable manner among the various participants of the society.

8. Increase per capita income

Entrepreneurs help to increase the per capita income of the country in various ways and facilitate development of backward areas and weaker sections of the society.

9. Capital formation

A country can attain economic development only when there is more amount of investment and production. Entrepreneurs help in channelizing their savings and savings of the public to productive resources by establishing enterprises. They promote capital formation by channelizing the savings of public to productive resources.

10. Growth of capital market

Entrepreneurs raise money for running their business through shares and debentures. Trading of shares and debentures by the public with the help of financial services sector leads to capital market growth.

11. Growth of infrastructure

The infrastructure development of any country determines the economic development of a country, Entrepreneurs by establishing their enterprises in rural and backward areas influence the government to develop the infrastructure of those areas.

12. Development of Trader

Entrepreneurs play an important role in the promotion of domestic trade and foreign trade. They avail assistance from various financial institutions in the form of cash credit, trade credit, overdraft, short term loans, secured loans and unsecured loans and lead to the development of the trade in the country.

13. Economic Integration

Entrepreneur reduces the concentration of power in a few hands by creating employment opportunities and through equitable distribution of income. Entrepreneurs promote economic integration in the country by adopting certain economic policies and laws framed by the government. They help in removing the disparity between the rich and the poor by adopting the rules and regulation framed by the government for the effective functioning of business in the country.

14. Inflow of Foreign Capital

Entrepreneurs help to attract funds from individuals and institutions residing in foreign countries for their businesses.

7 ROLE OF ENTREPRENEURS IN ECONOMIC DEVELOPMENT OF A COUNTRY

Entrepreneurship plays an influential role in the economic growth and standard of living of the country. As a startup founder or small business owner, you may think that you are simply working hard to build your own business and provide for yourself and your family. But you are actually doing a whole lot more for your local community, state, region, and the country as a whole. Here are the top 7 important roles an entrepreneur plays in the economic development of a country.

1. Wealth Creation and Sharing: By establishing the business entity, entrepreneurs invest their own resources and attract capital (in the form of debt, equity, etc.) from investors, lenders and the public. This mobilizes public wealth and allows people to benefit from the success of entrepreneurs and growing businesses. This kind of pooled capital that results in wealth creation and distribution is one of the basic imperatives and goals of economic development.

2. Create Jobs: Entrepreneurs are by nature and definition job creators, as opposed to job seekers. The simple translation is that when you become an entrepreneur, there is one less job seeker in the economy, and then you provide employment for multiple other job seekers. This kind of job creation by new and existing businesses is again is one of the basic goals of economic development. This is why the Govt. of India has launched initiatives such as *StartupIndia* to promote and support new startups, and also others like the *Make in India* initiative to attract foreign companies and their FDI into the Indian economy. All this in turn creates a lot of job opportunities, and is helping in augmenting our standards to a global level.

3. Balanced Regional Development: Entrepreneurs setting up new businesses and industrial units help with regional development by locating in less developed and backward areas. The growth of industries and business in these areas leads to infrastructure improvements like better roads and rail links, airports, stable electricity and water supply, schools, hospitals, shopping malls and other public and private services that would not otherwise be available.

Every new business that locates in a less developed area will create both direct and indirect jobs, helping lift regional economies in many different ways. The combined spending by all the new employees of the new businesses and the supporting jobs in other businesses adds to the local and regional economic output. Both central and state governments promote this kind of regional development by providing registered MSME businesses various benefits and concessions.

4. GDP and Per Capita Income: India's MSME sector, comprised of 36 million units that provide employment for more than 80 million people, now accounts for over 37% of the country's GDP. Each new addition to these 36 million units makes use of even more resources like land, labor and capital to develop products and services that add to the national income, national product and per capita income of the country. This growth in GDP and per capita income is again one of the essential goals of economic development.

5. Standard of Living: Increase in the standard of living of people in a community is yet another key goal of economic development. Entrepreneurs again play a key role in increasing the standard of living in a community. They do this not just by creating jobs, but also by developing and adopting innovations that lead to improvements in the quality of life of their employees, customers, and other stakeholders in the community. For example, automation that reduces production costs and enables faster production will make a business unit more productive, while also providing its customers with the same goods at lower prices.

6. Exports: Any growing business will eventually want to get started with exports to expand their business to foreign markets. This is an important ingredient of economic development since it provides access to bigger markets, and leads to currency inflows and access to the latest cutting-edge technologies and processes being used in more developed foreign markets. Another key benefit is that this expansion that leads to more stable business revenue during economic downturns in the local economy.

7. Community Development: Economic development doesn't always translate into community development. Community development requires infrastructure for education and training, healthcare, and other public services. For example, you need highly educated and skilled workers in a community to attract new businesses. If there are educational institutions, technical training schools and internship opportunities, that will help build the pool of educated and skilled workers.

A good example of how this kind of community development can be promoted is Azim Hashim Premji, Chairman of Wipro Limited, who donated Rs. 27,514 crores for promoting education through the Azim Premji Foundation. This foundation works with more than 350,000 schools in eight states across India.

So, there is a very important role for entrepreneurs to spark economic development by starting new businesses, creating jobs, and contributing to improvement in various key goals such as GDP, exports, standard of living, skills development and community development.

MODULE II

CHARACTERISTICS OF ENTREPRENEUR

An entrepreneur is the founder of the enterprise who identifies opportunities, assembles skilled manpower and necessary resources for the operation of the enterprise, attracts persons and financial Institutions and takes psychological responsibility for managing the enterprise successfully. The word ‘Entrepreneur’ is derived from the French word “Entreprendre” means, “to undertake.” Entrepreneurs are action-oriented highly motivated individuals who take risks to achieve goals.

AN ENTREPRENEUR is a businessperson who conceives and executes ventures, often taking risks when doing so. Not all independent business people are true entrepreneurs, and not all entrepreneurs are created equal. Different degrees or levels of entrepreneurial intensity depend on a number of factors, including independence, leadership, innovation, responsibility and creativity in the conceptualization and execution of their business plans.

Owning a business isn't for everyone. The stress and hard work that come with it makes many people unwilling to dive in.

It takes a special kind of person to be an entrepreneur - to come up with an idea and put that idea into action. But not all ideas work out. In fact, the Bureau of Labor Statistics finds that 50% of small businesses fail within the first four years. Not a big vote of confidence for quitting your job and becoming an entrepreneur.

But entrepreneurs don't see the risk: they see the reward. As an entrepreneur myself, I know how to put the time and effort in to make my dream a reality.

If you want to be an entrepreneur, you need to have the right personality and the right attitude. Here are 10 essential characteristics to be successful as an entrepreneur:

1) Creativity:

Creativity gives birth to something new. For without creativity, there is no innovation possible. Entrepreneurs usually have the knack to pin down a lot of ideas and act on them. Not necessarily every idea might be a hit. But the experience obtained is gold.

Creativity helps in coming up with new solutions for the problems at hand and allows one to think of solutions that are out of the box. It also gives an entrepreneur the ability to devise new products for similar markets to the ones he’s currently playing in.

2) Professionalism:

Professionalism is a quality which all good entrepreneurs must possess. An entrepreneur's mannerisms and behavior with their employees and clientele goes a long way in developing the culture of the organization.
Along with professionalism comes reliability and discipline. Self-discipline enables an entrepreneur to achieve their targets, be organized and set an example for everyone.

Reliability results in trust and for most ventures, trust in the entrepreneur is what keeps the people in the organization motivated and willing to put in their best. Professionalism is one of the most important **characteristics of an entrepreneur**.

3) Risk-taking:

Risk-taking ability is essential for an entrepreneur. Without the will to explore the unknown, one cannot discover something unique. And this uniqueness might make all the difference. Risk-taking involves a lot of things. Using unorthodox methods is also a risk. Investing in ideas, nobody else believes in but you is a risk too.

Entrepreneurs have a differentiated approach towards risks. Good entrepreneurs are always ready to invest their time and money. But, they always have a backup for every risk they take.

For exploring in the unknown, one must be bestowed with a trump card; a good entrepreneur has one, always. Also, evaluation of the risk to be undertaken is also essential. Without knowing the consequences, a good entrepreneur wouldn't risk it all.

4) Passion:

Your work should be your passion. So when you work, you enjoy what you're doing and stay highly motivated. Passion acts as a driving force, with which, you are motivated to strive for better.

It also allows you the ability to put in those extra hours in the office which can or may make a difference. At the beginning of every entrepreneurial venture or any venture, there are hurdles but your passion ensures that you are able to overcome these roadblocks and forge ahead towards your goal.

5) Planning:

Perhaps, this is the most important of all steps required to run a show. Without planning, everything would be a loose string as they say, "If you fail to plan, you plan to fail."

Planning is strategizing the whole game ahead of time. It basically sums up all the resources at hand and enables you to come up with a structure and a thought process for how to reach your goal.

The next step involves how to make optimum use of these resources, to weave the cloth of success. Facing a situation or a crisis with a plan is always better. It provides guidelines with minimum to no damage incurred to a business. Planning is one of the most important

CHARACTERISTICS OF AN ENTREPRENEUR.

6) Knowledge:

Knowledge is the key to success. An entrepreneur should possess complete knowledge of his niche or industry. For only with knowledge can a difficulty be solved or a crisis is tackled.

It enables him to keep track of the developments and the constantly changing requirements of the market that he is in. May it is a new trend in the market or advancement in technology or even a new advertiser's entry, an entrepreneur should keep himself abreast of it. Knowledge is the guiding force when it comes leaving the competition behind. New bits and pieces of information may just prove as useful as a newly devised strategy.

He should know what his strengths & weaknesses are so that they can be worked on and can result in a healthier organization.

A good entrepreneur will always try to increase his knowledge, which is why he is always a learner. The better an entrepreneur knows his playground, the easier he can play in it.

7) Social Skills:

A skillset is an arsenal with which an entrepreneur makes his business work. Social Skills are also needed to be a good entrepreneur. Overall, these make up the qualities required for an entrepreneur to function.

Social Skills involve the following:

- Relationship Building
- Hiring and Talent Sourcing
- Team Strategy Formulation

And many more.

8) Open-mindedness towards learning, people, and even failure:
An entrepreneur must be accepting. The true realization of which scenario or event can be a useful opportunity is necessary. To recognize such openings, an open-minded attitude is required.

An entrepreneur should be determined. He should face his losses with a positive attitude and his wins, humbly. Any good businessman will know not to frown on a defeat. Try till you succeed is the right mentality. Failure is a step or a way which didn't work according to the plan. A good entrepreneur takes the experience of this setback and works even hard with the next goal in line.

This experience is inculcated through the process of accepted learning. Good entrepreneurs know they can learn from every situation and person around them. Information obtained can be used for the process of planning.

Learning with an open mind lets you look at your faults humbly. New information always makes an entrepreneur question his current resolve. It also provides a new perspective towards a particular aspect. Open-mindedness also enables you to know and learn from your competition.

9) Empathy:
Perhaps the least discussed value in the world today is empathy or having high emotional intelligence. Empathy is the understanding of what goes on in someone's mind. This skill that is worth a mention. A good entrepreneur should know the strengths and weaknesses of every employee who works under him. You must understand that it is the people who make the business tick! You've got to deploy empathy towards your people.

Unhappy employees are not determined and as an entrepreneur, it is up to you to create a working environment where people are happy to come. To look after their well-being, an entrepreneur should try to understand the situation of employees. What can be a motivational factor? How can I make my employees want to give their best? All this is understood through empathy.

Keeping a workplace light and happy is essential. For without empathy, an entrepreneur cannot reach the hearts of employees nor the success he desires. Empathy is one of the most important characteristics of an entrepreneur.

10) And lastly, the customer is everything:

A good entrepreneur will always know this; a business is all about the customer. How you grab a customer's attention is the first step. This can be done through various mediums such as marketing and advertising.

It is also important that you know the needs of your customers. The product or service which is being created by your organization needs to cater to the needs of your consumers. Personalizing a business for consumers will also boost the sales.

The ability to sell yourself in front of a potential investment when it comes in the form of a customer is also required. Being ready with the knowledge to please a customer, is a way to have a successful business.

It isn't necessary that every entrepreneurial venture is a huge success. In addition to a brilliant idea, viability is an equally important aspect of a business, which is where having a business education can play an important role. All these **characteristics of an entrepreneur** can be instilled in an individual.

ENTREPRENEURIAL COMPETENCIES

1. The ability to develop, organize and manage a business venture along with any of its risks. It includes key characteristics that should be possessed by a person in order to successfully run a new venture. Among those characteristics are: social, managerial and networking **competence**s.
2. A sum of knowledge, skills, and attitudes necessary to develop, to organize and to manage a business venture along with any of its risks.

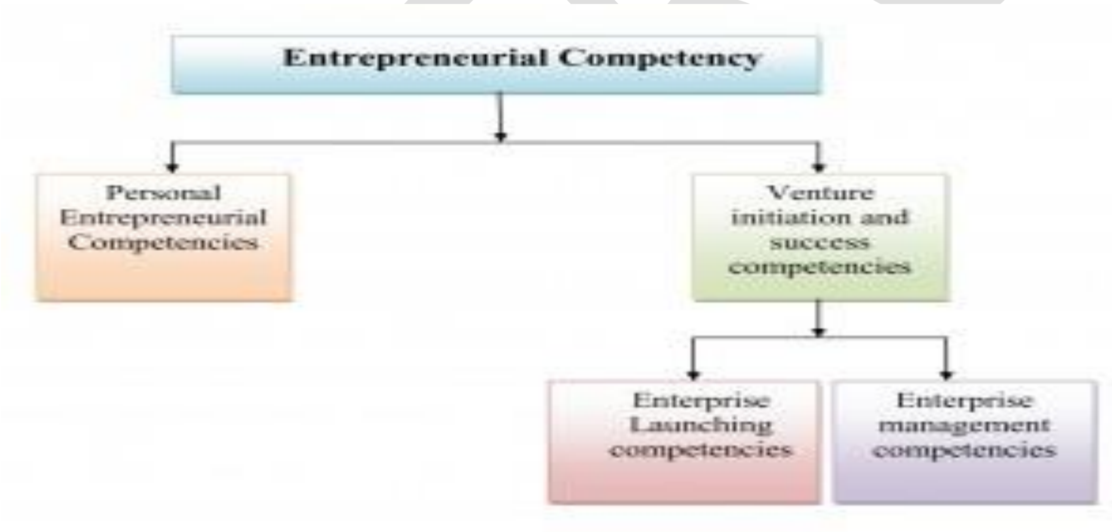
The business operation is considered to be very complex in a competitive business environment; this is constantly changing with fast technological advancements. An entrepreneur is expected to interact with these environmental forces which require him to be highly competent in different dimensions like intellectual, attitudinal, behavioural, technical, and managerial aspects. Entrepreneurs are therefore permanently challenged to deploy a set of competencies to succeed in their entrepreneurial endeavours. Entrepreneurial competencies are defined as underlying characteristics possessed by a person, which result in new venture creation. These characteristics include generic and specific knowledge, motives, traits, self-images, social roles, and skills that may or may not be known to the person. That is, these characteristics may be even unconscious attributes of an individual. Some of these competencies are innate while others are acquired in the process of learning and training and development.

Definition

"Entrepreneurial competencies can be defined as underlying characteristics such as generic and specific knowledge, motives, traits, self-images, social roles, and skills that result in venture birth, survival, and/or growth." - Bird (1995)

"Total ability the entrepreneur to perform this role successfully. Several studies have found positive relationship between existences of competencies and venture performance". - Man, Lau& Chan

Types of Competencies



The competencies may be classified into following categories:

1. Personal entrepreneurial competencies

2. Venture initiation and success competencies

a) Enterprise launching competencies

b) Enterprise management competencies

1. Personal Entrepreneurial competencies

It is the personal characteristics of an individual who possess to perform the task effectively and efficiently. Personal entrepreneurial competencies include the following:

a) Initiative

The entrepreneur should be able to take actions that go beyond his job requirements and to act faster. He is always ahead of others and able to become a leader in the field of business. He Does things before being asked or compelled by the situation and acts to extend the business into new areas, products or services.

b) Sees and acts on opportunities

An entrepreneur always looks for and takes action on opportunities. He Sees and acts on new business opportunities and Seizes unusual opportunities to obtain financing, equipment, land, work space or assistance.

c) Persistence

An entrepreneur is able to make repeated efforts or to take different actions to overcome an obstacle that get in the way of reaching goals. An entrepreneur takes repeated or different actions to overcome an obstacle and Takes action in the face of a significant obstacle.

d) Information Seeking

An entrepreneur is able to take action on how to seek information to help achieve business objectives or clarify business problems. They do personal research on how to provide a product or service. They seek information or ask questions to clarify what is wanted or needed. They personally undertake research and use contacts or information networks to obtain useful information.

e) Concern for High Quality of Work

An entrepreneur acts to do things that meet certain standards of excellence that gives him greater satisfaction. An entrepreneur states a desire to produce or sell a top or better quality product or service. They compare own work or own company's work favorably to that of others.

f) Commitment to Work Contract

An entrepreneur places the highest priority on getting a job completed. They make a personal sacrifice or take extraordinary effort to complete a job. They accept full responsibility for problems in completing a job for others and express concern for satisfying the customer.

g) Efficiency Orientation

A successful entrepreneur always finds ways to do things faster or with fewer resources or at a lower cost. They look for or finds ways to do things faster or at less cost. An entrepreneur uses information or business tools to improve efficiency. He expresses concern about costs vs. benefits of some improvement, change, or course of action.

h)Systematic Planning

An entrepreneur develops and uses logical, step-by-step plans to reach goals. They plan by breaking a large task into subtask and develop plans, then anticipate obstacles and evaluate alternatives. They take a logical and systematic approach to activities.

i) Problem Solving

Entrepreneurs identify new and potentially unique ideas to achieve his goals. They generate new ideas or innovative solutions to solve problems and they take alternative strategies to solve the problems.

j) Self-Confidence

Entrepreneur with this competency will have a strong belief in self and own abilities. They express confidence in their own ability to complete a task or meet a challenge. They stick to their own judgment while taking decision.

k) Assertiveness

An entrepreneur confronts problems and issues with others directly. Entrepreneur with this competency vindicate the claim to asset their own rights on others. They demand recognition and disciplines those failing to perform as expected. They asset own competence, reliability or other personal or company's qualities. They also assert strong confidence in own company's or organization's products or service.

l) Persuasion

Entrepreneurs with this competency successfully pursue others to perform the activities effectively and efficiently. An entrepreneur can persuade or influence others for mobilizing resources, obtaining inputs, organizing productions and selling his products or services.

m) Use of Influence Strategies

An entrepreneur is able to make use of influential people to reach his business goals. Entrepreneurs with this competency influence the environment (Individuals/Institution) for mobilizing resources organizing production and selling goods and services to develop business contacts.

n) Monitoring

Entrepreneurs with this competency normally monitor or surprise all the activities of the concern to ensure that the work is completed by maintaining good quality.

o) Concern for Employee Welfare

Entrepreneurs with this competency take action to improve the welfare of employees and take positive action in response of employee's personal concerns.

MANAGERIAL FUNCTIONS FOR ENTREPRISE

The top eight functions of management are: 1. Planning 2. Organizing 3. Staffing 4. Directing 5. Motivating 6. Controlling 7. Co-Ordination 8. Communication.

Function # 1. Planning:

When management is reviewed as a process, planning is the first function performed by a manager. The work of a manager begins with the setting of objectives of the organization and goals in each area of the business.

This is done through planning. A manager probes the present to find where he is and he then forecasts future objectives which will indicate where he wants to be, i.e., the destination to be reached. The alternatives to achieve the objectives are evaluated and the selected alternative becomes the plan of action.

Once the plan is formulated, the manager has to indicate the objectives of the plan and steps to be taken by his subordinates. By communicating he makes the objectives effective. In practice, planning function is all-pervading.

It is involved in all other managerial functions. For example, budget is a part of planning as well as an instrument of control. Planning makes things happen that would not otherwise occur. Planning includes objectives, strategies, policies, procedures, programmes, etc., as it involves making choices; decision making is the heart of planning.

Function # 2. Organizing:

Managing a business is not just planning. It includes putting life into the plan by bringing together the executive personnel, workers, capital, machinery, materials, physical facilities and other things or services to execute the plans. When these resources are assembled the enterprise comes to life.

Organizing involves determining and noting activities needed to fulfill the objectives, grouping these activities into manageable units or departments, and assigning such groups of activities to managers. Delegation of authority creates an organization. It determines authority-responsibility relationship. These relationships must be properly co-ordinated to secure unity of organization.

Function # 3. Staffing:

Staffing involves filling the positions needed in the organization structure by appointing competent and qualified persons for the jobs. This needs man-power planning and man-power management. We have scientific selection and training of personnel.

We have to provide suitable methods of remuneration and performance appraisal. Much of the work relating to human resource planning and management is delegated to a personnel manager. However, top management is ultimately responsible for all activities relating to staffing.

Function # 4. Directing:

Some management experts prefer leading in place of directing particularly under a democratic managerial set up. The function of leading has been termed motivating, directing, guiding, stimulating and actuating. This managerial function is directly concerned with the human factors of an organization.

A manager by leadership and motivation has to direct and guide all subordinates and get the work done through people. Direction involves managing managers, managing workers and the work through the means of motivation, proper leadership, effective communication as well as co-ordination.

A manager must develop the ability to command. He must know how to direct others, i.e., how to issue orders and instructions, without arousing resentment or offence and he must be able to secure willing obedience from his subordinates without destroying their initiative and creativity.

Function # 5. Motivating:

This managerial function is fully reflected when we define management as the art of getting things done willingly through and with other people.

Management is interested in two primary elements:

(1) Things, i.e., material resources and

(2) Men and women, i.e., human resources.

Thing is subject to the laws of mechanics and it is susceptible to scientific or machine-like treatment. But human beings cannot be subjected to scientific or machinelike treatment. However, through the power of leadership and the science of co-operation, we can evolve a suitable method of integrating the interests of individuals and the organization.

The power of management exists with or through people, but never over them, at least in a democratic society. Authority may be imposed from above but it must be supported, nourished and recognized from below, i.e., from the subordinates. Then only the authority is meaningful and it can work smoothly.

The managerial power has its source in the methods of leading, motivating, appraising, teaching, influencing, counseling, coaching, delegating and setting an example. So the manager plans, organises, directs, and motivates the people working with him. Motivation and leadership are the master keys to successful management of any enterprise.

They are also responsible to ensure productivity of human resources. Motivation can set into motion a person to carry out certain activity. Motivation assumes unique importance in modern business management. Democratic leadership heavily relies on motivation of employees, through financial and non-financial incentives.

Human relations in industry have accorded special emphasis to this managerial function. Effective communication and participation enhance the power of motivation. Feedback of information (upward communication) is necessary for effective motivation and direction.

Function # 6. Controlling:

Controlling is the last phase of the management process. Control is the process of measuring actual results or present performance, comparing those results to plans or some standard of performance, finding the reason for deviations of actual from desired result and taking corrective action when necessary.

The corrective action may lead to a change in the method of implementation of the plan or change in the plan itself or even a change in the objective. Usually our desired performance standards are the objectives, policies, programmes, procedures and budgets.

There are three important elements in the total management cycle or system:

(1) Planning,

(2) Implementation (action) of the plan and

(3) Control.

The entire planning-action-control process in management is repetitive. The control process generates information for modification or even creation of new plans.

Planning is followed by action, then by review and control in order to achieve the desired result.

Complete operating cycle or planning control cycle includes:

(1) Objectives,

(2) Planning,

(3) Action,

(4) Accomplishment,

(5) Feedback of Information and

(6) Mechanism of Control. Good management adopts this cycle and assures not only survival but also promotes growth.

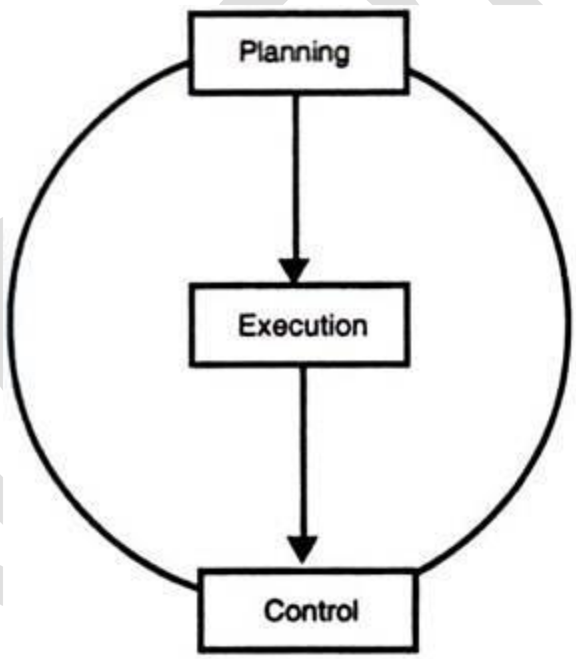


Fig. 1.3: Management Cycle

Control Mechanism:

A manager must adopt the following steps in controlling:

(1) Identify potential problems,

(2) Select mode of control,

(3) Audit, measure and evaluate performance in terms of planning,

(4) Spot significant deviations.

(5) Ascertain causes of deviations,

(6) Take remedial measures,

(7) Ensure accomplishment of targets.

Function # 7. Co-Ordination:

Each managerial function is an exercise in co-ordination. It is said that co-ordination is the essence of management. It is an integral plan of direction. Coordination is concerned with harmonious and unified action directed toward a common objective. It involves inter-relating various parts of the work or organization.

It is not a separate activity but a condition that should diffuse itself through all phases of the management process. Co-ordination is an orderly arrangement of group efforts to provide unity of action.

It ensures that all groups and persons work efficiently, economically and in harmony. Co-ordination can be accomplished automatically if we have sound objectives, policies, procedures and programmes and a sound organization structure.

Coordination is essential in a large organisation because we have:

(1) Multiple and complex activities,

(2) Complex and elaborate organization structure,

(3) Multiple levels of management due to limited span of control, and

(4) Acute division of labour leading to increasing use of specialists.

A manager must co-ordinate the work for which he is accountable by balancing, timing, and integrating the work. Such efforts at co-ordination are required at all levels of management.

Boards of Directors, managing directors, heads of divisions and/or departments are the usual agencies of co-ordination to develop an orderly and integrated pattern of group efforts in proper sequence and at proper time. Co-ordination requires effective channels of communication. Person-to-person communication is most effective for co-ordination.

Function # 8. Communication:

In its broadest sense, communication is the transmission of meaning to others. It means transfer of information and understanding from person to person a flow of information from the top to the bottom and from the bottom to the top as well as horizontal or sideways on the same level of organization.

In formal communication we have dissemination of information primarily. In biter-personal communication between two or more persons we have transmission of information as well as flow of understanding based on two-way traffic of communication.

Personal or face-to-face communication is the best form of communication. Managerial leadership depends upon upward communication to the leader in the form of feedback so that he can understand the feelings, emotions, motives and problems of subordinates and his power will have support and acceptance from below.

Communication also leads to sharing of information, ideas and knowledge. Communication is the cement that makes organizations. It enables a group to think together, and act together. Society's very existence is dependent upon communication, i.e., passing of information and understanding from one person to another.

Communication may be through:

(i) Actions, e.g., smile, frown, facial expressions;

(ii) Spoken words, e.g. talk;

(iii) Written or printed words;

(iv) Graphs, diagrams, figures, models, pictures, charts and tables;

(v) Silence can also communicate at times.

The elements of management —planning, organizing, staffing, directing, motivating and controlling — rare universally applicable to all joint or collective enterprises.

In short management involves:

(1) Managing the enterprise;

(2) Managing the managers, and

(3) Managing the workers and the work.

Central Framework of Management system:

1. Top Bar — Organization.

2. Right Bar — Communication.

3. Left Bar — Human Relation.

No organized activity could exist for long without the holy three of the Bicycle. A manager has to use the central frame effectively.

Supporting Mechanism to Management System:

(1) Rear Wheel:

It represents Technical know how — administrative office, plant, personnel, marketing, purchasing, finance, planning and research

(2) Front Wheel:

It represents managerial function — planning, organizing, directing, controlling, etc., the manager provides the motive power to run the wheels of business enterprise. He is also the coordinating and controlling authority.

(3) The Head-lamp represents goals and objectives to be achieved.

(4) On the carrier we have goods and services required in the market.

(5) Roadway for business journey indicates economic, social and political factors.

Planning concentrates on setting and achieving objectives of an organization. Planning is the first management function to be performed in the process of management. It governs survival, growth and prosperity of any organization in a competitive and ever-changing environment the planning function is performed by managers at every level of management. It is necessary for discharging all other management functions also.

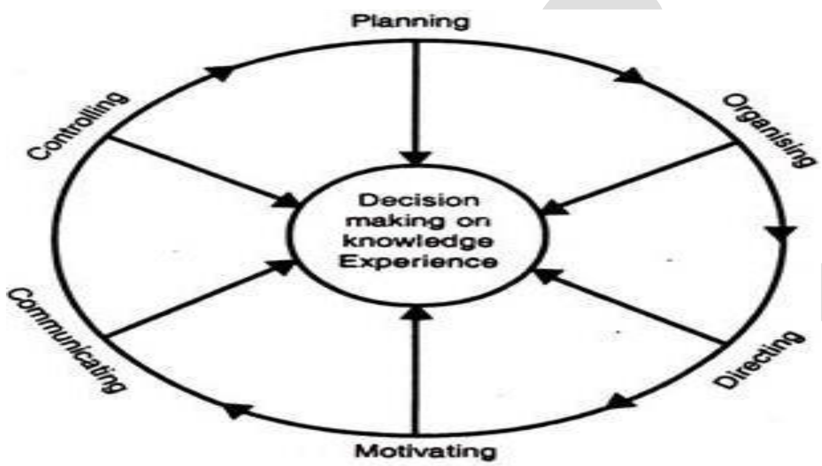


Fig. 1.2. Functions of Manager

PROCESS OF BUSINESS OPPORTUNITY IDENTIFICATION AND EVALUATION

Identification of Business Opportunity: Idea Generation and Opportunity!

In general sense, the term opportunity implies a good chance or a favourable situation to do something offered by circumstances. In the same vein, business opportunity means a good or favourable change available to run a specific business in a given environment at a given point of time.

The term ‘opportunity’ also covers a product or project. Hence, the identification of an opportunity or a product or project is identical and, therefore, all these three terms are used as synonyms. The Government of India’s “Look East Policy” through North East is an example of ‘opportunity’ to do business in items like tea, handicrafts, herbals, turmeric, etc.

Opportunity identification and selection are like comer stones of business enterprise. Better the former, better is the latter. In a sense, identification and selection of a suitable business opportunity serves as the trite saying ‘well begun is half done.’ But, it is like better said than done. Why? Because if we ask any intending entrepreneur what project or product he/she will select and start as an enterprise, the obvious answer he/she would give is one that having a good market and is profitable. But the question is how without knowing the product could one know its market?

Whose market will one find out without actually having the product? Whose profitability will one find out without actually selling the product? There are other problems, besides. While trying to identify the suitable product or project, the intending entrepreneur passes through certain processes.

The processes at times create a situation, or say, dilemma resembling ‘Hen or Egg’ controversy. That is, at one point, the intending entrepreneur may find one product or project as an opportunity and may enchant and like it, but at the other moment may dislike and turn down it and may think for and find other product or project as an opportunity for him/her. This process of dilemma goes on for some intending entrepreneurs rendering them into the problem of what product or project to start. Then, how to overcome this problem of product identification and selection?

One way to overcome this dilemmatic situation is to know how the existing entrepreneurs identified the opportunity and set up their enterprises. An investigation into the historical experiences of Indian small enterprises in this regard reveals some interesting factors.

To mention the important ones, the entrepreneurs selected their products or projects based on:

a. Their own or partners’ past experience in that business line;

b. The Government’s promotional schemes and facilities offered to run some specific business enterprises;

c. The high profitability of products;

d. Which indicate increasing demand for them in the market?

e. The availability of inputs like raw materials, labour, etc. at cheaper rates;

f. The expansion or diversification plans of their own or any other ongoing business known to them;

g. The products reserved for small-scale units or certain locations.

Now, having gained some idea on how the existing entrepreneurs selected products/projects, the intending entrepreneur can find a way out of the tangle of which opportunity/product/project to select to finally pursue as one's business enterprise.

One of the ways employed by most of the intending entrepreneurs to select a suitable product/project is to firstly generate ideas about a few products/ projects. Accordingly, what follows next is a discussion idea generation about products.

Idea Generation:

Sources of Ideas:

In a sense, opportunity identification and selection are akin to, what is termed in marketing terminology, 'new product development.' Thus, product or opportunity identification and selection process starts with the generation of ideas, or say, ideas about some opportunities or products are generated in the first instance.

The ideas about opportunities or products that the entrepreneur can consider for selecting the most promising one to be pursued by him/her as an enterprise, can be generated or discovered from various sources- both internal and external.

These may include:

(i) Knowledge of potential customer needs,

(ii) Watching emerging trends in demands for certain products,

(iii) Scope for producing substitute product,

(iv) Going through certain professional magazines catering to specific interests like electronics, computers, etc.,

(v) Success stories of known entrepreneurs or friends or relatives,

(vi) Making visits to trade fairs and exhibitions displaying new products and services,

(vii) Meeting with the Government agencies,

(viii) Ideas given by the knowledgeable persons,

(ix) Knowledge about the Government policy, concessions and incentives, list of items reserved for exclusive manufacture in small-scale sector,

(x) A new product introduced by the competitor, and

(xi) One's market insights through observation.

In nutshell, a prospective entrepreneur can get ideas for establishing his/ her enterprise from various sources. These may include consumers, existing products and services presently on offer, distribution channels, the government officials, and research and development.

A brief mention about each of these follows in turn:

Consumers:

No business enterprise can be thought of without consumers. Consumers demand for products and services to satisfy their wants. Also, consumers' wants in terms of preferences, tastes and liking keep on changing. Hence, an entrepreneur needs to know what the consumers actually want so that he/she can offer the product or service accordingly. Consumers' wants can be known through their feedback about the products and services they have been using and would want to use in future.

Existing Products and Services:

One way to have an enterprise idea may be to monitor the existing products and services already available in the market and make a competitive analysis of them to identify their shortcomings and then, based on it, decide what and how a better product and service can be offered to the consumers. Many enterprises are established mainly to offer better products and services over the existing ones.

Distribution Channels:

Distribution channels called, market intermediaries, also serves as a very effective source for new ideas for entrepreneurs. The reason is that they ultimately deal with the ultimate consumers and, hence, better know the consumers' wants.

As such, the channel members such as wholesalers and retailers can provide ideas for new product development and modification in the existing product. For example, an entrepreneur came to know from a salesman in a departmental store that the reason his hosiery was not selling was its dark shade while most of the young customers want hosiery with light shade. The entrepreneur paid heed to this feedback and accordingly changed the shade of his hosiery to light shade. Entrepreneur found his hosiery enjoying increasing demand just within a month.

Government:

At times, the Government can also be a source of new product ideas in various ways. For example, government from time to time issues regulations on product production and consumption. Many a times, these regulations become excellent sources for new ideas for enterprise formation.

For example, government's regulations on ban on polythene bags have given new idea to manufacture jute bags for marketing convenience of the sellers and buyers. A prospective entrepreneur can also get enterprise idea from the publications of patents available for license or sale.

Besides, there are some governmental agencies that assist entrepreneurs in obtaining specific product information. Such information can also become basis for enterprise formation.

Research and Development:

The last but no means the least source of new ideas is research and development (R&D) activity. R&D can be carried out in-house or outside the organization. R&D activity suggests what and how a new or modified product can be produced to meet the customers' requirements.

Available evidences indicate that many new product development, or say, new enterprise establishments have been the outcome of R&D activity. For example, one research scientist in a Fortune 500 company developed a new plastic resin that became the basis of a new product, a plastic molded modular cup pallet. Most of the product diversifications have stemmed from the organization's R&D activity.

Methods of Generating Ideas:

As seen above, there could be variety of sources available to generate ideas for enterprise formation. But, even after generating ideas to convert these into enterprise is still a problem for the prospective entrepreneur. The reason is not difficult to seek.

This involves a process including first generating the ideas and then scrutinizing of the ideas generated to come up with an idea to serve as the basis for a new enterprise formation. The entrepreneur can use several methods to generate new ideas. However, the most commonly used methods of generating ideas are: focus groups, brainstorming, and problem inventory analysis.

These are discussed as follows:

Focus Groups:

A group called 'focus group' consisting of 6-12 members belonging to various socio-economic backgrounds are formed to focus on some particular matter like new product idea. The focus group is facilitated by a moderator to have an open in-depth discussion. The mode of the discussion of the group can be in either a directive or a non-directive manner.

The comment from other members is supplied with an objective to stimulate group discussion and conceptualize and develop new product idea to meet the market requirement. While focusing on particular matter, the focus group not only generates new ideas, but screens the ideas also to come up with the most excellent idea to be pursued as a venture.

Brainstorming:

Brainstorming technique was originally adopted by Alex Osborn in 1938 in an American Company for encouraging creative thinking in groups of six to eight people. According to Osborn, brainstorming means using the brain to storm the issue/problem. Brainstorming ultimately boils down to generate a number of ideas to be considered for the dealing with the issue/problem.

However, brainstorming exercise to be effective needs to follow a modus operandi involving four basic guidelines:

1. Generate as many ideas as possible.

2. Be creative, freewheeling, and imaginative.

3. Build upon piggyback, extend, or combine earlier ideas.

4. Withhold criticism of others' ideas.

There are two principles that underlie brainstorming. One is differed judgment, by which all ideas are encouraged without criticism and evaluation. The second principle is that quantity breeds quality. The brainstorming session to be effective needs to work like a fun, free from any type of compulsions and pressures.

Each member needs to have willingness and capacity to listen to others' thoughts, to use these thoughts as a stimulus to spark new ideas of their own, and then feel free to express them. As such, efforts are made to keep the brainstorming session free from any sort of dominance and obstruction derailing and inhibiting discussion to proceed in a desired manner to serve its purpose. A normal brainstorming session lasts for from ten minutes to one hour and does not require much preparation.

Here is an example of brainstorming used to generate ideas to make the organizations presence noticed.

A national level institute of the Government of India took its faculty to a resort in Himachal Pradesh for a brainstorming session for two days to generate ideas on what it can do to be known, noticed and recognized at the national and international arena.

The seven major ideas generated were to:

(i) Open courses like PGDM for the general public,

(ii) Introduce new courses to meet the emerging market requirements,

(iii) Introduce research activity in terms of research projects and fellow programme,

(iv) Sign Memorandum of Understanding (MOUs) with reputed national and international academic institutions,

(v) Start courses in collaboration with the Government and industry,

(vi) Nominate especially young faculty members to join the Faculty Development Programmes conducted by the Indian Institute of Management, Ahmedabad (IIMA), and

(vii) Publish the Institute's research journal.

Problem Inventory Analysis:

Problem Inventory analysis though seems similar to focus group method, yet it is somewhat different from the latter in the sense that it not only generates the ideas, but also identifies the problems the product faces. The procedure involves two steps: One, providing consumers a list of specific problems in a general product category.

Two identifying and discussing the products in the category that, suffer from the specific problems. This method is found relatively more effective for the reason that it is easier to relate known products to a set of suggested problems and then arrive at a new product idea.

However, experiences available suggest that problem inventory analysis method should better be used for generating and identifying new ideas for screening and evaluation. The results derived from product inventory analysis need to be carefully screened and evaluated as they may not actually reflect a genuine business opportunity.

For example, General Foods' introduction of a compact cereal box in response to the problem that the available boxes did not fit well on the shelf was not successful, as the problem of package size had little effect on actual purchasing behaviour. Therefore, to ensure the better if not the best results, problem inventory analysis should be used primarily to generate product ideas for evaluation.

All of above sources and methods may give a few ideas about the possible projects to be examined as the final project or product.

Following are some illustrative sources of generation of business ideas:

a. Realizing that especially service class people find it inconvenient to take milk pot with them to office that they need to buy milk while coming back from the office in the evening, to provide milk in sachets or tetra packs could be a new business idea.

b. Having faced difficulty in finding out accommodation and transport facility while on visits to a new/tourist place may give one an idea to start a travel agency providing complete package of facilities to the visitors to a new / tourist place.

c. Knowing that many people have hobby or even develop passion for gardening may give rise to an idea of setting up one's own nursery.

d. Seeing that most of the people coming from outside to a particular place buy its unique items as souvenir like tea from Assam, the Model of Taj from Agra, etc. may give idea to produce the local item as souvenir.

e. Recognizing the increasing application of computers in offices as well as business organizations, irrespective of its size, may give an idea to set-up a computer-training centre.

Once ideas have being generated following the above process, the next step comes is identification of above generated ideas as opportunities.

Opportunity/Product Identification:

After going through above process, one might have been able to generate some ideas that can be considered to be pursued as ones business enterprise.

Imagine that someone have generated the five ideas as opportunities as a result of above

analysis:

1. Nut and bolt manufacturing (industry)

2. Lakhani Shoes (industry)

3. Photocopying unit (service-based industry)

4. Electro-type writer servicing (service-based industry).

4. Polythene bags for textile industry (ancillary industry)

An entrepreneur cannot start all above five types of enterprises due to small in size in terms of capital, capability, and other resources. Hence, he/she needs to finally select one idea which he/she thinks the most suitable to be pursued as an enterprise. How does the entrepreneur select the most suitable project out of the alternatives available? This is done through a selection process discussed subsequently.

Having gone through idea generation, also expressed as 'opportunity scanning' and opportunity identification, we can distinguish between an idea and opportunity. We are giving below the two situations that will help you understand and draw the line of difference between an 'idea' and an 'opportunity'.

Situation I	Situation II
Having completed their Master of Business Administration (MBA), Mrinmoy and Chandan met after about six months. The two were conversing with each other about who is doing what. Mrinmoy is running his business of travel agency and Chandan is still searching for a job. Mrinmoy suggests Chandan to start some business. Observe and read the market scenario and produce what the consumers actually want.	On completion of his engineering degree, Tridip got a job in Assam State Transport Corporation. He was the in-charge of the purchase department. Having worked in the purchase department for over ten years, he had gained good idea about which components have more demand and who are the buyers of these parts in bulk. He, therefore, thought good prospects of manufacturing of some of the components having good demand in bulk.

Now, it is clear that, in the above mentioned two satiations, situation I is at the 'idea stage' and situation II at the 'opportunity stage'. At the idea stage, there is simply an idea about what to do. But at the opportunity stage, idea has actually been germinated about what to start/do. The understanding of such a difference between an 'idea' and 'opportunity' is very important for the intending entrepreneurs who are seriously trying to identify an ‘opportunity’ to be pursued as an enterprise.

INDUSTRIAL POLICY

What is Industrial Policy?

The role played by the government in the process of developing industries are defined as a set of statements known as Industrial policy. The policy also defines the role played by different large and small scale industries and the level of public and private intervention.

The set of objectives for industrial development along with the steps for achieving these objectives is Industrial policy. Therefore Industrial policy mainly defines the roles and activities of the different public and private sectors.

What are the objectives of Industrial Policy?

Industrial policy is meant for the growth and development of the industries and in the process of achieving these, all the other activities are defined by the Industrial policy. The growth pattern of the industrial activity is also monitored by Industrial policy by framing certain rules and procedures. Modifications and changes can be made to the policy as per the changes in the environment and situations.

The important objectives of the industrial policy are as follows -

Rapid Industrial Development

One of the main objectives of the industrial policy is to increase the industrial development and on those lines, the Industrial policy of the Indian government concentrates on increasing the industrial development. Different means are being identified for making the investment environment favourable for the private sector and resources are being mobilized to make investments in the public sector. Thus leads to rapid increase in the development of the industries.

Balanced industrial Structure

The present industrial structure seems to be very downgraded and in line of this, the industrial policy is designed to rectify and modify the structure. For instance, before independence India was rich in consumer product industries but there was no development observed in capital goods industries and heavy industries.

In this context, the industrial policy was drafted in a such a manner that it maintains balance in the industrial structure and this is done by concentrating more of heavy industries and capital goods sector. Several methods are being identified by the industrial policy for maintaining the balance in the industrial structure.

Prevention of Concentration of Economic Power

For different public and private sectors, different rules, regulations, activities and responsibilities are being drafted by the industrial policy. By this, industrial policy tries to eradicate the symptoms of dominance of a particular sector and thus prevent the focus of the economic power within the hands of a few.

Balanced Regional Growth

The regional differences if any in the industrial development are corrected by the industrial policy. For instance, in India, some of the regions are industrially developed like Gujarat and Maharashtra, while some of the regions are industrially backward like Bihar and Orissa. In these situations, industrial policy comes into picture and tries to maintain balance in all the regions with respect to industrial development by amending some programs and policies which attract starting industries in the weak areas.

After independence, in 1948, the first industrial policy was formed by the Indian government and then modifications were made in the year 1956. Till 1991 the policy was mostly dominated by the public sector enterprises. Later in 1991, many changes and amendments were being made by expanding the outline of the policy to much broader.

Explain about the Industrial Policy Resolution 1956

The industrial policy resolution of 1956 was formulated in April 1956. This resolution is considered as the first comprehensive statement that is documented with respect to industrial development of India. This policy clearly defines the industries into three different groups.

The economic policy was designed in terms of long run, by the resolution of 1956. This has resulted in the Five-year plans in India. One of the objectives of the industrial policy is to establish a socialistic pattern of society and this was possible by maintain the social and economic policy. This policy has made Government of India as an important authority.

Broadly, the policy has categorized the companies into three different categories. They are -

- **Schedule A** – The companies which are under the complete responsibility of the state or society are Schedule A companies.
- **Schedule B** – The companies which are completely owned by the state and where the state can start up new companies come under Schedule B companies. The private companies can only support the state government for Schedule B companies.
- **Schedule C** – The companies that are not covered by the above two categories, are automatically come under the control of private sector and thus come under Schedule C

category.

The Schedule C companies, which are completely under the control of private sector, are also controlled by the state in the form of licenses. Obtaining license for starting a new business or expansion of the business under Schedule C, is mandatory. In order to balance the imbalance with regard to the industrial development in different regions, government is offering many subsidies and incentives in the form of easy licensing is provided to the companies that are being launched in the economically backward areas.

Another important objective of the Industrial Policy Resolution 1956 is treating the private sector without any bias. The small-scale companies and the village companies are motivated to establish, the regional differences if any are removed and labour amenities are provided. Therefore industrial policy resolution of 1956 is also known as Economic Constitution of the country.

What are the different Industrial Policy Measures?

In order to implement the objectives that have been stated by the policy, some of the policy measures are being declared. The policy measures are as follows -

Liberalization of Industrial Licensing Policy

Restrictions that are being imposed and the licensing that is made compulsion is made on some of the goods. The list of these goods is reviewed from time to time. At present, six industries come under the category of compulsory licensing in order to take care of the environmental, safety and strategic conditions are to be taken care.

Introduction of Industrial Entrepreneurs' Memorandum (IEM)

For some of the companies, compulsory licensing is not mandatory and those companies need to file the said Industrial Entrepreneurs' Memorandum (IEM) with the Secretariat for Industrial Assistance (SIA). Many amendments are made to this memorandum also.

Liberalization of the Locational Policy

The locational policy is being liberalized. Prior government approval is not required for the industrial locations which are planned to be located within 25 kms range of the cities with population of more than one million. This policy is for those companies for which licensing is not mandatory. The companies which come under this category are mostly the non-pollution companies such as software companies, electronics, etc.

Policy for Small Scale Industries

The small scale industries can be protected by reserving manufacturing of some of the specific goods only by the small scale industries. After the amendments taken place on 24th December 1999, any business which has a maximum investment of one crore rupees come under the category of small scale industries.

Non-Resident Indians Scheme

All the policy regulations and provisions made by the industrial policy with respect to Foreign Direct Investment are applicable to all the NTRIs. Some concessions have been facilitated to the NRIs and to all the corporate bodies which have more than 60% stake by NRIs. Even the NRIs are given permission to invest completely upto 100% except for few of the sectors or items.

EHTP vs STP Scheme

Two different schemes, Electronic Hardware Technology Park (EHTP) and Software Technology Park (STP) are facilitated for setting up the electronic companies and thus modify the exports of the electronics. This scheme enables to procure the inputs without any duties being levied on them.

Policy for Foreign Direct Investment (FDI)

One of the most important aspects of the economic policy of India is to enhance FDIs into country. FDI leads to boost the economic growth of the country by infusing latest technology, more capital and the latest activities with respect to management. In relation to these benefits associated, limit is not framed for the foreign ownership and the companies are open to foreign investment without any permits and restrictions.

MODULE III

BUSINESS

Business may be understood as the organised efforts of enterprises to supply consumers with goods and services for a profit.

All businesses share the same purpose: TO EARN PROFIT.

But other purposes are: Supplying goods and services to the society; creating job opportunities; offer of better quality of life; contributing to the economic growth of the country.

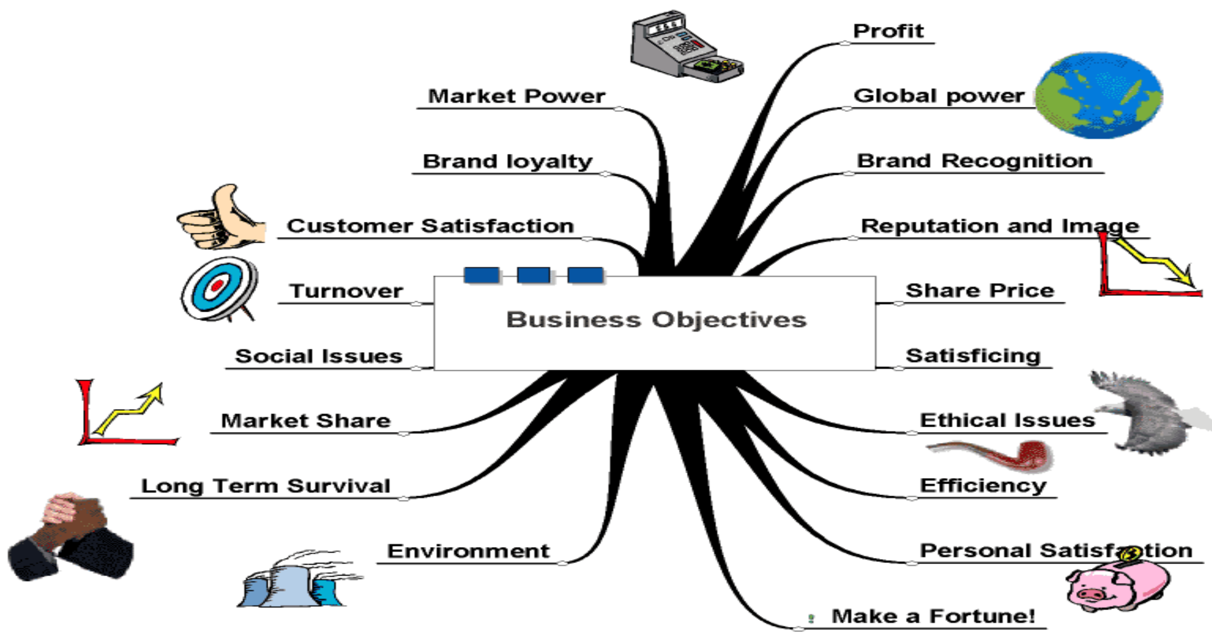
Before we describe business objectives, it is desirable to be clear about related concepts: Vision and Mission &Objectives

Vision: A Vision is a broad explanation of why the firm exists and where it is trying to lead.

A vision gives the organisation a sense of purpose and a set of values that unite employees in a common destiny. *Visioning:-* One of the most important things to do in the preparation stage is to VISUALIZE things in your mind

You have to have a plan for success !!! It starts with a vision. You get the vision by reaching each goal. You reach goals by hard work, dedication, and perseverance

Mission &Objectives :- Objectives render mission statements more concrete. Mission statements seek to make a vision more specific and Objectives are attempts to make mission statements more concrete. Objectives therefore, represent the operational side of an organisation.



Profit: Profit is the main incentive, motivator, strong sustainer, judicious allocator of resources, objective indicator of productivity and a solid basis for growth, expansion and survival.

Growth: Business should grow in all directions over a period of time. The strategies adopted to achieve growth are:

(a) add more products/markets;

(b) diversify into new areas;

(c) increase market share;

(d) cut down costs and increase productivity.

Power: Business houses have vast resources at its command. These resources confer enormous economic and political power on owners and managers of business ventures.

Employee satisfaction & Development: Concern for employees continues to be an important aspect of management

Quality products & services: Those who insisted on and persisted in quality survived competition and stayed ahead of others in the market. Persistent quality of products earns brand loyalty, a vital ingredient of success.

Market Leadership: To earn market leadership, innovation is the key factor. Innovation may be in product, advertising, distribution, finance or in any other field.

Challenging: Business offers vast scope and poses formidable challenges.

Joy of creation: It is through business strategies new ideas and innovations are given a shape and are converted into useful products and services for the benefit of customers.

Service to society: Business is a part of society and has several obligations towards it.

Good Corporate citizenship: It implies that the business unit complies with the rules of the land, pays taxes to the government regularly, discharges its obligations to society and cares for its employees and customers.

ENVIRONMENT MARKET SURVEY

Marketing Environmental Analysis is strategic analysis tool. This process helps to identify those internal and external factors of the environment which affect the organization's abilities to work properly. A business leader develops company's structure, culture and policies to give clear guidelines to employees. But the business success is dependent upon how it deals with external environmental effects if any.
The environmental analysis assesses the **business external environment** to find out threat and opportunities. After evaluation, the decision makers develop strategies that respond to the environment.

The business market is very dynamic; everyone tries to develop ideas and products which compete in the market but suddenly the whole scenario changes. You cannot control each factor but develop marketing strategies that minimize the risk associated.

There are many business strategic analysis tools out there but the most popular is **pestle analysis**. This analysis tool is crucial for business success. It is not one-time activity. As I told earlier, market is dynamic and change quickly, that is why analysis should be repeated continuously for competitive advantage and responding to it positively.

Marketing Environmental Analysis Process

Simply, there is **four steps process to know your external environment**.

- **Step 1 – Understand PEST Factors:** Scan the environment find and understand as many factors and forces as possible

- **Step 2 – Identify Opportunities:** Monitor and observe any changes that are positive for your business environment
- **Step 3 – Identify Threats:** To what extent these changes will affect your organization
- **Step 4 – Take Action:** Take advantage of identified opportunities and take appropriate measure to minimize threats

How to Prepare Marketing Environmental Analysis

While preparing marketing environmental analysis, it is important to understand the external environment factors that affect your small business decision-making and performance. These factors are uncontrollable in a business environment, but once identified you can take advantage of opportunities and minimize the threats to your business.

Pestle Analysis is a widely used tool to analyze the external environment. The PESTLE factors consist of Political, Economic, Social, Technological, Legal and Environmental factors. All these factors can create both opportunities and threats which can affect every business industry to some extent.

Mostly small businesses apply only four factors Political, Economic, Social and Technological which are the most general variant among all variants of PEST. There are many other variations of PEST like PESTLEI, STEEP, STEEPLED, LONGPEST. All the additional components are the extension of ethical, Demographic and Industrial factors.

6 factors of environmental analysis.

Political Factors

Political factors are set of government regulations that provide guidelines for business operations. Managers not only take into consideration national politics but also International politics that can also affect your business environment. Other factors are

- Government stability in the future
- Our Government foreign policy toward the export partner
- To what extent government is involved in trade unions and agreements
- Import and export regulations
- Freedom of Press
- Tax Laws

Economic Factors

Economic factors include all the important data of both market and economy. For example, business wants to open a new factory and need loan then must analyze the **conditions of credit availability**. While doing marketing environment analysis managers don’t need to consider all economic factors but those which can affect negatively and positively. It will help to plan business financial strategy and save time and resources. Some of them are as under.

- Credit availability
- Labor cost
- Interest rate
- Fiscal and monetary policy
- Stock market tends
- Inflation rate
- Exchange rate

Social Factors

When managers planning business strategy they should consider societal changes over time, what is the mindset of communities nationally and internationally? Maybe there are hundreds of socio-cultural factors but find out the relevant factors affect product and services.

There are some social factors you can choose them according to your business needs

- Family size
- Income level
- Buying behavior
- Disposable income level
- Brand conscious or price conscious
- Attitude towards saving and investment

Technological Factors

Over the years traditional businesses are disappearing and new business taking over due to adopt innovative technologies. Those businesses performing environmental analysis on regular basis keep itself fully equipped and adopt new technology. This strategy gives organizations a competitive edge and is always one step forward from its competitors.

- How rapidly technology change
- Budget allocated to research and development
- Basic and communication infrastructure?
- Automation process
- Incentives

Legal factors

Legal factors affect business if not comply with all current and impending regulation and legislation. **Companies must identify and analyze legal issues** for all those countries they are operating. Regulatory bodies are responsible to regulate the business environment in a country. Organizations must comply with these regulations otherwise these regulations will affect businesses negatively.

- Consumer Protection laws
- Employees Protection laws
- Law of Health and Safety at Workplace
- Government Procurement Laws
- Product Regulations
- Patent infringement

PROJECT REPORT PREPARATION

Project report preparation is very important because it provide very useful information for better business decision. It works like a written plan for forward work. It includes the aim of business project. It also includes the total written budget of project. We have to prepare it systematic way. There are lots of type of projects.
With single example, you can learn the steps and you can apply it on your own project. For example, you have to open big retail shop in your city. For this, you are investing own capital. But you have not sufficient fund. This is your project, you need bank loan. For this, you have to show your project through your project report. Following will its main steps.

Following are its main steps

1. **Write the Proposal on the Top of Report**: - You have to give clear proposal to bank through your project report. You can write, I have own property in commercial area whose value is Rs. 50,00,000. I am investing same in retail shop. Except this, I have Rs. 10,00,000. But this is not sufficient. I need Rs. 40,00,000 for construction the showroom and adding stocks in the big shop. For, this, I give the proposal. Either, you can give me loan or you can become the partner of 40% in my business. You are bank. You can open your showroom also or you can give me the loan on current market rate. For this, I am ready to give property registry as security to you.

2. **Write the Main Aims of Project**: - After writing proposal, you should write the main aim of project. For example, you can write, your aim is to provide basic needed products to final consumers at very cheap rate.

3. **Write the Total Budget of Project:** - In this section, you have to write the budgeted cost of each part of your proposal. For example, you have to construct the shop building. Write the budgeted cost of builders. For example, you have 20 foot X 100 foot place and if the current market cost of builder service is Rs. 100 per square feet, you can write the correct budgeted cost of this. Like this, you have to write the budgeted cost of construction material. Except this, you have to also show the budgeted cost of products which you have to show in this shop.

4. **Show the Data of Employees who is working on the Project**: - You have to show whole staff detail who is working on same project.

5. **Highlight of Report:** - You should highlight the estimated sales and earning if your project will clear.

6. **Complete Report with Recommendations:** - If your CA is making your report, you can write his recommendations in same project report. For this, he will verify your project and then write recommendations. For this, he can make your projected income statement and balance sheet. He will also satisfy that you are following different laws applying on your project. He will also calculate projected accounting ratios like debt-equity ratio and current ratio.

STUDY OF FEASIBILITY AND VIABILITY OF A PROJECT ASSESSMENT OF RISK IN THE INDUSTRY

A feasibility study is an analysis that takes all of a project's relevant factors into account—including economic, technical, legal, and scheduling considerations—to ascertain the likelihood of completing the project successfully. Project managers use feasibility studies to discern the pros and cons of undertaking a project before they invest a lot of time and money into it.

Feasibility studies also can provide a company's management with crucial information that could prevent the company from entering blindly into risky businesses.

Feasibility analysis is a tool business owners can use to evaluate a proposed change in a business. This change may involve developing a new product, improving an existing product, changing marketing strategy or expanding or contracting the business.

A change in business always involves risk. A thorough feasibility analysis identifies factors that contribute to the risk, the probability these factors will happen and their effect on the proposed business opportunity and entrepreneur. This analysis allows the development of an advanced plan to mitigate the risk factors and to establish appropriate contingencies, such as insurance or alternate markets.

A feasibility analysis is conducted in several stages. The more complex the business proposal, the more stages of analysis needed. At the end of each stage, the business planner is required to do two things:

- set criteria by which the project will or will not proceed to the next planning phase
- make a decision to proceed to the next stage or to abandon the idea at this point

These criteria depend on the goals set at the beginning.

Example 1

If the entrepreneur sets a goal to increase profit by $50,000 per year, the criteria may be that profit must increase by at least $25,000 or it is not worth proceeding. But a market assessment shows the business is unlikely to net more than $10,000 extra from added sales, so the entrepreneur decides to abandon the project, looking for a different opportunity.

Setting Goals

Often, a single goal is set against which the performance expectations of a new enterprise may be measured. At times, a long-term goal and one or two shorter-term goals by which start-up performance may be measured are set. These goals should conform to the S.M.A.R.T. model (Specific, Measurable, Achievable, Realistic, Timely), as the decision to proceed or abandon will be based on the ability of the proposed enterprise to actually reach these goals.

The ability to remain objective is imperative in the setting of goals and throughout the feasibility study. Every step in the process is designed to move the entrepreneur closer to a goal. It is important the goal be clear and remain static, and that the entrepreneur be able to clearly define whether an activity will meet the objective.

In a feasibility analysis, two sets of goals are necessary. The first set defines what the business is expected to achieve in a given time period, while the second set defines the minimum acceptable criteria that must exist if an analysis shows the business plan will not reach its first goal.

Example 2

The entrepreneur may decide a new enterprise should gross $50,000 in its first year of production, $125,000 in year 2 and $200,000 in year 3. At these rates of return, it would be expected to lose $50,000 in year 1, break even in year 2 and net $50,000 in year 3.

These financial goals would be reached if the venture could sell 10,000, 25,000 and 50,000 widgets at $5 each respectively in the first 3 years of operation. These are the production goals for the enterprise.

These goals are specific, measurable and timely. The study will reveal whether they are realistic and achievable.

Establishing Criteria

The last activity in each stage of analysis is to set the criteria against which the results of the analysis will be judged. These criteria are based on the goals set for the project, and allow the entrepreneur to decide whether to proceed to examine the idea further or to abandon the idea altogether.

Example 2 continued

The entrepreneur may decide that returns of $25,000 in year 1, $75,000 in year 2 and break-even at $150,000 in year 3 are tolerable. These are the minimum acceptable criteria against which the enterprise is evaluated. If the planning process fails to justify these results, the entrepreneur will abandon the project. Minimum marketing criteria would be any combination of sales volume and price that would result in a lower gross income.

At this point, the entrepreneur should re-examine the methods used to obtain the results. Here are some sample questions to ask in assessing the results.

- Was the technique used appropriate for getting accurate results?
- Did the people surveyed accurately represent the customer base?
- Do these cost figures represent accurately the cost of production and distribution?

Decision to "Proceed" or "Abandon"

The decision-making activity is easier if "minimum acceptable" criteria for each stage are established. Either the project meets the minimum criteria or it does not. If it does not, then the project is abandoned. If the project meets or exceeds the criteria, the entrepreneur can proceed to analyze the next stage.

This is where it is critical to remain focused and objective. If a "maybe" enters the decision, the goal or the information is not well defined. It may be necessary to re-define the goals and start over, or to do the activity more thoroughly.

Stages of Evaluation

Feasibility analysis is a practical process. It forces the entrepreneur to examine the real circumstances that the venture is likely to encounter. This is where the entrepreneur's understanding of business management is challenged. The more thoroughly he or she can examine the various business factors, the more reliable the conclusions of the feasibility study.

Stages of Feasibility Analysis

1. Examine the idea.
2. Examine the management capabilities of the entrepreneur.
3. Examine the technical capabilities of the organization.
4. Examine the marketing potential for the product or service.
5. Examine the cost and financing needs.

These stages are the same as the components of the business plan, so the information gathered during the feasibility study can be transferred directly to the business plan, resulting in a more effective and accurate business plan.

Feasibility Process

Figure 1 illustrates a process for conducting a feasibility analysis. It can be altered according to the complexity of the project and the amount of risk involved, and is adaptable to any business development situation.

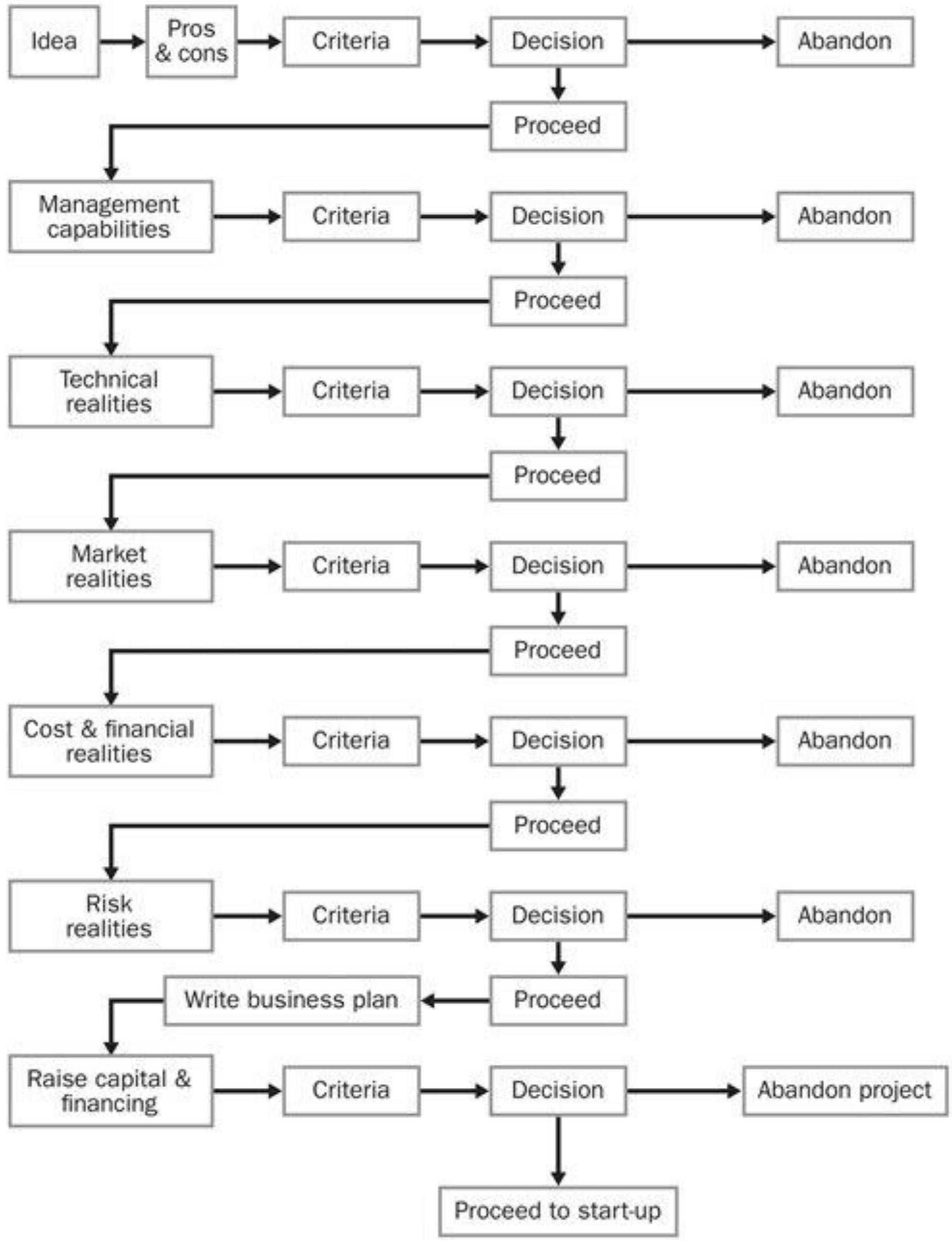


Figure 1. **Feasibility process flow chart.**

The Idea

Every idea has some merit and drawbacks. At this stage, the entrepreneur will concentrate mostly on the obvious benefits and limitations.

- Does the idea appear to meet set goals?
- What factors could prevent it from being successful?
- Is the entrepreneur's family prepared to make the sacrifices necessary for this project to work?

It is difficult to remain totally objective through this stage. A healthy level of scepticism allows the entrepreneur to discover the warning signs and pitfalls that can sabotage any good idea.

Criteria considerations:

- Are the benefits from this idea sufficient to justify the cost in terms of finance, personal stress and family sacrifice?
- What is the minimum ratio of benefits to cost that is tolerable?

Management Capabilities

Management experts agree that the most important factor for success in any business is the management team that makes the decisions, yet it is the factor most often overlooked in determining the feasibility of a venture. When beginning a feasibility study, consider the following:

- What management skills are lacking in order to have effective control over this enterprise?
- Can these skills be acquired?
- What effect will involvement in this project have on the family and other enterprises?
- Will this new enterprise produce the lifestyle that I want for my family and myself?

Criteria considerations:

- What specific skills need to be developed or hired?
- At what point does the lack of available skills become an obstacle?
- On a scale of 10, how much support is there from family for pursuing this opportunity?

Technical Realities

An assessment of the idea must consider the question, "Can it be done?" In other words, are the entrepreneur and organization capable of producing the product and taking it to the marketplace? Specific questions might include:

- Is there access to the required raw materials?
- What technology, equipment and processes are required?
- Do staff understand the required technology, equipment and processes?
- Does it appear that the production system is workable and affordable?

Criteria considerations:

- How much time can be devoted to this project at the expense of other enterprises?
- How much change is required to accommodate this project?
- At what point is it not worth the effort?

Market Realities

The success of any venture depends on the ability to get the right product into the right marketplace at the right time and the right price. The marketing world is littered with failed products that could have been successful if the formula for success had been different. Effective market research is the most important activity an entrepreneur can undertake to reduce risk.

Key areas to research

- features and benefits of the product or service
- target market (Who is most likely to buy?)
- distribution options (best way to reach the target buyers)
- market demand (How many possible buyers, what volume and price?)
- competition (What products and companies compete?)
- trends (What is the expected life of the product?)
- expected price (highest, lowest and most often prices)
- expected sales (volume and market conditions)

It is important to understand that customers rule the marketplace. They alone determine whether the product will sell in sufficient numbers and price to be viable. Market research can reveal the probability of product success.

Criteria Considerations:

- What are the minimum values on sales volume and price needed to be viable?

- Is the potential for growth in sales adequate?
- Is this product the best option available?

Cost and Financial Realities

Each of the previous analyses generated information on anticipated costs and expected returns. Once this information is transferred to a ledger, three statements can be created:

- pro forma (projected) income and expense statement
- cash flow statement
- opening balance sheet

These statements are essential to creating a solid business case to justify the proposed venture. In the original goals, return on investment (ROI) might have been stated. It is possible to calculate a projected ROI.

The entrepreneur is seeking answers to the following questions:

- Does the profit level meet or exceed stated goals?
- Are the set-up costs within the range of financial options?
- Will this proposal provide sufficient return on investment?
- How will this investment affect net worth?

Criteria considerations:

- Is the cost of sales acceptable relative to the product price?
- Does the venture meet or exceed the profit goals?
- Does the expected return meet or exceed the minimum acceptable level?
- Is there a better way to reach my financial goals?

Risk Realities

Investments are made in the expectation of a return to the investor. In general, the greater the return expected, the more willing the investor will be to invest. People vary in their ability and their willingness to take risks. The ability varies with the extent of the cost and the wealth or asset value of the investor. The willingness varies with the amount of those assets that the investor is willing to place at risk. These risks may be financial or social. In either case, they can have a significant effect on the entrepreneur and his or her family.

Managing risk is a function of controlling the factors that contribute to possible losses against the investment. Feasibility analysis is a risk-management tool because it helps the entrepreneur identify the risk factors involved in the project. Other risk management tools are those practices that contribute to consistent quality and safety of the product being sold or that contribute to a low unit cost of production.

The feasibility analyst might ask these questions:

- What can go wrong with this project?
- Is there a way to prevent any of these from happening?
- What is the probability that any of these factors will go wrong?
- What is the probability that two or more of these will go wrong?
- What will be the effect on the project and the family if they do?
- Can the effect of these risks be reduced through insurance and at what cost?
- How able and willing is the entrepreneur to assume these risks?

Risk control is the utilization of systems that minimize the effect of a negative occurrence.

- Quality control and safety programs - reduction of the risk of injury or harm to customers
- Production efficiencies - competitive advantage through low cost of production
- Thorough market research - improved chance of marketplace success
- Accurate cost estimates - improved accuracy of estimating profit and return

Criteria Considerations:

- Do the risks involved in this venture exceed the benefits?
- What specific risks need to be avoided or controlled?
- Is the cost of risk abatement through prevention and insurance affordable?
- What is the maximum amount of risk that can be handled?

Writing the Business Plan

The information that has been collected to this stage is sufficient to allow the entrepreneur to write a complete business plan. Business plan forms and electronic business plans are available wherever business books and software are sold. These may come in a variety of different formats, but all require essentially the same information.

Financing the New Enterprise

The business plan is a key tool for obtaining financing for a new business venture, but it is not a guarantee a financial institution will lend the necessary money to finance the capital and operating costs of the enterprise. The information acquired during the feasibility study will make the business plan more attractive to investors and lending institutions.

There will be one more "proceed or abandon" decision to be made at this stage. If several financing sources reject the business plan, the entrepreneur must re-examine the business case and decide whether to proceed with the proposal. One option is to review all sections of the feasibility analysis and determine whether improvements can be made. Another is to reject the idea completely and look for a better idea.

Criteria Considerations:

- How much funding is needed to operate the enterprise effectively?
- Should the business case be improved in order to keep trying?
- Does this proposal put too much at risk?

Summary

Feasibility analysis can be conducted on any business proposal, from growing a new variety of sweet corn to the building of a processing plant. The amount at risk determines the intensity and thoroughness with which it is conducted. The quality of the information and analysis determines the accuracy of the resulting business case.

MODULE IV

PROCESS AND STRATEGIES FOR STARTING A VENTURE

Starting a business entails understanding and dealing with many issues—legal, financing, sales and marketing, intellectual property protection, liability protection, human resources, and more. But interest in entrepreneurship is at an all-time high. And there have been spectacular success stories of early stage startups growing to be multi-billion-dollar companies, such as Uber, Facebook, WhatsApp, Airbnb, and many others.

Three basic stages for starting a new venture is

- Pre-launch Stage
- Launch Stage
- Post launch Stage

A step by step approach is provided to assist the potential entrepreneur.

1. PRE LAUNCH STAGE

The following steps are involved in a Pre-launch stage in starting of a new venture.

1. Identify, Analyze and Decide on the business idea.

2. Analysis of strengths, weaknesses, opportunities and threats.

3. Analyze competition and select the positioning strategy.

4. Estimate and forecast the market size, growth and marketing feasibility which involves measurement of demand — supply gap.

5. Whether to be an ancillary unit.

6. Understand the technology, process and selection of the idea.

7. Decide on the size of the enterprise in terms of production capacity, employees.

8. Decide on the location of the venture.

9. Identify the incentives given by the Government to promote the small and medium industries.

10. Understand the relevant laws which are applicable for the business.

11. Analyse the business idea as opportunity in terms of Profit, costs, expenditure, income, sales,

market share.

12. Estimation of manpower requirements.

Pre-Launch Stage of a new venture involves collection of information through primary and secondary sources of data. It is a critical stage. The skills that are required are entrepreneurial skills of business opportunity identification and analytical skills.

The functional areas of marketing and finance dominate this stage. Forecasting skills are also required in this stage.

2. LAUNCH STAGE

1. Selection of the Name of the enterprise.

2. Hiring or construction of building

3. Deciding on the ownership pattern — sole proprietor, partnership, private or public limited company and limited liability partnership.

4. Registration of the firm. If it is a partnership firm, then agreements has to be signed. The registration processes of SMEs have been streamlined.

Now provisional registration certificate can be obtained online with District Industries Centre.

5. Preparation of business plan and project report.

6. Deciding on the product mix and markets to serve.

7. Application for loan to banks. If private or public, issue of shares.

8. Raising of finance.

9. Ordering and installation of machinery.

10. Recruitment of people.

11. Deciding on the channel of distribution.

12. Sources of raw materials to be finalized and purchases made.

13. Production started.

14. Products to be made available in the market.

In Launch stage of a new venture, operational actions and decisions are taken. It requires managerial skills of coordination with the various agencies. Project management skills are required.

There is lead time from planning to implementation stage. Close monitoring has to be made to see that the launch is as per the plan. Delay will increase the cost and have impact on the finances of the firm.

3. POST LAUNCH

1. Teething problems to be solved.
2. Systems to be developed in all the areas of management
3. Feedback on the product
4. Changes if needed to be introduced.
5. Expansion decisions.

After launch of the business, the gestation period varies from one to three years. The provisional certificate is valid for a year. After commencement of business, permanent certificate is to be obtained from District Industries Centre.

An entrepreneur has to plan and prepare for this critical period. The profits will start flowing once the business settles down. All the businesses may not succeed, so mental preparation for failure and exit route should also be a part of the business plan.

STAGES OF SMALL BUSINESS GROWTH

Every business, even the largest ones, goes through peaks and valleys and different stages of success and frustration. What we do know is that we can learn from each other and recognize at which stage our business is and what we can do to reach the next level.

There is a five-stage model for small business growth that we can use to help categorize our own businesses. In their Harvard Business Review whitepaper entitled The Five Stages of Small Business Growth, Neil C. Churchill and Virginia L. Lewis state that the five stages are:

- Existence
- Survival
- Success
- Take-Off (Growth)
- Resource Maturity

In this article, we will go over each stage of small business growth to help you determine where your business is and what you can do next.

Stage 1: Existence

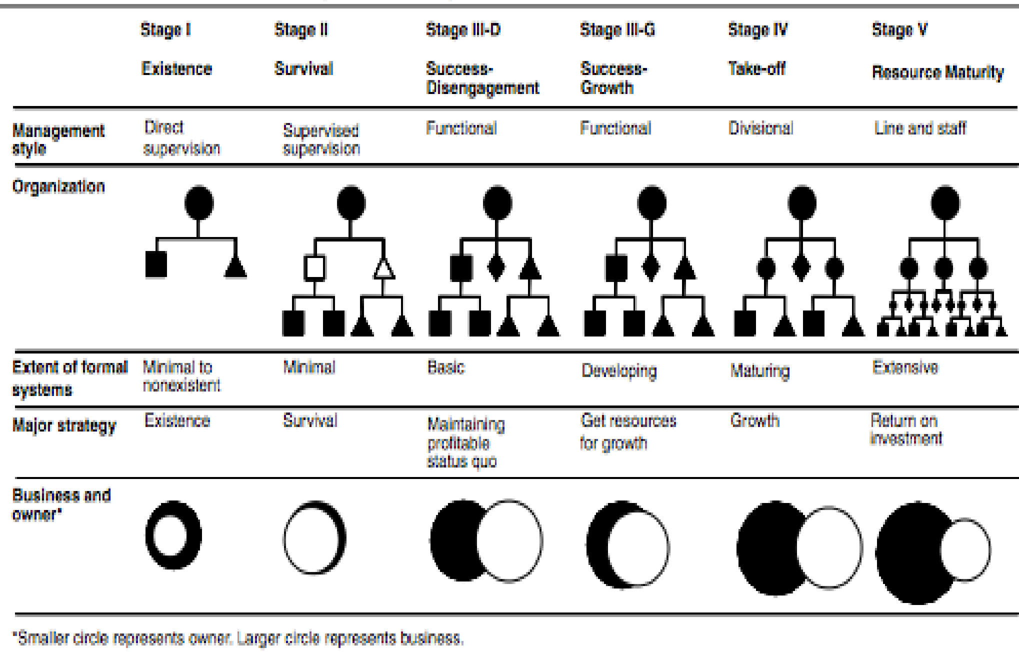
A small business at this stage is challenging, especially since the owner is doing most of the work. One of the largest pain points is obtaining customers and delivering on the product or service. In order to remain alive, a new business must seek customers.

Stage 2: Survival

A business in this stage is now a more efficient working entity with some profit. The next step here is to ensure that profit remains. Therefore, again, businesses in this stage also need to seek customers as well as start looking at the return on investment (ROI).

In essence, merely staying open isn't sufficient anymore. The businesses in survival stage must be establishing systems and processes to consistently ensure that ROI maintains and grows.

EXHIBIT 3
Characteristics of Small Business at Each Stage of Development



Stage 3: Success

Once systems are established and profits are consistent, the small business is now successful. The choice becomes continue to grow or maintain the success created until this point.

Having systems in place is a vital difference between Survival and Success stages. At the success stage, the owner is no longer doing the bulk of the work. The reason for waning the owner from major tasks is for continued growth as well as the opportunity to sell. And, everyone deserves a vacation once in a while.

Stage 4: Take-Off (Growth)

In this stage, the small business now requires increase in capital in order to accommodate the higher volumes of customers. This means more staff, more equipment and materials and better processes. At this stage, a small business has the chance to be a big company. However, if mismanaged, the small business could fail as a result of poor cost management of expenses over revenue.

Stage 5: Resource Maturity

A small business reaches maturity once it is ready for diversification. The company is now big and runs at a slower pace. This does not mean that a mature company will be unable to react to market changes. Hence, the need for diversification and finding other, related products and markets to tap and to expand the existing customer base beyond the reaches of the original business model. This will keep the company in flux, as parts of the company will now be in varying stages of growth.

Where is your small business?

Sometimes it feels as if your small business is constantly ebbing and flowing through all of these stages at one time or another. Look at your business holistically and determine in which stage your business is. If you are unsure where your business is, the mantra should always be customers and how to keep them happy and returning. After all, they are the ones that will be visiting your website and buying from your online store.

ENTREPRENEURSHIP IN INTERNATIONAL ENVIRONMENT

Never before in the history of the world has there been such a variety of exciting international business opportunities. The movement of the once-controlled economies to more market-oriented ones, the advancement of the Pacific Rim and the new markets in the Middle East provide a myriad of possibilities for entrepreneurs wanting to start a new enterprise in a foreign market as well as for existing entrepreneurial firms desiring to expand their businesses globally. The world is truly global. As more countries become market oriented and economically developed, the distinction between foreign and domestic markets is becoming less pronounced. What was once only produced domestically is now produced internationally. For example, Yamaha pianos are now manufactured in the United States, and Nestlé chocolate (started in Europe) is made all over the world. Invacare's wheelchairs, once produced only in the United States, are now made in Germany and China. This blurring of national identities will continue to accelerate as more products are introduced outside domestic boundaries earlier in the life of entrepreneurial firms. Since the mid-1990s, organizations have been attempting to redefine themselves to be truly global. The pressure to internationalize is being felt in every type of organization: nonprofit and for-profit, public and private, large and small. This need to internationalize is accelerating because of the self-interest of these organizations as well as the effect of a variety of external events. Today, more than seven eighths of the world's economic states have some form of market economy. A few large trading blocs such as the European Union and NAFTA (the North American Free Trade Agreement between Canada, Mexico, and the United States) have emerged and are growing. Oncedeveloping countries, like China, are economic powers. These changes are well recognized by organizations that are investing trillions of dollars in a world economy that includes emerging markets as some of the vehicles of future growth. About 85% of the world's population lives in developing countries, most of which are in need of major investment in infrastructure development. Just ask the potato farmers in the Chuvash Republic of Russia, who saw 26% of their crop rot because of inadequate distribution and warehousing, whether there is a need for this investment in infrastructure. Or, ask the economics professor in the Czech Republic, who had to leave the university to find other employment due to the low university wages, whether massive investment in education is needed. The professor, like many human resources in these developing countries, needs training and education to provide the manpower required in the next century. The need for physical and technological infrastructure is no more apparent than in one of the fastest-growing markets in the 2000s and early 2010s—the Pacific Rim. This area offers economically viable locations for manufacturing and trade. Over half of the world's population lives in Asia, with China containing 20% of the world's population. India alone is twice the size in population of Latin America. And then there is Japan, with its world economy, ranking high in the world in exporting and importing. There are also new market opportunities in South America, Africa, Ukraine, Vietnam, Iraq, and other countries in transition throughout the world. These areas are becoming highly attractive to globally oriented companies that want to grow their business internationally and develop a strong market position as the economies of countries change through privatization and deregulation. The globalization of entrepreneurship creates wealth and employment that benefit individuals and nations throughout the world. International entrepreneurship is exciting because it combines the many aspects of domestic entrepreneurship with other disciplines such as anthropology, economics, geography, history, jurisprudence, and language. In today's hypercompetitive world with rapidly changing technology, it is essential for an entrepreneur to at least consider entering the global market. Many entrepreneurs find it difficult to manage and expand the venture they have created, especially into the global marketplace. They tend to forget a basic axiom in business: The only constant is change. Entrepreneurs who understand this axiom will effectively manage change by continually adapting their organizational culture, structure, procedures, and strategic direction, as well as their products and services in both a domestic and an international orientation. Entrepreneurs in developed countries like the United States, Japan, the United Kingdom, and Germany must sell their products in a variety of new and different market areas as early as possible to further the growth of their firms. Global markets offer entrepreneurial companies new market opportunities. Since 1950, the growth of international trade and investment has often been larger than the growth of domestic economies, even than those of the United States and China.

A combination of domestic and international sales offers the entrepreneur an opportunity for expansion and growth that is not available solely in a domestic market.

The Nature of International Entrepreneurship

Simply stated, international entrepreneurship is "the process of an entrepreneur conducting business activities across national boundaries." It may consist of exporting, licensing, opening a sales office in another country, or something as simple as placing a classified advertisement in the Paris edition of the International Herald Tribune . The activities necessary for ascertaining and satisfying the needs and wants of target consumers often take place in more than one country. When an entrepreneur executes his or her business model in more than one country, international entrepreneurship is occurring. The term international entrepreneurship was introduced around 1988 to describe the many untapped foreign markets that were open to new ventures reflecting a new technological and cultural environment.

International Versus Domestic Entrepreneurship

Although both international and domestic entrepreneurs are concerned with sales, costs, and profits, what differentiates domestic from international entrepreneurship is the variation in the relative importance of the factors affecting each decision. International entrepreneurial decisions are more complex due to such uncontrollable factors as economics, politics, culture, and technology (see Table 1.1).

Economics

In a domestic business strategy, a single country at a specified level of economic development is the focus of entrepreneurial efforts. The entire country is almost always organized under a single economic system with the same currency. Creating a business strategy for a multicountry area means dealing with differences in levels of economic development; currency valuations; government regulations; and banking, venture capital, marketing, and distribution systems. These differences manifest themselves in each aspect of the entrepreneur's international business plan and methods of doing business

Table 1.1 International Versus Domestic Business: Factors That Are Different

- Economics
- Language stage of economic development
- Type of economic system
- Political-legal environment
- Language

Stage of Economic Development

The United States is an industrially developed nation with regional variances of relative income. While needing to adjust the business plan according to regional differences, an entrepreneur doing business only in the United States does not have to worry about a significant lack of such fundamental infrastructures as roads, electricity, communication systems, banking facilities and systems, adequate educational systems, a well-developed legal system, and established business ethics and norms. These factors vary greatly in other countries and significantly affect the ability to successfully engage in international business.

Balance of Payments

With the present system of flexible exchange rates, a country's balance of payments (the difference between the value of a country's imports and exports over time) affects the valuation of its currency, and this valuation of one country's currency affects business transactions between countries. At one time, Italy's chronic balance of payments deficit led to a radical depreciation in the value of the lira, Italy's currency. Fiat Group Automobiles S.p.A. responded by offering significant rebates on cars sold in the United States. These rebates cost Fiat very little because fewer dollars purchased many more liras due to the decreased value of the lira. Similar exchange rate divergences have occurred for Japanese automobile manufacturers and many products made in other countries. The shrinking value of the U.S. dollar has helped U.S. firms export more due to lower prices of U.S. goods in foreign currencies.

Type of Economic System

Pepsi-Cola began considering the possibility of marketing in the former U.S.S.R. as early as 1959, following the visit of U.S. Vice President Richard Nixon. When Premier Nikita Khrushchev expressed his approval of Pepsi's taste, East–West trade really began moving, with Pepsi entering the former U.S.S.R. Instead of using its traditional type of franchise bottler in their entry strategy, Pepsi used a barter-type arrangement that satisfied both the socialized system of the former U.S.S.R. and the U.S. capitalist system. In return for receiving technology and syrup from Pepsi, the former U.S.S.R. provided the company with Soviet vodka and distribution rights in the United States. Many such barter or third-party arrangements have been used to increase the amount of business activity in countries in various stages of development and transition. Having to come up with appropriate bartering arrangements is just one of the many difficulties in doing business in developing and transition economies.

Political-Legal Environment

The multiplicity of political and legal environments in the international market creates vastly different business problems, opening some market opportunities for entrepreneurs and eliminating others. For example, U.S. environmental standards have eliminated the possibility of importing several models of European cars.

Another significant event in the political-legal environment involves price fluctuations and significant increases in the last few years in oil, other energy products, and food.

Each element of the business strategy of an international entrepreneur has the potential to be affected by the multiplicity of legal environments. Pricing decisions in a country that has a value-added tax are different from those decisions made by the same entrepreneur in a country with no value-added tax. Advertising strategy is affected by the variations in what can be said in the copy or in the support needed for advertising claims in different countries. Product decisions are affected by legal requirements with respect to labeling, ingredients, and packaging. Types of ownership and organizational forms vary widely throughout the world. The laws governing business arrangements also vary greatly with over 150 different legal systems and national laws.

Cultural Environment

The effect of culture on entrepreneurs and strategies is also significant. Entrepreneurs must make sure that each element in the business plan has some degree of congruence with the local culture. For example, in some countries point-of-purchase displays are not allowed in retail stores, while they are in the United States. An increasingly important aspect of the cultural environment in some countries concerns bribes and corruption. How should an entrepreneur deal with these situations? What is the best course of action to take and still maintain the needed high ethical standards? Sometimes, one of the biggest problems is finding a translator. To avoid errors, entrepreneurs should hire a translator whose native tongue is the target language.

Technological Environment

Technology, like culture, varies significantly across countries. The variations and availability of technology are often surprising, particularly to an entrepreneur from a developed country. While U.S. firms produce mostly standardized, relatively uniform products that meet industry standards, this is not the case in many countries, making it more difficult to achieve a consistent level of quality. New products in a country are created based on the conditions and infrastructure operating in that country. For example, U.S. car designers can assume wider roads and less expensive gasoline than European designers. When these designers work on transportation vehicles for other parts of the world, their assumptions need to be significantly altered.

Local Foreign Competition

When entering a foreign market, the international entrepreneur needs to be aware of the strength of local competitors who are already established in the market. These competitive companies can often be a formidable force against foreign entry, as they are known companies with known products and services. This can be particularly difficult when there is a "buy national" attitude in the country. A sustained effort stressing the unique selling propositions of the entering product or service is necessary, including a guarantee to ensure customer satisfaction, in order to compete.

Subsidies Offered by Foreign Governments

Some governments offer subsidies to attract particular types of foreign companies and investments to help further the development of the country's economy. These subsidies can take different forms, such as cash or a tax holiday for a period of time, and usually involve infrastructure development. This occurred for U.S. oil companies that built the oil fields and delivery system in the Middle East and for foreign banks that assisted in developing the banking system in China. Foreign governments can also offer subsidies to local firms to help them compete against foreign products. This is often called an infant industry protection policy.

MOTIVATIONS TO GO GLOBAL

Unless you are born global, most entrepreneurs will only pursue international activities when stimulated to do so. A variety of proactive and reactive motivations can cause an entrepreneur to become involved in international business, as is indicated in Table 1.2 . Profits are, of course, one of the most significant reasons for going global. Often, the profitability expected from going global is not easily obtained. In fact, profitability can be adversely affected by the costs of getting ready to go global, underestimating the costs involved, and mistakes.

The difference between the planned and actual results may be particularly large in the first attempt to go global. Anything you think won't happen, probably will, like having significant shifts in foreign exchange rates. The allure of profits is reflected in the motive to sell to other markets. For a U.S.-based entrepreneurial firm, the 95% of the world's population living outside the United States offers a very large market opportunity.

These sales can cover any significant research and development and start-up manufacturing costs that were incurred in the domestic market. Without sales to these international markets, these costs would have to be spread just over domestic sales, resulting in fewer sales and smaller profits. Another reason for going global—the home domestic market is leveling or even declining in sales or sales potential. This is occurring in several markets in the United States with its aging demographics.

Sometimes an entrepreneur moves to international markets to avoid increased regulations or governmental or societal concerns about their products or services. Cigarette companies such as

Philip Morris aggressively pursued sales outside the United States, particularly in developing economies, when confronted with increased government regulations and antismoking attitudes of consumers. Sometimes this took the form of purchasing existing cigarette companies in foreign markets, as occurred in Russia.

When the entrepreneur's technology becomes obsolete in the domestic market or the product or service is near the end of its life cycle, there may be sales opportunities in foreign markets. One entrepreneur found new sales life for the company's gas-permeable hard contact lenses and solutions when highly competitive soft lenses.

Table 1.2 Motivations for Going Global

- Profits
- Competitive pressures
- Unique product(s) or service(s)
- Excess production capacity
- Declining home-country sales
- Unique market opportunity
- Economies of scale
- Technological advantage
- Tax benefits

TRAITS OF AN INTERNATIONAL ENTREPRENEUR

Several characteristics and traits are identifiable in international entrepreneurs regardless of the country of origin. These include ability to embrace change, desire to achieve, ability to establish a vision, high tolerance for ambiguity, high level of integrity, and knowing the importance of individuals.

Embraces Change

A global entrepreneur likes and even embraces differences in people, as well as situations. He or she constantly seeks new and exciting things and likes to "break the mold" and challenge corporate orthodoxies. Living in and learning about different cultures and ways of doing things is an exciting way to live. New ways of doing things are encouraged. Employees are taught how to manage change.

Desire to Achieve

A global entrepreneur has good business savvy and a strong desire to achieve. To succeed, an entrepreneur needs to have profit/loss experience and an ability to create value in a different culture. A possession of broad business knowledge, such as transfer pricing, foreign exchange, and international customs and laws, combined with a global mindset, provides the basis for success.

Ability to Establish a Vision

A global entrepreneur needs to establish a vision that employees and customers understand. Employees should feel that they are an important part of the global organization and essential to its success. A global entrepreneur is very optimistic, assumes that everything is possible, and establishes a limited number of short-term goals to obtain the vision. He or she focuses more on outcomes than processes, works long hours, has a high energy level, and does not fear failure.

High Tolerance for Ambiguity

The passion for learning from a variety of sources and viewing uncertainty as an opportunity instead of a threat allows a global entrepreneur to develop mental maps that will lead to achieving a vision. Incrementally moving initiatives in a variety of areas without completing one regularly is not a problem. This high tolerance for ambiguity makes utility a key virtue of any practice at the individual or company level.

High Level of Integrity

A global entrepreneur has an extremely high standard for individual and company integrity. These established standards are used inside and outside the company. The same high ethical standards are expected from all employees and activities of the venture.

Individuals are Important

A global entrepreneur focuses on the well-being of his or her employees and acts as a nurturing coach. He or she focuses on building and inspiring people and works effectively with others in teams. Spending more time listening than talking, a global entrepreneur values people—employees as well as customers—and wants to build a sustainable enterprise in a particular culture and country.

THE IMPORTANCE OF GLOBAL BUSINESS

Global business has become increasingly important to firms of all sizes in today's hypercompetitive global economy. There can be little doubt that today's entrepreneur must be able to move in the world of international business. The successful entrepreneur will be someone who fully understands how international business differs from purely domestic business and is able to respond accordingly. An entrepreneur entering the international market should address the following questions:

1. What are the options available for engaging in international business?

2. What are the strategic issues in successfully going global?

3. How is managing international business different from managing domestic business?

Many factors affect how an entrepreneurial firm can become truly global. Since the cultural, political and legal environment, economy, and the available distribution channels vary significantly from country to country, each of these needs to be taken into account when deciding to go global as discussed in the following summary. Change and communication are important aspects of operating in a global environment, as are market selection and entry.

ACHIEVEMENT MOTIVATION OF ENTREPRENEURS

Achievement Motivation: Features, Characteristics and Significance!

Features:

a. It is lateral personal disposition to strive for a particular goal.

b. It's person's deep and driving desire to do something important to attain the feelings of personal accomplishment.

c. It is personal disposition to achieve something difficult and bigger.

Thus, it becomes clear that achievement motivation is basically the predisposition or inner urge or inclination of an entrepreneur to accomplish something important and unique to attain a feelings of self-accomplishment and satisfaction.

Characteristics of Entrepreneurs with Achievement Motivation:

Entrepreneurs with achievement motivation are characterized by the following attributes:

a. They like to undertake risks for personal accomplishment.

b. They have high level of perseverance to attain their goal. They do not give up even failure after failure. But, they try again and again till the goal is not achieved. They follow the apt proverb: 'Fall seven times, stand up eighth.'

c. They show courage and fortitude to keep on moving toward their goal instead of adversities.

d. Entrepreneurs with high level of achievement motivation tend to be more creative and innovative.

e. They tend to be more future-oriented.

f. Such entrepreneurs are more adaptive and mobile.

g. Last but no means the least, entrepreneurs with high level of achievement motivation do not feel contentment, but always have desire for more and more.

Significance of Achievement Motivation:

The main significance of achievement motivation lies in the fact that it serves as fuel to activate entrepreneurs to exert more and higher level of efforts to achieve something important to them. Here the apt saying of India's famous woman entrepreneur Shahnaz Hussain seems pertinent to appreciate the significance of achievement motivation. "Achievement depends on how badly you want to achieve."

The significance of achievement motivation can be imbued with multiplicity of justifications as follows:

a. It is an essential ingredient and hallmark of entrepreneurship development leading to industrial and economic development.

b. This serves the major sources of the entrepreneurial supply.

c. This is a psychological construct that keeps entrepreneurs activated towards their goals.

d. Being inner drive, it is significant for the people for all walks of life be entrepreneurs, managers, leaders, social workers and so on.

e. This also serves as one of the effective inventions for organizational development and, in turn, national development.

The significance of achievement motivation in essence can be summed up by quoting Abraham Lincoln's apt statement; "Always remember in your mind that your own resolution to succeed (i.e. achieve) matters the most that anyone thing."

Developing Achievement Motivation among Entrepreneurs!

Behavioural experiments like "Kakinada Experiment" of David C. McClelland has proved beyond doubt that achievement motivation can be developed. It is with this realization; Assam started the noble experiment named "Entrepreneurial Motivation Training Centers (EMTCs)" way back in 1973 to develop achievement motivation among the prospective entrepreneurs.

The concept of "Entrepreneurial Motivation Training (EMT)" now rechristened as "Entrepreneurship Development Programmes (EDPs)" is based on this belief that achievement motivation can be developed by imparting required training and education to the prospective entrepreneurs.

The modus operandi of developing achievement motivation involves a process having the following three major stages:

1. Know yourself stage,

2. Knowing the destination stage,

3. Empowering stage.

1. Know yourself Stage:

In this stage, the trainer presents and describes the ideal attributes or qualities of a person with achievement motivation. These are exemplified by suitable examples. Then, trainees are asked to probe into their personality to identify the attributes they possess. Self-assessment in supplemented by comments and observation by other trainees.

Thus, the trainee comes to know the real self. A comparison of ideal with real self creates discrepancy or disequilibrium. Such knowledge of discrepancy induces trainee to reduce or eliminate the same for its better self. Thus, the process of change motivation sets in.

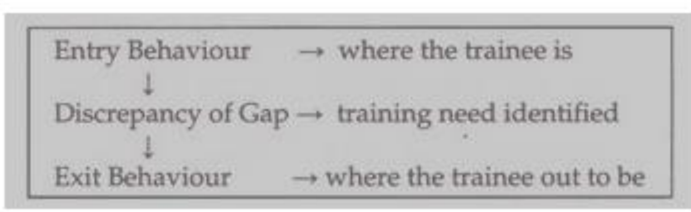
2. Knowing the Destination Stage:

In this stage, the facilitator helps the trainee initiate actions to fill in the gap of remove the discrepancy between the ideal and the actual personality traits. Various measures like change in attitudes and beliefs and undertaking some experiential exercises can be initiated to close the gap between the ideal and the present personality traits. Efforts are made to practice the changed attitude and modification in behaviour in real life situations. The feedback, whatsoever, is continuously gathered and religiously analyzed.

3. Empowering Stage:

With an objective to give confidence to the trainees, they are, in this stage, left their own to think and practice the ways and means to experiment the new qualities and traits they have so far acquired.

In summary, the EMT process can be diagrammatically presented as follows:



MODULE V

TIME MANAGEMENT IN ENTREPRENEURSHIP

What Is Time Management?

Time management refers, to managing time effectively, so that, the right time is allocated to the right activity, in order to accomplish a pre-determined goal or objective.

Most entrepreneurs don't fail because of business reasons. Business strategy is often easy to correct or fix. What's more difficult to fix is the entrepreneur. The more you can accomplish, the higher your chances of success. Your productivity and time management skills are some of the most significant indicators of whether or not you will succeed.

The most valuable resource that you have as an entrepreneur is time. Unfortunately, time is a limited resource, and once lost we can never get it back. With the same 24 hours in a day that is allotted to everyone else, many entrepreneurs feel as though they don't have enough time to accomplish what they want. To be a successful entrepreneur, you have to learn how to manage your time effectively if you're going to increase your productivity and accomplish everything you set out to do.

Fortunately, with adequate planning, organization, and focus, anyone can learn how to effectively manage their time and begin to work smarter, not harder to reach their goals and achieve their dreams, without burning out.

To be able to manage your time correctly and effectively, it is crucial for you to understand the tools and techniques that are available that can help you improve the required skills that are needed to ensure you complete all of your tasks and activities to reach your goals.

If you don't already have a system in place to help you manage your time, the techniques and methods in this book can help you develop one. Utilizing the tips and procedures outlined in this book will help you understand why time management is so essential for everyone, not just entrepreneurs, for being more productive and finding success, as well as help you to start to put a time management system in place so you can accomplish more in less time.

The Importance of Time Management

Time is an incredibly valuable resource for entrepreneurs that can never be stored or saved for later use. Everyone has the same amount of time available to them, but for entrepreneurs, it becomes critical that they learn how to use their time effectively. You may not realize it, but time management affects your entire life. It allows you to get more important things done, which can dramatically boost your productivity. Over time, that increased productivity will snowball into marked improvements in both your professional and personal life.

Many people feel that they don’t have enough time to accomplish everything they want to in life. They often blame their lack of time for their increased stress, bad relationships, poor finances, and lack of exercise. However, with the proper time management skills, you can accomplish everything you set out to do.

Time management can help you to identify your priorities, as well as help you make conscious decisions so that you can spend more of your time doing the essential things that will benefit your business. Effectively managing your time can also help you reach your goals faster. Proper time management also helps you accomplish more things in less time and with less effort and stress.

The Benefits of Time Management

Time management makes you a more punctual and disciplined person. It prompts you only to work when you have to. For you to make the most of your available time, you have to prepare a to-do list or task plan. Proper time management requires that you develop a list of activities or tasks that you have to accomplish during the day. It is essential that you also include specific timeframes in your to-do list, as well as the level of urgency for each task. Your task plan, or to-do list, can provide you with a better sense of direction when it comes to getting your work accomplished. It can help you identify how your day should look so that you can work accordingly and achieve more in less time.

Being able to manage your time effectively will also help you to become more organized. It can teach you how to organize your workspace better so that you can more easily find documents, folders, and files. You can benefit from your increased ability to manage your things more effectively as well, through the use of excellent time management practices.

Having a plan for managing your time can also help you realize your goals and objectives within the shortest amount of time possible. With proper time management skills, you can meet your targets ahead of schedule and finish your tasks on time. Incorporating proper time management into your life can dramatically increase your productivity and help you accomplish your goals without having to spend more time working.

How Ineffective Time Management Can Hurt Your Business

Ineffectively managing your time, when it comes to your business, can lead to many problems and undesirable consequences. If you don’t have strong time management skills, it can result in missed deadlines, poor quality of work, excessive stress, inefficient workflow, and more.

If you don’t effectively manage your time, it will become more difficult for you to finish your work on time, which can cause you to be seen as inefficient and unreliable. Your clients, customers, and colleagues will end up having far less faith in your abilities to run a successful business. Missing deadlines and tardiness will significantly hurt your reputation, which can, in turn, start to affect your personal life and wellbeing. As an entrepreneur, if you want to be successful and get more done in less time, then you have to master your time and figure out how to improve your time management skills.

Applying the Pareto Principle to Your Business

The Pareto Principle, or what is better known as the 80/20 Rule, was first considered in 1896 by Italian economist, Vilfredo Pareto during his time at the University of Lausanne. Briefly stated, the 80/20 rule states that only a minority of effort, inputs, and causes lead to the majority of results, outputs, and rewards intended by a specific person. In other words, 80 percent of what you achieve in your life comes from just 20 percent of the activities that you spend your time, effort, and energy on. Therefore, for all practical purposes, for 80 percent of the time, the effort and energy you spend on a specific undertaking aren't important in accomplishing your objectives.

To put it in perspective, the 80/20 rule asserts that there is an inherent imbalance between:

• Causes and effects

• Inputs and outputs

• Efforts and rewards

The question then becomes, wouldn't it be great if you could focus your time, effort, and energy on the 20 percent of the activities that will bring you the 80 percent of the results, rewards, and outputs you desire?

The Importance of the Pareto Principle

All too often, people tend to expect that all causes have the same sign over the results intended by them. For example, with new businesses people tend to assume that every customer is valuable, resulting in them feeling the urge to meet that customer's demands, however unproductive they might be to the operations of the business. Another example would be the businessman who expects that every product or service that he offers his customers is equally valuable and should be focused on. Unfortunately, nothing can be farther from the truth.

The Pareto principle, on the other hand, affirms that when two sets of information are put to a cause and effect analysis, more often than not it will result in a pattern of imbalance. The imbalance is that only a minority of the inputs produce the majority of the outputs initially intended. Why is this important to you? Understanding the Pareto principle will give you valuable insight into how you can better manage your time and increase your productivity.

Applying the Pareto Principle to Your Business

When it comes to productivity in business, 80 percent of the tasks that you have to complete during the day can be achieved by using 20 percent of the time. For entrepreneurs, it is essential to be aware of the fact that the Pareto principle can be applied to every aspect of your business, especially time management. This means that 20 percent of the activities that you do throughout the day are responsible for the 80 percent of the results; which also means that 20 percent of your customers are responsible for 80 percent of the sales, and 20 percent of your goods or services are responsible for 80 percent of your business profits.

As an entrepreneur, implementing the Pareto Principle to manage your time better is simple. The first step that you need to take is to examine your to-do list and determine which ones make up the 20 percent of activities that will be responsible for providing you with 80 percent of the results. These are the activities that you want to focus on during the day and should be given the highest priority.

The remaining 80 percent of the activities that are responsible for just 20 percent of the results can be delegated or outsourced to a professional who has the time and skillset to complete them successfully. Outsourcing the 80 percent of the activities that don't produce the majority of results will allow you to focus your time and energy on completing those tasks that will help you grow your business and increase your profits.

Time management isn't about your ability to make important choices regarding the sequence of events that need to be completed that would, in turn, determine the level of productivity you can achieve. With time management, you can take control of the tasks and activities that you work on every day. Truly productive individuals have mastered their time management skills and always work on the most critical tasks first. This results in being more productive, allowing them to get more done in less time.

Understanding Parkinson's Law and How To Use It To Your Advantage

Parkinson's law is the idea that the more time we choose to dedicate to a particular task, the longer it will take to complete the task, even if we could have completed the task in a shorter amount of time. First observed by Cyril Northcote Parkinson in his 1955 article published in The Economist, he noted:

"It is a commonplace observation that work expands so as to fill the time available for its completion. Thus, an elderly lady of leisure can spend the entire day in writing and dispatching a postcard to her niece at Bognor Regis. An hour will be spent in finding the postcard, another in hunting for spectacles, half-an-hour in a search for the address, an hour and a quarter in composition, and twenty minutes in deciding whether or not to take an umbrella when going to the pillar-box in the next street. The total effort which would occupy a busy man for three minutes all told may in this fashion leave another person prostrate after a day of doubt, anxiety, and toil."

This phenomenon that was first observed in 1955 has been shown to be true in a number of scientific studies that show when people are given extra time to complete a task, they will usually take advantage of that time, even when it isn't needed. The theory is that if you give yourself a week to complete a two-hour task, then, psychologically speaking, the task will ultimately increase in complexity and become much more daunting in order to fill that week. It might not even fill the extra time with more work, but rather more stress and tension about having to complete it.

By assigning the right amount of time to your tasks, you can gain back more time, and those tasks will decrease in complexity and return to its natural state.

There are a few ways that you can apply Parkinson's Law to your daily schedule that will allow you to check off items on your to-do list quicker and spend less time during your day filling in time to look busy.

Running Against the Clock

Take the time to make a list of all your tasks and then divide them up by the amount of time it takes for you to complete them. Then give yourself half that time to complete each task. Giving yourself half the time to complete tasks forces you to make the time limit crucial. You want to make sure that you treat these reduced time limits like any other deadline, and see those deadlines as unbreakable.

You can use your intrinsic human longing for the competition so that it works for you. Running against the clock forces you to try and win against the clock and strive to beat it as if it were your opponent, without taking shortcuts or producing low-quality work. This can be particularly helpful if you have trouble taking your own deadlines seriously.

This exercise, at first, will partially be an exercise to determine how accurate you are predicting how long a task will take to complete. Some of your time estimates might be spot on, to begin with, and some might be overly inflated. For the tasks where your time estimates are spot on, you won't be able to beat the clock if you cut the time in half, so experiment with longer times. You don't want to just jump back to the original time allotment that you set for these tasks, because there may be a more optimal period in between.

Crush the Cockroaches of Productivity

Take a look at your day and identify the time-fillers, like social media and email, that you might usually spend ten to twenty minutes on. These little time fillers are what are known as 'cockroaches' in the productivity world. These activities do nothing to move you forward in reaching your goals.

Instead of spending a leisurely 20 to 30 minutes in the morning reading through your email, give yourself five minutes. This goes for all the time-filler tasks that you identified. Don't provide these tasks with any more attention until you've completed your to-do list for the day. Once you've completed everything you need to complete, then you can indulge in some social networking, email reading, or fee reading for as long as you'd like.

These are the kinds of tasks where 10 percent of what you do is important, and the other 90 percent is entirely useless — committing to avoiding these tasks until your essential work is completed forces you to focus on the critical tasks.

Implement the Pomodoro Method

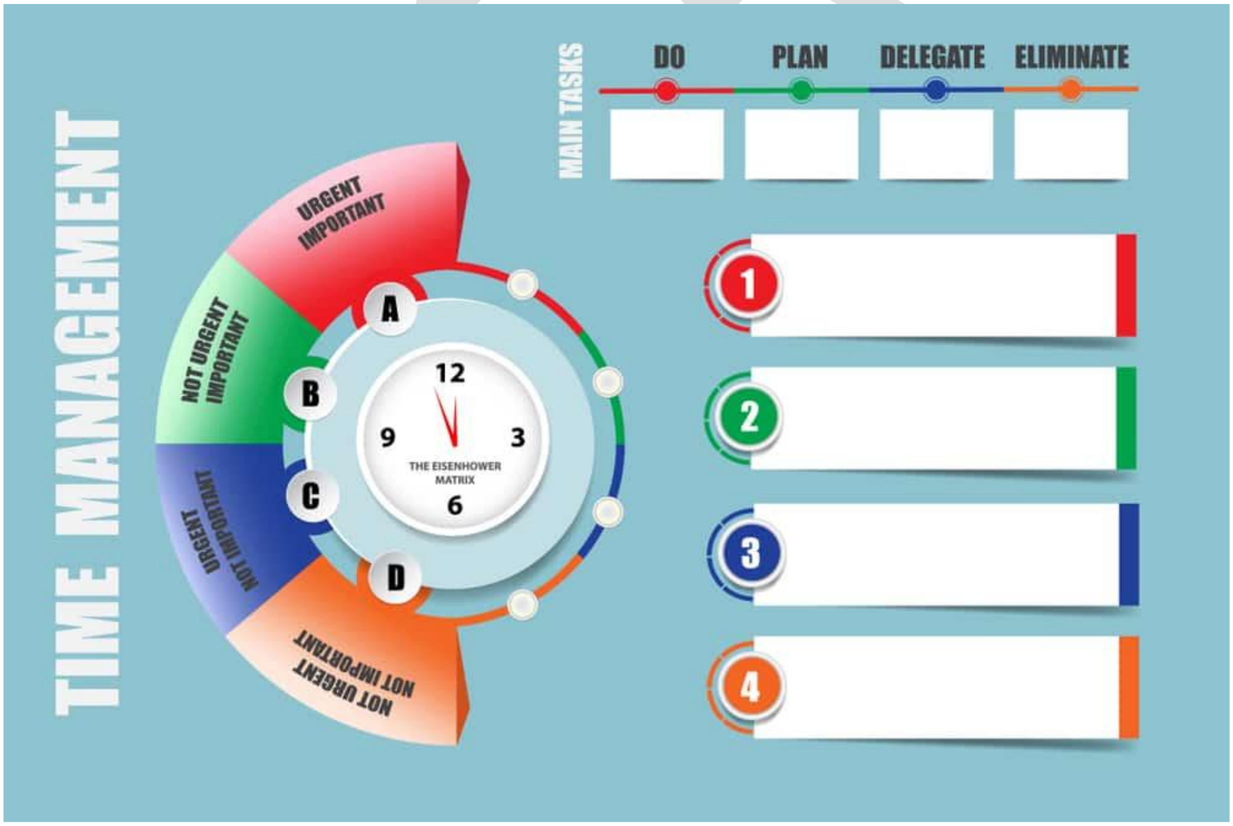
The Pomodoro Method was invented by Francesco Cirillo in the early 1990s and can help you power through distractions, hyperfocus, and accomplish things in short bursts, all while taking frequent breaks to relax. The methodology behind this productivity and time management method is simple: when you are faced with a series of tasks or an enormous task, break the work down into short, timed intervals, that are spaced out with short breaks. This technique of working trains your brain to focus for short periods and helps you stay on top of deadlines.

The Pomodoro Method is one of the most straightforward productivity techniques to implement in your day. All you need is a timer. Start by choosing a task on your to-do list and set your timer for 25 minutes. Work on the selected task until the timer goes off, then put a check on a piece of paper. Take a short break of about five minutes, then set your timer for another 25 minutes and get back to working on your task. For every four Pomodoro's or checks that you have on your paper, take a more extended break between 15 and 30 minutes.

If you repeat this process of working in 25-minute intervals, with short breaks in between, you'll find that you get a lot accomplished, while taking the necessary breaks to help you relax and recharge your brain. It is important to note that if you are distracted during your 25-minute session, for any reason, you either have to end the Pomodoro there, or you have to postpone the distraction until the Pomodoro is complete.

Prioritize Your Projects and Tasks Using the Eisenhower Matrix

The Eisenhower Matrix, also known as the Time Management Matrix, was first created by President Dwight D. Eisenhower during his presidency, and later popularized by Stephen R. Covey in his bestselling book 7 Habits of Highly Effective People. The Eisenhower Matrix is a productivity tool that entrepreneurs can use to become more productive. It can help you prioritize the tasks that you need to complete each day. When it comes to the tasks and activities you need to work as an entrepreneur, it is essential to understand that not all tasks are created equal. Some of the tasks you complete will provide a substantial outcome, while others provide you with next to nothing. Unfortunately, both kinds of tasks take time to complete.



Prioritize Your Projects and Tasks Using the Eisenhower Matrix

The Eisenhower Matrix can help you determine which tasks you should focus on by creating two categories of tasks, those that are important and those that are urgent. This division of tasks into two categories will require you to understand the difference between an important task and an urgent task. Having a clear understanding of this will help you to prioritize your tasks and activities using the Eisenhower Matrix.

The Four Quadrants of the Eisenhower Matrix

	Urgent	Not Urgent
Important	*Quadrant of Necessities* 1	2 *Quadrant of Quality*
Not Important	3 *Quadrant of Deception*	4 *Quadrant of Waste*

Quadrant I

The first quadrant in the matrix is referred to as the Quadrant of Necessities and should contain those tasks and activities that are both important and urgent. These are the tasks and activities that you have to deal with immediately. Some examples are project deadlines and family emergencies. These are the kinds of tasks, that if not attended to quickly, can have terrible consequences. However, even though the time you spend in this first quadrant can't be avoided, you can significantly reduce the time in this quadrant if you spend more time working on tasks and activities that belong in the second quadrant.

Quadrant II This second quadrant is referred to as the Quadrant of Quality. The tasks that fall in this quadrant are those proactive tasks that will improve or help you maintain your quality of life. The more time you can spend working on tasks in this quadrant, the less time you will have to spend in the other three quadrants. Some things that would fall into this quadrant of the matrix are planning for the days ahead and evaluating your performance to see if you are doing what you expected. Most of these tasks are related to personal development and are tasks that you know you should be working on, but aren't under a time crunch to complete them.

Quadrant III

The third quadrant of the matrix consists of tasks and activities that are urgent, but that isn't important, and that won't move you forward in accomplishing your goals. It is essential for your productivity to minimize or eliminate as many of these tasks as possible. These tasks tend to drain your energy and waste your time. This quadrant is known as the Quadrant of Deception, and if you spend your time and energy working on tasks that fall in this quadrant, you'll find yourself wondering where your time went.

Some examples of tasks that would fall in this quadrant are answering non-important phone calls, replying to non-work messages, and chatting on the Internet with someone about trivial matters. You can reduce the time that you spend on the activities and tasks in this quadrant by learning how to say 'no' and delegating work to others.

Quadrant IV The fourth and final quadrant contains tasks and activities that are neither urgent nor important. These tasks don't have to be completed right away, and you should try to minimize or eliminate them because they don't add much value to your daily progress. This quadrant is known as the Quadrant of Waste. As an entrepreneur, you need to be mindful of when you are working in this quadrant. The tipping point starts when you spend too much time doing mindless activities that should be allocated to your free time.

Some of the tasks and activities that would fall in this quadrant of the matrix are watching television, engaging in gossip, surfing the Internet, and spending too much time on social media.

Using the Eisenhower Matrix to Increase Productivity

Urgent tasks require your immediate attention, while important tasks contribute to your goals, mission, and values. As an entrepreneur, you should be focusing your energy on completing tasks that fall in the second quadrant of the matrix, those tasks that are important, but not urgent. While the Eisenhower Matrix seems simple and easy to follow, most people have the tendency to deal with urgent activities first, even if they aren't crucial to reaching their goals.

This often happens because these kinds of activities tend to press you for your time and attention, causing you to ignore the tasks and activities in the second quadrant. When you sit down to create your to-do list for the following day, place each item in one of the four quadrants of the Eisenhower Matrix. The things that fall in the second quadrant are those tasks that will move you forward in reaching your goals and are those tasks that you need to set aside time to accomplish them.

Why Having a Routine Can Help You Manage Your Time Better

The first step to managing your time better is to create a routine and work with it. The power of routines can't be overemphasized because you will create a pattern for yourself with the time that you have, which in turn will enhance your time management skills. For you to create a routine, you need to take the time to plan. The easiest way to do this is to sit down with a notepad and make a list of all the activities and tasks that you complete every day as part of your overall experience. Some of the events will be static, like going to work or having dinner, and others will be flexible based on what you do on a particular day.

It is imperative that you are aware of those activities that you often do. Too many people simply wake up and stumble into their day expecting that it will unfold and give them good tidings. However, the day doesn't just bring anything to us; you have a responsibility in ensuring that you make the most of your day. To gain a better handle of your time throughout the day and accomplish more, you need to create a routine. To help you get started here are some ways that you can start to manage your time with the help of a routine.

Create a Chart

You can achieve more time when you create and work closely with a map. When you set out with a plan for the day, you will be able to get much more done compared to someone who doesn't have a plan. Developing a plan for each day will allow you to be more mentally prepared for what is to come in the day and know how much time is allotted to specific tasks when you take the time to create and follow a chart.

If you want to create plans for tomorrow, you need to start by envisioning everything that needs to be done and write those tasks and activities down. This way, when you wake up the next day, you won't have to waste time trying to think about what you need to do. This can save you valuable time and allow you to jump into your day quickly.

Avoid Social Media Distractions

Social distractions have become even more enhanced thanks to the multitude of social media platforms that are available at our disposal today. Unfortunately, with so many choices it is too often easy for us to spend hours of our time on the networks rather than working on the things that we set out to accomplish.

When you create a routine, you want to be sure to attach a time frame to your plans to help you avoid being distracted by the pull of social media until you complete your tasks. When you aren't distracted by social platforms and other unplanned activities you can better manage your time throughout the day. To help you stay on track, use social media as a reward for being focused, and accomplishing what you set out to do during the day.

Stay Focused

The last thing you want to do is spend the time to create a routine and let it fall by the wayside because you've lost focus. It takes a lot of focus to make your routine a reality. When you wake up in the mornings with a plan you need to develop a focused mindset toward your plan so that nothing distracts you.

Too many people develop routines but don't remain focused on sticking to it, so at the end of the day they have their plans in hand, but allow any and every activity to steal their focus and attention. If you want to improve your time management skills and increase your productivity as an entrepreneur, then you have to be focused and determined to stick to the plan you've made for the day.

Reorganize Around Time

When you reorganize your day around time, you will end up making plans based on the unexpected events that can happen in your routine. Most people struggle with time management because they don't plan for distractions and unexpected events, which can lead to the feeling of being overwhelmed, which can result in procrastination. If you can reorganize your activities around time, you will find that you can still accomplish all the activities that you planned to get done for the day.

Building a rock-solid routine can significantly benefit your time management efforts. Having a routine in place keeps you from wasting time trying to decide what comes next and can give you a better idea of what you can expect during your day and when to expect it. When you establish a routine, you can expect to benefit in the following ways.

Greater Achievements

The benefits of having a reliable method are immense, but at the top of the list is the fact that you attain more significant achievements in your life. This is because you are now effectively using your time the right way which will allow you to get more done and improve your chances of success.

More Free Time

When you establish a routine, you can enjoy the idea that the 24 hours you have in the day can be used to participate in non-work related activities. Proper planning will enable you to create time for more activities that are fun and relaxing, which is essential for avoiding burnout. Time management isn't about managing time so you can work more, but rather entails utilizing time in the right way so you can get more things done in less time and have more free time to indulge in those activities that you love.

Increases Productivity

Most entrepreneurs who are better at managing their time can attest to the fact that they became much more productive with everything they did. The transformative process is always amazing and is just one of the benefits of establishing a routine.

With a routine, you can start to focus more of your time and energy on the critical activities first then begin to gradually progress to less-important tasks toward the end of the day. As an entrepreneur, the depth of your productivity you will experience will be significantly enhanced when you work with a routine.

Avoid Procrastination

Procrastination is the thief of time that can be avoided when you are deliberate about creating habits. Your daily routines can help shape you in a way that you don’t put off today’s activities because you already are used to the method. When you can successfully fight off the temptation to procrastinate, you can gain a mastery of time and will continue to make progress toward your goals. It is much easier to procrastinate when there is no urgency with you need to accomplish and when you don’t have a plan in place. Take the time today to create a plan and establish a routine so you can take your activities seriously as you work toward attaining a perfect circle of solid time management skills.

Become More Disciplined

Success and discipline are two words that go together because you will never find a successful person who isn’t disciplined and vice versa. Establishing routines will allow you to become more disciplined and focused on what needs to be done as opposed to what you feel like doing.

Everyone wants to spend their time lying around on the beach soaking in the sun and taking in the fresh air, but you will never accomplish anything living this way. For you to make progress toward achieving your goals, you have to attain a certain level of discipline that makes it impossible for you not to compromise on anything. Getting your routine established today will help you become a more disciplined person who is proud of their accomplishments.

Routines can be strict about instilling in your daily life, but once you get used to them, they will become a significant part of your life and help you build a successful business. Be determined to grow from where you are with the process of routine as you work toward better time management skills.

Improve Your Time Management By Learning to Delegate and Outsource

As a business owner, you are responsible for every aspect of your company, form marketing to list building to customer service and more. To have time away from your business you have to learn how to delegate and outsource some of your responsibilities to qualified individuals or you will be bombarded with work. Business owners who try to do everything themselves will eventually succumb to burn out and failure. When you work non-stop, you eventually lose focus on how to improve your business and increase your customers. Unfortunately, when you try to handle everything yourself, you can ultimately damage your business, so it is essential that you learn how to delegate tasks so you can free up your time to focus on more critical aspects of your business.

Learning the Art of Delegation

Learning to delegate is not only easy but extremely beneficial to the overall success of your business. The first step you need to take is to analyze and determine which of your daily tasks you can delegate, what needs to be done to accomplish each task, the standard that you expect the tasks to be tackled and completed, and who would be better suited for the task. You need to make sure that the person you delegate the task to has the capabilities that are needed to complete the task, and if they don't, they need to have the potential to learn the skills required to complete it. Before you start delegating tasks, you need to ask yourself the following questions.

• Which tasks and activities can I delegate?

• What are the steps needed to complete the task?

• Who is the most qualified to complete the task?

• Do they have the capabilities needed to complete the task in a timely manner?

• Can they handle the responsibility involved in completing the task?

• What results do I expect from the completion of the task?

To be successful at delegating you have to think through the process and take the time to plan it out before moving forward. Many entrepreneurs make the mistake of delegating tasks without any planning, which will ultimately lead to failure. So, it is essential that you take some time and think through the process and make a plan as to who you will delegate the task to, and what you expect the end result to be.

Another important aspect of delegating is the ability to be clear about what you need, the time limit in which you expect the work to be done, and the results you expect when the task is complete. If those you are delegating too don't clearly understand the responsibilities, they will spend more time in unproductive activities and eventually become demotivated. Being clear when you explain the tasks is crucial to attaining successful results.

Outsourcing Tasks for Better Time Management

Outsourcing is not just for large corporations. Many small businesses today are taking advantage of the outsource resource that is available today to help them excel in the growth of their business and improve their time management skills. Outsourcing gives you the ability to hire professionals to complete the work that you either don't know how to do or don't have the time to complete without having the added expense of training new employees and purchasing the equipment that might be involved in the completion of the job.

Why You Should Outsource the Work

Your staff is the most significant expense and asset that you have in your business. The number of people you have working, their skillset, their cost to your business, and their ambition and motivation, all combined are the most important determining factors in the success or failure of your business. Being able to get the right people in the right positions at the right time and at the right price gives you a substantial advantage over your competition.

The numerous benefits of outsourcing for your business are unlimited. It can free you up to focus on doing the things that will move your business forward. When you can outsource jobs, it means that you are no longer tied down in figuring out how to do the task that you may lack the knowledge or skills to complete. You can outsource the job to a freelancer or agency that specializes in a particular area. Not only does this reduce the risk of costly mistakes, but it can also result in better efficiency, faster delivery, and an increase in productivity. Outsourcing has also been shown to be more cost-effective which can result in enormous savings and more money for your business. Outsourcing can give you a competitive edge by allowing you more time to concentrate on the more critical aspects of your business.

Types of Tasks You Can Outsource

You can outsource everything from web services, administrative tasks, content creation, and payroll, or anything that you think someone else would be better suited to complete. You can also outsource those repetitive and labor-intensive tasks and projects that are necessary to keep your business running smoothly. Here are just some of the tasks that you can outsource to free up more of your time and help you become more productive.

• Data entry

• Editing

• Accounting tasks

• Budget management

• Website management

• Internet marketing

• Email management

• Order processing

• Customer service

Outsourcing and delegating tasks is an easy and cost-effective way to get more work done and deliver excellent results. With delegation and outsourcing, you can take back your time and accomplish more in less time.

How Building Good Habits Can Improve Your Time Management

Time management is one of the most challenging tasks to learn. Trying to differentiate between things that are urgent in your life and what is critically important to your life can be confusing and quite tricky. The ability to distinguish between these things becomes practical when it comes to health issues. The tricky thing about health problems is that in most cases the most essential aspect of health doesn't tend to appear urgent.

For example, while it may not be urgent for you to go to the gym today, it is undoubtedly vital for your long term health. Another example would be getting stressed out at the moment won't wreck your entire body, but if you can't solve the underlying issues that are causing the stress, you may find yourself heading in a negative, downward spiral. Finally, eating processed food, fast food, or convenient food will certainly not affect your inner emotional being; however, it will increase your chances of becoming physically ill. In this context, it is incredibly essential to manage your time to ensure that you eat healthily and take care of your body on your journey toward success.

Focusing on Physical Health

This may be the easiest, as well as the hardest category to focus on. It's easy in the regard that all you need to do is exercise and eat well. It's hard because very few people actually create and stick to a plan to address their physical well-being. This is because we don't feel like we can find the time to eat correctly and exercise.

When it comes to your exercise regime, start by committing to 20 minutes of exercise a day. This can be anything from practicing yoga in the morning to take a quick 20-minute walk after dinner. The key is to have fun and start to incorporate exercise into your daily routine. Make sure you find something that you not only enjoy but also something that you can do every day. Focus on an activity that is easy to start with a quality process.

As you get used to setting aside time to exercise, you can begin to increase the amount of time you exercise and the intensity at which you exercise. Participating in regular physical activity is a great way to reduce stress, clear your mind, and keep you healthy, which will all help you avoid experiencing burnout.

Eating a healthy diet is also incredibly important for reducing stress and keeping yourself from burning out. When you feel your body with healthy foods, like fruits and vegetables, proteins, and healthy fats, you feel better than you would if you ate nothing but processed or fast food.

When it comes to eating healthy, planning ahead, and writing down your shopping list can help to keep you accountable. As you plan your weekly meals, be sure to include plenty of fruits and vegetables, proteins, and limit the number of carbohydrates. Preplanning your meals can save you time and ensure that you won't be tempted to hit the fast-food drive-thru on your way home at night.

Focusing on Mental Health with Meditation

Meditation provides many proven benefits with the most well-known and documented effect being increased calmness. This increased calmness can help you experience a myriad of health benefits and improve your ability to handle stress. When you can handle stress better, you can help to reduce your heart rate, lower blood pressure, and lower cortisol levels in your body.

Practicing meditation in the mornings can help to focus your mind and body and help you to relax before you get into your daily schedule. If you are experiencing stress about projects, clients, deadlines, or other aspects of your business, meditation can remove your attention from these problems before you get started with your day.

Regularly practicing meditation can also help you strike a better balance in your life and prevent burnout. Many people, including entrepreneurs, believe that you have to work sixteen hours a day to get your business off the ground and be successful. While building a successful business does require hard work and dedication, long-term success demands that you balance your work with other aspects of your life.

Burnout is more likely to contribute to a lack of success. However, keeping a balance in your life can help to create success, not just with your career, but in other areas of your life as well. The better you're able to manage your time, the more time you'll have to take care of yourself mentally and physically, and help you avoid burnout.

Tools and Apps to Help You Increase Your Productivity and Manage Your Time

There are hundreds of productivity and time management tools and apps that you can utilize to help you better manage your time and help you accomplish more in less time. However, with so many apps to choose from, how do you know which ones you should be using.

Google Calendar

If you aren't already using a calendar app, scheduling tool, or another way to maintain your schedule, Google Calendar can help. It's free for anyone to use and you can install it in a matter of minutes. Keeping a calendar and scheduling everything you need to do during the day is an easy way to discipline yourself and help you become a more effective entrepreneur, which will, in turn, help you grow your business faster.

Using Google Calendar will help you organize your tasks and help you better manage your time. The most successful entrepreneurs keep a calendar to help them stay organized and plan their days and weeks so they can avoid low priority tasks creeping into their schedules.

RescueTime

With all of the distractions that have the potential to pull you off course quickly, it is easy to get scattered. RescueTime is an app that will help you better understand your daily habits so that you can focus on what's really important and increase your daily productivity. RescueTime runs securely in the background of your computer and other mobile devices. It tracks the time you spend on applications and websites, which provides you with an accurate picture of how you spent your day.

With RescueTime you can set alerts to let you know when you've spent a certain amount of time on an activity, block distracting websites, and it will log highlights about what you accomplished during the day. RescueTime will show you how long you spend reading and responding to emails, how long you're in meetings, and how long you spend doing things online other than work.

Focus Booster

Focus Booster is based on the Pomodoro technique that can empower you to maintain focus and manage distractions throughout your day. Focus Booster uses a simple Pomodoro timer to help you boost your productivity, put an end to procrastination, improve your focus and track your time. The app will help you achieve more while also helping you understand how you use your time. The simple dashboards allow you to visualize your progress and rhythm to help you improve your productivity and gives you the power to quickly generate invoices or reports from CSV exports to share with your clients.

With Focus Booster you can discover work/life balance and identify areas where you can improve.

Toggl

The Toggl app is an excellent alternative to time-sheets if you need to track how much time you are spending on different projects. It makes tracking time simple and if you forget to log your time it sends you reminders. When you effectively track your time you can know how much your time is worth by breaking down your hours by projects, clients, and tasks. This will allow you to see what tasks are making your money and which ones are holding you back. Effective time management starts with being clear on how much time you are actually spending on projects and tasks, then thoroughly analyzing the results so you can work out how you can manage them more effectively.

Evernote

Evernote is a free productivity tool that allows you to capture all your thoughts, ideas, and images in a variety of ways. With Evernote, you can even record your meetings, speeches, interviews, and ideas, as well as create notes, add voice or text attachments, and share all your files with your colleagues. Evernote helps you to capture and prioritize your ideas, projects, and to-do lists so that nothing falls through the cracks.

Mind42

An excellent productivity method that can help you come more organized by focusing your thoughts is mind mapping, and Mind42 is the best free mind mapping tool available. You can use Mind42 to create your to-do lists, brainstorm ideas, and organize events. The software runs in your browser to create mind maps to help you visually organize your day. Gain more clarity about your day and get more done in less time.

MyLifeOrganized (MLO)

If you find it challenging to manage all your tasks throughout the day, organize your goals, or work on your to-do list, MyLifeOrganized can help. MLO is a task management system that can help you target what you should be focusing on during the day to ensure that you reach your objectives. It will automatically generate to-do lists that include priority actions for your immediate attention so that you can better track your progress. The simple drag-and-drop interface will allow you to rearrange any task within a plain list or it will organize them into a simple to use task tree.

1Password

These days everyone is bombarded with too many passwords and trying to remember all your passwords can eat up your precious time. That's where 1Password comes in. The app allows you to keep all your passwords in a single encrypted database that is protected by just one password.

Having all your passwords safely stored in one place will save you time when you forget then and need to retrieve them. It also allows you to use various passwords for different accounts so that you don't compromise on security. 1Password also allows you to securely store your credit cards, receipts, and more and have access to them from any device.

These are just a few of the better time management and productivity apps and tools that you can use to help you master your time and accomplish more in less time. Many of them you can use for free, and those that charge a monthly fee are relatively reasonable. Start boosting your productivity and managing your time better with these time management apps.

Milanote

Milanote is a tool for organizing creative projects into beautiful visual boards.

By design, it feels a lot like working on the wall in a creative studio – visual, tactile, and sometimes a bit messy – Milanote is a great fit for designers who work in teams remotely.

Key Features:

– Write notes & to-do lists, upload images & files and save things you find on the web

– Organize visually using the flexible drag and drop interface.

– Boards by default are a private place to think, but with a single click you can create a shared workspace for collaboration with your team

– Milanote is filled with hundreds of built-in templates to help you get started with a variety of different projects, from creating a mood board to writing that perfect creative brief.

STRUCTURE OF ENTERPRISE

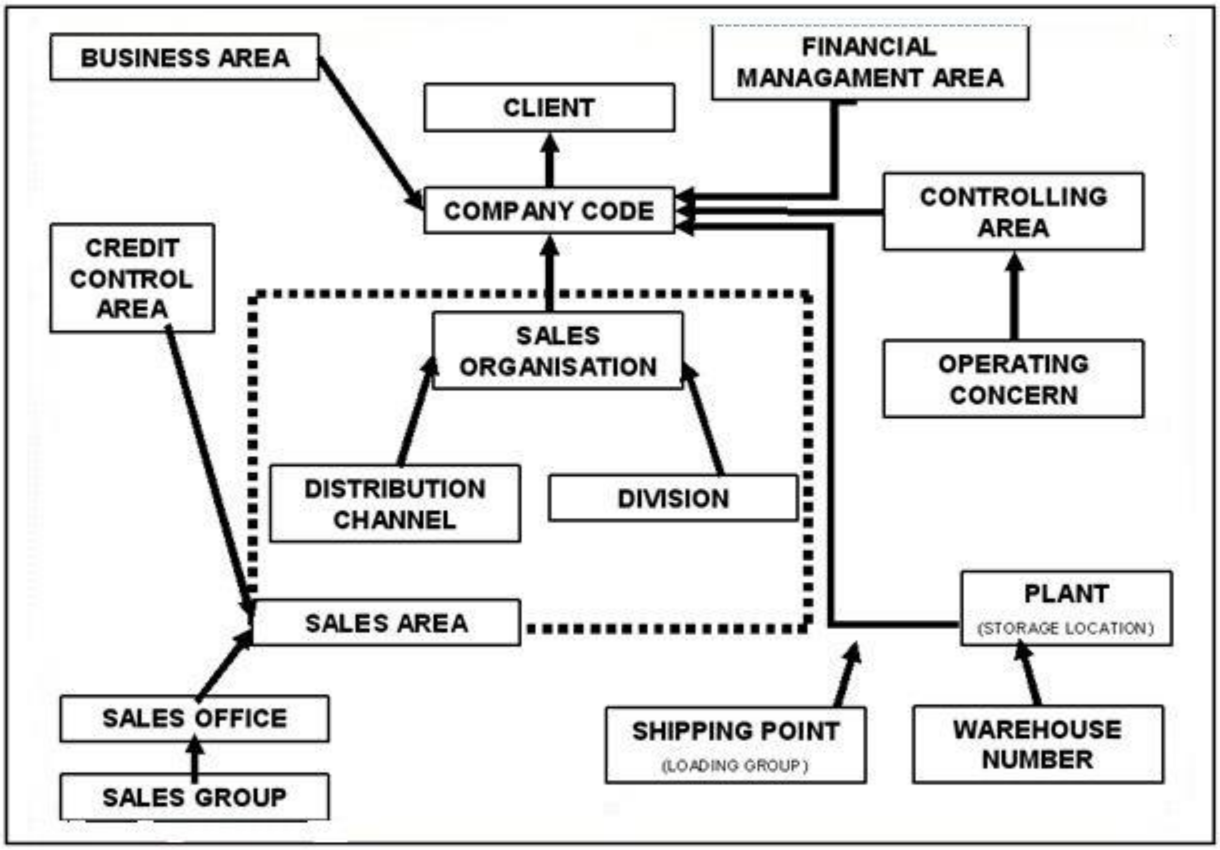
An enterprise structure is portrayal of an enterprise's hierarchy.

There are the following types of enterprise structure:

- Logical enterprise structure, including the organizational units required to manage the SAP System such as plant or cost center.
- Social enterprise structure, description of the way in which an enterprise is organized, in divisions or user departments. The HR application component portrays the social structure of an enterprise

In other words, SAP enterprise structure is organizational structure that represents an enterprise in SAP R/3 system. It consists of some organizational units which, for legal reasons or for other specific business-related reasons or purposes, are grouped together. Organizational units include legal company entities, sales offices, profit centers, etc. Organizational units handle specific business functions.

Organizational units may be assigned to a single module (such as a sales organization assigned to Sales and Distribution (SD) module, or to several modules (such as a plant assigned to Materials Management (MM) and Production Planning (PP) module).Following are some of the organizational units related to **SAP SALES & DISTRIBUTION** module.



Follow the Diagram for the relationship among the Organizational Units

Client

- A client is an independent organizational unit.
- A client is considered synonym for a group.
- A client is self-contained technical unit.

- General data & tables used for several organization structure are stored at client level.
- Client is positioned in the highest level in Enterprise Structure.
- Several company code can be uniquely assigned to a client.

Company Code

- A Company Code is a legal entity & independent accounting unit.
- Balance Sheet & Profit & loss account are created at Company Code level.
- Company Code is organizational unit prepared by FI.
- Several Company Code can be uniquely assigned to a Client.
- Several Company Code under same client can have same chart of accounts.

Sales Organization

- Sales Organization is an organizational unit of Logistics, which groups the enterprise according to the requirement of Sales & Distribution.
- Sales Organization distributes goods & services.
- Sales Organization is liable for sold products, responsible for the customers right of recourse & negotiating sales condition.
- One or more Sales Organization can be uniquely assigned to a Company Code.
- Sales Organization can be assigned to one or more plant. This assignment is not unique, so several Sales Organizations can also be assigned to one plant.
- Each Sales Organization has its own master data, for eg customer & material master data, as well as conditions, pricing & output type.
- A Sales Organization is the highest level (after the Client) to which sales figure are summed for SD with statistics currency.
- Sales Organization can be used as selection criteria for listing of sales document, as well as for creating delivery & billing worklist.
- Different output type can be defined for sales & billing document, for each Sales Organization.
- Sales Organization is also used to take regional, national, international sub-division of the

market into account.

Distribution Channel

- A Distribution Channel is a mean through which saleable material or services reach the customer.
- A Distribution Channel represents the strategies to distribute goods and / or services to the customers. Eg: wholesale, retail, institutional, etc.
- Distribution Channel can be assigned to one or more Sales Organization.
- Same customer can be served through one or more Distribution Channel, within a Sales Organization.
- Distribution Channel can be set as per company's marketing strategies or internal organization.
- Master data can vary (Customer & material Master data, Prices, discounts / surcharge, output type, etc) for each Sales Organization & Distribution Channel, i.e, within Distribution Channel master data can be defined separately.
- Master data created for one Distribution Channel can also be used in other Distribution Channel.
- Different sales document type can be defined for Distribution Channel.
- Sales Office can be assigned to Distribution Channel.
- Items in a delivery & billing documents can belong to different Distribution Channel.
- Distribution Channel can be used as selection criteria for creating lists.

Division

- Division represents a product line or grouping of materials or services.
- Division can be assigned to one or more sales organization.
- Division can be assigned to one or more distribution channels.
- Material always belongs to only one Division.
- Master data can vary from Division to Division.
- Different Division can share same master data, if shared master data is created.

- Sales Office can be assigned to Division .
- In sales document type, if Item Division is not activated, it will accept material from the Division at header level only & if material at item level is from different Division from header level, the same is not accepted.
- Item in delivery or billing can belong to different Division.
- Division can be used as selection criteria in sales document & also for creating delivery worklist.
- Different output type can be used for printing sales document for each Division.

Sales Area

- Sales Area is made up of combination of Sales Organization, Distribution Channel & Division.
- It defines the distribution channel a sales organization uses to sell products from a certain division.
- A Sales Area belongs to only one Company Code.
- During the processing of SD documents, system accesses various master data, according to Sales Area. The system also carries out various checks concerning the validity of certain entries according to Sales Area.
- Sales document, delivery document & billing document is always assigned to Sales Area.
- Each SD document is assigned to exactly only one Sales Area. This assignment cannot be changed.
- Various analyses can be carried out within Sales Area. So, Organization structure should be as simple as possible.
- Sales Area is used for reporting & pricing.
- The customer data record contains pages (views) with the data that is specific to Sales Area.

Plant & Storage Location

- In SD, a Plant represents the location from which material & services are distributed &

correspond to a distribution centre. Which is also known as Delivering Plant. The relevant stocks are kept here.

- In SD, the Plant has a central function:
- At least one Plant is necessary in order to be able to use SD module.
- A Plant is uniquely assigned to a Company code.
- Assignment between Sales organization & Plant is not unique.
- Delivering Plant is important for determining shipping point.
- For a Plant to deliver goods to the customers, it must be configured appropriately as a delivering plant in SD customizing.
- It is possible that a Plant in one company code may have transaction with sales organization in another company code within same client. This is known as *cross company sales.
- Plant & Storage location are organizational units that can be used by all logistic area in the system.

Delivering Plant

For a plant to be a Delivering Plant, following are essential, i.e,

- A plant is referred as delivering plant, when the said plant is assigned to a combination of Sales Organization & Distribution Channel.
- Plant should be uniquely assigned to a company code.
- Plant should also be assigned to sales organization & distribution channel.
- During sales process, the Delivering Plant is first used to verify stock (availability check) & later to supply the goods the customer has ordered.
- Only if plant is a Delivering Plant, a shipping point can be assigned to a plant. Material cannot be despatched without a shipping point.

Shipping Point

- The Shipping Point is highest level organizational unit of shipping that controls shipping activities.
- Material can enter or leave the premises of an organization through Shipping Point.

- System determines Shipping Point on the bases of Delivering Plant, Shipping Condition from Sold to Party & Loading Group from material master.
- The transaction code OVL3 is used to maintain the determination of shipping point
- Shipping Point can be changed manually, only if it is in close proximity & relevant changes are permitted by the system in customizing setting.
- Each outbound delivery is processed by only one Shipping Point . For example, Loading ramp, mail depot, rail depot, group of employees, etc.
- Shipping Point is assigned to a plant.
- Shipping Point is a physical place & should be near delivering plant.
- Shipping Point can be assigned to more than one plant & a plant can also have more than one shipping point. Assignment between plant & shipping point is not unique.

Warehouse

For efficient processing of goods receipt & goods issue, Warehouse is made up of:

- Warehouse number: The entire warehouse structure is managed under one warehouse number.
- Storage type: The different warehouse area, which differ with respect to their organizational & technical features, are defined as storage types.
- Picking area: The picking area groups storage bins together in the storage type.
- Staging area: The staging area is an area in the warehouse where the goods are stored immediately after unloading or shortly before loading.
- Doors: A door within a warehouse can be used both for inbound delivery as well as outbound delivery of goods.
  For Sales & Distribution, Lean Warehouses are applicable. This b'coz lean warehouse have fixed bins as storage type.

Business Area

- Business Area represents an organizational unit, which can carry out internal reporting.
- A company code can be divided into multiple Business Area.
- A Business Area may also be shared by several company code & in such case, business area must have same description in all company code.

- Business Area can be used to prepare balance sheet & Profit & loss statement not only for company code, but also for other internal area (eg: division).
- Determination of BUSINESS AREA takes placed based on following rules:

Rule no 1:

Plant / Item Division

Rule no 2:

Sales Organization / Distribution Channel / Division, i.e Sales Area.

Rule no 3:

Sales Organization / Distribution Channel / Item Division.

Sales Office

- Sales Office is organizational unit responsible for sales & distribution, within geographical area.
- Sales Office establishes contact between company & customer.
- Sales Office can be assigned to one or more sales area.
- A Sales Office can be sub divided into several sales groups.

Sales Group

- Sales Group is an organizational unit that carries out sales & is responsible for the process internally.
- Sales Group can be assigned to one or more sales office.

Sales Persons

- A sales group consists of certain number of Sales Person.
- A Sales Person is assigned to a sales office & sales group in the sales employee record.

PLANNING, IMPLEMENTATION AND GROWTH OF ENTERPRISE

ENTERPRISE PLANNING

An **enterprise planning system** covers the methods of planning for the internal and external factors that affect an enterprise.

These factors generally fall under PESTLE. PESTLE refers to political, economic, social, technological, legal and environmental factors. Regularly addressing PESTLE factors falls under operations management. Meanwhile, addressing any event, opportunity or challenge in any one or many factors for the first time will involve project management.

As opposed to enterprise resource planning (ERP), enterprise planning systems have broader coverage. Enterprise planning systems address the resources that are available or *not* available to an enterprise and its ability to produce products or resources and/or provide services. It also considers those factors that will positively or negatively affect the firm's ability to run these actions.

Enterprise planning systems will tend to vary and are flexible. These are due to the periodic and adaptive nature of strategy formation. These will also have tactical aspects. Typically, enterprise planning systems are part of a firm's knowledge base or corporate structure whether it formally identified and structured or simply executed these when the need appeared.

Purposes

An enterprise planning system will address at least three basic purposes to help the enterprise:

- survive
- compete
- thrive

Survival

An enterprise will plan for tactical moves for quick reaction to the PESTLE threats that affect its survival. For instance, right after Japan's Fukushima nuclear power plant has experienced explosions due to the earthquake and the tsunami that followed, several enterprises (within and outside Japan) have publicly announced their course of actions to address the emergency.

Competition

Meanwhile, an enterprise will plan for longer term strategic actions to address its competition or improve its competitiveness. For instance, enterprises will plan for, set budgets, implement and use strategic information systems as “information systems or information technology investments can be a source of competitive advantage”.

Opportunities

Most significantly, an enterprise will plan for using the PESTLE opportunities that are available to it. The profit and benefit motives justify most enterprise planning systems.

Vulnerabilities

A fourth noteworthy purpose for enterprise planning systems is preparedness against terrorist attacks. As noted in the US Presidential Directive for Critical infrastructure protection, terrorist groups are likely to attack commercial infrastructure for economic sabotage. Enterprises that are providing products or services that are critical to the economic system of a nation are potential targets of extremists.

Strategic planning

Two major characteristics of EPSs are (1) variety and (2) flexibility. For instance, technological risks abound as even enterprise software are prone to obsolescence and disruptive innovations. Technology is not stagnant. Thus, variety and flexibility work to the advantage of a strategically adaptive or agile enterprise as PESTLE conditions change.

To illustrate this some more, ERP software prescribes processes to realize its promised benefits. However, compliance to these rigid, prescribed processes is often assumed rather than real. In many cases, the ERP software is accepted but the practices within the enterprise reflect inconsistencies with the prescribed processes of the software. In a sense, variety and flexibility in a standard ERP implementation will still manifest in many ways such as "workarounds, shadow systems, various forms of unintended improvisations, and organizational 'drift'" as the knowledge workers in the enterprise adapt to the realities of daily activities.

With changing real world conditions, at least three components can structure enterprise strategy. These are:

- analytical frameworks for the evaluation of PESTLE data at a given time
- geographic coverage of operations to manage risks or maximize benefits from macroeconomic forces or government regulations
- projects integration to efficiently support enterprise operations

Strategy via analysis

Frameworks of analysis usually drive a firm's strategy. These enable the firm to cope with the actions of its competitors, demands of its consumers or clients, nature of its operating environments, effects of government regulations in the places where it does business, or opportunities that are available among other factors. Here, team planning is crucial. One group will normally specialize in one aspect like operations or government regulations. Managing the interrelation of PESTLE factors requires teamwork in the enterprise planning process.

A sample framework for general analysis is the SWOT analysis. Another is the Balanced Scorecard for performance measurement analysis.

Strategy via geography

Enterprise strategy can also refer to the mix of structured actions that address the political, economic, social, technological, legal and environmental factors that affect a business or firm. These structured actions can be local, transnational, global or combination of local, transnational or global.[7] Hence, enterprises can have any of the following geographic strategies in their plans:

- local strategy
- regional strategy (Europe, North America, Asia-Pacific, etc.)
- international strategy
- global strategy
- global and local strategy

Strategy via projects integration

Moreover, since management actions occur simultaneously in an enterprise, strategic planners can consider operations or project portfolio management (PPM) as crucial elements in an enterprise's strategic planning guide.

For instance, the need to have strategic priorities across many projects in companies with multiple product development projects have made executives borrow principles from investment portfolio management to better manage the distribution of resources compared with the assessed risks for each project.

Thus, PESTLE factors lead to strategy formation that will enable the enterprise to adapt to changing conditions. Meanwhile, the strategies that have been formed from the analytical framework processes of evaluating an enterprise's condition will lead to detailed plans which could be part of a firm's manual of operations or projects portfolio thrusts for funding and execution across the units or geographic coverage of the enterprise.

Planning and budgeting

Enterprise planning and budgeting go hand-in-hand as the wherewithal to execute plans will determine the success or failure of an enterprise strategy. In another light, expanding or limiting the budget for a particular operations aspect of the enterprise or an ongoing project in favor of another will signal changes to an enterprise's strategy. Hence, planning and budgeting are integral parts of any enterprise planning systems as these impact the strategic directions of the enterprise.

For instance, enterprise projects tend to be mutually dependent with other projects to leverage a firm's engineering, financial and technology resources. A market research project will trigger a research, development and engineering (RD&E) project for a new product. In turn, this RD&E project could trigger a production strategy project to manufacture the new product at the most efficient locations to bring it closer to its target consumers. Hence, cutting the RD&E project budget in half or increasing it twice will have profound effects in the long term direction of an enterprise as this will affect the other units of the firm undertaking projects that are linked to the RD&E project.

Classifications

Enterprise planning and budgeting can be generally classified into:

- centralized
- devolved
- hybrid

Centralized. Headquarters or executive management directs all planning and budgets from the top then downwards in the organization hierarchy. It will closely follow Frederick Winslow Taylor's Principles of Scientific Management.

Devolved. Middle managers set plans effectively steering the enterprise's strategic direction. Executive management takes into account that the enterprise has knowledge workers that are experts in their respective fields. The Management Board approves the proposed strategic direction under certain financial constraints such as expected returns on investment or equity.

Hybrid. Executive management determines and sets the strategic direction of the enterprise based on the inputs of middle managers and the rank and file. In this set up, plans and budgets are negotiated.

Essentially, enterprise plans and budgets can be detailed in a top-down approach, generalized in a bottom-up approach, or combined in a top-down and bottom-up approach.

Group planning

Enterprise group planning will typically refer to the involvement of the major units of an enterprise such as the finance, marketing, production or technology departments. It can also refer to the involvement of the geographic units of a transnational or global firm. Some enterprises also involve external parties in their group planning where inputs from the crucial parts of the supply chain, cooperation and collaboration, or outsiders-looking-in are part of the firm's strategy.

Enterprise group planning will usually manifest in regular board of directors' or management committee' meetings with varying frequencies such as monthly, quarterly or annually. Traditional meetings have required the physical presences of representatives from the various business units of the enterprise. With improvements in telecommunications, enterprise group planning can be conducted through video conferencing where participants may be dispersed geographically. However, video conferencing still appears to be an inadequate substitute when warm, interpersonal relations are part of the firm's culture.

Yet for fast-paced events like natural disasters or a meltdown of the financial markets that require immediate action from the enterprise, video conferencing might be the only option. Troubleshooting that requires the major resources of the enterprise will also entail enterprise group planning. Here, enterprise planning systems take a tactical form rather than a strategic focus to preserve the stability or ensure the survival of the enterprise.

Transition plan

Enterprise transition plans will generally refer to change management-related actions in the case of mergers or in the implementation of an enterprise-wide project. The transition plan will cover the elimination of redundant functions in the case of a merger or the incorporation of new processes into business operations in the case of a technology project.

Planning software

Enterprise planning software will have varied or depth of coverage but will not essentially refer to enterprise resource planning software. This will include planning-centric software and the tools to support strategic and tactical planning for and across the enterprise, such as:

- strategy formation and scenario planning software (for example, supporting Sales and operations planning process)
- performance measurement and evaluation software
- project management software
- data warehouse or business intelligence software
- enterprise optimization software

IMPLEMENTATION AND GROWTH OF THE ENTERPRISE

Some of the top most strategies used for the growth of small-scale enterprise are: 1. Expansion 2. Diversification 3. Joint Venture 4. Mergers and Acquisitions 5. Sub-Contracting and 6. Franchising.

1. Expansion:

Expansion is one of the forms of internal growth of business. It means enlargement or increase in the same line of activity. Expansion is a natural growth of business enterprise taking place in course of time. In case of expansion, the enterprise grows its own without joining hands with any other enterprise.

There are three common forms of business expansion.

a. Expansion through Market Penetration:

It means the enterprise increases the sales of its existing product by enlarging the existing market. In other words, market penetration means making deeper in roads in the existing market. Various schemes are launched to penetrate into an existing market. The scheme for exchanging an old scooter for new one introduced by LML, for example, is a form of market penetration.

b. Expansion through Market Development:

It implies exploring new markets for the existing product. In order to increase the sale of existing product, the enterprise makes searches for new customers.

c. Expansion through Product Development and/or Modification:

It implies developing or modifying the existing product to meet the requirements of the customers. Introduction of plastic bottles for selling refined oil in addition to lose sales is an example of product development /modification.

2. Diversification:

Diversification is the most common form of internal growth of business. As mentioned above, expansion has its own limitations of business growth. Diversification is evolved to overcome the limitations of business growth through expansion. A business cannot grow beyond a certain point by concentrating on the existing product/market only.

In other words, it is not always possible for a business to grow beyond a certain point through market penetration. This underlines the need for the adding the new products / markets to the existing one. Such an approach to growth by adding new products to the existing product line is called ‘diversification’.

In simple terms, diversification may be defined as a process of adding more products/markets/services to the existing one. This is necessary because, according to product ‘lifecycle concept’, every product has a definite life period. Like human beings, product also dies/disappears from the market. Hence, the introduction of new products to the basic product line becomes necessary to keep the business on.

The use of diversification as a growth strategy has been continuously on increase both in the private and public sectors. In the private sectors, Kelvinator India Limited which was originally a refrigerator manufacturer diversified its product line into mopeds.

Similarly, Larsen and Toubro (L&T), an engineering company, diversified into cement. LIC’s diversification into mutual funds and SBI’s merchant banking are the examples of diversification adopted by the public sector in India.

3. Joint venture:

Joint venture is a type of external growth strategy adopted by business firms. A joint venture could be considered as an entity resulting from a long-term contractual agreement between two or more parties, to undertake mutually beneficial economic activities, exercise joint control and contribute equity and share in the profits or losses of the company.

The Reserve Bank of India (RBI) has defined joint venture in the technical sense as: “a foreign concern formed, registered or incorporated in accordance with the laws and regulations of the host country in which the India party makes a direct investment, whether such investment amounts to a majority or minority shareholding.”

In simple terms, joint venture is a restricted or a temporary partnership between two or more firms to undertake jointly to complete a specific venture. The parties which enter into agreement are called co-ventures and this joint venture agreement will come to an end on the completion of the work for which it was formed.

The co-ventures participate in the equality and operations of the venture/ business. The profits or losses are shared between the co-ventures in their agreed ratio and in the absence of such agreement; the profits or losses are shared equally by the parties. In general, joint venture is formed for the purpose of consigning the goods from one place to another, undertaking contracts for construction works, underwriting of shares or debentures of joint stock companies, etc.

4.Mergers and Acquisitions (M&A)

Merger and acquisition are yet other forms of external growth strategy. Merger means a combination of two or more existing enterprises into one. For the enterprise which acquires another, it is called ‘acquisition.’ For the enterprise which is acquired, it is called ‘merger.’ Thus, merger and acquisition are the two sides of the same coin.

If both organizations dissolve their identity to create a new organization, it is called consolidation. The other terms used for M&A are absorption, amalgamation, and integration. M&A are more popularly known as takeovers. For more than three decades after Independence, the normal route of growth was through licensing and setting up new projects.

But the post- liberalization, since 1991, has witnessed an increasing use of takeover strategies as the means or rapid growth. Mahindra & Mahindra's takeover of a German company Schoneweiss, Tata's takeover of Corus, and PricewaterhouseCoopers's takeover of Mumbai-based taxation company RSM Ambit are illustrative examples of mergers & acquisitions.

Reasons for Mergers and Acquisitions:

For a merger to take place, two enterprises or organizations have to act. One is the buyer enterprise and the other is the seller. Both these t5^es of enterprises have a set of reasons on the basis of which they merge.

5.Sub-Contracting:

What is Sub-Contracting System?

Sub-contracting system is a mutually beneficial commercial relationship between the two companies. This is known as Ancilliarization in India and more generally as 'sub-contracting.'

Sub-contracting can be defined as follows:

A sub-contracting relationship exists when a company (called a contractor) places an order with another company (called the sub-contractee) for the production of parts, components, sub-assemblies or assemblies to be incorporated into a product sold by the contractor. Such orders may include the processing transformation, or finishing of material or part by the sub-contractor at the request of the contractor.

In practice, large-scale industries also not produce all goods on their own; instead they rely on small-scale enterprises called sub-contractors for a great deal of production. When the work assigned to small enterprises involves manufacturing works, it is called 'Industrial Sub-contracting.' In the other cases, it is known as 'Commercial Sub-contracting.' It is not unusual for Sub-contractors to work for more than one contractor.

6.Franchising:

In a sense, franchising is very much akin to branching. Franchising is a system for selectively distributing goods or services through outlets owned by the retailer or dealer. Basically a franchise is a patent or trademark license, entitling the holder to market particular products or services under a brand name or trademark according to pre-determined terms and conditions.

David D. Settz has defined franchising as a "Form of business ownership created by contract whereby a company grants a buyer the rights to engage in selling or distributing its products or services under a prescribed business format in exchange for royalties or shares of profits. The buyer is called the 'Franchisee' the company that sells rights to its business concept is called 'Franchiser.'

Thus, franchising can simply be defined as a form of contractual arrangement in which a retailer (franchisee) enters into an agreement with a producer (franchisor) to sell the producer's goods or services for a specified fee or commission.

Difference between Franchising, Distributorship and Agency:

In common parlance, franchising, distributorship and agency mean the same thing and are often loosely used. However, they mean different things.

The two terms – distributorship and agency – have the more traditional forms of distributing goods or services. Under these, the principal is not allowed to exert the real control over the distributor or agent.

Here, the franchising differs from the distributorship and the agency in the sense that it allows the franchisor to exercise a higher degree of control over the franchisee. As a matter of fact, the franchisor has a right to say in all important matters like branding, methodology and mergers.

TECHNOLOLOGY ACQUISITION FOR SMALL UNITS

What is an Acquisition?

An acquisition is defined as a corporate transaction where one company purchases a portion or all of another company's shares or assets. Acquisitions are typically made in order to take control of, and build on, the target company's strengths and capture synergies. There are several types of business combinations: acquisitions (both companies survive), mergers (one company survives), and amalgamations (neither company survives).

Acquisition vs. Merger

Mergers and Acquisitions (M&A) are similar transactions, however, they are significantly different legal constructs.

In an acquisition, both companies continue to exist as separate legal entities. One of the companies becomes the parent company of the other.

In a merger, both entities combine and only one continues to survive while the other company ceases to exist.

Another type of transaction is an amalgamation, where neither legal entity continues to survive. Instead, an entirely new company is created.

Benefits of Acquisitions

Acquisitions offer the following advantages for the acquiring party:

1. Reduced entry barriers

With M&A, a company is able to enter into new markets and product lines instantaneously with a brand that is already recognized, with a good reputation and an existing client base. An acquisition can help to overcome market entry barriers that were previously challenging. Market entry can be a costly scheme for small businesses due to expenses in market research, development of a new product, and the time needed to build a substantial client base.

2. Market power

An acquisition can help to increase the market share of your company quickly. Even though competition can be challenging, growth through acquisition can be helpful in gaining a competitive edge in the marketplace. The process helps achieves market synergies.

3. New competencies and resources

A company can choose to take over other businesses to gain competencies and resources it does not hold currently. Doing so can provide many benefits, such as rapid growth in revenues or an improvement in the long-term financial position of the company, which makes raising capital for growth strategies easier. Expansion and diversity can also help a company to withstand an economic slump.

4. Access to experts

When small businesses join with larger businesses, they are able to access specialists such as financial, legal or human resource specialists.

5. Access to capital

After an acquisition, access to capital as a larger company is improved. Small business owners are usually forced to invest their own money in business growth, due to their inability to access large loan funds. However, with an acquisition, there is an availability of a greater level of capital, enabling business owners to acquire funds needed without the need to dip into their own pockets.

6. Fresh ideas and perspective

M&A often helps put together a new team of experts with fresh perspectives and ideas and who are passionate about helping the business reach its goals.

Challenges with Acquisitions

M&A can be a good way to grow your business by increasing your revenues when you acquire a complimentary company that is able to contribute to your income. Nevertheless, M&A deals can also create some hitches and disadvantage your business. You must take these potential pitfalls into consideration before pursuing an acquisition.

1. Culture clashes

A company usually has its own distinct culture that has been developing since its inception. Acquiring a company that has a culture that conflicts with yours can be problematic. Employees and managers from both companies, as well as their activities, may not integrate as well as anticipated. Employees may also dislike the move, which may breed antagonism and anxiety.

2. Duplication

Acquisitions may lead to employees duplicating each other's duties. When two similar businesses combine, there may be cases where two departments or people do the same activity. This can cause excessive costs on wages. M&A transactions, therefore, often lead to reorganization and job cuts to maximize efficiencies. However, job cuts can reduce employee morale and lead to low productivity.

3. Conflicting objectives

The two companies involved in the acquisition may have distinct objectives since they have been operating individually before. For instance, the original company may want to expand into new markets, but the acquired company may be looking to cut costs. This can bring resistance within the acquisition that can undermine efforts being made.

4. Poorly matched businesses

A business that doesn't look for expert advice when trying to identify the most suitable company to acquire may end up targeting a company that brings more challenges to the equation than benefits. This can deny an otherwise productive company the chance to grow.

5. Pressure on suppliers

Following an acquisition, the capacity of the suppliers of the company may not be enough to provide the additional services, supplies, or materials that will be needed. This may create production problems.

6. Brand damage

M&A may hurt the image of the new company or damage the existing brand. An evaluation of whether the two different brands should be kept separate must be done before the deal is made.

SOME TECHNOLOGICAL ACQUISISTION EXAMPLES

In 2018 there was some major M&A activity in the IT industry, topped by IBM's acquisition of Red Hat for a staggering $33 billion and Broadcom buying CA Technologies for $18.9 billion in cash.

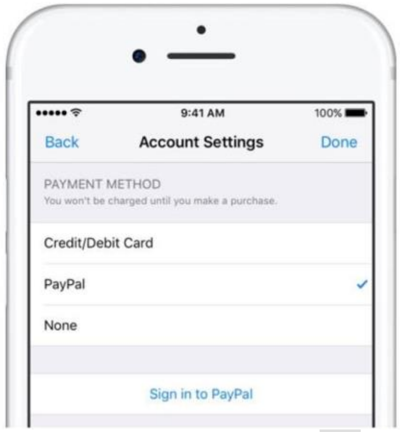
According to Deloitte's annual study of M&A activity (pdf), 73 percent of tech sector executives expect even bigger deals this year - the highest percentage of any industry - but their acquisition strategies look likely to change.

"Based on the latest survey results, there may be a pivot away from purchasing a company simply for its technology ... Instead, in the next 12 months, corporate respondents note an increased focus on buying a company in order to expand," the report read.

Here are the most notable tech acquisitions of 2019 so far.

PayPal acquires Honey for $4 billion

PayPal announced in November that it will acquire Honey Science Corporation – best known as the maker of the popular deal-finding browser add-on Honey – for $4 billion, making it PayPal's largest acquisition.



Mirantis acquires Docker Enterprise

Docker has announced that it is selling its enterprise business to Mirantis for an undisclosed amount so that it can better focus on serving its developer community.

It's a good fit for Mirantis, which helps companies run Kubernetes and OpenStack, as it can more seamlessly integrate its Kubernetes capabilities with the Docker Enterprise Container Platform, bringing together two industry-standard tools in the cloud-native era.

Sumo Logic acquires JASK

Monitoring specialist Sumo Logic expanded its security capabilities in November with the acquisition of JASK Labs. The financial terms of the deal were not disclosed but JASK had raised around $39 million in funding to date.

Google acquires Fitbit for $2.1 billion

Google has announced it is acquiring Fitbit for $2.1 billion. The deal is expected to go through in early 2020 following all of the relevant approvals. A company statement also promised that Fitbit will continue to work across Android and iOS.

Facebook acquires CTRL-labs

Facebook announced in September that it is acquiring CTRL-labs for somewhere between $500 million and $1 billion, according to *CNBC*.

The New York-based startup focuses on developing a 'brain-computer interface' via a proprietary software platform and wristband, and is a technology that Facebook CEO Mark Zuckerberg has signalled a keen interest in over the past couple of years. The startup team will join Facebook's Reality Labs division.

“Technology like this has the potential to open up new creative possibilities and reimagine 19thcentury inventions in a 21st-century world," Facebook vice president of AR/VR Andrew "Boz" Bosworth wrote in a Facebook post. "This is how our interactions in VR and AR can one day look. It can change the way we connect."

McDonald's acquires Apprente and Dynamic Yield

Fast food giant McDonald's followed up its $300 million acquisition of tech firm Dynamic Yield in March by picking up the Mountain View-based startup Apprente in September. The technology will be brought in house to transform McDonald's drive-thrus from human-operated to machine-operated, cutting down on human time and error when taking orders through the terminal.

MODULE VI

FORMALITIES TO BE COMPLETED FOR SETTING UP A SMALL SCALE UNIFORMS OF ORGANIZATIONS FOR SMALL SCALE UNITS

FORMALITIES FOR SETTING UP A SMALL BUSINESS ENTERPRISE

A strong entrepreneur is the most vital aspect of every successful project.

In order to set up an enterprise or set up a small-scale industry, a suitable project has to be decided upon.

This involves selecting a product or service, and a location for the unit. Based on these selections, a project feasibility study has to be conducted and then a brief profile has to be prepared for the proposed project. Then an entrepreneur has to prepare a business plan.

The formalities are given in the figure below;

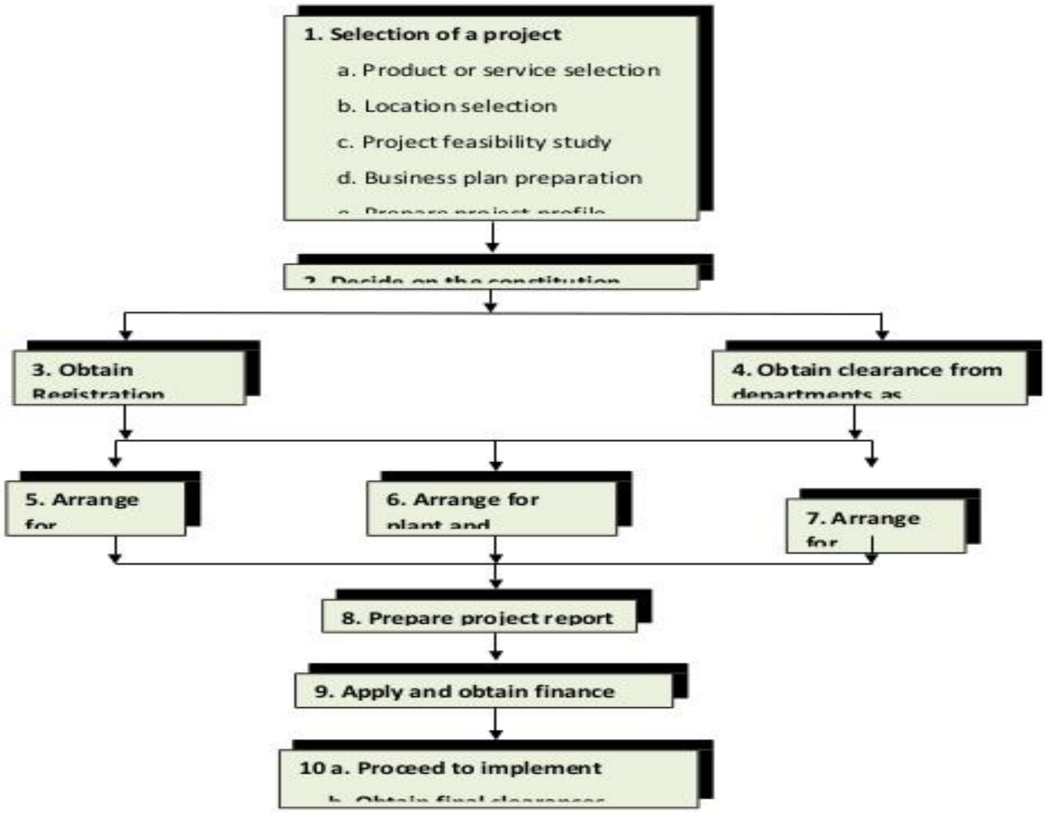


Figure 1. Flow chart for setting up a small-scale industrial (SSI) unit

1

1. SELECTION OF A PROJECT.

a. Product or Service Selection.

Various factors have to be considered before deciding on a suitable project. The main factors are as follows;

- Background and experience of the entrepreneur(s)
- Availability of technology and know-how for the project
- Marketability of the product/service
- Investment capacity
- Availability of plant and machinery
- Availability of raw materials
- Availability of proper infrastructure facilities (land/shed, power, water, transport, and so on).

Make a careful analysis of the product or service you are choosing. Sometimes, in the short run, there is a shortage of a particular commodity in the market. Does that mean you can jump into that business? The first thing in such a case is to analyse the situation. Keep in mind that shortages may occur due to a number of reasons. Carefully analyse the future demand-supply position of the product, say for the next three to five years.

b. Location Selection.

Some of the major aspects to be considered before deciding on the location of a project are;

- Proximity to market
- Availability of raw materials
- Availability of transportation and communication facilities
- Availability of incentives/concessions
- Government policy
- Availability of suitable infrastructure facilities, and
- Convenience for the promoter.

Ideally, identify two or three locations and then select a few possible sites at each of these locations. Next, compare these locations/sites in relation to your requirements.

c. Project Feasibility study

The important facets/aspects of a project feasibility study are as follows;

- Market analysis
- Technical analysis
- Financial analysis
- Economic analysis
- Ecological analysis

Market analysis

Market analysis is concerned primarily with two questions;-

- What would be the aggregate demand of the proposed product/service in the future?
- What would be the market share of the project under appraisal?

To answer these questions, a market analyst requires a wide variety of information and appropriate forecasting methods. The kinds of information required are as follows;

- Consumption trends in the past and the current consumption level
- Past and present supply position
- Production possibilities and constraints
- Imports and exports
- Structure of competition
- Cost structure
- Elasticity of demand
- Consumer behaviour, intentions, motivations, attitudes, preferences and requirements.
- Distribution channels and marketing policies in use
- Administrative, technical and legal constraints.

Technical Analysis

Important questions raised in technical analysis are as follow;

- Have the preliminary tests and studies been done or provided for?

3

- Has the availability of raw materials, power and other inputs been established?
- Is the selected scale of operation optimal?
- Is the chosen production process suitable?
- Are the chosen machines and equipment appropriate?
- Have the auxiliary equipment and supplementary engineering works been provided for?
- Has provision been made for the treatment of effluents?
- Is the proposed layout of the site, buildings and plant sound?
- Is the technology proposed to be employed appropriate from the social point of view?

Financial Analysis

This seeks to ascertain whether the proposed project will be financially viable in the sense of being able to meet the burden of servicing debt and whether the proposed project will satisfy the return expectations of those who provide the capital.

Aspects to be looked into while conducting a financial appraisal are as follows;

- Investment outlay and cost of project
- Means of financing
- Projected profitability
- Break-even point
- Cash flow of the project
- Investment worthiness judged in terms of various criteria of merit
- Projected financial position
- Level of risk

Economic analysis

Also referred as social cost-benefit analysis. In such an evaluation the focus is on the social costs and benefits of a project, which may often be different from its monetary costs and benefits. The questions to be answered are as follows;

- What are the direct economic benefits and costs measured in terms of shadow (efficiency) prices and not in market prices?

- What would be the impact of the project on the distribution of income in the society?
- What would be the impact of the project on the level of savings and investment in the society?
- What would be the contribution of the project towards the fulfilment of certain criteria like self-sufficiency, employment and social order?

Ecological Analysis

Environmental concerns have assumed a great deal of significance in recent years. Key questions raised in ecological analysis are as follows;

- What is the likely damage caused by the project to the environment?
- What is the cost of restoration measures required to ensure that the damage to the environment is contained within acceptable limits?

d. Business Plan Preparation

A business plan is used to help make crucial start-up decisions; to reassure lenders, investors or backers, to measure operational progress; to test planning assumptions; to adjust forecasts; and to set the standard for good operational management. A workable business plan has the following features;

- Determine where the company needs to go
- Forewarns of possible roadblocks along the way
- Formulates responses to contingencies
- Keeps the business on track to reach its planned goals

NB. Details of a Business plan have been presented separately in previous lectures on Entrepreneurship.

2. DECIDE ON THE CONSTITUTION

The most frequently used forms of business ownership in Tanzania include:

a. Sole proprietorship

b. Partnership

c. Private company unlimited.

d. Private company limited by shares

e. Private company limited by guarantee

f. Public company

e. Cooperatives

a. Sole Proprietorship.

A single individual is the owner of such a unit.

As a sole proprietor, there is no legal distinction between you and your business – your business is one of your assets, just as your house or car is. If your business fails, your creditors have a right not only to the assets of the business, but also to your personal assets, subject only to the provisions of the Bankruptcy Act which allow you to keep only the absolutely basic essentials for yourself and family.

b. Partnerships.

A partnership firm is an association of two or more persons. Partnerships are effectively collections of sole proprietors and, as such, the legal problems are not attached to personal liability.

In most cases;

- All partners contribute capital equally or in agreed share quotas.
- All partners share profits and losses equally or as per share quota.
- No partner shall have interest paid on his or her capital.
- No partner shall be paid a salary.
- All partners have an equal say in the management of the business.

c. Corporation / Limited company

Company; May be either private limited or public limited. Companies are governed by the Companies Act (2002).

In this form of business your liability is limited to the amount you contribute by way of share capital. A company registered in accordance with the companies act is a separate legal entity, distinct from its shareholders, directors and managers. The liability of the shareholders is limited to the amount paid or unpaid on issued share capital. A company has unlimited life and no limit is placed on the number of shareholders. In companies limited by guarantee is that the liability of the members is limited to the amount given as guarantee.

d. Cooperatives

A cooperative is an enterprise owned and controlled by the people working in it.

3. OBTAIN REGISTRATION

6

The Companies Act (2002) describes the requirements to be fulfilled to register a company. This is act is the one which enacted BRELA (Business Registration and Licensing Authority).

Registering a company is more complicated and expensive than registering a sole proprietorship or partnership. You need to employ the service of an attorney. The procedure is as follows:

- You submit a letter for name clearance. The registry will clear the proposed name after search to establish the availability or non availability of applied name.
- If the name is cleared, you prepare Memorandum and Articles of Association and submit for registration.

Applicants registering with BRELA receive a Certificate of Incorporation for companies and certificate of Registration for sole proprietorship and partnerships.

After registering with BRELA, all businesses need to apply for the business license which is issued under the Business licensing Act 25 of 1972.

Businesses in Group A apply from the Ministry of Industry, Trade and Marketing and those under Group B apply from District, Town/Municipal, or City Council.

4. OBTAIN CLEARANCE FROM DEPARTMENTS AS APPLICABLE.

Every new business has to register with the Tanzania Revenue Authority (TRA) for provisional tax; Value added tax (VAT), employee tax as well as Skills Development Levy (SDL), depending on the number of employees and the turnover of the business.

The taxes levied by the government are classified as direct and indirect.

Direct taxes:

- Income tax – this is paid by individuals, sole proprietors and partnerships.
- Corporate (Entity) tax – this is an annual tax paid on the income of large corporations, Public and Private Companies. The current tax rate is 30% of profit.
- Secondary tax on companies (STC) – this is tax on the dividends paid by Private/Public companies and large corporations to shareholders.

Indirect taxes:

- Value Added Tax (VAT) – the current rate is 18%
- Customs and excise – payable to imports and other local production of commodities.
- Stamp duties – payable on some legal documents.

7

After obtaining tax clearance from TRA and being registered as a tax payer, the prospective business has then to obtain the relevant licenses and clearance from the regulatory system for that sector of production or service e.g. TFDA.

FINANCING OF PROJECTS

WORKING CAPITALS:

What Is Working Capital?

Working capital is the capital used for running day-to-day operations of a business. Commonly the gap between the current assets and current liabilities is called the working capital. Current assets include cash and bank balance, accounts receivable, inventory or any other assets which can be liquidated within a period of one year. Similarly, current liabilities are liabilities that are due for payment within a period of one year.

Various Definitions Of Working Capital (WC)

There are many prevalent definitions of WC for different contexts and purposes. Let us try and cover each of the definitions first:

Gross Working Capital (GWC)

It refers to the Current Assets (CA) available with the business. It is called GWC because the contribution of Current Liabilities (CL) in reducing the overall working capital need is not considered here.

Net Working Capital (NWC)

When gross working capital is reduced by the amount of current liabilities available with the business, it is called net working capital. This is the most common definition represented by

NWC = CA – CL

Net Operating Working Capital (NOWC)

The concept of net operating working capital is similar to net working capital. The only difference is that it considers only the operating current liabilities and operating current assets for determining the net operating working capital.

NOWC = Operating CA – Operating CL

It raises a question in mind. What are non-operating current assets or liabilities then? Non-operating current assets are those assets which are not used for the core operations of the business and on the similar grounds non-operating current liabilities are those liabilities which are not related to the core operations of the business. Non-operating current assets include marketable securities, cash in excess of operating requirements, and other current investments not used for the core operations.

Positive And Negative Working Capital

Positive working capital is when NWC or NOWC is positive. When they are negative, it is negative working capital. Companies like Amazon enjoy negative working capital because of cash sales where buyers pay money even before the shipping of product and there is a time gap in making payments to suppliers.

Permanent Working Capital

We know that the WC need of a business fluctuates with a transaction which is affecting current assets and current liabilities. For Example with payment of Wages, Salary, purchase of Fixed Assets, repayment of loan etc. working capital requirement increases. On the other hand, when you sale goods on profit, sale of any long term security etc. working capital requirement decreases. But, there is a certain level of WC which always keeps invested in the business. The level of working capital never goes below this level. So, this level of working capital is called the permanent (or fixed) working capital.

Temporary Working Capital

When you reduce permanent working capital from the NOWC, you get temporary working capital. This is that working capital which keeps fluctuating. Normally, the fluctuations could be due to seasonal demands, special order, any special event etc.

Permanent and temporary working capital is nothing but the bifurcation of net operating working capital based on fluctuation. The primary reason to bifurcate is to achieve financing efficiencies. Like, permanent working capital needs can be addressed with long-term financing options and on the contrary temporary WC is addressed with short-term finances.

Days Working Capital (DWC)

Day’s working capital is a measurement of working capital requirement based on time period. It is an approximate method to calculate working capital requirement. First of all Working Capital Cycle is calculated as under:-

= Raw Material Holding Period + Working Capital Holding Period + Finished Goods Holding Period + Average Collection Period – Average Payment Period.

It indicates that in how many days Cash invested in Raw Material is received back by the company in form of collection from Debtors. Based on Working Capital Cycle, Working Capital Requirement is calculated as under:-

Annual Expense of the company / 365 Days * Working Capital Cycle.

In above calculation assumption is made that annual expense of the company is evenly spread through out the year.

It can be used as performance indicators. Lower the days working capital better is the performance in terms of a firm's ability to manage working capital. As quoted above, in some companies, this metric comes out as a negative figure also, like Amazon.

OBJECTIVE OF WORKING CAPITAL MANAGEMENT

There are 3 primary objectives of Working Capital Management viz.

Smooth Operating Cycle

Let's take an example of a manufacturing company which has a following cash conversion cycle:

1. Raw Material Holding Period (Raw Material Kept in stores department before issue for production) (30 Days)
2. Working In Progress Holding Period (Production Cycle) (40 Days)
3. Finished Good Holding Period (Finished Goods kept in go down) (30 Days)
4. Average Collection Period (Credit Period allowed to customers) (20 Days)

This time period is reduced by Average Payment Period for Raw Material. (Average Payment Period)

Working Capital Cycle may vary from industry to industry. Take any industry but the objective would always be to keep this cash conversion cycle as smooth as possible. The bottleneck in any of the activities would break the business supply chain and increase the cycle.

Optimize Investment In Working Capital

The investment in WC starts from the first activity of buying raw material and the funds become free only after the customer makes the payment. We saw that the cash conversion cycle in the above example was 100 days which is close to around 3 months. The money that you have borrowed for the smooth running of the operating cycle carries interest cost or you may have your own funds, then it has an opportunity cost. Any delay in any of the activities would be costly to the business and directly attack the profit margins. There is a great potential for optimizing each activity in the operating cycle and consequently optimize the investment in WC.

For example, techniques like 'Just In Time' can help reduce the time of holding raw materials, efficient 'Production Planning' can reduce the overall production time, using inventory management techniques like EOQ can also optimize the amount of capital investment in stock, effective cash management. There are many more such techniques.

Minimize Cost Of Working Capital Financing

There are many ways of financing the WC needs. It may be through long-term financing options like equities, long-term debt etc. One can take help of short-term financing options like WC loans, factoring, cash credit, letter of credit etc. The third is to have a combination of both long as well as short-term finance. Objective of Working Capital Management also includes balancing of carrying cost of working capital.

WORKING CAPITAL POLICY

Working Capital management is nothing but managing the levels of current assets so as to maximize a firm's long-run profits. There are three types of working capital policies which firm can follow:

Relaxed Policy / Conservative Policy

Relaxed policy is the one where the level of current assets is kept at a very high level. The benefit of this policy is that it maintains a very smooth operating cycle, no risk of bankruptcy, etc. The disadvantages are lower asset turnovers and thereby low ROI.

Restricted Policy / Aggressive Policy

Restrictive policy is the opposite of Relax or Conservative policy where the level of current assets is kept at the minimum possible level. The benefit of this policy is that it maintains very high asset turnover ratios and achieves higher ROI as well. The disadvantages accompanied with this policy is the risk of breaking the operating cycle in times of emergencies, the risk of bankruptcy is high.

Moderate Policy

Moderate policy is the policy that sets and level between the relaxed and restricted policy. It is neither too relaxed and nor too lean and mean. For this policy liquidity and working capital will be more, return on asset and risk of insolvency will be less in comparison to Aggressive policy. For this policy liquidity and working capital will be less, return on asset and risk of insolvency will be more in comparison to conservative policy.

Working Capital Financing Policy

Just above this, we learned how to manage the level of WC. Now, when we are clear on what will be the level of WC, it is time to decide how we will fulfill the working capital financing needs. There are three most prevalent working capital financing policies. These are based on the concept of permanent and temporary WC being financed by long term and short term financing options respectively.

Moderate Approach (Maturity Matching)

Maturity matching approach of working capital financing believes that the maturity of the current asset should match with the maturity of its financing option. Like equipment which would last for 10 years, should be financed by a 10 years loan, bond, debenture etc. On the other hand, inventory which would probably sell in 45 days should be financed by a 45-day bank loan. The baseline is that fixed assets and permanent working capital should be financed by long-term finances whereas temporary working capital should be financed by short-term or instantaneous financing options. This is a very idealistic policy which has certain unreal assumptions like the life of an asset is known exactly in advance and availability of highly flexible financing options in the market.

Relatively Aggressive Approach

The baseline of the relatively aggressive approach of financing is that fixed assets and a part of permanent working capital are financed by long-term finances whereas temporary working capital and remaining permanent working capital is financed by short-term or instantaneous financing options. Under an impression that short-term finance is a cheaper to long-term finances, some entrepreneur takes risk of financing a part of fixed assets with short-term financing to achieve improved ROI. When a firm finances an equipment having a life of the 10 years by a 1-year bank loan, it can face the problem of liquidity. In this case asset does not start generating return, however there is a requirement of repayment of loan. It is possible to see turbulent times in 10 years period when the business is in credit problems and bank loan is not renewed. At this time, the business may have to face bankruptcy.

Conservative Approach

Conservative approach is a risk-free approach for financing working capital. The baseline of this approach is that long-term sources of funds finance fixed assets, permanent working capital and a part of temporary working capital and short-term sources of funds finances the remaining part of the temporary working capital. With this approach, there are rare chances of falling prey to bankruptcy issues.

In general terms always a company should follow moderate policy or it may follow conservative policy. Following aggressive policy is always very risky.

VENTURE CAPITAL

What is Venture Capital?

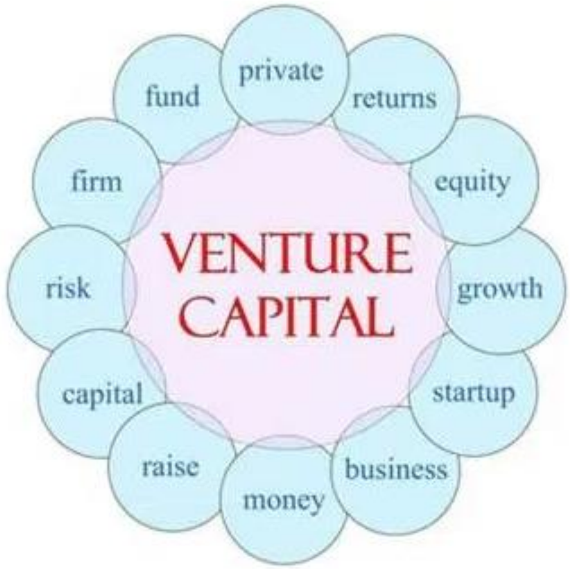
It is a private or institutional investment made into early-stage / start-up companies (new ventures). As defined, ventures involve risk (having uncertain outcome) in the expectation of a sizeable gain. Venture Capital is money invested in businesses that are small; or exist only as an initiative, but have huge potential to grow. The people who invest this money are called venture capitalists (VCs). The venture capital investment is made when a venture capitalist buys shares of such a company and becomes a financial partner in the business.

Venture Capital investment is also referred to risk capital or patient risk capital, as it includes the risk of losing the money if the venture doesn't succeed and takes medium to long term period for the investments to fructify.

Venture Capital typically comes from institutional investors and high net worth individuals and is pooled together by dedicated investment firms.

It is the money provided by an outside investor to finance a new, growing, or troubled business. The venture capitalist provides the funding knowing that there's a significant risk associated with the company's future profits and cash flow. Capital is invested in exchange for an equity stake in the business rather than given as a loan.

Venture Capital is the most suitable option for funding a costly capital source for companies and most for businesses having large up-front capital requirements which have no other cheap alternatives. ***Software and other intellectual property*** are generally the most common cases whose value is unproven. That is why; Venture capital funding is most widespread in the fast-growing technology and biotechnology fields.



Features of Venture Capital investments

- High Risk
- Lack of Liquidity
- Long term horizon
- Equity participation and capital gains
- Venture capital investments are made in innovative projects
- Suppliers of venture capital participate in the management of the company

Methods of Venture capital financing

- Equity
- participating debentures
- conditional loan

THE FUNDING PROCESS: ***Approaching a Venture Capital for funding as a Company***

The venture capital funding process typically involves four phases in the company's development:

- Idea generation
- Start-up
- Ramp up
- Exit

Step 1: Idea generation and submission of the Business Plan

The initial step in approaching a Venture Capital is to submit a business plan. The plan should include the below points:

- There should be an executive summary of the business proposal
- Description of the opportunity and the market potential and size

- Review on the existing and expected competitive scenario
- Detailed financial projections
- Details of the management of the company

There is detailed analysis done of the submitted plan, by the Venture Capital to decide whether to take up the project or no.

Step 2: Introductory Meeting

Once the preliminary study is done by the VC and they find the project as per their preferences, there is a one-to-one meeting that is called for discussing the project in detail. After the meeting the VC finally decides whether or not to move forward to the due diligence stage of the process.

Step 3: Due Diligence

The due diligence phase varies depending upon the nature of the business proposal. This process involves solving of queries related to customer references, product and business strategy evaluations, management interviews, and other such exchanges of information during this time period.

Step 4: Term Sheets and Funding

If the due diligence phase is satisfactory, the VC offers a term sheet, which is a non-binding document explaining the basic terms and conditions of the investment agreement. The term sheet is generally negotiable and must be agreed upon by all parties, after which on completion of legal documents and legal due diligence, funds are made available.

Types of Venture Capital funding

The various types of venture capital are classified as per their applications at various stages of a business. The three principal types of venture capital are early stage financing, expansion financing and acquisition/buyout financing.

The venture capital funding procedure gets complete in six stages of financing corresponding to the periods of a company's development

- ***Seed money***: *Low level financing for proving and fructifying a new idea*
- ***Start-up***: *New firms needing funds for expenses related with marketingand product development*
- ***First-Round***: *Manufacturing and early sales funding*
- ***Second-Round:*** *Operational capital given for early stage companies which are selling*

products, but not returning a profit

- ***Third-Round:*** *Also known as Mezzanine financing, this is the money for expanding a newly beneficial company*
- ***Fourth-Round:*** *Also calledbridge financing, 4th round is proposed for financing the "going public" process*

A) Early Stage Financing:

Early stage financing has three sub divisions seed financing, start up financing and first stage financing.

- Seed financing is defined as a small amount that an entrepreneur receives for the purpose of being eligible for a start up loan.
- Start up financing is given to companies for the purpose of finishing the development of products and services.
- First Stage financing: Companies that have spent all their starting capital and need finance for beginning business activities at the full-scale are the major beneficiaries of the First Stage Financing.

B) Expansion Financing:

Expansion financing may be categorized into second-stage financing, bridge financing and third stage financing or mezzanine financing.

Second-stage financing is provided to companies for the purpose of beginning their expansion. It is also known as mezzanine financing. It is provided for the purpose of assisting a particular company to expand in a major way. Bridge financing may be provided as a short term interest only finance option as well as a form of monetary assistance to companies that employ the Initial Public Offers as a major business strategy.

C) Acquisition or Buyout Financing:

Acquisition or buyout financing is categorized into acquisition finance and management or leveraged buyout financing. Acquisition financing assists a company to acquire certain parts or an entire company. Management or leveraged buyout financing helps a particular management group to obtain a particular product of another company.

Advantages of Venture Capital

- They bring wealth and expertise to the company
- Large sum of equity finance can be provided
- The business does not stand the obligation to repay the money
- In addition to capital, it provides valuable information, resources, technical assistance to make a business successful

Disadvantages of Venture Capital

- As the investors become part owners, the autonomy and control of the founder is lost
- It is a lengthy and complex process
- It is an uncertain form of financing
- Benefit from such financing can be realized in long run only

Exit route

There are various exit options for Venture Capital to cash out their investment:

- IPO
- Promoter buyback
- Mergers and Acquisitions
- Sale to other strategic investor

Examples of venture capital funding

- Kohlberg Kravis & Roberts (KKR), one of the top-tier alternative investment asset managers in the world, has entered into a definitive agreement to invest USD150 million (Rs 962crore) in Mumbai-based listed polyester maker JBF Industries Ltd. The firm will acquire 20% stake in JBF Industries and will also invest in zero-coupon compulsorily convertible preference shares with 14.5% voting rights in its Singapore-based wholly owned subsidiary JBF Global Pte Ltd. The fundingprovided by KKR will help JBF complete the ongoing projects.
- Pepperfry.com, India's largest furniture e-marketplace, has raised USD100 million in a fresh round of funding led by Goldman Sachs and Zodius Technology Fund. Pepperfry will use the fundsto expand its footprint in Tier III and Tier IV cities by adding to its growing fleet of delivery vehicles. It will also open new distribution centres and expand its carpenter and assembly service network. This is the largest quantum of

investmentraised by a sector focused e-commerce player in India.

OTHER EQUITY ASSISTANCE IN FINANCING

What is Equity & is it Right for You?

If you have a great business idea but not enough cash to fund it, equity may be the solution for you. The two most common types of equity are:

- **Equity financing:** Selling "shares" of your business to outside investors in order to finance your business.
- **Equity compensation:** Offering employees a percentage of company profits in exchange for lower (or zero) salaries upfront.

Debt financing is also another option to get your startup off the ground. Debt financing is when you get a loan from the bank or private investor that you must eventually pay back. Each option has its pros and cons so be sure to review them in this guide before you make any decisions.

If you've decided equity is right for you, your next step will be to search for investors: friends, family, business contacts, or even angel investors and venture capitalists. Networks such as Kickstarter allow you to post your business plan and wait for investors to come to you. This setup is great because it allows a lot of people to invest in your project, and not one major investor.

So, first things first: do you even need this guide? Is equity a good option for your business? If you have a great business concept but not enough cash to fund it, then the answer could be yes. Equity is one of the most common ways to fund a small business because, well, there aren't too many options.

However, small business equity isn't right for every situation. In fact, we're a bootstrapped company and we didn't take money from outside investors, but that doesn't mean it's not right for you.

It can be a tough decision to sell shares of your business to people you hardly even know — and even tougher down the road to fork over a portion of your profits to someone who did nothing but open their wallet. You could lose a bunch of control, so you need to proceed carefully.

That's why it's important to review all your options carefully — including begging your parents for money, hitting up the bank for a loan, and buying a lottery ticket.

If the lottery thing doesn't pan out and Mom already gave you her savings for your last idea, it's time to learn about the different types of equity.

THE DIFFERENT TYPES OF EQUITY

Here are the two most common types of equity and the ones you'll probably use:

- *Equity financing* is when you sell "shares" of your company to outside investors in order to finance your business. When you make money, your investors are entitled to a portion of the profits. This type of equity is best for sole proprietors who need some start up cash.
- *Equity compensation* is when you offer your employees a percentage of company profits as part of their compensation package, typically in exchange for a lower than average salary, or occasionally in lieu of salary completely. This type of equity is best for businesses that are in need of human capital more than physical capital. If you already have an office, a coffee maker, a copier, but need a new software developer, this might be the model for you.

The Pros and Cons of Equity Financing

When it comes to getting your small business or startup off the ground you have two options for financing (three if you count the lottery!):

1. **Debt financing** is pretty simple. You may have used a similar model to pay for college, your first car, or that Xbox 360 you just HAD to have when you were 15. Debt financing means taking out a loan from the bank, or a private investor (AKA your friends, your parents, your friends' parents, etc.) that you promise to pay back.
2. **Equity financing** is pretty similar, except that you don't have to "pay them back," per say. Sounds ideal, right? Not quite. You DO have to pay your investors eventually — but instead of making monthly payments with interest, you'll only compensate them if your business succeeds and you start making money. At that point, you give your investors a previously agreed upon percentage of your profits for the life of your business (unless you make so much money that you're able to buy them out).

DEBT FINANCING

THE PROS	THE CONS
Company Ownership - Debt financing is pretty straightforward legally. The bank or investor does not "own" any portion of your business and they don't have any say in your day-to-day operations. As long as you are making your payments on time, they will pretty much stay out of your way.	**Interest** –The most significant drawback of debt financing is that you have to repay the bank or investor with interest. (In fact, even if your parents are lending you the money, they are legally obligated to charge you interest for investments over 14,000, or else they will be required to pay a "gift tax.")
Tax Advantaged - The interest you pay on debt financing is also tax deductible, and your loan payments are predictable from month to month (kind of like a car payment or mortgage payment).	**Strict Lending Requirements** – Debt financing can be difficult to get, especially for a startup company. Banks are wary of startups because many fail. If you are able to secure a loan, you'll need to start paying it back right away, which immediately reduces the cash you have to work with on a monthly basis.
	Liability - In many cases, a bank will ask for personal collateral to back a loan, even if you have an LLC (limited liability corporation). If your business doesn't take off, you may be faced with liquidating (i.e. selling) personal assets such as your house, your car, your firstborn (just kidding) to pay back your loan.

With **equity financing** the pros and cons are reversed.

THE PROS	THE CONS
No Interest Payments - You do not need to pay your investors interest, although you will owe them some portion of your profits down the road.	**Giving Up Ownership** – Equity investors own a portion of your business, and depending on your particular agreement, they may be able to have a say in your day-to-day operations, including how you spend the money that they've invested.
No Liability – If the business doesn't succeed, the investors are the ones who take the hit – not you or your family.	For example, if you think you need a BMW to meet with clients, and they think you need a used Honda – you'll be in the Honda.
No Monthly Payments - You probably won't need to make monthly payments until you make a profit – which keeps more cash in your pocket while you get things up and running.	Depending on who your investors are, and how their vision for the business aligns with yours – this can be no problem at all, or a major pain in the you-know-what.

So let's say you decide debt financing isn't for you — and you want to grow to your business with equity. What's the next step?

First, you've got to follow the money — that means locating and soliciting investors.

When you think of investors you probably picture Wall Street and the crazy, hectic, confusing and loud stock market. Don't worry. While an IPO (initial public offering) on the stock market IS one way to earn equity, it's typically not feasible (or recommended) for a small startup business.

Instead, your investors will likely come in the form of friends, family members, business contacts, and potentially angel investors or venture capitalists.

INVESTMENT NETWORKS

Angel investors (investors who support businesses they believe in, rather than businesses that promise the highest return on investment) and venture capitalists (your traditional "sharks") can be located by word of mouth, and also through sophisticated investment networks.

An extremely popular network that you may have heard of is Kickstarter. You can join Kickstarter online, post information about your business plan, then wait and see if you get any bites from investors. Over the past year, websites like Kickstarter have become so popular that even celebrities are using them to fund TV shows, movies, and other personal projects.

One of the major benefits of investor networks are that they allow hundreds of people to make investments of varying amounts to your project – preventing you from being “owned” by one major investor. It also allows you to connect with investors across the country and around the world.

Startup Incubators

If you think your business could benefit from more than just cash, but also a little business advice or mentorship, you might consider a startup incubator.

Startup incubators are large companies that offer seed money, expert mentorship, supplies, and sometimes even office space in exchange for a share of company ownership (equity). Some of the most popular incubators today include Y Combinator, TechStars, 500 Startups, and Capital Factory, among many, many others. These incubators are sometimes specific to certain fields (technology or entertainment, for example), and others will accept applications for all types of ventures.

Because the value of startup incubators is so great, acceptance into them is typically VERY competitive across all industries. But don’t let that stop you – if you believe in your idea, chances are you can convince someone else to believe in it too.

Equity Compensation - Pros, Cons, and Vesting Decisions

Let’s say you have the cash you need to get things set up – but you’re hurting for cash flow (i.e. additional money coming in every month). This can make it pretty hard to pay your employees, particularly skilled marketers, programmers, and engineers who may rake in more than six figures a year at a more established company. Equity compensation is one way to get them on board.

The general idea of equity compensation is to offer employees a share of the company’s future profits in exchange for lower (or sometimes zero) salaries up front. Of course, as with equity financing, we highly recommend consulting a lawyer before making any formal offers.

As with any form of compensation, there are pros and cons to offering equity compensation.

THE PROS	THE CONS
Motivated Employees –Equity compensation not only lessens the up-front financial burden of paying out sky-high salaries, but it also attracts employees who are committed to working harder in order to ensure their financial wellbeing and the success of the company.	**It's Complicated** - The most obvious con with equity compensation is that it requires giving up small portions of ownership of your business. This is decidedly more complicated to handle than a traditional salary – and when you're starting a small business, more complicated is exactly what you DON'T need.

TYPES OF EQUITY AND VESTING TERMS

If you decide that equity compensation is something you'd like to offer, then your next move should be to figure out exactly what type of equity to use.

Here are four major types of equity used by small businesses:

1. **Common Stock** – a small portion of ownership in the business that pays dividends (a percentage of profits) when the company makes money.
2. **Preferred Stock** – similar to common stock but dividends are paid FIRST to preferred stock holders, then to common stock holders. Preferred stock is essentially common stock with a "skip to the head of the line" guarantee.
3. **Issuing Shares** – common stock that is given for free to employees (they don't have to buy a share, you give it to them as a bonus or gift).
4. **Warrants** – also known as "stock options," warrants convey the right to purchase stock at a future date for a set price, determined at the time the warrant is issued. For example, a company might offer an employee the ability to purchase five shares of stock at $100 a share in five years. If in five years a share of the company is worth more than $500, the employee has the option to buy it at $100 a share and sell it the next day for $500 a share.

In addition to the different types of equity, there are also variations in vesting terms. Vesting terms are just a fancy way of saying how long an employee has to work for you before they can collect their equity benefits. Outlining a vesting term protects you from an employee that signs on, takes their cash the second the business turns a profit – and then high tails it outta there two months later.

If you have a business partner or co-founder, you can set up a vesting schedule to ensure you'll both stay on board.

Most companies require about 12 months of employment before employee benefits (equity, 401k match, etc.) are fully vested – but of course, that's up to you to decide!

Now that you've decided what type of equity you're going to offer to your employees, it's time to figure out how much they're going to get.

If you offer too little, they might say sayonara and take a job where they get paid cold hard cash. Offer too much – and down the road your employees end up making more money than you. Not good.

The first decision you need to make is whether to offer your employees 100% equity compensation or a combination of salary and equity. On the plus side, offering employees equity alone means you'll end up with employees who truly believe in your business and are willing to work hard to see it succeed. On the other hand, it may eliminate qualified employees who simply cannot survive without some cash flow during the time it takes to make the business profitable.

Once you've sorted out the percentage of equity vs. salary, it's time to negotiate the amount of equity. While there are no specific guidelines as to how much equity each type of employee should receive (every business is different) there are a couple things you should consider.

1. The amount the employee will receive in salary pay (and how much lower it is than a typical salary for an equivalent position).
2. The employee's predicted impact on the success of the company.

Ideally, you're able to calculate (approximately) the amount the employee is worth to the company, and offer them an amount of equity that is equal to their worth – based on your predicted profits in 12 months.

BREAK EVEN ANALYSIS

What is a Break-Even Analysis?

A break-even analysis is a financial tool which helps a company to determine the stage at which the company, or a new service or a product, will be profitable. In other words, it is a financial calculation for determining the number of products or services a company should sell or provide to cover its costs (particularly fixed costs). Break-even is a situation where an organisation is neither making money nor losing money, but all the costs have been covered. Break-even analysis is useful in studying the relation between the variable cost, fixed cost and revenue. Generally, a company with low fixed costs will have a low break-even point of sale. For example, say Happy Ltd has fixed costs of Rs. 10,000 vs Sad Ltd has fixed costs of Rs. 1,00,000 selling similar products, Happy Ltd will be able to break even with the sale of lesser products as compared to Sad Ltd.

Components of Break Even Analysis

Fixed costs

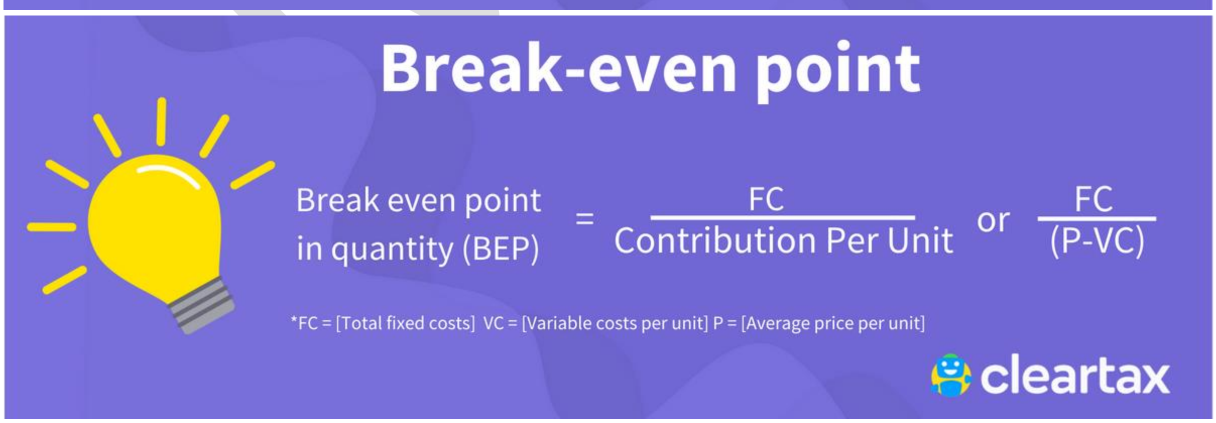
Fixed costs are also called overhead costs. These overhead costs occur after the decision to start an economic activity is taken and these costs are directly related to the level of production, but not the quantity of production. Fixed costs include (but are not limited to) interest, taxes, salaries, rent, depreciation costs, labour costs, energy costs etc. These costs are fixed rrespective of the production. In case of no production also the costs must be incurred.

Variable costs

Variable costs are costs that will increase or decrease in direct relation to the production volume. These costs include cost of raw material, packaging cost, fuel and other costs that are directly related to the production.

Calculation of Break-Even Analysis

The basic formula for break-even analysis is derived by dividing the total fixed costs of production by the contribution per unit (price per unit less the variable costs).



For an example:

Variable costs per unit: Rs. 400 Sale price per unit: Rs. 600 Desired profits: Rs. 4,00,000 Total fixed costs: Rs. 10,00,000 First we need to calculate the break-even point per unit, so we will divide the Rs.10,00,000 of fixed costs by the Rs. 200 which is the contribution per unit (Rs. 600 – Rs. 200). Break Even Point = Rs. 10,00,000/ Rs. 200 = 5000 units Next, this number of units can be shown in rupees by multiplying the 5,000 units with the selling price of Rs. 600 per unit. We get Break Even Sales at 5000 units x Rs. 600 = Rs. 30,00,000. (Break-even point in rupees)

Contribution Margin

Break-even analysis also deals with the contribution margin of a product. The excess between the selling price and total variable costs is known as contribution margin. For an example, if the price of a product is Rs.100, total variable costs are Rs. 60 per product and fixed cost is Rs. 25 per product, the contribution margin of the product is Rs. 40 (Rs. 100 – Rs. 60). This Rs. 40 represents the revenue collected to cover the fixed costs. In the calculation of the contribution margin, fixed costs are not considered.

When is Break even analysis used?

Starting a new business: To start a new business, a break-even analysis is a must. Not only it helps in deciding whether the idea of starting a new business is viable, but it will force the startup to be realistic about the costs, as well as provide a basis for the pricing strategy.

Creating a new product: In the case of an existing business, the company should still peform a break-even analysis before launching a new product—particularly if such a product is going to add a significant expenditure.

Changing the business model: If the company is about to the change the business model, like, switching from wholesale business to retail business, then a break-even analysis must be performed. The costs could change considerably and breakeven analysis will help in setting the selling price.

Breakeven analysis is useful for the following reasons:

- It helps to determine remaining/unused capacity of the company once the breakeven is reached. This will help to show the maximum profit on a particular product/service that can be generated.

- It helps to determine the impact on profit on changing to automation from manual (a fixed cost replaces a variable cost).
- It helps to determine the change in profits if the price of a product is altered.
- It helps to determine the amount of losses that could be sustained if there is a sales downturn.

Additionally, break-even analysis is very useful for knowing the overall ability of a business to generate a profit. In the case of a company whose breakeven point is near to the maximum sales level, this signifies that it is nearly impractical for the business to earn a profit even under the best of circumstances.

Therefore, it's the management responsibility to monitor the breakeven point constantly. This monitoring certainly reduces the breakeven point whenever possible.

Ways to monitor Break even point

- **Pricing analysis:** Minimize or eliminate the use of coupons or other price reductions offers, since such promotional strategies increase the breakeven point.
- **Technology analysis:** Implementing any technology that can enhance the business efficiency, thus increasing capacity with no extra cost.
- **Cost analysis:** Reviewing all fixed costs constantly to verify if any can be eliminated can surely help. Also, review the total variable costs to see if they can be eliminated. This analysis will increase the margin and reduce the breakeven point.
- **Margin analysis:** Push sales of the highest-margin (high contribution earning) items and pay close attention to product margins, thus reducing the breakeven point.
- **Outsourcing:** If an activity consists of a fixed cost, try to outsource such activity (whenever possible), which reduces the breakeven point.

Benefits of Break-even analysis

- **Catch missing expenses:** When you're thinking about a new business, it's very much possible that you may forget about a few expenses. Therefore, a break-even analysis can help you to review all financial commitments to figure out your break-even point. This analysis certainly restricts the number of surprises down the road or atleast prepares a company for them.
- **Set revenue targets:** Once the break-even analysis is complete, you will get to know how much you need to sell to be profitable. This will help you and your sales team to set

more concrete sales goals.

- **Make smarter decisions:** Entrepreneurs often take decisions in relation to their business based on emotion. Emotion is important i.e. how you feel, though it's not enough. In order to be a successful entrepreneur, decisions should be based on facts.
- **Fund your business:** This analysis is a key component in any business plan. It's generally a requirement if you want outsiders to fund your business. In order to fund your business, you have to prove that your plan is viable. Furthermore, if the analysis looks good, you will be comfortable enough to take the burden of various ways of financing.
- **Better Pricing:** Finding the break-even point will help in pricing the products better. This tool is highly used for providing the best price of a product that can fetch maximum profit without increasing the existing price.
- **Cover fixed costs:** Doing a break-even analysis helps in covering all fixed cost.

Uses of Break-Even Analysis:

New Business- For a new venture, break-even analysis is essential. It guides the management with pricing strategy and be practical about the cost. This analysis also gives an idea if the new business is productive.

Manufacture New Product- If an existing company is going to launch a new product, they still have to focus on break-even analysis before starting, and see if the product adds necessary expenditure to the company.

Change in Business Model- Break-even analysis works even if there is a change in any business model, like shifting from retail business to wholesale business. This analysis will help the company to determine if the selling price of a product needs change.

TECHNOLOGY TRANSFER

The movement of scientific methods of production or distribution from one enterprise, institution or country to another, as through foreign investment, international trade, licensing of patents rights, technical assistance or training. **The process to commercially exploit research varies widely.** It can involve licensing agreements or setting up joint ventures and partnerships to share both the risks and rewards of bringing new technologies to market. Other corporate vehicles, e.g. spin-outs, are used where the host organization does not have the necessary resources or skills to develop a new technology. In international markets, usually, is transmitted through International Technology Transfer Agreements.

The importance of technology transfer

Contrary to popular belief, publishing your research will not guarantee that someone will notice your discovery and continue developing it into a tangible product that will reach the end user. As I previously mentioned, *technologies first need to be developed* and that is achieved through collaborations with industrial partners. For example, once a lead compound is identified it must go through a drug development process that includes pre-clinical research, development, and clinical trials. Additionally, drug development is focused on addressing the regulatory requirements of regulatory authorities, such as the FDA and later on for marketing approval. Overall, the process can be quite expensive and may exceed $100 million dollars per drug compound.

How Does Technology Transfer Occur?

Technology is typically transferred through a license agreement in which the university retains ownership of the intellectual property, while the industrial partner obtains conditional rights to use and develop a technology. Before the technology transfer can take place, *inventors must define and disclose the nature of their invention* to the institution's technology transfer office. New inventions are evaluated by technology licensing experts, who determine the *intellectual property position* and *potential market* for the technology. The technology transfer office will not be able to proceed with the invention if there is no intellectual property available, no value to industry or appropriate competitiveness in the market. On the other hand, inventions with an appropriate intellectual property and market position are given the green light and intellectual property rights are pursued. An invention management and commercialization strategy can begin once the intellectual property rights are established.

Technology transfer requires a proactive approach that combines engaging researchers, promoting the technology, and encouraging potential industrial partners to use the technology.

The end goal of the commercialization strategy is to establish a commercial relationship with another party (e.g., employment, a sale or license), and negotiating a contract (e.g., compensation). A license is a contract between a licensor (e.g., the holder of a patent) and a licensee (e.g., an industry partner) that includes a number of conditions that the third party must satisfy. The licensee may be an established company or a new business start-up (that may be founded by the researcher).

The technology transfer office may grant nonexclusive, partially exclusive, or exclusive licenses. Multiple nonexclusive licenses may be granted to several companies to offer better opportunities to broaden the use of an invention across different fields. As mentioned above, *the industry partner must satisfy a number of conditions* which may include creating a satisfactory development or marketing plan, supplying information about the company's ability to implement the plan, develop and commercialize the invention within a specified period of time, and making financial payments to the university. These payments are distributed to the inventors and shared within the institution to provide support for additional research, education, and participation in technology transfer activities.

Why is Technology Transfer important?

Technology transfer helps develop early stage intellectual property into tools for direct use by the research community, or into bases for new platforms, products, or services to be made into products for public use. Successful collaborations are formed between researchers across different universities or industries in order to advance the knowledge in a particular field or to further develop a technology. These collaborations may result in licensing or sponsored research opportunities that benefit both partners. In addition, technology transfer ensures that the interests and rights of the university in the intellectual property are protected. The university is able to retain the intellectual property rights of the technology and issue a license for the conditional use of the technology.

Successful transfer and development of the technology helps promote the research institution and its commercial partners. The university obtains recognition and increases its reputation for their research and innovation potential. Industry partners can also reduce the costs incurred during their research and development stage by licensing technology from a university. Another benefit for the university involves using the licensing revenue to support further research and education at the institution. Universities protect their investments in research by patenting new technologies, which gives them an opportunity to reach the stream of commerce. The university's investments in the technology help stimulate local economic development. The ultimate beneficiary of technology transfer is the public, who benefits from both the products that reach the market and the jobs resulting from the development, manufacturing, and sale of products.

Technology Transfer Methods

The choice of a technology transfer method should be based on technology analysis, future strategy of cooperation with a company's supplier, investment resources and technical capacities of the company to implement the technology.

When choosing a transfer method, it is necessary to understand that the more complex is the technology, the closer should the connections be between the buyer and the supplier. As noted earlier, technology transfer doesn't end with equipment delivery. In itself, equipment doesn't generate new competences. The real changes in the company's work can be introduced by transfer of knowledge, skills, and intellectual property rights.

Let's try to consider main technology transfer methods, their strengths and weaknesses:

Licensing

Licensing is an agreement under which the owner of a patent, trademark or other intellectual property gives permission to another company to use the technology developed by him (her), in a certain area during a certain period of time.

There are two main types of licenses: 1) one which grants an exclusive right to use the technology; 2) another with non-exclusive right, which implies that the patent owner may transfer the right to use the technology to other companies in the same area.

Additionally, the licensing agreement could include a sublicensing clause which permits the licensee to grant to someone else the right to use the technology.

The advantage of buying a license/patent is that it has lower costs, compared with other technology transfer methods. However, the purchase of a license requires sufficient knowledge, experience, relevant expertise and manufacturing base for the further in-house technology implementation.

Support Contract

According to this agreement, the technology owner participates in the technology implementation, providing at each stage of the transfer technical support, as well as personnel training.

The involvement of technology developer in the technology transfer process ensures a closer cooperation between two parties which favors a complete transfer of all knowledge and skills related to the technology. In this way, the support contract may be a part of the licensing agreement, in order to improve the transfer efficiency.

Joint Venture

A joint venture is an agreement concluded between two or more companies in order to execute a particular business. The joint venture implies mutual assets, management, risks, profit sharing, co-production, services and marketing.

Benefits from a joint venture in case of technology transfer are the following: long-term cooperation between the parties, motivation of all participants in the successful transfer, lower costs than if the companies have been working separately.

The disadvantages of a joint venture are often associated with the different vision and goals of both partners, their inability to be independent in management. Also, companies are not always able to determine objectively the value of capital contributed by each of them and, therefore, subsequent profits distribution. (The foreign company provides innovative technology and management competence, while the local company is familiar with the market and regulation. Finally it is difficult to determine the value of each asset).

Franchising

Franchising is an agreement where one company grants to another the right to use its trademark and business model. The buyer of the franchise starts manufacturing and selling the goods according to the seller's specification. Normally, the company owner of a trademark also shares its experience in operating and managing the franchised product/technology.

The main advantage of franchising is the fact that the company gets an already-made brand. With the franchised product, the company acquires a proven business model, knowledge in management and marketing.

The disadvantages are the company's dependence on the technology owner. In most cases, the company has to purchase raw materials, equipment and other products from specific vendors. It must follow internal rules and procedures of the technology owner. Generally, the company cannot bring the product to other markets as well as sale the franchise. In addition, the decline of the franchise owner reputation could have an impact on the company that has bought its franchise.

Strategic Alliance

A strategic alliance agreement is usually concluded between two or more big companies in order to use specific skills of each of them in the development of new innovative technologies. Strategic alliance could be in form of joint laboratories, research programs, production and promotion of a new product.

Typically mutual efforts of different partners give better results than an independent development of a new technology. During joint operations, each company can get the needed experience in new areas and in different forms of management.

The major weakness of strategic alliances is the complexity in managing companies with different cultures. There will be at least two teams of managers with different approaches. The companies may have different goals and strategies in further business development of the new technology.

Turnkey Agreement

In case of a turnkey agreement, the general contractor is responsible for all the procedures related to technology transfer, such as technology design, financing, equipment supply, construction and commissioning.

The advantages of a turnkey agreement are that the company concludes a contract only with one supplier who takes full responsibility for the project execution; except a force majeure, the project will have a fixed price; the supplier guarantees the performance and the efficiency of technology.

The disadvantages could be the following: company should know in advance all the features and output parameters which the technology should have after its launch; a complex or large-scale technology requires a deep knowledge in the corresponding field (in this case an independent expert organization could be employed to determine the technology's features and output characteristics); transfer price under a turnkey agreement is generally much higher than with any other method (the more risks the supplier takes, the higher the price is); during the transfer implementation, a company doesn't have full control over the progress and quality of each stage of the transfer; contractor's financial problems may lead to the project suspension (it is difficult for company to determine supplier's financial capacity and its ability to self-finance all stages of the transfer).

One of the ways to reduce the risks of the turnkey agreement is to involve the supplier in the capital of the new entity. This will motivate the supplier to ensure the quality of the new technology, as well as it will bring the supplier's experience in the further operational processes.

Equipment Acquisition

Equipment Acquisition is a simple and, therefore, one of the most common methods of technology transfer. The main disadvantage of this method is the fact that the company limits itself to mere technical knowledge incorporated in the equipment and does not get any new competences in the management and production. Moreover, equipment available on the market does not give unique privilege to the buyer, as this equipment may be purchased by any other competitor.

Management Contract

Technology can be transferred through a competent expert, who could be "entice" from another company.

This method of technology transfers involves minimum costs. But, generally, it can be effective only for small projects with relatively simple technology. Furthermore, technology should not be patented.

Foreign Company Acquisition

A company may acquire a foreign startup which is developing a new technology. As a result, the company will not only get the technology, but also a team capable to develop it in the future. Moreover, the acquisition of a foreign firm automatically places the company on the new international market.

Among the main risks of buying an existing firm, is the possible resignation of key employees after the acquisition. Besides, the founders of the successful startup would agree to sell it only for a price significantly higher than the market. This increases the risk of the profitability in the future.

Direct Foreign Investments

Direct foreign investments is one of the main methods of technology transfer at the state level. Generally, a foreign company invests in developing countries in order to create a new market, remove export barriers and get an access to cheap labor.

In this case, a developing country gets all the benefits of technology transfer, particularly the development of its own research environment. Besides, it is a way to create new jobs and raise taxes.

However, to attract foreign investors, the developing country's government, generally, has to make some concessions in its policy. As we can see in practice, without these concessions large international corporations are not motivated in long term investments in developing countries.

Buy-Back Contract

A buy-back contract is a form of agreement between developing countries and large foreign companies. Under this agreement, a foreign company supplies industrial equipment in exchange for profits derived from the sale of raw materials or goods produced on this equipment. This kind of technology transfer is often used in the construction of new plants in the developing countries. In that case the state becomes a shareholder in the created enterprise.

For a developing country this represents a possibility to get a high-tech equipment without direct investment in it. Moreover, the foreign company is responsible for the performance of supplied technologies.

Potential disadvantages of a buy-back contract are the motivation of the foreign company to start production at least costs which, certainly, will affect the execution quality. Typically, under a buy-back agreement the price for a new technology is much higher than in case of direct investments.

Original equipment manufacturer (OEM)

OEM can be considered as a form of subcontracting, where a local firm starts manufacturing according to the foreign company specifications.

A foreign company transfers a part of its technologies and equipment. It conducts training and management reorganization. Afterwards, the foreign company sells produced goods through its own channels and under its own trademark.

OEM agreement enables local companies to absorb new technologies and to reorganize their production. With new equipment and skills, these firms can produce new goods for the domestic market under its own brand.

The main drawback of this agreement is the obligation to supply to the foreign company products at a fixed price which is normally much lower than the market one.

APPENDIX I

CONTENT BEYOND THE SYLLABUS

APENDIX I

INDIAN ENTREPRENEURS SUCCESS STORIES WHO STARTED WITH NOTHING

Sridhar Vembu

CEO of Zoho Corp. (formerly AdventNet Inc.), the company behind the Zoho suite of online applications.

He co-founded AdventNet in 1996 and has been CEO since 2000. AdventNet has transformed itself from a modest beginning as a software company serving network equipment vendors to be an innovative online application provider.

It has maintained growth and profitability, without needing outside capital. Prior to AdventNet, Sridhar worked as a wireless systems engineer at Qualcomm, Inc. where he was fortunate to work with some of the leading minds in wireless communications.

Sridhar Vembu's Zoho competes successfully around the world with some core products of Microsoft, Google, and Salesforce.com. Vembu shuns outside capital, but if Zoho were to be valued, it might be well over $1 billion.

He grew up in a very modest middle-class family in Chennai. His father was a stenographer in the High Court. Neither his father nor his mother went to college.

He went to a Tamil-medium, government-aided school till Std 10, and then he did 11th and 12th in an English-medium government school.

He did well at school and he obtained his Bachelor's degree in Electrical Engineering from the

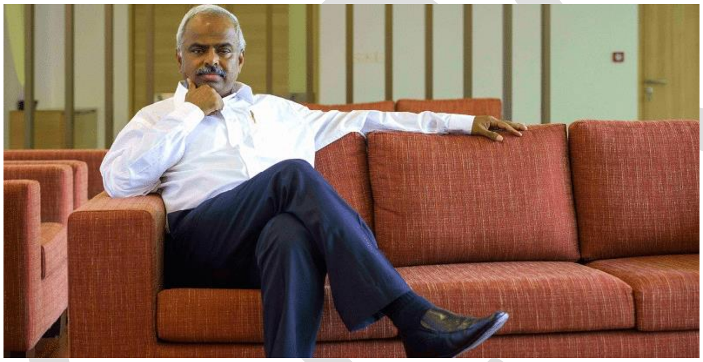
Indian Institute of Technology, Madras, and Ph.D. in Electrical Engineering from Princeton University.

Dr.Arokiaswamy Velumani

Thyrocare’s Velumani: Owns no car, lives in a small quarter, but helms a Rs 1,320-crore company.

Velumani doesn’t own a car. He makes do with small living quarters above his large lab in Navi Mumbai but still ends up sleeping in the lab most nights.

Born to a poor landless farmer in a nondescript and obscure village of Appanickenpatti Padur in Tamil Nadu, Arokiaswamy Velumani found himself at the bottom of the ‘ten slices of the pyramid’.



Velumani was so poor that he sought government subsidy to go through school and college.

Today, he is the owner of the world’s largest thyroid testing company, that boasts of 1,122 outlets across India, Bangladesh, Nepal, and the Middle East!

He started his career as a shift chemist at Gemini Capsules, a small pharmaceutical company in Coimbatore, in 1979 and earned a measly sum of ₹150 every month. The curtains came down on the company three years later and Velumani found himself without a job.

After 14 years of servitude at BARC, Velumani put in his papers. He decided to channel his expertise in thyroid biochemistry to set up testing labs that detected thyroid disorders. With Rs. 1,00,000 from his provident fund, Velumani, at the age of 37, opened a shop in Byculla, South Mumbai.

Thyrocare is worth ₹3,377 crores (in May 2016) and has made its debut on Indian bourses! Velumani owns a 64% stake in the company, which makes him worth ₹2,158 crores!

But it doesn’t end there for Velumani and his team. Thyrocare is also working towards developing a subsidiary to focus on cancer screening through molecular imaging.

Mahesh Gupta Chairman Kent RO Systems

A mechanical engineer started in 1985, from a small room in his house with just 20,000 which he had saved from his job with IOCL.

His first invention was in the field of petroleum conservation instrument where he earned fame and half a dozen patents to his credit.

His turning point came with the establishment of KENT RO SYSTEM in the year 1998 when he charted out on a new enterprise after jaundice gripped his son in a posh colony of South Delhi.

Knowing that jaundice is a water-borne disease, Gupta researched and analyzed all the available water purifiers in the market.

He was dissatisfied with available options and decided to make a better quality purifier. After several trials, he made his own water purifier and became confident that is product is good enough to be marketed. "Coming from an engineering background, making my own water purifier was not a difficult task; all I needed to do was export the components. – Mahesh Gupta

The experiment turned into success. And then I thought to bring it out in commercially in the market. I started from scratch with an investment of about 1 lac and a four-member team.

Today Kent has grown a 40% market share in RO mineral and has turnover 580 crore and 2,500 employees.

Kailash Katkar

Born in a small village at Rahimatpur in Maharashtra, Kailash Katkar worked his way to the top to be chairman and CEO of INR 200 Cr business. He is the man behind Quickheal Technologies Pvt Ltd.

He started with a job at a local radio and calculator repair shop and later went ahead in 1990 to start his own calculator repair business.

In 1993 he started a new venture, CAT computer services where around that time his younger brother Sanjay developed a basic model of antivirus software which helped in solving the biggest problem of computer maintenance at that time.

Later in 2007, it was renamed as Quick Heal Technologies. He achieved all this without any formal education.

P C Mustafa (Coolie's Son who Set Up 100 Crore Company with just 25,000)

This is the story of a man who failed in Class 6 but went on to join the Regional Engineering College (now the National Institute of Technology), Calicut and the Indian Institute of Management-Bangalore.

This is the story of a man who decided to become an entrepreneur and employ people from rural

India.

Today, fresh *idli* and *dosa* batter made by P C Mustafa’s company ID Fresh reaches homes in Bengaluru, Chennai, Pune, Mumbai, Delhi, Hyderabad, Mangaluru and even Dubai.

Today, we produce around 50,000 kg in our plant. The total investment must be around Rs 4 crore (*Rs 40 million*) and our revenue is Rs 100 crore (*Rs 1 billion*).

When we became a Rs 100 crore company in October 2015, we celebrated in a grand scale. We have grown from producing 10 packets a day in 2005, with just my cousin managing the kitchen, to 50,000 packets a day with 1,100 employees in 10 years.

Patricia Narayan

She started her career 30 years ago as an entrepreneur, selling eateries from a mobile cart on the Marina beach amidst all odds — battling a failed marriage, coping with her husband, a multiple addicts, and taking care of two kids.

Today, she has overcome the hurdles and owns a chain of restaurants.

” I started my business with just two people. Now, there are 200 people working for me in my restaurants. My lifestyle has changed too. From traveling in a cycle rickshaw, I moved to auto rickshaws and now I have my own car. From 50 paise a day, my revenue has gone up to Rs 2 lakh a day.

The ‘Ficci entrepreneur of the year’ award is the culmination of all the hard work I have put in over the last 30 years. It came as a surprise as this is the first time I have received an award.

Till now, I had no time to think of what I was doing. But the award made me look back and relive the days that passed by. Now, my ambition is to build my Sandeepha brand.”

Advice to young entrepreneurs

Do not ever compromise on quality. Never lose your self-confidence. Believe in yourself and the product you are making. Third, always stick to what you know. When you employ people, you should know what you ask them to do.

Dhiru Bhai Ambani

India’s largest private sector company. Created an equity cult in the Indian capital market.

Reliance is the first Indian company to feature in the Forbes 500 list. Dhirubhai Ambani was the most enterprising Indian entrepreneur.

His life journey is reminiscent of the rags to riches story. He is remembered as the one who rewrote Indian corporate history and built a truly global corporate group.

Dhirubhai Ambani alias Dhirajlal Hirachand Ambani was born on December 28, 1932, at Chorwad, Gujarat, into a Modh family. His father was a school teacher. Dhirubhai Ambani started his entrepreneurial career by selling “bhajias” to pilgrims in Mount Girnar over the weekends.

After doing his matriculation at the age of 16, Dhirubhai moved to Aden, Yemen. He worked there as a gas-station attendant, and as a clerk in an oil company. He returned to India in 1958 with Rs 50,000 and set up a textile trading company.

In 1992, Reliance became the first Indian company to raise money in global markets, its high credit-taking in international markets limited only by India’s sovereign rating. Reliance also became the first Indian company to feature in the Forbes 500 list.

Dhirubhai Ambani was named the Indian Entrepreneur of the 20th Century by the Federation of Indian Chambers of Commerce and Industry (FICCI). A poll conducted by The Times of India in 2000 voted him “greatest creator of wealth in the century”.

Dhirubhai Ambani died on July 6, 2002, at Mumbai.

Karsanbhai Patel – Man behind NIRMA

The ‘Nirma’ success story of how an Indian Entrepreneur took on the big MNCs and rewrote the rules of business :

It was in 1969 that Dr. Karsanbhai Patel started Nirma and went on to create a whole new segment in the Indian domestic detergent market.

During that time the domestic detergent market only had the premium segment and there were very few companies, mainly the MNCs, which were into this business.

Karsanbhai Patel used to make detergent powder in the backyard of his house in Ahmedabad and then carry out door to door selling of his hand made product.

He gave a money-back guarantee with every pack that was sold. Karsanbhai Patel managed to offer his detergent powder for Rs. 3 per kg when the cheapest detergent at that time was Rs.13 per kg and so he was able to successfully target the middle and lower-middle-income segment.

Sabki Pasand Nirma!

Nirma became a huge success and all this was a result of Karsanbhai Patel’s entrepreneurial skills.

The best case of – Give your consumer what he wants, when he wants, where he wants and at the price he wants, selling will be done quite automatically. This is the marketing ‘mantra’ of Nirma.

The company that was started in 1969 with just one man who used to deliver his product from one house to the other, today employs around 14 thousand people and has a turnover of more than $ 500 million.

In 2004 Nirma’s annual sales were as high as 800000 tonnes. According to Forbes in 2005 Karsanbhai Patel’s net worth was $640 million and it’s going to touch the $1000 million mark soon.

Prem Ganapathy – The Dosawala

Prem Ganapathy was stranded at the Bandra station when the person accompanying him left him and ran away. Prem had no local acquaintances or knowledge of the language.

Out of pity, a fellow Tamilian guided him to a temple and appealed worshipers to contribute money for his return ticket to Chennai.

Prem refused to go back and decided to work in Mumbai and started cleaning utensils in a restaurant. He appealed to his owner, to let him become a waiter as he was class 10 pass. The owner refused, because of regional politics and Prem bided his time till a neighborhood dosa restaurant opened and offered him a job from a dishwasher to a tea boy.

Prem became a huge hit with the customers because of his excellent customer service, initiatives, and relationship and brought business Rs. 1000 daily which was almost 3 times as compared to other tea boys. Life was good.

A customer made him an offer. He was planning to open a tea shop in Vashi in Mumbai. He wanted Prem to be his 50 – 50 partner where the owner would invest the money while Prem would run the shop. The shop started doing brisk business when the owner became greedy.

It hurt him to share 50 % of the profit with Prem and he threw Prem out replacing him with an employee.

Prem was made of different material and he was never going to be defeated. He took a small loan from his uncle and with his brother, opened his own tea stall. Unfortunately, the neighborhood residents objected. He then started a hand cart but that also did not work out.

He found a spot and set up a south Indian stall. He did not know a thing about dosas and idli but learned by observation, trial, and error. The dosa stall was a huge hit and flourished during the 5 years from 1992-1997. But why was the tiny dosa stall was so successful in spite of competition from ubiquitous eateries prevalent in Mumbai? According to Prem, it was its hygiene, proper appearances of the waiters and fresh ingredients which stood out as a difference.

He saved a couple of lakhs of Rupees and instead of heading home he took the biggest risk of his life and opened a new shop near Vashi station and named it Dosa Plaza. His Chinese plaza next to the Dosa Plaza flopped miserably and was shut down in 3 months.

Undaunted, Prem realized some lessons from it. He applied those lessons in making Chinese cuisine in his dosas which worked very well.

He got passionate and invented a variety of dosas with Chinese style like American Chopsuey, Schezwan Dosa, Paneer chilly, Spring roll dosa, etc. The 108 types of Dosas in his menu gets him a lot of publicity.

A chance encounter with a customer who was part of the team setting up a food court in a mall in New Bombay advised him to take a stall at the food court and again Prem was ready and willing to grow and expand. His vision was to grow by better offerings and better customer service. He also went to ad agencies to create the brand identity including the logo, brands, menu card, waiters dress etc.

He started getting a lot of offers for franchising and had to find out the meaning of franchising and its modus operandi. Dosa Plaza currently has 26 outlets and 5 of them are company-owned. It has 150 employees and a turnover of 5 crores. All the branches are connected and networked and there are training managers and proper manuals to maintain standard and uniform products and services.

Merit is the only criteria; all the employees regardless of the caste or region are treated equally. They are loyal and have grown with the company. The original team of cooks which was the part of the first Dosa venture is still with Prem. Currently, he is also getting inquiries from the US and Europe for franchisees.

Jyothi Reddy

This has been proved by Mrs. Jyothi Reddy with her spectacular travel from a field laborer to the CEO of an organization in the US.

This is the true story of Ms. Jyothi Reddy who now owns a software company in the United States of America and who has a great vision to change many lives of women in rural India.

Jyothi was born in 1970 and she was the youngest among the five girl children in a poor family in India. Due to her family's financial situation, she was admitted into a welfare orphanage. To get the admission, she had to become a motherless child.

It was a heartbreaking situation for Jyothi as she could not see her mother during the days when she was in the orphanage. There was nobody to share her happiness and sorrow.

Instead of getting down with the situation, Jyothi developed a strong will to make her future bright. She promised herself to work towards creating a better life for her.

She learned the way of dealing with life in a hard and practical manner. The hardship taught her the value of life and made her think beyond the situation.

Ramesh Babu, the barber who owns a Rolls Royce

Bangalore resident Ramesh Babu, is a star in his own league who runs the business of cutting and styling hair. He is an ordinary businessman, with extraordinary wealth. He is a billionaire and owns a rent-a-car fleet of 67 alternative cars.

At the moment his fleet consists of around 200 cars, vans, and mini-buses, including imported vehicles—a Rolls-Royce Silver Ghost, Mercedes C, E and S class and BMW 5, 6 and 7 series. He has a fleet of imported Mercedes vans and Toyota mini-buses.

"This is more of a passion," he says. As for being a barber, "I will continue to be one as long as my hands are healthy."

Amazingly, Ramesh charges Rs 75000 a day for the Rolls and his usual clients are corporate bigwigs and visiting Bollywood and Tollywood stars.

Nitin Godse

Godse hails from a poor family of a farmer based out of Akole village from Ahmednagar district, where he recalls his father earning a meager monthly wage of Rs. 400 He worked hard and did graduation and later an MBA course in 1994-96 from Pune University.

Nitin laid the foundation of Excel Gas and Equipments Pvt Ltd on 31 December 1999.

Ranked as one of the top 5 companies, the company specializes in on-site piping and tubing installations, subcontracting, supplying a variety of onsite services like pipe and tube supply and fitting, on-site manual welding, orbital welding, helium leak check, instruments supply and erection, and such others.

The turnover of the company is touching Rs 50 crores and the company has 200 employees on its own payroll.

Excel Gas plans to install 20 gas plants in 4-5 cities by 2016-17 with an investment of Rs 100 crores.

80 INSPIRING SUCCESSFUL STARTUP SUCCESS STORIES IN INDIA

Each entrepreneur puts in his 110% effort to make their startup a success. Nevertheless, that's not the only factor that matters to the formulation of the perfect recipe of Indian success stories. The successful startups in India are built on the grounds of persistence, mentorships, disruptiveness & market requirements.

1. Oyo

Launch: 2013

Founders: Ritesh Agarwal

Industry: Hospitality

Estimated Valuation: $16 billion

Ritesh Agarwal, the founder of the homegrown unicorn Oyo, has established itself as one of the largest hotels and hospitality chains around the world with operations in over 800 cities across 80 countries, including India, the US, China, Europe, China, and more.

Airbnb was the biggest source of inspiration for Ritesh, who started out on his journey of being one of the best entrepreneur success stories as a teenager.

2. Paytm

Launch: 2010

Founder: Vijay Shekhar Sharma

Industry: Fintech

Estimated Valuation: $15 billion

Paytm started out as a digital wallet in its initial days but has transformed into a completely new payments platform. The fintech service has been able to emerge as the top fintech company even after facing fierce early competition from brands like Freecharge.

Fact: Paytm's userbase grew from 125 million to 185 million three months post demonetization.

Vijay Shekhar Sharma, who was struggling to make ends meet with Rs 10 in his pocket, tasted victory the hard way, and today, he stands as the founder of the billion-dollar homegrown unicorn.

3. Flipkart

Launch: 2007

Founders: Sachin Bansal & Binny Bansal

Industry: Ecommerce

Estimated Valuation: $24 billion

The Walmart acquired ecommerce company Flipkart stands as the largest ecommerce platform in India. Today, the ecommerce platform has expanded its business horizons by foraying into the video streaming industry with Flipkart Video Originals.

Fact: The first customer of Flipkart was a young engineer from Mahbubnagar, Telangana.

Sachin Bansal & Binny Bansal started out as an online bookstore that made around 20 successful shipments in its first year of functioning. It was not late before the platform started grabbing people's attention that made it the top online retail market in history.

4. Swiggy

Launch: 2014

Founders: Nandan Reddy, Rahul Jaimini, & Sriharsha Majety

Industry: Foodtech

Estimated Valuation: $3.3 billion

The viral food delivery startup has marked itself as one of the inspirational stories of success that started out in its Bengaluru neighborhood that was covered by six delivery executives with only 25 partner restaurants.

Today, the food delivery firm has over 2.1lakh delivery executives across 300+ cities in India. Currently, the company processes over 1.4 million food orders daily across the country.

Note: Swiggy recently received a funding of $1 billion from Naspers and Tencent Holdings

5. Ola Cabs

Launch: 2010

Founders: Bhavish Aggarwal, Ankit Bhati

Industry: Mobility

Estimated Valuation: $6.2 billion

Ola Cabs, started by IIT-B graduates Bhavish and Ankit, has emerged to be the most prominent Indian mobility service provider in the country that offers its services across 50 cities in India and is evenly spread across countries, including the UK, Australia, and New Zealand.

The idea of Ola, a cab aggregation startup, came from Bhavish's terrible experience. At the same time, he was traveling from Bengaluru to Bandipur, where the driver of his cab stranded him in the middle of nowhere over a failed negotiation deal.

6. BookMyShow

Launch: 1999

Founders: Ashish Hemrajani, Parikshit Dar & Rajesh Balpande

Industry: Online Ticket Booking

Estimated Valuation: $1 billion

We see BookMyShow as a stable platform in the online ticket booking sector. It is considered as the one-stop-platform to book online tickets, especially for movies.

Surprisingly, the upheaval of BookMyShow is one of the most motivational success stories that showcase the power of perseverance. The platform currently provides its services across five countries with over 30 million customers.

Fact: The initial capital invested in BookMyShow was just Rs 25,000.

7. MakeMyTrip

Launch: 2000

Founders: Ashish Hemrajani, Parikshit Dar & Rajesh Balpande

Industry: Travel Agency

Estimated Valuation: $23.5 billion

MakeMyTrip is India's leading online travel company that provides online services like travel packages, hotels, flights, rail, bus tickets, etc. to its clients. Founded by IIM-A alumni Deep Kalra, the success of MakeMyTrip has been recognized not only nationally, but internationally as well. The company was even listed in NASDAQ.

Fact: MakeMyTrip was initially launched to cater to the needs of NRIs for their Indo-American trips back and forth.

8. Byju's

Launch: 2008

Founders: Byju Raveendran, Divya Gokulnath

Industry: E-Learning

Estimated Valuation: $5 billion

Byju's started out as a mere e-learning platform but has grown to become one of the most popular and highly trusted ed-tech brands across India.

The platform founded by Byju Raveendran & Divya Gokulnath provides online tutoring sessions to students ranging from study material of class VI to material about competitive exams like IAS, CAT, GRE, etc.

Fact: Byju's has registered 35 million users on its learning app with 2.4 million paid subscribers.

9. BigBasket

Launch: 2011

Founders: Hari Menon, VS Sudhakar, V S Ramesh, Vipul Parekh, Abhinay Choudhari

Industry: Ecommerce

Estimated Valuation: $1.2 billion

The online food and grocery buying platform provide its users with an option to buy products ranging from food supplies, grocery, beverages, personal care products, bakery supplies, etc. Currently, BigBasket has marked its presence in over 25 cities across India with Bangalore, Mumbai, Delhi-NCR, Hyderabad, Chennai, Pune, and Ahmedabad being the top cities.

Fact: Hari told a publication that despite being in the business for five years, their core team still works on a 7 am to 12:30 am model.

10. Nykaa

Launch: 2012

Founder: Falguni Nayar

Industry: Ecommerce- Fashion & Beauty

Estimated Valuation: $750 million

The IIM-A alumnus Falguni Nayar left her 9 to 5 job at Kotak at the age of 50 to pursue her dreams of establishing Nykaa. The platform was launched to develop a one-stop-platform of beauty products in India, making it the first beauty exclusive ecommerce platform.

Fact: The online beauty & fashion platform opened its first offline store at T3 Terminal, IGI Airport, in November 2015.

11. Cars24

Launch: 2015

Founder: Vikram Chopra

Industry: Automotive

Estimated Valuation: $242.6 million

Cars24 is the number 1 used car selling and buying platform in India that was founded by Vikram Chopra in 2015. Cars24 enables you to sell or buy a second-hand car hassle-free. The platform has over 100 offline stores pan India that enables a person to evaluate the value of his car with direct consultation from the Cars24 employees.

Fact: Cars24 launched an ad campaign #ByeByeDrive, which focussed on the sentimental value connected with 'your car'.

12. PharmEasy

Launch: 2015

Founder: Dharmil Sheth, Dhaval Shah, Mikhil Innani

Industry: Ecommerce- Healthcare

Estimated Annual Valuation: $64.7 million

PharmEasy is an online pharmaceuticals delivery platform that assists by delivering the required medicines & diagnostic test reports to its patients. It currently functions across eight cities in India, including Mumbai, Pune, Ahmedabad, Kolkata, Jaipur, Delhi, Noida, and Bangalore.

13. Instamojo

Launch: 2012

Founders: Sampad Swain, Aditya Sengupta, Akash Gehani, Harshad Sharma

Industry: Fintech Software and Services Industry

Estimated Valuation: $200 Million

Instamojo is an on-demand payment startup success stories that enable entrepreneurs to develop, run, and extend their online business. With transactions becoming a vital part of any industry, Instamojo is developing ‘Payment Links,’ allowing companies and companies to get started with online payment collection quickly.

Instamojo also provides a suite of services and products that allow sellers to create an online store, uncover insights into their store behavior, and further scale up their successful startups in India.

Fact: Instamojo has a customer base of 1200000 plus startup stories.

14. Unacademy

- Launch: 2015
- Founders: Roman Saini, Gaurav Munjal, and Hemesh Singh
- Industry: Education
- Estimated Valuation: $510 Million

Unacademy is a digital site that provides material for big competitive exams and delivers brief tutorials in videos on various topics that can be viewed free of charge. It enables prospective students to promote self-learning better through startup stories.

Partnering with the best minds and offering classes on any topic in different languages is the dream of the startup success stories in Unacademy. The entire community will benefit from these classes.

15. Nykaa.com

- Launch: 2012
- Founders: Falguni Nayar
- Industry: E-commerce
- Estimated Valuation: $750 Million

Nykaa is among successful startups in India website with a range of beauty and health items with men and women. They also offer comprehensive content, including product reviews, beauty how-to videos, expert articles, and e-beauty magazines. Nykaa goods are authentically purchased directly from startup stories manufacturers to have distribution experience.

From the Sanskrit word 'Nayaka,' which means an actress or a spotlight, Nykaa's primary purpose is to celebrate the star in every woman and to be her trusty companion.

Fact: Nykaa is an Indian startup success stories brand that sells beauty, wellness, and fashion products.

16. MobiKwik

- Launch: 2009

- Founders: Bipin Preet Singh and Upasana Taku
- Industry: Digital Wallets
- Estimated Valuation: $1 Billion

MobiKwik is one of the successful startups in India by being the most significant mobile wallet for the redundancy of personal portfolios. Indian consumers can store money in a virtual wallet and then use it across channels (mobile, desktop, register, text, and IVR). It allows Indian consumers to pay utility bills and shop with registered traders in their wallets.

MobiKwik is an outstanding startup stories. Every penny in your pocket is well taken into consideration. Additional security settings on all mobile devices on which it operates can also be used.

17. Dunzo

- Launch: 2014
- Founders: Kabeer Biswas, Ankur Agarwal, Dalvir Suri, Mukund Jha
- Industry: Consumer Service
- Estimated Valuation: $56.4 Million

Dunzo is a hyper-local startup stories delivery app that catches anything and everything in a city and delivers everything. Dunzo also runs a bike taxi service in Gurgaon and offers in Bengaluru, Delhi, Gurgaon, Pune, Chennai, and Hyderabad.

This successful startups in India will change the way you move things, shop, and never get to your house. The App links you to the closest seller that can order, receive, and deliver supplies from any shop or restaurant in the area.

Fact: The company has its headquarters in Bangalore and has over 1 million users.

18. RazorPay

- Launch: 2014
- Founders: Shashank Kumar and Harshil Mathur
- Industry: Microcredit, Mobile payment, Payment system, and Financial technology
- Estimated Valuation: $450 Million

Razorpay is a platform for successful startups in India to accept, process, and disburse their product suite of payments. It provides access to all modes of payment, including credit card, debit card, net banking, UPI, and popular wallets, including Jiosaw, Mobikwik, Airtel Money, PayZapp, and Ola Money.

Razorpay is the only converged payment system company in India which enables your startup stories to accept, process, and disburse payments through its software suite.

19. Innov8

- Launch: 2018
- Founders: Riteish malik

- Industry: Collaboration, Coworking, and Real Estate
- Estimated Valuation: $30 Million

Innov8 Coworking is a Y-Combinator based startup success stories in India that support workspaces and community startups. They provide high-quality workspaces (managed private offices and coworking areas). The first Thought space in India is Innov8 Coworking as successful startups in India.

They promote the participation of like people from all walks of life, whether they be entrepreneurs, employees, freelancers, designers, or are just willing to work in a highly competitive environment. They are presently based in Chennai, Noida, Gurgaon, Mumbai, Bangalore, Chandigarh, and throughout India.

Fact: The Innov8 Space In DLF Cyber Hub is a fully managed office space startup stories with 500 seats.

20. Toppr

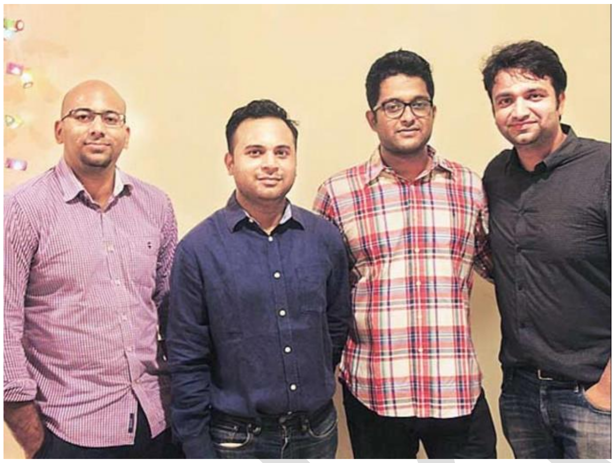
- Launch: 2013
- Founders: Zishaan Hayath, Hemanth Goteti
- Industry: Education Industry
- Estimated Valuation: $38.3 Million

Toppr is among the first successful startups in India with post-school device for personalizing learning. They support candidates in training for various colleges, boards, and rigorous exams.

They study student behavior and create adaptive paths with infinite combinations with artificial intelligence, machine learning, and big data. This ensures a unique and personalized learning experience of startup stories for every student.

Note: The Toppr startup success stories app is entirely free for its users except for some specific video lectures.

21. Bombay Shaving Company



- Launch: 2015
- Founders: Shantanu Deshpande, Raunak Munot, Deepu Panicker, and Rohit Jaiswal
- Industry: Personal Service
- Estimated Valuation: $494.2 Million

Bombay Shaving is a successful startups in India that focuses on the development of a variety of shaving care, beard care, and skincare products. The startup stories brand is a specialist in men's grooming, personal care, shampoo, beard care, skincare, and homemade soap.

Bombay Shaving Company started with the idea that shaving should be more than a worldly task for most men. Before, after, and after the shaving process, they installed a rubber device.

22. FirstCry

- Launch: 2010
- Founders: Supam Maheshwari and Amitava Saha
- Industry: Retail Distributors
- Estimated Valuation: $100 Million

FirstCry is a baby and toy online startup stories website. More than 20000 products are from more than 250 major brands, such as Mattel, Ben10, Pigeon, Funskool, Hotwheels, Nuby, Farlin, Medela, Pampers, Disney, Cinderella, Gerber, Zapak, Mee Mee, etc.

It is among the successful startups in India with a high-quality online shopping experience, fast, reliable delivery service, and prompt customer care, and it offers the best products and brands at the best price.

Fact: FirstCry is Asia's most extensive online shopping startup success stories for kids and baby products.

23. Zomato

- Launch: 2008
- Founders: Deepinder Goyal and Pankaj Chaddah
- Industry: Consumer Services
- Estimated Valuation: $2 Billion

Zomato offers customers web and mobile startup stories for searching, ordering, and discovering restaurants. It provides global information and online ordering about restaurants.

Furthermore, Zomato provides food delivery, table reservations, and premium membership services for restaurants to allow users to search, rate, and review restaurants. This also enables users to create successful startups in India networks for trustworthy recommendations for fellow food lovers.

Fact: The number of monthly users on Zomato is around 20 Million.

24. CarDekho

- Launch: 2008
- Founders: Amit Jain
- Industry: Automotive Industry
- Estimated Valuation: $75 Million

CarDekho.com is India's leading startup stories search engine for vehicles that allow consumers to purchase decent cars. This startup success stories website and application have great automobile content, including expert reviews of car brands and models that are in Indian hands, detailed information and prices, comparisons, and videos and pictures.

The organization has relations with several successful startups in India car suppliers, including more than 4000 car dealers, and a variety of financial companies to promote the purchasing of cars.

25. Zivame

Launch: 2011

Founders: Richa Kar

Industry: E-Commerce

Estimated Valuation: $200 Million

Zivame is an online lingerie startup stories with hundreds of Indian designs. By type, brand, colour, size customers can easily search the lingerie by identifying what to wear!

Zivame reflects its offline entrepreneur stories shopping experience with detailed pages of products, low-cost, quick shipping and customer-friendly trouble-free return policy. Whether you're an Indian woman or a man, Zivame is about creating a shopping experience online startup success stories.

26. Ecom express

Launch: 2013

Founders: K. Satyanarayana, Manju Dhawan, Sanjeev Saxena and A.Krishnan

Industry: Delivery/E-Commerce/Logistics

Estimated Valuation: $200 Million

Ecom Express Private Limited is a startup stories which is promoted by Indian Express Industry veterans. This startup success stories has over 100 years of diverse and vibrant experience in Indian Express Industry.

The entrepreneur stories built to cater to the diverse needs of the rising electronic commerce market through leaps and bounds. There are no startup stories adequately prepared to serve the demands of this rapidly growing sector that are changing every day.

27. Urban Ladder

Launch: 2012

Founders: Ashish Goel and Rajiv Srivatsa

Industry: E-commerce

Estimated Valuation: $119 Million

Urban Ladder aims to create well-equipped, beautiful homes in Urban Indians for home solutions on startup stories. The exquisite range of furniture by Urban Ladder is soon becoming popular with shoppers in highway companies with over 1000 items and 25 categories, such as wardrobes, sofas, beds, and so on.

The furniture is carefully curated with design insights from the experienced design team of

Urban Ladder and delivered for safe door deliveries by the proprietary logistics team of Urban Ladder startup success stories.

Fact: Urban Ladder is one of the best entrepreneur stories in this field and makes furniture buying an enjoyable task.

28. PolicyBazaar.com

Launch: 2008

Founders: Alok Bansal, Avaneesh Nirjar, Manoj Sharma, Tarun Mathur, Yashish Dahiya

Industry: Auto Insurance/Commercial Insurance/Finance

Estimated Valuation: $1 Billion

PolicyBazaar operates an online life assurance startup stories that analyze financial products and compares over general insurance. PolicyBazaar is a well-known startup success stories for purchasing people.

Its mobile insurance and comparison entrepreneur stories give the user information about products, for which the users can compare and analyze financial products, such as medical, life, travel or motor insurance, ULIPs and other investments products at low prices.

Fact: PolicyBazar accounts for almost 25% of life coverage in India and over 7% of the local health insurance startup stories in India.

29. JustDial

Launch: 1997

Founders: V.S. Mani

Industry: Information Services/Internet/Local/Search Engine

Estimated Valuation: $235 Million

JustDial provides users across India with local search startup stories on multiple platforms such as a website, a motive site, apps (Android, iOS, Windows), phone and text (SMS). Just Dial Ltd is the number 1 startup success stories local search engine.

Justdial's entrepreneur stories for its users have also begun 'Search Plus.' These apps are designed to make various daily tasks simple for users to perform and access through an app.

Note: On Android, iOS, Windows and Blackberry platforms, Justdial Apps are available and can deliver mobile internet users based startup stories on location.

30. Limeroad

Launch: 2012

Founders: Ankush Mehra, Manish Saksena, Prashant Malik, Suchi Mukherjee

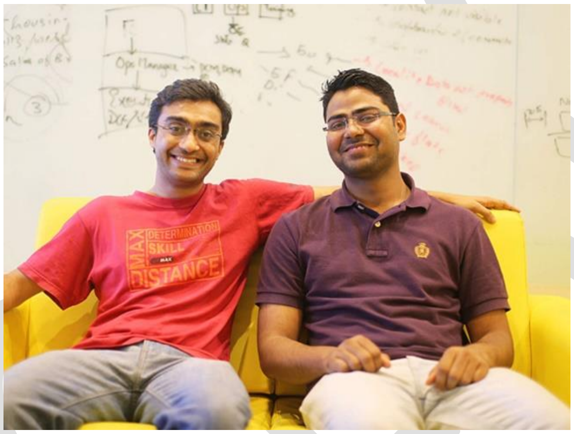
Industry: E-Commerce/Fashion/Internet/Shopping

Estimated Valuation: $15 Million

Limeroad is a startup stories which brings you love of products and gives you the possibility of creating your own space, taping into hidden talents, making your look and collections, and helping you to share this second opinion with friends in your creations.

We wanted to find LimeRoad as the digital startup success stories counterpart of the Grand Trunk Road in the 16th century. This road has changed the trade face of the Indian entrepreneur stories subcontinent.

31. Housing.com



Launch: 2012

Founders: Abhimanyu Dhamija, Abhishek Anand, Advitiya Sharma, Amrit Raj, Neeraj Bhunwal, Rahul Yadav, Ravish Naresh, Rishabh Agrawal, Sanat Ghosh, Saurabh Goyal, Snehil Buxy, Vaibhav Tolia

Industry: Internet/Online Portals/Real Estate

Estimated Valuation: $105 Million

Housing.com is the fastest growing online real estate startup stories. They have created a unique property search startup success stories which fill the gaps left in the market due to the necessity of simplifying the search for a home without fake listings and endless site visits.

Conducted by passionate troubleshooting professionals and backed by world's top investors, they are ready to be India's most trusted entrepreneur stories.

Note: It is capable of providing 3D models for each new project and delivering 360-degree views for each piece of land listed on Housing.com.

32. Epigamia

Launch: 2007

Founders: Ganesh Krishnamoorthy, Milap Shah, Rahul Jain, Rohan Mirchandani, Rohan Mirchandani and Uday Thakker

Industry: Consumer/Fast-Moving Consumer Goods/Food and Beverage

Estimated Valuation: $13.9 Million

Epigamia is a premium natural Greek yoghurt which promotes one cup of good living startup stories. They love the food at Epigamia, and they always find ways to get the best out of these startup success stories.

That is when Greek yoghurt was launched when Dahi was pressed to get higher protein and infused with real fruit to stimulate taste buds. Since then, they have pushed the limits of what they can by creating goods which are tastier and better for their customers.

Note: Epigamia is an all-natural Greek yoghurt entrepreneur stories that encourage one cup at a time, a safe way of life.

33. Bira 91

Launch: 2014

Founders: Ankur Jain

Industry: Brewing/Craft Beer/Food and Beverage/Wine And Spirits

Estimated Valuation: $246 Million

Bira 91 is a modern beer startup stories which provide the new world with flavorful beers. The startup success stories build an extensive product portfolio and push the global shift in product to more colour and taste.

The company has five beers, Bira 91 White, Low Bitterness Wheat Beer, Bira 91 Blonde, Bira 91 Light, Bira 91 Low-Calorie Lunchtime, Strong, High Intensity, High Alcohol, and Bira 91 'The IPA,' the first Indian IPA brewed and bottled. The company's products have been designed to be of high-quality entrepreneur stories.

Fact: The 91 is derived from the country code you dial to India and are named initially after the Punjabi word for brother, Bira.

34. Vedantu

Launch: 2011

Founders: Anand Prakash, Pulkit Jain, Saurabh Saxena, Vamsi Krishna

Industry: EdTech/Education/Internet/Mobile/Mobile Apps/Tutoring

Estimated Valuation: $24 Million

Vedantu is an e-learning startup stories with an online platform for customized learning in real-time. It offers software startup success stories that connect tutors and students to one lesson for students online in real-time.

Through Vedantu, they see how teaching and entrepreneur stories have been happening over the decades to reimagine and develop. Learning and education can change rapidly, and their goal in Vedantu is to speed up these changes.

Fact: The name ‘Vedantu’ also bears witness to its purpose.

Veda = ‘Knowledge’ and Tantu = Network.’

35. NoBroker

Launch: 2014

Founders: Akhil Gupta and Amit Agarwal

Industry: Commercial Real Estate/Mobile Apps/Property Management

Estimated Valuation: $200 Million

NoBroker creates a peer-to-peer listing network for the efficiency of property transactions. The satellite allows a house to be bought, sold and leased in the same place without charging brokerage fees.

NoBroker is a troubled real estate platform, which allows the purchase/sale/rent of a house without paying any courier. NoBroker has been started because all of us felt it could not just be the way to find a new home to pay for reliable brokerage.

36. Chaayos

Launch: 2012

Founders: Nitin Saluja

Industry: Food and Beverage/Restaurants/Tea

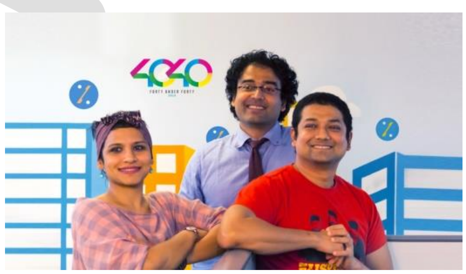
Estimated Valuation: $40.8 Million

The chai adda, serving chai made freshly, is a contemporary interpretation of chaayos startup stories. Their focus is on helping your “Meri Wali Chai,” chai made precisely to the taste of their customers the minute they place their order, be it an adrak tulsi kadak chai or a paani Kam elaichi cinnamon chai.

With 12 add-ons startup success stories, its customers can make their chais in Chaayos in a total amount of over 12,000 ways.

Note: Chaayos entrepreneur stories is currently present in Delhi, Mumbai, Noida and Gurgaon.

37. BankBazaar.com



Launch: 2008

Founders: Adhil Shetty, Arjun Shetty and Rati Shetty

Industry: E-Commerce/Finance/Insurance/Marketplace

Estimated Valuation: $280 Million

BankBazaar.com provides you with instantly customized online startup stories that offer instant rates on credit, mutual funds and insurance products. You can search for these products on the Site or mobile app at once, compare and apply for them on this startup success stories.

It has been designed with intelligent technology capabilities and has been integrated into the platform by more than 50 India's leading financial and insurance entrepreneur stories.

Fact: Consumers can track their application and troubleshoot problems through a variety of channels such as BankBazaar application, WhatsApp, Email or Voice support.

38. Pee Safe

Launch: 2013

Founders: Srijana Bagaria and Vikas Bagaria

Industry: Fitness/Health Care/Wellness

Estimated Valuation: $20 Million

Pee Safe Toilet Seat Sanitizer startup stories Spray protects against germ-free and unsafe toiletries. It protects women against UTIs by spraying PEE SAFE on their toilet sit before being used.

It should be a matter of no concern when you find a dirty public toilet while travelling or outside your house. Startup success stories Sprinkler on a seat ensures protection against illnesses such as UTI, gastroenteritis or diarrhoea.

Fact: PEE SAFE sanitizer entrepreneur stories are made of a rubbed IPA formulation which sanitizes the area within five seconds of use.

39. EaseMyTrip.com

Launch: 2008

Founders: Nishant Pitti, Rikant Pitti

Industry: E-Commerce

Estimated Valuation: $211 Million

Easy Trip Planners Pvt. Ltd. (EaseMyTrip.com) is an online travel startup stories based in Patparganj Industrial Area, New Delhi. It covers flying tickets, reservations for hotels, rental cars, bus reservation and vacation packages of startup success stories.

The travel agency uses a Galileo-like computer booking system, or books tickets directly from airlines sometimes. This entrepreneur stories offers both offline and online bookings for hotels and cars.

Fact: In places such as Bangkok, Singapore, Dubai and the Maldives the startup stories has its branches outside the world.

40. Bare Anatomy

Launch: 2019

Founders: Rohit Chawla and Sifat Khurana

Industry: Beauty/Health Care/Personal Health

Estimated Valuation: $1.15 Billion

Bare Anatomy is a women's startup stories of next-gen personal care. Bare Anatomy is a perfect balance of heart and mind through innovative startup success stories supported by modern science, design and creativity.

Starting with hair care products, including hair shampoos, hair oils, serums and hairstylists, the entrepreneur stories begin with a view to revolutionising the personal care and beauty industry.

Fact: 'Bare' means something basic and straightforward, without addition and 'anatomy' means studying something's structure or internal functioning.

41. Azah

Launch: 2018

Founders: Aqib Mohammed and Shashwat Diesh

Industry: Consumer Goods

Estimated Valuation: $1 Million

Azah is a premium organic women's wellness startup stories. Azah sanitary pads entrepreneur stories were the result of wide-ranging research carried out by thousands of Indian women with valuable feedback to help us create and develop a pad that solves their problems.

For example, 49 per cent of women reported rash during their period in a survey of over 300 women. They have chosen to use organic cotton in their pads that do not irritate breathing.

Note: Azah Pads startup success stories are made of the highest quality materials such as organic cotton and superabsorbent biodegradable products.

42. Milkbasket

Launch: 2014

Founders: Anant Goel, Anurag Jain, Ashish Goel, Ekwe Chiwundu Charles and Yatish Talavdia

Industry: Delivery Service/E-Commerce/Food and Beverage/Internet

Estimated Valuation: $ 50 Million

Milkbasket is a subscription micro delivery startup stories that every morning satisfies customer needs for daily dairy products and households. They deliver milk, bread, eggs, juices, butter, and other everyday items required every morning, free of charge, right at the customer's door.

The startup success stories were built on the unique Indian habit of delivering fresh milk every morning at home. This entrepreneur stories are based in Haryana, India, but also provides to Hyderabad, Noida, Dwarka and Bengaluru.

43. CoWrks

Launch: 2016

Founders: Sidharth Menda

Industry: Commercial Real Estate/Coworking/Property Management

Estimated Valuation: $350 Million

CoWrks is a first-class home-gathered coworking startup stories supplier built with love on Indian soil, creating spaces for startup success stories of every size.

Their sole objective is to bring together, fuel inspiration and connect the largest community of working professionals worldwide. Its workspaces enable people to speak freely while they are doing some of the best work of their lives.

Note: With their standard and customized premium workspace solutions, CoWrks entrepreneur stories satisfy the various requirements of its members.

44. ZestMoney

Launch: 2016

Founders: Ashish Anantharaman, Lizzie Chapman and Priya Sharma

Industry: Big Data/Consumer Lending/Financial Services/FinTech

Estimated Valuation: $56.9 Million

ZestMoney is a growing FinTech consumer lending startup stories which use digital EMI without a credit card or a loan value. The startup success stories believe that everyone who holds a credit card or has a credit score should be able to pay at EMI.

ZestMoney was made available to millions of Indian consumers by the use of mobile technology, digital banking and AI. This entrepreneur stories receives support from world-leading investors in digital finance such as PayU, Ribbit Capital and Omidyar Networks.

Fact: ZestMoney is a real success stories where you can buy products on EMI from the merchant partners without needing a credit card.

45. Treebo Hotels

Launch: 2015

Founders: Kadam Jeet Jain, Rahul Chaudhary and Sidharth Gupta

Industry: Hospitality/Hotel/Internet

Estimated Valuation: $81.71 Million

Treebo Hotels are obsessed with offering affordable quality accommodation startup stories. The soothing shade of these trees has allowed many exciting discussions between fellow travellers.

They are too fond of a conversation with their guests while serving them diligently in startup success stories. Treebo is the leading tech, cost-effective accommodation brand of Indian asset-light.

Fact: The name of Treebo entrepreneur stories is derived from the fig tree "Bo Tree," which was used to illuminate Gautam Buddha.

46. Quikr

Launch: 2013

Founders: Jiby Thomas and Pranay Chulet

Industry: Classifieds, E-Commerce, Internet, Marketplace, Rental Property

Estimated Valuation: $1.5 Billion

Quikr is online startup stories and free classifieds that helps users sell, buy, rent, or discover anything across India.

Group members may come to their startup success stories and find an apartment and stay in, sell their old car, motorcycle, music device, tablet or furniture, advertise their small entrepreneur stories, find a tuition class or take a break as a model or artist, attend a salsa party, or get an audience for a local show.

47. CureFit

Launch: 2016

Founders: Ankit Nagori and Mukesh Bansal

Industry: Apps/Fitness/Health Care/Wellness

Estimated Valuation: $575 Million

CureFit is a health and fitness startup stories that provide fitness, nutrition and mental well-being to digital and offline experiences to make fitness fun and easy. CureFit startup success stories give training sessions a whole new meaning with a range of group training classes led by trainers.

It enjoys training, everyday food is healthy and tasteful, with yoga and meditation mental fitness accessible and without hassle for medicine and lifestyle.

Note: CureFit is a health and fitness entrepreneur stories that provide fitness, nutrition and mental well-being to digital and offline experiences.

48. Grofers

Launch: 2013

Founders: Albinder Dhindsa and Saurabh Kumar

Industry: Delivery/ E-Commerce/ E-Commerce Platforms/Grocery/Retail

Estimated Valuation: $535.5 Million

Grofers is an online startup stories with low prices that get products across categories such as grocery, beauty and wellness, household care, baby care, pet care delivered to your door. Grofers startup success stories supply more than 3,000 products every day, at prices lower than supermarkets.

Grofers entrepreneur stories currently operate throughout India in a total of 26 cities: Agra, Ahmedabad, Bengaluru, Bhopal, Bhubaneswar, Chandigarh, Chennai, Coimbatore, Delhi NCR, Hyderabad, Indore, Jaipur, Kanpur, Kochi, Kolkata, Lucknow, Ludhiana, Mumbai, Mysore, Nagpur, Nashik, Pune, Rajkot, Surat, Vadodara and Visakhapatnam.

49. Xpressbees

Launch: 2015

Founders: Amitava Saha and Supam Maheshwari

Industry: Delivery Service/E-Commerce/Internet/Logistics/Supply Chain Management

Estimated Valuation: $1.35 Billion

Xpressbees is a logistics e-commerce startup stories that offer its partners reliable logistics solutions. They are the fastest growing supplier of end-to-end supply chain solutions for express logistics startup success stories in India.

The entrepreneur stories offer customers comprehensive last miles, reverse logistics, collection of payments, drop shipping, supplier management, cross-border services, compliance services and tailored software solutions.

Fact: Xpressbees startup stories deliver 6,00,000 packages in a day**.**

50. Delhivery

Launch: 2011

Founders: Kapil Bharati, Mohit Tandon, Sahil Barua and Suraj Saharan

Industry: E-Commerce/Logistics/Supply Chain Management

Estimated Valuation: $1.5 Billion

Delhivery supply chain services startup stories providing products and services to build confidence and improve consumer lives. A bunch of engineers have started the company, including Bhavesh Manglani, Kapil Bharati, Mohit Tandon, Sahil Barua and Suraj Saharan.

It provides a complete suite of startup success stories such as last-mile delivery, third-party and transit warehousing, reverses logistics, payment collection, vendor-to-warehouse shipping and more. The entrepreneur stories are backed by Times Internet Ltd, which in June last year had purchased a minority interest in the firm.

51. ShareChat

Launch: 2015

Founders: Ankush Sachdeva, Bhanu Pratap Singh, Bhanu Singh and Farid Ahsan

Industry: Internet/Mobile Apps/Social Network

Estimated Valuation: $460 Million

ShareChat is a social media startup stories in India. It offers only in Indian vernacular languages the content consumption and sharing startup success stories to cover over 1.17 billion Indian wireless network users. It is provided in 15 Indian languages.

ShareChat has been designed for accessible content sharing from the WhatsApp entrepreneur stories. It has been designed to work on even the worst links-” Wherever WhatsApp works-and its “users initially sent mostly text updates.

52. Faasos

Launch: 2011

Founders: Jaydeep Barman and Kallol Banerjee

Industry: E-Commerce/Food Delivery/Food Processing

Estimated Valuation: $525 Million

Rebel Foods Services (Faasos) is a food supply startup stories that disrupt how people order and get food on the phone. They serve around 10,000 customers every day who order through their mobile app, startup success stories, and this number is growing significantly every month.

An internet connection is all you need to run our mobile app or our website. You can check out “Eat Good, Eat Exciting” in 15 cities in India and over 200 locations. “There’s a wide selection of breakfast options, Indians food boxes, Chinese, South Indians, Biryani and Rice combos, wraps etc.

Fact: The trick throughout the entire operation is how Faasos entrepreneur stories are working with its many brands in a single ‘cloud kitchen.’

53. Pepperfry

Launch: 2012

Founders: Ambareesh Murty and Ashish Shah

Industry: E-Commerce/Furniture/Shopping

Estimated Valuation: $300 Million

Pepperfry is an online shopping startup stories, home and lifestyle, that sells products with cash on delivery facilities. The goal of the startup success stories is to be a one-stop-shop for clients looking to spice up their house.

Pepperfry was founded by Ambareesh Murty and Ashish Shah in 2012 and headquartered in Mumbai, Maharashtra, India. Customers can sell their used furniture and, in return, get gift cards from Pepperfry entrepreneur stories that can be redeemed for any purchase made on Pepperfry.

54. Dream11

Launch: 2012

Founders: Bhavit Sheth and Harsh Jain

Industry: Fantasy Sports/Mobile/Sports

Estimated Valuation: $2.25 Billion

Dream11 is the biggest sports game in India, with over 30 million fantasy cricket, soccer and kabaddi players and NBA players. Dream11 offers Indian sports fans startup stories to demonstrate their knowledge in sports.

From the next matches, fans can create their real-life team, score points based on their on-the-field performance and compete against other fans startup success stories. Dream11 helps sports supporters to increase their participation and get closer to the sport they love as a team owner, not just an audience.

Note: You can access Dream11 entrepreneur stories via the web/mobile site or the Android and iOS apps.

55. redBus.in

Launch: 2007

Founders: Ashish Kashyap and Phanindra Sama

Industry: Public Transportation/Ticketing/Transportation

Estimated Valuation: $138 Million

RedBus is an online bus ticketing startup stories with a presence in India, Singapore, Malaysia, Indonesia, Colombia and Peru, serving more than 5 million passengers startup success stories worldwide.

It simplifies the worldwide travel for men. By creativity, RedBus specializes in finding alternatives. RedBus' pride lies in the in-house talent of compelling, smart, passionate individuals entrepreneur stories who come from different fields of expertise.

56. Mu Sigma

Launch: 2004

Founders: Dhiraj C Rajaram

Industry: Management consulting

Estimated Valuation: $1.5 billion

Mu Sigma's startup stories go back to 2004, to the date when it was launched. The Indian decision sciences company primarily offers its data analytics services. Founded by former strategy consultant at Booz Alten Hamilton & PricewaterhouseCoopers Dhiraj Rajaram in 2004, Mu is an Indian privately owned firm headquartered in Chicago, Illinois. Mu Sigma is among the fastest-growing companies globally and has raised a cumulative sum of 163m in its funding over the years.

Dhiraj Rajaram's startup stories of beginning and running Mu Sigma is amongst the most inspiring startup stories of all time. While starting out, Dhiraj had no idea that he could get into entrepreneurship. The one reason why he entered into the entrepreneurship segment is due to his unending urge to learn.

The three factors that made Dhiraj Rajaram's startup stories successful are:

- His unending urge to learn
- To separate the noise from signals
- Belief that innovation in business is nothing but a chance

57. Clear Car Rental

Launch: 2011

Founders: Sachin Kate

Industry: Car Rental Services

Startup stories play a key role in helping inspire aspiring entrepreneurs by going through the hardships and challenges faced by other entrepreneurs to build a successful startup. Sachin Kate, the founder at Clear Car Rental, while starting his journey of hustling by selling newspapers at a young age since money was a big challenge for him. Later, when he was in class 11th, he got the job of an office boy at a computer institute. Steadily, Sachin's interest in computer science started increasing, and he ended up pursuing B Sc in Computers. He later went on to work for various website building projects for the travel and hospitality industry.

He went on to launch the Clear Car Rental site in July 2010, at a time when competitors like Meru Radio cab service had already settled in the market for a couple of years. Step by step, Clear Car Rental established its place in the market and today offers its services across 210+ cities in India. It has marked its place in providing unique local and outstation travel solutions to its users.

58. InCred

Founders: Bhupinder Singh

Industry: Financial Services

Valuation: $187.5 m

InCred is an online credit provider for personal & business loans. It relies on data analytics to ease and accelerate lending and provides a range of financial products, including home loans, car 95 vehicle loans, education loans, and loans for SMEs. The startup stories of InCred talk about how Bhupinder Singh formed the company. Singh used to head the Corporate Finance division of Deutsche Bank prior to founding InCred.

The InCred platform initially received a funding of Rs 500-600 crore from Rajan Pai, MD & CEO at Manipal Group, Gaurav Dalmia, Founder & Chairman at Landmark Holdings, IDFC PE, & Alpha Capital. The platform's startup stories also continued with InCred Finance's acquiring InstaPaisa.com, a fintech platform in 2015. Private equity firm Paragon Partners later invested Rs 25 crore in the company in March 2017.

Note: InCred aims at solving credit problems of all its consumers with a focus on Consumer Loan, Home Loan, Education Loan, and SME Lending.

59. Meesho

Launch: 2015

Founders: Vidit Aatrey & Sanjeev Barnwal

Industry: Social e-commerce

Meesho is an Indian social e-commerce platform that has been founded by IIT Delhi alumni Vidit Aatrey and Sanjeev Barnwal. The startup stories of Meesho is as unique as the concept of Meesho itself. Based in Bengaluru, Meesho enables small businesses and individuals to start their online stores via social channels like WhatsApp, Facebook, Instagram etc. Aatrey and Barnwal initially created FashNear and later pivoted Meesho, a short term for meri shop in 2015 end.

The startup stories for Meesho started when Aatrey and Barnwal met Anu, a housewife from Bengaluru, who was running her offline boutique by her name. Anu was passionate about her business and used the most readily available techniques to expand her business- WhatsApp. She would buy her inventory and stock from suppliers through WhatsApp, who would send her the pictures if a new collection on WhatsApp. Meesho's startup stories adopted the entire strategy to build their platform for local businesses.

Note: Meesho already has over 1 crore resellers earning over Rs 25k per month by reselling on its platform.

60. ShareChat

Launch: 2015

Founders: Ankush Sachdeva, Bhanu Pratap Singh and Farid Ahsan

Industry: Social Media

ShareChat is an Indian social media platform that has been developed by Mohalla Tech Private Limited and was founded by Ankush Sachdeva, Bhanu Pratap Singh, and Farid Ahsan. The social media platform has over 60 million monthly active users across 15 Indian languages. While the startup stories for such platforms have a usual curve, ShareChat's popularity increased massively in India after the ban of Chinese products and apps, including ShareChat's biggest competitor- TikTok.

ShareChat is a regional content platform that allows Indians to use the power of the internet without having to go through the language barrier of English. It aims at bringing local, relevant content to smartphone users across India in Indian languages, including Hindi, Telugu, Marathi, and Malayalam. The platform now has over 160 million registered users on its platform and is on its way to becoming the most preferred social media platform in India.

61. KillerLaunch

Launch: 2019

Founder: Heena Vinayak

Industry: Information Technology, Internet

Estimated Valuation:

KillerLaunch.com is a platform aimed at launching careers in top startups in India. It allows recruiters to list job/internship openings, which job-seekers can explore and use to submit their applications.

As a user, you can use their perfectly designed filters to find a job you've looking for accurately. You can even set filters according to the salary/stipend you wish to work for.

Fact: KillerLaunch gives you an opportunity to work with leading startups of India. Either find a job or an internship with the startup you've been dreaming of!

As long as you are looking for startup jobs, KillerLaunch will never fail you. Either find or start your own, KillerLaunch has it all!

62. Wow! Momo

Launch: 2008

Founders: Sagar J. Daryani, Binod K. Homgai

Industry: Food and beverage/ Fast food restaurant

Estimated Valuation: $120 million

Wow! Momo, India's fastest growing momo chain started by classmates Sagar and Binod, began selling steamed momos from their 6 by 6 kiosk in Springdale Spencer in 2008. The food chain started from a garage in Kolkata, India.

Wow! Momo, an Indian chain of fast-food restaurants, started with a meager investment of Rs. 30,000 INR to Rs.860 Crore INR.

The company has expanded to Kolkata, Noida, Gurgaon, Mumbai, Chennai, Lucknow, Delhi, Bengaluru, Cuttack, Puri, Kochi, Bhubaneshwar, and Kanpur. Pam-fried momos became their USP. Serving delicious momos is their agenda.

Fact: Wow! Momo offers 16 different varieties of momos for vegetarians and non-vegetarians. For vegetarians, Wow! Momo offerings include corn and cheese, among

63. AddressHealth

Launch: 2010

Founders: Anand Laxman, Anoop Radhakrishnan

Industry: Healthcare

Estimated Valuation: $1.5 Million

AddressHealth is India's first one-stop-shop pediatric primary healthcare service provider. In fact, the company is a pioneer in this field. Today, with its School Health program, the company became the largest school health provider. Also, they run several Child Speciality Clinics. Recently, the company completed 10 years of excellent healthcare service.

However, it is conducting several projects for the complete medical examination of students from head-to-toe.

Fact: Grand College Canada awards AdressHealth as "The Stars in Global Health-7".

64. Flyrobe

Launch: 2015

Founders: Shreya Mishra, Pranay Surana, Tushar Saxena

Industry: Fashion

Estimated Valuation: $2 million

Flyrobe is an on-demand wardrobe service that lets consumers rent clothes at a fraction of the retail price. Its service includes three-hour local deliveries and pickups. Flyrobe has been endorsed by 20 Bollywood celebrities on social media, which has helped to remove the stigma of used clothing.

The startup has raised $7 million from IDG Ventures, Sequoia Capital, and several angel investors.

Fact: Flyrobe also offers a brand new men's collection includes jackets from international; brands, suits, tuxedos along with traditional kurta pajamas, and sherwanis sets from the best Indian designers.

65. Jumbotail

Launch: 2015

Founders: Ashish Jhina

Industry: Marketplace and business

Estimated Valuation: $12.7 million

Jumbotail was founded in 2015 by Standford University batchmates Karthik Venkateswaran and Ashish Jhina. Jumbotail connects Kirana stores with brands and producers via its marketplace. It claims to serve 30,00 Kirana stores via its full-stack e-commerce model consisting of its B2B marketplace platform, warehouses, last-mile delivery supply chain network, and a fintech platform for payment credit solutions to Kirana store owners.

66. DocTalk

Launch: 2016

Founders: Krishna Chaitanya Aluru, Akshat Goenka, Vamsee Chamakura

Industry: Healthcare

Estimated Valuation: $5 million

DocTalk is a doctor-patient engagement platform. This company mainly gifts doctors to develop better relationships with their patients, which causes a better quality of care.

67. SmallCase

Launch: 2015

Founders: Vasanth Kamath, Rohan Gupta, Anugrah Shrivastava

Industry: Stocks and exchange-traded funds

Estimated Valuation: $8 million

This fast-growing business in India is bringing a simplified investing approach to the growing middle class in India. In retrospect, they are very similar to other investment companies growing at a fast rate, such as Acrons and Stash.

Fact: The Bengaluru-based startup provides users with a professionally built basket of stocks called ‘small cases,’ allowing them to invest in portfolios of broker-partner stocks and exchange-traded funds (ETFs)

68. InstaVans

Launch: 2015

Founders: Vinay Goyal

Industry: Transport and Vehicle

Estimated Valuation: $2 million

InstaVans model transforms the conventional model of shippers spending hours calling up various truck operators to find trucks with free capacity while truckers struggle to market their availability. By offering a model that shippers an on-demand platform for shippers and truckers alike.

Fact: Instavan’s addressable market is estimated at $15 billion, or about Rs 97,000 crore a year, with an average cost of Rs 1,800 per trip. There are more than two million registered small trucks that transport more than 1.5 million tonnes of goods.

69. 1Mg

Launch: 2012

Founders: Prashant Tandon

Industry: Pharmacy

Estimated Valuation: $36 million

1mg is an online pharmacy network and generic medicine engine. It allows users to find information about medicines prescribed by doctors and buy them as well. Users can discover drugs by categories under ailments, classes, companies, and brands. Its mission is to make healthcare accessible, understandable, and affordable for a billion Indians.

70. Revv

Launch: 2015

Founders: Anupam Agarwal, Karan Jain

Industry: Car rental

Estimated Valuation: $23.3 million

Revv is an Indian car-rental startup that offers multiple options to meet all your self-drive needs. The company was founded in 2015 and currently operates in 11 cities in India, namely: Bangalore, Hyderabad, Chennai, Mumbai, Pune, Delhi NCR, Chandigarh, Jaipur, Vizag, Mysore, and Coimbatore.

Fact: To date, Revv has a fleet of around 1,000 vehicles and claims have served around 300,000 users. It has its main office located at Gurgaon, India.

71. TravelTriangle

Launch: 2011

Founders: Sankalp Agarwal, Sanchit Garg, Prabhat Gupta

Industry: Travel and Tourism

Estimated Valuation: $34.9 Million

TravelTriangle is an exciting new way of buying trips online in India. One of India's best-growing companies, TravelTriangle, promote local travel agents, and get you the best flights from them. They have created a marketplace where travelers can interact with local travel agents. That same marketplace also empowers local travel agents to come online and compete with big fishes…

Fact: According to the VCCEdge report, Venture capital (VC) and private equity (PE) funds invested $115.69 million across 13 deals in the travel segment in 2014. In 2013, there were nine transactions of $8.2 million.

72. BiggBang

Launch: 2020

Founder: Applancer Services Pvt Ltd

Industry: Coworking spaces and office spaces

Estimated Annual Valuation:

BiggBang provides perfect coworking spaces and office spaces for rent. The coworking space is located in three cities: Chandigarh, Mohali, and Panchkula. BiggBang has many top-level facilities, which make it one of the best coworking spaces to work!

Recently BiggBang has also launched a young startup program to provide free spaces to startups in return for a small share in their revenue.

BiggBang also provides hot-desking facilities and private office spaces.

73. Lenskart

Launch: 2010

Founder: Peyush Bansal

Industry: Opticals, eyewear retail chain

Estimated Annual Valuation: Rs. 310.9 crore

Lenskart was founded by Peyush Bansal, who launched Lenskart in 2010, and Amit Chaudhary and Sumeet Kapahi in 2010. Peyush, a former Microsoft employee, also founded Valyoo Technologies, a parent company of Lenskart.

Lenskart offers more than 5,000 styles of frames and 45 unique types of high-quality lenses. There are the latest eyewear trends, an homage to a group of interior designers and styles that keep tabs on the latest trends.

74. InMobi

Launch: 2007

Founder: Naveen Tewari

Industry: Mobile Ad network

Estimated Annual Valuation: Rs. 384.21 crore

The founder and CEO of InMobi mobile advertising network giant, Naveen Tewari, has come a long way. Naveen is a trained engineer, studied at Harvard Business School, and worked for McKinsey's information company.

Today, InMobi can strike a chord with itself and call itself a global company. Besides India, it has offices and operations in Australia, Taiwan, the US, UK, France, Italy, Russia, Germany, China, and more. Although it only launched in China in late 2011, Naveen described InMobi as "one of China's largest advertising networks."

75. Zerodha

Launch: 2010

Founder: Nitin Kamath

Industry: Stock brokerage company

Estimated Annual Valuation: Rs. 850 crores

The founder of Zerodha "Nithin Kamath," before founding Zerodha, worked at the call center at night and traded in the morning hours. At the age of 17, he was introduced to the stock market by his friend and has since started trading.

The firm did not spend money on advertising or marketing its company. They do not make ads.

They make money by charging a lump sum of Rs. Twenty futures, options, and internal trade. In contrast, some competitors charge more than this based on the percentage of sales sold. Its business model in which it operates is 'low margin – high volume'.

76. Gradeup

Launch: 2015

Founder: Shobhit Bhatnagar, Vibhu Bhushan, and Sanjeev Kumar

Industry: The education sector

Estimated Annual Valuation: Rs. 30 crore

Split distance is a freemium platform. Anyone preparing for the competitive exams can download the app and visit the website to prepare for the appropriate exams – they can join the community – share with other peers and mentors to answer their doubts, access the preparation like previous years papers, etc.

Additionally, there are some paid services on the platform such as)) Green card – Purchase Test series and b) Classroom – Live classrooms, aspirants who can add an extra value to their preparation**.**

77. OkCredit

Launch: 2017

Founder: Aditya Prasad

Industry: Online payment merchant

Estimated Annual Valuation: Rs. 654.4 million

OkCredit is a solution based on small business owners and their customers to record credit/payment transactions nationwide. By using a computer, OkCredit reduces the merchant's burden of keeping and counting paper accounts. It also allows them to send group notifications to customers in the event of delays or missed payments.

78. NinjaCart

Launch: 2015

Founder: Thirukumaran Nagarajan, Vasudevan Chinnathambi, Kartheeswaran KK, Ashutosh Vikram

Industry: Fresh farm supply chain

Estimated Annual Valuation: Rs. 66.27 crore

Ninjacart was discovered in 2015 as a B2C hyperlocal food delivery organization. Their main goal is to help retailers take their items online and deliver quality food to consumers less than 60 minutes from ordering scales. This was still a novel concept back then.

Initially, about 7,000 farmers are on its platform, but on average, 2,000 transactions every month. The production arrives between 4.00 pm and 6.00 pm daily, with some farmers traveling up to 400 km to make the drop.

79. Bewakoof.com

Launch: 2012

Founder: Prabhkiran Singh

Industry: Ecommerce clothing

Estimated Annual Valuation: Rs. 400 crore

Bewakoof is a fashion brand that lives to create creative and high-quality clothing for a fashionable, modern Indian. Bewakoof was introduced to the goal of creating impact by innovation, honesty, and thinking.

Bewakoof.com started with an investment of Rs 30,000 and received a seed subsidy after six months of work.

80. GoaBrewing Co.

Launch: 2017

Founder: Suraj Shenai

Industry: Brewery, beverages

Estimated Annual Valuation: Rs. 125 crore

From choosing the most sophisticated styles to presenting them to the entire quirkier packaging, they had my heart from the moment I set my eyes on the Eight Finger Eddie IPA. Pineapple Saison follows next, and to me, these two are bees made with great skill. Sensitivity is only available in Goa at the moment. The good – there is no need to finish the beach kings on the beach.