

Dear Friends

Greetings to all.

I have great pleasure in releasing yet another issue of Aakanksha, the annual magazine by the E-MBA students of the institute.

I am also extremely happy to see the theme of this issue is **entrepreneurship**, which is very close to all of us. Peter Drucker once observed that one of the prime drivers for the rise of US as a country in the last century has been the transition of the US economy from an **industrial** to **entrepreneurial** economy. It is the great entrepreneurs like Henry Ford, Bill Gates, Bill Joy, J P Morgan, among many others, during the 20th Century who facilitated the American economy to emerge to the state at which it is today.

Though Indians have traditionally been entrepreneurs, as can be seen from the traders of ancient times to the merchants / traders of Indian origin in different continents of the world, the formal story of Indian entrepreneurship in India is a relatively new phenomenon. Barring a few great houses like Tatas, Birlas, and Bajajs among some others, the Indian entrepreneurship started in a formal way in the late 70s and early 80s. There is, however, no denying that the new generation of Indian entrepreneurs has made the country proud with some of them having today become, global brands.

But we have miles to go in terms of creating a facilitating environment to develop entrepreneurship culture in India. As per the World Bank Report (2010) India ranks way below at around 130 out of all countries of the world in terms of “**Ease of Doing Business**”. This implies, to start and sustain a business in India is quite difficult from the statutory, legal and procedural perspective. The enterprises that are surviving are doing so despite all the odds.

However, the fact remains that the future of the country lies in entrepreneurship as it is the entrepreneurs who create both social and financial wealth for the country. Creating employment for oneself, as well as, for others should be the motto of young people of India.

It is in this context that I congratulate the students, as well as, the faculty coordinators for choosing this particular theme for the magazine.

I am sure it will provide yet another impetus to the entrepreneurship movement of the country.

Regards

A K Sen Gupta

Direct Taxes Code Bill

V.RAMACHANDRAN, FINANCE FACULTY, SIESCOMS

Backdrop

Business Environment in India is grappled with significant changes. These changes mainly include:

- a. International Financial Reporting Standards (IFRS) to be implemented w.e.f 1st April, 2011.
- b. Direct Taxes code Bill 2009 to be effective from 1st April, 2011.
- c. Goods and Services Tax Act to be made effective from 1st April, 2010.
- d. Limited Liability Partnership Act already implemented.
- e. Companies Bill 2009 to be implemented in the near future.

The above envisaged changes will radically change the way the corporate deal with business in India. It is imperative for professionals like Chartered Accountants, Company Secretaries and Legal Advisers to be fully conversant with the changes. Further it would be prudent and pertinent for a corporate manager to be aware of these changes and its likely impact on the functioning of a corporate in India.

In this article, an attempt has been made to present an overview of the Direct Taxes Code Bill and to broadly deal with few questions like “Why is it required? What are the objectives of the Bill? What are its salient features? How does it differ from the existing laws on Direct Taxes? And areas of concerns etc.”

The Need

The Direct Taxes in India mainly consists of **Income Tax** and it is administered by:

- a. The Income Tax Act 1961 as amended to date.
- b. The Income Tax Rules 1962 as amended to date.
- c. Annual Finance Acts.
- d. Circulars, Clarifications issued by CBDT from time to time.
- e. Judicial decisions.

The Income Tax Act has been in force for more than 4 decades and has been amended from time to time during this period to meet the current requirements. As a result, it has practically lost its original thrust, objectives and continuity. The present Act is complex, not comprehensive and is out of date.

It needs to be replaced by a better and a more comprehensive piece of legislation based on the modern principles of taxation and current needs.

The New Bill

Recognizing the need for a comprehensive Direct Taxes Legislation, the Government of India released the draft of the Direct Taxes Code Bill 2009 on 12th August, 2009 for public debate. This bill is proposed to be made effective from 1st April 2011.

Objectives of the Bill

- i. **Simplify the Complex Structure** of the Direct Taxes Law and make it understandable to a common tax payer.
- ii. **Simplify the Language of the Act** to facilitate better understanding and comprehension.
- iii. **Reduce / Remove ambiguity** in the Law to foster better and voluntary compliance.
- iv. **Provide stability** in the Tax Laws based on well accepted principles of taxation and Best International Practices.
- v. **Achieve equity**, reduce administration costs and discourage corruption by minimizing Tax exemptions and incentives
- vi. **Improve efficiency** in Tax Systems through elimination of distortions on the tax structure.
- vii. Moderation of the tax rates for improving and expanding of tax base.

Salient Features

- i. **Single Code for direct taxes:** All the direct taxes are brought under a single Code and compliance procedures are unified to have single unified taxpayer reporting system.
- ii. **Flexibility:** The structure has been developed in a flexible manner for accommodating future changes and to avoid the need for making frequent amendments.
- iii. **Use of simple language:** Use of simple language in drafting, so as to convey with clarity, the intent, scope and amplitude of the provision of law.
- iv. **Extensive use of Tables and Formulae in place of provisions and explanations.**
- v. **Powers Delegated to Central Government Board** to mitigate protracted mitigation on procedural issues

Key Benefits

Tax Rates:

For corporate

Particulars	Basic Current Rates	Proposed Rates
Domestic Company	* 30%	25%
Foreign company	*40%	25%
Branch Profit Tax	Not Applicable	15% (New proposal)
DDT	*15%	15%
MAT	*15% of Adjusted of Book Profit	0.25% of Gross Assets for Banking companies and 2% in other cases

*Surcharge @ 10% for Domestic Company and 2.5% for Foreign Company is applicable where taxable income exceeds Rs1.00 crore. Further Education Cess of @ 3% payable on Tax +Surcharge

For Individuals: Current Rates

Particulars	Senior Citizen	Resident Women	Other Individuals
Basic Exemption	Rs.2.40 Lakhs	Rs.1.90 Lakhs	Rs.1.60 Lakhs
Next	Rs.0.60 Lakhs @ 10%	Rs.1.10 Lakhs@ 10%	Rs.1.40 Lakhs@ 10%
Next	Rs.2.00 Lakhs@ 20%	Rs.2.00 Lakhs@ 20%	Rs.2.00 Lakhs@ 20%
Above	Rs.5.00 Lakhs 30%	Rs.5.00 Lakhs 30%	Rs.5.00 Lakhs30%

Note:

1. Surcharge is payable @10% where Taxable income exceeds Rs.10 Lakhs
2. Education Cess @ 3% on Tax & Surcharge

For Individuals: Proposed Rates under DTC

Particulars	Senior Citizen	Resident Women	Other Individuals
Basic Exemption	Rs.2.40 Lakhs	Rs.1.90 Lakhs	Rs.1.60 Lakhs
Next	Rs.7.60 Lakhs @10%	Rs.8.10 Lakhs@10%	Rs.8.40 Lakhs@10%
Next	Rs.15.00 Lakhs @20%	Rs.15.00 Lakhs @20%	Rs.15.00 Lakhs @20%
Above	Rs.25.00 Lakhs @30%	Rs.25.00 Lakhs @30%	Rs.25.00 Lakhs @30%

- i. **Net wealth Tax** exemption limit increased to Rs.50 cores from Rs.30.Lakhs and wealth Tax Rate cut to 0.25% from 1%.
- ii. Deduction Under Section 80(C) for PF, LIC etc increased to Rs.3.00 Lakhs from present Rs.1.00 Lakh.
- iii. Carry forward of losses allowed for indefinite period as against 8 years for normal and 4 years for speculative business
- iv. Deduction of Donation for Scientific Research @125%
- v. STT (Securities transaction tax) abolished
- vi. Agricultural Income continues to stay out of the Tax Net
- vii. Cost of Inflation Index adjustment available on transfers made after one year of acquisition asset as against the present of 3 years except for Securities.
- viii. Base year for Cost of Inflation Index adjustment Shifted from 1st, April 1981 to 1st April 2000. Capital appreciation up to 2000 not taxable
- ix. Maximum penalty of 3 times the tax reduced to 2 times.
- x. Residence of Individuals to be classified as (a) Resident (b) Non Resident only. The classification of Resident but ordinarily resident (RBOR) has been done away with

Key Costs:

- i. Capital Gains Tax has been reintroduced on listed Shares & Mutual fund units
- ii. **Tax Incentives – Fresh contributions on or after the introduction of the new code will attract Tax as it will be based on EET method (**

**Exempt, Exempt and Tax) for saving as against the present method of
EEE (Exempt, Exempt and Exempt)**

- iii. For Receipts under LIC policy Taxable except pure LIC policy.
- iv. Classifying of Capital Assets as Short term and long term done away with
- v. Branch profit Tax @15% to be introduced
- vi. **Income from House property :-**
 - Presumptive rent to be calculated @6% of ratable value and adopted where contracted rent is lower
 - Standard deduction for maintenance cut to 20% of Annual value from Current 30%.
- vii. **For Self occupied property no deduction for interest and repayment of principal to be allowed on such housing loan**
- viii. Dividend Distribution Tax to continue
- ix. Minimum Alternative Tax (MAT) linked to Gross Assets in place of Book profits.
 - x. No carry forward credit for MAT Allowed
- xi. In case of a conflicting provision between Double Tax Treaty (DTT) and the code ,the provisions of the later in point of time will prevail**
- xii. General Anti Avoidance Rules (GAAR) introduced
- xiii. Foreign company with part location of Management and control India will become Resident Company**
- xiv. Income from each Business to be computed Separately
- xv. Tax holidays available to firms of many sectors like Power , Petroleum, Infrastructure etc will undergo a major change

Key Areas of Concerns:

- i. Package Deal:

The new code should be taken as Package. It should not be tampered for a minimum 5 years (preferably for a period 10 years). Further, whenever a need is felt for a changing the code entire package should be reviewed and a new package introduced. Frequent piecemeal amendment of the code should not be resorted
- ii. Retrospective Amendment:

It is seen that when a lacuna is noticed in the Act, the government invariably comes out with an amendment with retrospective effect. Such amendments upset the objective and balance of the Act .It is like changing the rules game of the after having played the game. This should be avoided during the tenure of the code and may be carried out at time of introduction of the next new code.

iii. EET method Taxation

This method exempts the investment at the beginning and during the tenure of investment. It however proposes tax the same at time of Maturity. It is relevant mention that we are in India and not in a foreign country where social security provisions are available for senior citizens. The age group of Assessee at time of Investment is between 21-40, during tenure of investment, the age Group is between 41-55 and at the time maturity, the age group is above 55. At that point of time, making investment taxable will create avoidable hardship and will not go well with our present social set up.

iv. Interest on Borrowings on loans for House property.

In the new code bill it is proposed not allow deduction for interest and repayment of principal of Housing loan for self occupied House property. This proposal appears to be contrary to our national policy which aims to provide housing loan to all individual to facilitate purchase of house property. Accordingly this needs to be reconsidered in the light of the above

v. Provision of Code to prevail

The code provides that in the event of conflict of provision between Double Taxation Treaty and the new code, the provisions of the latter will prevail. It is pertinent to mention that a unilateral decision on an international matter like this will not hold good .This issue needs to be reconsidered

vi. Residence of Companies

As per draft bill a company whose control and management is partly located in India will be treated as a resident company. By virtue of this change global income all of such companies will be liable for tax .This change has far reaching repercussions. Therefore the issue will require a very careful consideration.

The new tax code is a welcome measure and should be implemented with due care and diligence. The feedback received need to be duly considered and the amended Direct Tax code need to be implemented properly. It is not good enough to have good tax law. It is also equally important to properly administer the same. The learned Mr.N.A.Palkiwala once remarked that please take back 50% Tax incentives but give us good clean tax administration.

Let us sincerely hope that the New Direct Tax code serves the intended purpose and brings in the much desired prosperity to the nation

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Entrepreneurship – What is it and what it takes to become an Entrepreneur

Prof.K. T Upadhayaya Faculty SIESCO MS

Someone rightly said “To win in a photo finish, you have to stick your neck out”. This probably is the best and simplest example of entrepreneurship.

Entrepreneurship – We often hear this word, and associate it with some one who has ventured into business single handedly. But if one really thinks about it, it is not just an individual entering a business all on his own. It actually is a “State of mind” of a person.

To understand this better, let us first try to find out where the word originates from. In all probabilities, the word originated from the English word **Enterprising** – the dictionary meaning which is – **Displaying bravery and daring in the attempt of some task; being very able and ingenious in business dealings.** This is the essence of Entrepreneurship - Displaying bravery and daring in attempt of some task – in this case, setting up a business.

It is said that water and man always take the path of least resistance. Most often, kids from working class families are told to study hard, so that they can get a decent job. The whole hearted effort goes into making a “servant” out of this kid, who will work and serve some one else, most often some one with much lesser educational qualification than himself.

But why does an educated man agree to work for someone who is lesser educated than himself? The reason behind this is that most of us do not want to handle uncertainty of any sort. Human beings, by nature, seek certainty. That’s why so many ways and means of predicting the future flourish, although we all know that they can’t possibly predict the future, but nevertheless believe them. It is because man always wants to be sure of what is coming.

But since it is not always possible to predict what’s coming, people want to secure themselves against whatever comes. That’s the primary reason for people choosing to stick to a Job, which assures them a salary, which they always complain about but which is at least certain to come. Very few of us are willing to stick our necks out to forego this salary, in pursuit of better returns from a business. But the entrepreneur does.



So then, is an entrepreneur a gambler, who is willing to gamble whatever she/he has got, in pursuit of what she/he would like to have? Well, far from it. A gambler does not follow logic whereas the entrepreneur has calculated the risks of being in the business, and rewards of the same. She/he is willing to bet his money on his judgment. In addition, she/he also possesses the skills of decision

making and those required for executing the ideas that she/he passionately pursues.

When an ordinary person sees the picture, she/he notices the skull predominantly. But when an Entrepreneur sees it, she/he is aware of the skull, but she/he concentrates on the view showing the lady in vanity. She/he is the person who sees an opportunity where others see a problem.

In my opinion, the requisite skills for an entrepreneur is – in that order – Willingness and ability to venture out in the uncertainty, an idea that he passionately believes in and rigor and planning to execute it, and above all, a belief that she/he will succeed, against all odds.

But as we said in the beginning, entrepreneurship is not necessarily restricted to people starting a new business. We can practice entrepreneurship in our day to day lives also. We all get caught in the so-called proven ways of doing things that we always follow the same way. We are afraid to try a newer and possibly better way of doing something. Even this can be termed as lack of entrepreneurship. In our work also we follow the same methods over and over. But as some one said – “If you always do what you always did, you will always get what you always got”. To get something better, we have to try something different. And averseness to uncertainty always prevents us from doing so.

Let us remember that even in human body, those who do what is told always remain at the bottom – look at the legs that listen to whatever the brain tells them to do, remain at the bottom and can never hope to reach the top. And the brain – the one that handles uncertainty and makes decisions to handle the uncertainty – rules it and always remains at the top.

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Entrepreneurship: Thoughts from a teacher!

**Dr. Shivakant Upadhyaya, Ph.D. (Management)
Head, Strategic Business Development - Global
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The theme on Entrepreneurship is an excellent one and for a student driven initiative, an apt recourse to what life could become for a management student if only the handle was creativity and application.

If you surf up the word, the following definition comes up - *Entrepreneurship is the act of being an entrepreneur, which is a French word meaning "one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods".*

Ideas, ideas and more ideas...

It is interesting to note that when we start teaching, we find students bubbling with ideas and loads of creativity and some of them out to change the world with their mind boggling ideas. One of the most fanciful exercises one could do is to allow student creativity to soar by asking for products that do not exist today but may be a reality not in too distant a future.

Some of the ideas students come up with are downright hilarious, some seemingly absurd and some others bordering on insane, but ideas which would change the world if they could somehow see light of the day.

My days as a student

It is fascinating to note that what I dreamt of during one of the crazy presentations as a management student in the early nineties became a reality or nearly so – the zero calorie drink! I remember I called the drink “Quench” as a student, one which is not water, is not a cola but has a secret ingredient which instantly energizes without adding calories! The audience we thought of was primarily sportspersons who would love to have an instant shot of energy without ever having to worry about the weight!

As a young secondary school student I used to dream of a gem of an idea (or so I thought) to solve the water problems of arid zones was to dig huge channels and redirect the rivers prone to floods to areas in the desert! So all the excess water can be redirected to dry areas thus killing two birds with a single stone! Clearly as a kid I wasn't given to thinking about wildlife in the desert! Now I find the government thinking of linking all the rivers! Sadly, I did not know about patenting an idea those days, else I would be a rich man today!

My days as a teacher

I am given to nurturing crazy thoughts of entrepreneurship today, whether from within myself or from the student community or wherever else it emanates from! One of my earliest groups of students thought about having turbocharged toothpaste to whiten your teeth and get rid of those stains! Or another group thinking up a personalized transport form that allows you whiz past through the aerial route! Would you say we are too far from reality here? If only a mind can perceive an idea, believe in it, the human mind can achieve it! If ideas didn't see light of the day, we will still be in the ice age!

Why I couldn't do it?

Entrepreneurship requires you to have freedom from fear! A person, who cannot free himself from fear, cannot dream of being an entrepreneur. Or the other option is to have such burning desire which becomes all pervasive and all encompassing! Clearly my calling lay elsewhere.

Mind you, being an “Ideas factory” is not too far from the entrepreneurial ethos at all. It is where the seeds are sown for someone to nourish the thought and nurture into a tree!

Risk taking

Clearly, being an entrepreneur is certainly an exercise in risk management. If you are worried about the “what if” issues and haven't been able to resolve them, get some clarity first. Financial security, family security and social responsibilities are often key factors that push a potential entrepreneur to seeking a job and working for someone else rather than taking the plunge himself and creating jobs for others!

So what can be done?

The answer lies in someone handholding and reassuring the fledgling entrepreneur. Ideas need to be sold to the right people at the right time. Is there a corpus that allows one to explore the dreams and chase them to fulfillment? There are financial institutions willing

to put money into a project but it needs a far deeper commitment than just the willingness to invest money and be prepared to write off as a bad debt, if it eventually backfired!

Educational institutes to the fore!

An idea! Can an institute create a bank of ideas that have been put forward by the young minds? Have them thoroughly analyzed and exposed to a rigorous onslaught across all angles of a business? Does it withstand a substantial amount of these challenges? Can we then pick out the select ones and be willing to invest or mobilize resources for the same? Can we plant the saplings of entrepreneurial success and watch it grow?

Well if you did see this happening in the future; remember you heard it here first!

Managing a Corporate Alumni Network

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Introduction

For many years, importance and recognition of alumni networks had been restricted to educational institutions and professional services firms. Recently due to several large-scale trends such as increasing globalization, the “war for talent”, changing approaches to work and employment relationships have encouraged many companies across all sectors to come out with innovative initiatives to harvest their intangible assets. One such initiative is managing a Corporate Alumni Network. Corporate alumni networks are organizations whose members are the former employees of a particular company.

Types of Corporate Alumni Network

There are basically three types of *such* organizations:

1. **Independent “grassroots” associations** are those founded solely on the initiative of former employees’, without company support or approval .They are informal groups that provide directories of members, organize occasional events and reunions, and may coordinate other projects. It is hard to estimate their number but it runs into the thousands. Their success is often temporary or hard to sustain.
2. **Company-supported grassroots associations** are also founded independently but have grown sufficiently in size and stature to win recognition from the company, which may also provide financial and other means of support. These hybrids vary widely and are much fewer in number, probably because only a few large corporations have alumni populations large enough to reach “critical mass.” Their activities are similar to those of the independent groups, sometimes facilitated by

web-based platforms. The most notable example in this category is the association started by alumni of the U.S.-based consumer marketing giant, Procter & Gamble.

3. **Company-managed associations** are those founded and chartered by the company with board-level approval which have explicit objectives and policies, and are managed by full-time staff, with executive oversight. This type has existed in the professional services sector for years, in a few cases for decades; but in recent years they have penetrated several industries, particularly among large multinationals.

Alumni Program Goals and Benefits

Well-designed corporate alumni programs can benefit the organization in many ways. Some of the possible goals of corporate alumni programs from HR and Business Perspective include:

1. To improve the quality of hires by rehiring top performers and innovators.
2. To increase the number and the quality of employee referrals by expanding the program to include alumni.
3. To strengthen the employer brand image throughout the industry.
4. To increase retention rates among current employees by developing a stronger positive image.
5. To increase the number of mentors available to current employees.
6. To generate direct sales by making alumni customers.
7. To increase the number of leads generated (customer referrals)
8. To get product assessment help.
9. To gather competitive intelligence.
10. To get help from alumni in building strategic partnerships.

Success stories of some companies who are reaping the benefits of Corporate Alumni Networks

Actively seeking out ex-employees are often more productive than those recruited from scratch, is now a hiring strategy for many companies, particularly in professional services such as accounting and consulting. Networks generally consist of a Web site with a directory of members, a job board and information about networking events and continuing education programs. In times of recession where people are so often terminated not because they're not capable, but because of layoffs and business cutbacks, it makes enormous sense to tap into these ex-employees.

In a research paper on the topic "Cultivating Ex-employees" published by Berkowitch and CemSertoglu in the Harvard Business Review in 2002, Berkowitch found then that hiring an ex-employee cost about half as much as a new hire. She also found that rehires were 40 percent more productive at work and tended to stay on the job longer.

Deloitte's alumni network, Alumnet, was established four years ago and now tracks approx 75,000 ex-Deloitte employees nationwide. The company has seven alumni relations regions, each of which operates autonomously. The alumni Web site contain Deloitte job postings by region and office and a place where alumni can post their resumes. Deloitte's internal recruiters use the alumni network to identify job candidates. In 2003, Deloitte conducted a study to determine the cost savings associated with hiring ex-employees. At that point, 140 had been rehired nationwide, the vast majority coming through alumni relations and not search firms. "It came out to saving about \$3.8 million in search fees.

Microsoft: The Microsoft Alumni Network (MSA) was established in 1995. MSA charges a fee because it operates independently of Microsoft, although it is closely aligned with the company. U.S. alumni pay an annual \$130 fee, while international members pay \$80. Both have access to other Microsoft alumni, network-related special events, cultural performances and lectures and the Microsoft Company Store. They can partake of specially priced health, dental and life insurance and peruse the job directory, where recruiters post jobs but have no access to resumes. A special section on the alumni Web site is open to those seeking positions within Microsoft, and gives ex-employees access to a special group of Microsoft recruiters.

Accenture: Management consulting firm Accenture also uses its alumni network for hiring and business development, but also to keep retired employees connected to the company. About 5 percent of those who retire come back as employees, and many more are hired as contractors.

BearingPoint: BearingPoint, the global management consulting firm that was formerly KPMG, launched its alumni network in October 2002, on the same day the company rebranded itself. By the end of that first month, 1,453 alumni had registered on the site. The company invites to join nearly everyone who leaves, even if the person was asked to leave because of a performance issue.

What Differentiates Great Programs From Average? – Critical Success Factors

Firms like McKinsey and Microsoft were pioneers in formalizing relationships with their former employees. Other firms, like Deloitte, Ernst & Young, Booz Allen, and Bain, join the pioneers in operating successful corporate alumni programs with features that set them miles apart from the typical alumni program. After years of research, **Dr. John Sullivan**, who researched on this topic, has identified 14 factors that clearly differentiate great programs. Some of them are:

1. **A strong business case.** The most important differentiator is the perception of the program as a business initiative, not just another HR fad. Establishing the program as a business initiative requires that it be supported and budgeted by

- leaders because a clear connection has been made between operating a successful program and increased revenue/profit.
2. **It prioritizes alumni and treats them differently.** While most programs treat all corporate alumni equally, the very best prioritize their alumni based on their future value to the organization. For example, if Mr. White and Mr. Blue are both corporate alumni, it would not make sense to treat both of them equally because one of them you would want to return and the other you wouldn't. Target top performers, individuals with key skills, and innovators as potential boomerang rehires.
 3. **Dual goals of recruiting and development.** The very best corporate alumni programs have a dual focus. While almost all programs focus on rehiring alumni, the very best also commit major resources into building an alumni network for business development purposes. The second focus is impactful because not every former employee can or would want to return but they can all help make referrals and positively spread the word..
 4. **They utilize social networks.** It's been true for a long time that social networks are effective mechanisms for building and maintaining relationships. As a result, most corporate alumni programs leverage either public social networks or build private social networks to expand the scope of their program. The best programs leverage both, just as great recruiting organizations use multiple channels to reach target talent.
 5. **A dedicated alumni webpage.** The very best alumni programs feature a webpage designed exclusively for corporate alumni. It might include forums, FAQs, Blogs, videos and an alumni directory that can be sorted by name, location and interests.
 6. **It utilizes a broad definition of alumni.** In traditional programs, participants were exclusively full-time employees who voluntarily left. However the best programs realize that there are a wide range of individuals who can act as firm ambassadors. Considering laid-off workers, retired workers, former part-timers, contractors, interns would be a good bet.
 7. **A dedicated staff.** The best firms have a dedicated staff that allows for continuity and allows the firm's program to become a competitive advantage.

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Importance of Creativity and Innovation

Prof. Sandeep Bhanot, Faculty SIESCOMS

Innovation is the highest product of human creativity and it results from the continuous generation of new ideas in order to face challenges encountered on one’s job or objectives. It helps us to take the advantage of new opportunities that can result in further improvements and to meet the changing market needs. It helps to evolve new product lines and to improve the delivery of service. Innovation is not limited to only products and services. It can also apply to methods, techniques and new applications. It is not dependent on wealth, status, position, age, gender or any other characteristic of an individual, except the ability to think in a creative way. So, creativity leads to innovation and hence, is considered as a precursor to innovation.

Doing something creatively means doing things in a simpler and better way. One needs to let his thoughts free try to create new ideas and perceptions. Every business is an idea at one point of time and any unused idea is full of potential. We need to be creative to add value through continuous innovation. There is a need for creativity because without it, we cannot put the resources to optimum use. Creativity is essential to stay ahead of competition and surpass customer expectations. A creative manager should promote the culture of lateral and out-of-the-box thinking to develop new solutions to existing problems.

Any new innovation deserves its own incubation period. For example, it has been found that Japanese companies implement 82% of the suggestions received from their employees while American companies implement only 22% and a few Indian companies implement just 17% of the suggestions received. That is the reason the Japanese are very effective in producing creative solutions.

Edward de Bono’s Six Thinking Hats system is one of the creativity tools that are widely used in organisations. Bono segregated a group’s thinking process into different modules which was an improvisation of the ‘brainstorming processes’. Here, a group’s thinking module is called a “hat”. Different coloured hats would represent a different kind of thinking at that point of time and everyone within a group would think in the same way at the same time. These “hats” could be organised and used in certain orders, depending upon the type of problem being attacked.

These hats are as follows:

White: With this thinking hat, the focus is on the data available. One can learn from the given information and look for gaps in the data.

Red: Using the red hat signifies using emotion and intuition in human thinking.

Black: Wearing this hat helps us to know the weak points in our plan and enables us to know all the possible negative consequences.

Yellow: This hat allows one to look at positive aspects in a decision. It enables a person to be optimistic while donning this hat.

Green: Here it enables creativity or idea generation and there is no room for criticism.

Blue: Here wearing this blue hat stands for control over the whole process. One gets an overview of the process.

The six thinking hats help to achieve the following objectives:

(i) Separate out thinking so that the focus is on one thing at a time.

(ii) Ask people to switch thinking from one mode to another.

(iii) Signal what thinking process is to be used next.

In order to compete in today's markets, you need to develop new products. That is why companies need to develop their products/brands if they want to survive in tomorrow's world.

Innovation outsourcing has become common because no single company can have the resources to compete with competitors and component suppliers at the same time. Moreover, to develop all innovations in-house, heavy investment is required. We also need to go beyond the technological innovation. The need of the day is marketing innovations especially in technique-oriented industries like electronics, pharmaceuticals, chemicals etc.

A classical example of Indian innovation is the "Dabbawallahs of Mumbai". Their unique and innovative supply chain process has been very much appreciated. At the simplest, the Dabbawallahs deliver home-cooked meals to individuals at their work places and return empty tiffin boxes to homes and in some cases, caterers. Forbes Magazine gave them its highest quality rating of Six Sigma for their unique and innovative supply chain process. Companies are now open to new innovative methods to improve employee efficiency. Recently, many companies like the Tatas have turned to "Transcendental Meditation at the Workplace". Research has shown that this implementation has improved the productivity by 57%. Companies such as Wipro Technologies are fast emerging as hidden powers of the technology industry. Wipro leverages its Six Sigma, technical and professional expertise across the supply chain to deliver cost reduction to its clients and to have a competitive advantage.

Innovative companies are led by innovative leaders who set demanding goals for themselves and for others. Successful innovators are opportunity focussed and not risk focussed. Executives who wish to lead their organisations to innovation must set an example by encouraging and rewarding innovative ideas of their employees.

Entrepreneurship- A tool for Success

Prof. Ranjith PV & Prof. Rajesh Nair Faculty-Marketing, SIESCO MS

Entrepreneurship fascinates a lot of people. People start businesses for different reasons. Some people are sick of working in a corporate job and not being in control of their destiny. Some people become an entrepreneur, just because they are fed up with their boring routine and want to stretch themselves and try something different.

It all starts with an idea. To get a highly original idea and get it to market has for many been almost impossible, however a lot of very successful entrepreneurs in a lot of different and diverse industries have taken an existing idea and made it better in some way. Also they have studied successful entrepreneurs and copied what they have been doing, following the money as we are sometimes told.

For entrepreneurship, getting an idea is important. Also it is important to know whether there are buyers in that market, about the promotion aspects and about the funding. After you have decided on the idea, plan the next week, six, months and five years, then you must start to implement it and build the business strategy. Get a good business plan, look if the numbers are realistic, do they add up?

Then massive action is now required to get it going as fast as possible. Get the ideas going; money and resources are of primary importance here. Earnings are determined by how well you run your business and the effort you are prepared to put in to make it a success.

Customer retention and ensuring quality of goods and services are essential for capturing the market. Brand image has to be created and you need to bring innovative policies. If you employ people, then you will need to manage/ guide them and you will need to take care of things like payroll, administration, office, facilities, appraisals etc. Business accounting, financial planning, business planning, marketing, sales and just about everything will fall in your realm as an entrepreneur. The stages of entrepreneurship are as follows

1. Converging on the idea

- In many cases, the decision to start a business precedes the idea itself
- Many ideas fall by the way side, since they are either *technically not feasible* or *financially not viable* or both
- So you need to do enough 'research' to converge on the id

2. Business Plan Development

Four major elements:

- New product/ service development, Business Model, Financial Model and Operating plan
- Business Formation
- Growth/Exit
- Going Public

An **entrepreneur** is a person who has possession of a new [enterprise](#), [venture](#) or [idea](#), and assumes significant accountability for the inherent risks and the outcome. He or she is an ambitious leader who combines land, labor, and capital to often create and market new goods or services

Common Traits in a Successful Entrepreneur

1. Good health. Successful entrepreneurs must work long hours for extended periods of time.
2. A Need to Control and Direct.. Entrepreneurs have a need to create and achieve by having control over events.
3. Self-confidence.
4. Sense of Urgency. They have a never-ending sense of urgency to do something.
5. Comprehensive Awareness. They have a comprehensive awareness of a total situation and are aware of all the ramifications involved in a decision.
6. Realistic Outlook. There is a constant need to know the status of things. They may or may not be idealistic, but they are honest and straightforward and expect others to be the same.
7. Conceptual Ability. They have superior conceptual abilities. This helps entrepreneurs identify relationships in complex situations..
8. Low Need for Status. Their need for status is met through achievement not through material possessions.
9. Objective Approach. They take an objective approach to personal relationships and are more concerned with the performance and accomplishment of others than with feelings..
10. Emotional Stability. They have the stability to handle stress from business and from personal areas in their lives.
11. Attraction to Challenges. They are attracted to challenges but

not to risks. It may look like they are taking high risks, but in actuality they have assessed the risks thoroughly.

12. Describing with Numbers. They can describe situations with numbers. They understand their financial position and can tell at any time how much they have in receivables and how much they owe.

To illustrate the characteristics of entrepreneurship two case lets are described

CASELET 1- FANTASY PARK IN PALGHAT-KERALA

Fantasy Park the first amusement park in Kerala started in the year 1995.

Neo Tech Amusements and Resorts (P) Ltd designed this exotic amusement park, which bagged the Best Innovative Tourism Product in the State award by Kerala Tourism in 1998. Over 50 lakh tourists have visited Fantasy Park since its inception in 1996. The park boasts of the following features

DRY PARK-The Water World also offers entertainment for all ages. Super Splash, Hara-kiri, Zip Zap Zoop, Striking car, Para Trooper, Dragon Coaster, Pirate Boat, Tora Tora, Water Merry Go Round etc will be enjoyed by adult as well as children.

WET PARK-Fantasy Park is equipped with the state of the art online testing and monitoring of water quality. This ensured 100% pure water at all times.

Wave pool Fantasy Park has one of the largest Wave pools in Kerala, which can give you some thrilling moments in life.

The Park has modern thrilling Rides over 8 acres of beautiful landscape with Garden and Fountains. There is a hygienic restaurant and ice cream parlour within the park. The water merry-go-round, striking car, paratrooper, pirate boat, dragon coaster, tora tora, mini tele combat, jumping horse, scooter ride, caterpillar, etc are a few among the entertainment options. The park is located in the enchanting backdrop of the mountain ranges of Malampuzha with the majestic mountain peaks of the Western Ghats overlooking. The park, developed by Neo Tech Amusements and Resorts (P) Ltd bagged the award for "Best Innovative Tourism Product in the State - 1998" instituted by Kerala Tourism. The park is said to entertain on an average one thousand visitors a day.

We interviewed Mr.Asokan Trikkediri the Managing Director of the park .He said that he got the idea of starting this after seeing a lot parks around the world. He understood that it is a good business and it will be profitable. The park started in the year 1995 and funds were arranged form family, own and shareholders. The loan was taken from KFC. There were many hurdles like funding as banks were averse to new ideas.. Since at that time there were no parks the break even was achieved in first year itself. The project completion time was one year.

Now they are planning new rides and change to Water Park. For 3 years there was no competition but since 1999 there is very high competition as now there are 10 parks in Kerala and 3 parks in Coimbatore. He is hopeful that with changes in park design and advertising will help the park to grow to greater heights.

COLOUR CUBES VFX

Mr.Himanshu was heading the visual fx department at Balaji Telefilms in 2006. He decided to shift for the interest in developing something of his own. Besides there weren't many studios catering to the TV industry. Thus he along with friends formulated a company and named it as Colour Cubes VFX.

The company aimed at a niche market with objective of delivering good quality visual effects at cost effective rates. The TV budgets at that point were pretty minuscule but not many companies had in house visual FX departments. The company started catering to 2 or 3 production houses. On 6th December 2006 the company started. A small place at a friends studio was taken for a rent of 3000 Rs plus electricity. 4 computers were installed and started with two projects CID and Ahaat in our hand. The company started with a small capital of 3 lakh rupees invested in 4 computers and an Air conditioner. The money came from their pockets and also from friends.

The biggest hurdle was realizing the payment for the work done. Generally the payment credit in the industry varies from 45 days to 90 days, however at times they delay the payments on purpose. This hampers the payment cycle to meet regular fixed cost. The place of work was also dwarfing more computers were needed. However the money was not enough. So a deal was made with the next client to put in the new machines which would be adjusted against payments at the end of our contract at the depreciated rate. The company moved into a new place which could house 10 systems against a deposit of 50,000 and 8000 rent. To overcome our payment hassles the company concentrated more on corporate clients by working with agencies that paid on time.

The company has a contract with the production house for 13 episodes which is renewed again after its completion. The best benefit for the industry is that it is not capital intensive. Average for proper setup of eight computers would be around 7 lakhs on fixed capital plus an operating expenditure of 12 lakh an year with staff of 7 people on graded basis .In one and half years the company achieved break even.

The innovative features were

1. Catering to a niche segment.
2. Monthly deal to regular clients which worked cheaper for them by 20% as against Competitors.
3. Work in shifts on 24 hr basis.
- 4The Company offer creative solutions and story boarding before execution.
- 5 Delivery of Anaglyphy 3d audio visuals to Corporates for new 3 dimensional experience, first of its kind in industry.(Films viewed with help of 3d glasses for new 3d experience)

Initially the target was the TV industry but slowly they expanded to doing, film titling and visual fx, corporate audio visuals, and advertisements. Now they also involved in web development.

During the last 3 years they are offering complete solution for developing corporate audio visuals right from conceptualization to execution and various services in web development. They have registered own production house and have shot a pilot episode

which is planned to pitch to various channels for a TV slot. Over a span of three years they have won 3 awards for best visual FX on Television for content.

Competition has become tougher and the segment is not as niche as it used to be. Many new entrants have waged in to fierce price war and shrinking deadlines. But their greatest weapon is better quality in less time and years of industry experience.

They are planning to grow this studio as a complete production house. They have tied up with creative writers and directors to develop content on job work basis. They plan to get more work on corporate audio visuals to source for r tv productions. Developing more content on films and audio visual for Corporates to be viewed by 3d Glasses for the real 3d experience is another area.

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ENTREPRENEURSHIP AND ECONOMIC GROWTH

Prof. Jharna Lulla and Prof. Sujatha Desikan, Faculty SIESCOMS

Introduction:

Is Entrepreneurship good for economic growth? This question would seem to have a simple answer: Entrepreneurs create new businesses, and new businesses in turn create

employment, increase competition, and may even increase productivity through technological change. High measured levels of entrepreneurship will thus translate directly into high levels of economic growth. However, the reality is more complicated. The idea that entrepreneurship and economic growth are very closely and positively linked together has undoubtedly made its way since the early works of Schumpeter (1911). Not all economists grant the entrepreneur a central role to explain economic growth. However, some include the entrepreneur as one of the main characters. For example, Holcombe (1998, p. 60) claims that, “*the engine of economic growth is entrepreneurship.*” Others, not least neoclassic economists, place the entrepreneur in the wings.

The objective of this paper is to provide a critical overview of recent empirical research on the relation between entrepreneurship and economic growth. The first part of the paper emphasis on the general understanding of the role of entrepreneurship in the modern economy. The second part of the paper emphasis on theories of Entrepreneurship and Economic growth. The third part of the paper emphasis on the Entrepreneurship Environment in India.

The Increased Importance and Changing Role of Entrepreneurship:

There is a distinction between theoretical and operational definitions of entrepreneurship. In general, the theoretical definitions are wide, covering a number of entrepreneurial activities, whereas the operationalized definitions cover a singular aspect. Glancey and McQuaid (2000) mention five definitions of entrepreneurship, while Wennekers and Thurik (1999) mention thirteen. For example, entrepreneurship could imply an economic function, as a bearer of uncertainty, a resource allocator, or an innovator. It could also refer to particular behavior, intrinsic characteristics, and the creation of new organizations, or the role of an owner-manager of a company. Baumol (1934), and subsequently Dejardin (2000), stress that entrepreneurial activities can also range from

being productive to society at large to searching for surplus profits with negative consequences, all depending on the structure of incentives and possibilities.

The Role of Entrepreneurship in the economy has changed dramatically over the last half century. In the old managed economies, land, labour and capital were the main factors of production. The modern managed economies have brought into light the most important factor of production that is entrepreneurship. The cause of this shift is due to a rise in the share of small business in manufacturing and production process since 1970's in most of the OECD countries. Innovation and technological changes have also contributed to these changes. Globalization and liberalization has brought about emphasis on quality products and has also led to stiff competition in the market.

Theories of Entrepreneurship and Economic Growth

The study of entrepreneurship was central to a number of leading economic theorists in the early 20th century, then relatively neglected for some decades until it was rediscovered in the 1970s. Donald Sexton offers an account of the shifts in academic focus and advances in the study of entrepreneurship since 1980.

The German School – The Creative Destructor

The German tradition with Schumpeter (1934) and Baumol (1968) focuses on the entrepreneur as an innovator and inspirer, the implementer of creative destruction, creating instability, disequilibria, and economic development. Yu (1997) concludes that Schumpeter's objections to the orthodox system relate to the use of equilibrium models and static analysis as well as the assumptions of rational behavior and profit maximization. Furthermore, Schumpeter (1934) argues that the risk of trying new combinations, i.e. being entrepreneurial, intrinsically falls on the capitalist and not on the entrepreneur. Furthermore, Schumpeter (1934) argues that the risk of trying new combinations, i.e. being entrepreneurial, intrinsically falls on the capitalist and not on the entrepreneur.

The Chicago School – Bearer of Uncertainty

Wennekers et al. (1997) and Glancey and Mc Quaid (2000) mention that under traditional Neoclassical assumptions, also labelled the Chicago tradition, there are limitations imposed on entrepreneurship by perfect competition, perfect information and rational behaviour. An alternative to the latter limitation could also be the absence of time lags between decision and outcome, as suggested by Lydall (1998). The primary analytical tool of neoclassical theory is a model in which equilibrium is attainable and with an invisible hand leading the market towards equilibrium. There have been a few attempts made to incorporate entrepreneurship into the neoclassical framework. Knight (1921) defines willingness to accept uncertainty as entrepreneurship. Some intuitive ability or non-universal knowledge gives the successful entrepreneur a superior ability to handle uncertainty. Introducing Knight's uncertainty into a Schumpeterian framework has spawned several models, e.g. Kihlstrom and Laffont (1979), Brouwer (2000) and Rigotti et al. (2001).

The Austrian School – The Arbitrageur

The peculiar characteristic of the Austrian entrepreneur is the ability to perceive profit opportunities. Kirzner (1973) suggests that the connection between entrepreneurship and economic growth is founded on the entrepreneur spotting and profiting from a situation of disequilibrium by improving on market inefficiencies or deficiencies. In an extension of Kirzner's model, Holcombe (1998) argues that these opportunities must come from somewhere, namely the insights of other entrepreneurs. Entrepreneurship creates changes, and changes lead to more opportunities for entrepreneurship. Thus, entrepreneurship generates more entrepreneurship. In a comment on Holcombe, Hülsman (1999) is critical to the notion of entrepreneurship as a perpetuum mobile of economic growth. Minniti (1999) reaches the same conclusion as Holcombe, but does also include a "network externality of entrepreneurship", i.e. a self-reinforcing culture of entrepreneurial spirit. Referring to Knight, Minniti also endows the entrepreneur with bearing some degree of uncertainty.

Endogenous Growth Theory

The basic neoclassical theory explains economic growth as accumulation of factors of production and exogenously determined changes to the economy. There have been attempts made to include the origins and causes of growth in the models. This has resulted in the endogenous growth theory. Aghion and Howitt (1998) as well as Valdés (1999) present overviews of some of the theories. Within the theoretical framework of endogenous growth, efforts have also been made in order to formalize Schumpeter's model of creative destruction and innovation as a mean of capturing monopoly profits. From this perspective endogenous growth theory can be regarded as a synthesis and extension of the German and Chicago schools.

Entrepreneurship Environment in India:

In the last few years, India has consistently registered impressive GDP growth rates and is touted to be one of the largest economies of the world in the coming decades. The opening up of sectors traditionally occupied by government owned monopolies has created a void which can be filled by entrepreneurs. Many sectors like retail, infrastructure, banking, insurance etc are now being hotly pursued. Apart from these sectors, opportunities also exist for small to medium entrepreneurs operating in a niche. The procedures for incorporation of a company in India listed briefly can be found [here](#). It takes about 11 steps and on an average about 35 days for incorporation in India. Future prosperity of India hinges on the creation of vibrant indigenous businesses that are deeply rooted in the local economy. For this to occur there is a need to expand the pool of local entrepreneurial talent to develop and manage new business ventures. For the aspiration to become a reality, effective support structures are required to harness local initiatives and nurture new enterprises that are capable of creating sustainable employment.

Conclusion:

This paper has provided an overview on the relationship between entrepreneurship and growth. The emphasis on entrepreneurial activities in the context of growth-oriented theories has been outlined and brief overviews and main findings have been presented. Entrepreneurial activities range from creative destruction and innovation to dealing with

uncertainty and spotting profit opportunities. The latter part of the paper has emphasized on the need for creating a positive environment for Entrepreneurship in India. As a market, India's spending power makes it easily one of the most lucrative Asian markets and even globally it remains an attractive market. It has only recently joined the 'trillion dollar GDP club. The Entrepreneurs have a strong role in the upcoming economic growth in India.

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Social Entrepreneurship

21#

“Vocational Training Program”

PRAGATI

Education I Employability I Employment

“A Bridge for Social Development”

Prepared & Compiled by

Manoj Makhija and Gaurav Tyagi
Students SIESCOMS

It is human nature to be dissatisfied with things and crib about them. We all do it. But, there has to be a time when one has to stop talking and start doing, take matters in one's own hands. And here, one is not talking about grave national issues or anything, but just the everyday routine things that you feel could be done in a better way.

As India's success story continues and the economy grows from strength to strength, we need a big number of technically and professionally qualified employees and even a bigger number of innovative and risk taking entrepreneurs who would help accelerate the process of employment generation in the country. With this spirit, students of SIES College of Management Studies (SIESCOMS), Navi-Mumbai made a business plan on Social Entrepreneurship – PRAGATI (Vocational Training Program) & after having won many an accolade, PRAGATI is focussing on extracting the concept from the paper & bring this business for the social cause on the ground through its successful implementation starting from Mumbai.

It is a great moment of success for, **Gaurav Tyagi & Manoj Makhija, Management Students of SIESCOMS** who bagged the **1st PRIZE & Rs. 10,000** at the **National-Level-Business-Plan Competition** on the **Theme: “India-Opportunities Within”** as a part of the **E-Week (Entrepreneur-Week) event** at a very well known & **Prestigious Management Institute, Sydenham Institute of Management Studies Research & Entrepreneurship Education (SIMSREE), Mumbai**

Participating teams were like

IIM, Ahmadabad

MDI, Gurgaon

IIT, Delhi

Narsee Monjee Institute of Management Studies (NMIMS), Mumbai

Symbiosis Institute of Management Studies (SIMS), Pune

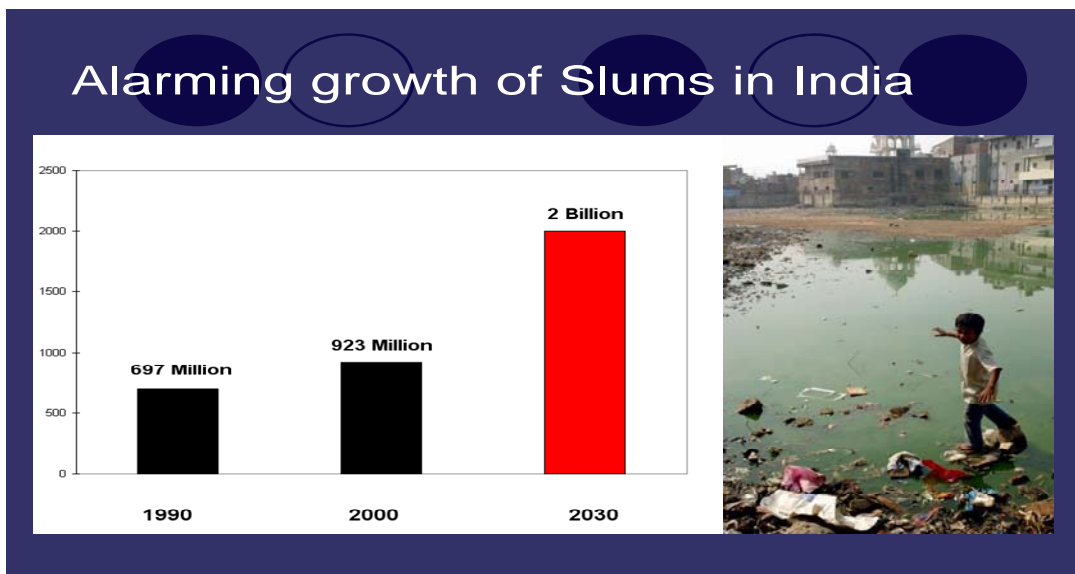
Jamnalal Bajaj Institute of Management Studies (JBIMS), Mumbai

SIMSREE (Mumbai)

TAPMI Manipal & others.

Problem or Unmet need - Background:

- ψ Slums, which account for around 45% of the Indian population, out of which 72% are youth's (*infochangeindia.org*), where the literacy rate is at a good & satisfactory level of 68% with youth's literacy rate in slums at 72.8% (*infochangeindia.org*) is almost neglected & ignored & is not considered for the development of India thereof.



Slums dwellers will triple in 25 years and so will the poverty.

- ψ Total Job availability in India – 1.1 billion job in 2010 (*india.gov.in*), which according to the sources is not going to fill effectively & efficiently.

Mumbai-Slum Statistics:

- ψ Percentage of people in slums: 55% (7 millions – 70 lakhs)
- ψ Percentage of Youths in slums (18-30 yrs): 44.05% of people in slums (30.84 lakhs)
- ψ **Percentage of youth unemployed in slums: 72% of youth in slums (22.2 lakhs).**
- ψ **Average salary of an employed person in a slum: Rs. 48/day**
- ψ **Literate youths in slums: 72.48% (18 lakhs)**
- ψ Percentage of youth cleared 10th std. in slums: 42% (13 lakhs)

Source: www.indiastat.com, www.mospi.nic.in.

Statistics related to Vocational Training Program:

- ψ 72.48% of Youth from Slum Communities being Literate, lack Efficient & Effective Skill set.
- ψ Only 5% of the Indian youth labour force (12.8 million) has obtained vocational skills whereas it is 60%-96% in industrialized countries

Source: World Bank Report (www.worldbank.org), 2009

Even many training program providers including the government initiatives are present, the most common problems & loop-holes in these initiatives which need to be re-think are:

- ψ Very Few Vocational Training Program cater to early school dropouts
- ψ Minimum Educational Entry Requirements and Long Duration of Courses
- ψ Unaffordable Courses & Uneasy Access
- ψ Monotonous Curriculum Design & Lack of Quality Education.
- ψ Lack of On-Field & Hands-On Training
- ψ Tough to Reason out, to consider joining the program (Lack of Additional Benefits)

Hence, The Objective of PRAGATI is to develop, facilitate & propagate practices that will help the underprivileged deprived youth to join the economic main stream through a wide array of Vocational Training Program designed towards empowering them. Providing right skill set & talent, through a vast network of (NGO) Community Channel & Industry Partnership, PRAGATI would provide employable training, cultivate & nurture a technical & industrial attitude in the minds of younger generation.

Keeping all above in mind, the Business-Plan for PRAGATI is designed in an innovative way taking into consideration the competitors activities, the problems with the current vocational training program providers (Private Institutions & Government-Agencies), the unfulfilled requirement of various Industries, Lack of additional benefits to the Slum-Communities, psyche of the Slum-Community People, their mindset, obstacles & hindrance they face, their needs & Expectations. All this is achieved through Primary Research & extensive ground-work which involved interactions with different industries (Computer-Training Institutes, Life-Insurance Firms etc.) & their personnel's, with the Slum-People's, with different Vocational-Training-Program Providers etc. PRAGATI will not be a Not-For-Profit Organisation (NPO) or a Non-Governmental Organisation (NGO). The innovations done in the overall concept is such that there is a huge social impact but also the business generates profits for the expansion of the business; generation of more employment so that it can have more social impact in future. The business concept estimates to breakeven within a year of its incorporation which itself is an innovation being a social business model.

Some Snapshots of Innovations in the Business-Plan Concept:

- 1) Free Education (Including Computer-Training) to Slum-Youths (>5th Std. pass).

- 2) Education for Slum-youths at NGO-Premises.
- 3) Providing Life-Insurance-Cover as a part of the additional benefits to family members.
- 4) Course-Curriculum design in support from various Industries & Institutes.
- 5) On-the-job Stipend to all participants; etc.

PRAGATI will achieve its objectives with the help of 4 channels.

- 1) **Community Channel** – focussing on providing education & giving employment to the underprivileged & deprived youths (18-30 Yrs) of the Slum-Communities under various NGO's.
- 2) **Direct Channel** – Any Youth (18-30 Yrs) in need of Vocational Training in different fields & hence employment in various industries.
- 3) **Franchisee Channel:** Training workshops for Small medium entrepreneurs & companies in need of training for planning, expansion, diversification & modernization
- 4) **Self-Help-Group Channel:** helping SHG's of slums in creating better market linkages by assisting & providing them skills in marketing & other related skills.

Finally..... word of advice for people willing to start up, “Keep thinking; ideas may fail but let that not stop you from thinking. Think more and refine the idea. No idea is good or bad till you have water tested it. You can't claim that your idea is good enough, till you work upon it. Many a times, people discard ideas thinking 'why hasn't someone done it yet, if it's so simple'. But, even the simplest of ideas have the potential of turning into rainmakers. So, simply move out and put in the effort before you scrap an idea or stick to one.”

FIVE MYTHS ABOUT ENTREPRENEURSHIP

Prof.Subramaniam, Faculty SIESCOMS

This article is based on the research findings of Mr. Amar Bhide, who is associated with an American University.

1 THE RISK TAKING MYTH

“Most successful entrepreneurs take wild, uncalculating risks in starting their companies”

Risk is an intrinsic part of any venture. The initial risks are spread around, But the high risk comes later

2 THE HIGH-TECH INVENTION MYTH

“Most successful entrepreneurs start their companies with a break-through invention – usually technological in nature.”

Having a breakthrough invention, a unique product or a radically new process is not a necessary element at the beginning of most successful growth companies

“It is the exceptional execution of an ordinary idea” -Bhide

Quality implementation, flexibility, the ability to meet customers’ needs, the successful delivery of the promised productivity benefit is MORE IMPORTANT.

Only 6 of 100 successful entrepreneurs claimed to have a unique idea.

Others slightly modified someone’s idea.

2 of 3 out of the 500 fastest growing Companies are NOT technology based

3 THE EXPERT MYTH

“Most successful entrepreneurs have strong track records and years of experience in their industries”

Early stage growth companies started by relative amateurs

40% of the Inc 500 founders had no prior experience in the industry they were entering.

Their personality, adaptability and willingness to provide specialized products or services that wins the day

They know what they are doing with a clear clarity of vision.

In the growth stage they upgrade resources

4 THE STRATEGIC VISION MYTH

“Most successful entrepreneurs have a well-considered business plan and have researched and developed their ideas before taking action.”

At the early stage, extensive research and planning are both unnecessary and financially impossible. They are hallmarks of the later stage of development.

“The process of starting a new business is like jumping from rock to rock up a stream rather than constructing the Bridge from a detailed blueprint” - Bhide

5 THE VENTURE CAPITAL MYTH

“Most successful entrepreneurs start their companies with millions in venture capital to develop their ideas, buy supplies and hire employees.”

Of the 700,000 less than 1% had VC.

26% started with less than \$5000

66% with less than \$50,000

Average funding just \$25,000

From personal savings, family and friends

3 out of 4 did not even attempt to secure VC

Entrepreneurs in Corporations

Prof. Vatsala Bose, Marketing Faculty SIESCO MS

Introduction

Entrepreneurship is the act of being an *entrepreneur*, which is a French word meaning "one who undertakes an endeavor". Entrepreneurs assemble resources including innovations, finance and business acumen in an effort to transform innovations into economic goods. This may result in new organizations or may be part of revitalizing mature organizations in response to a perceived opportunity or necessity. The most obvious form of entrepreneurship is that of starting new businesses; however, in recent years, the term has been extended to include social and political forms of entrepreneurial activity. When entrepreneurship is describing activities within a firm or large organization it is referred to as intra-preneurship and may include corporate venturing, when large entities start spin-off organizations.

An entrepreneur is often defined as one who starts his own, new, and small business. But, not every new small business is entrepreneurial or represents entrepreneurship. Admittedly, all new small businesses have many factors in common. But, to be entrepreneurial, an enterprise needs to have special characteristics over and above being new and small. It needs to create something new, something different that would change the rules of the game and transmute values.

Successful entrepreneurs, whatever their individual motivation – be it money, power, curiosity or a great desire for fame and recognition - try to create value and make a tangible contribution. It is true that successful entrepreneurs aim high, they are not content simply to improve on what already exists or to modify it. They try to create new and different value proposition to convert a 'material' into a 'resource', or to combine the existing resources in a new or more productive configuration.

The importance of entrepreneurship

The role of entrepreneurship and an entrepreneurial culture in economic and social development has often been underestimated. Over the years, however, it has become increasingly apparent that **entrepreneurship does indeed contribute to economic development**. History shows that economic progress has been significantly advanced by pragmatic people who are entrepreneurial and innovative, able to exploit opportunities and willing to take risks.

- Economically, entrepreneurship invigorates markets. The formation of new business leads to job creation and has a multiplying effect on the economy.
- Socially, entrepreneurship empowers citizens, generates innovation and changes mindsets. These changes have the potential to integrate developing countries into the global economy.

Being an entrepreneur is about more than just starting a business or two, it is about having attitude and the drive to succeed in business. All successful Entrepreneurs have a similar way of thinking and possess several key personal qualities that make them so successful in

business. Successful entrepreneurs like the ambitious Richard Branson have an inner drive to succeed and grow their business, rather than having a Harvard Business degree or technical knowledge in a par. To illustrate the same few people have demonstrated entrepreneurship in its true form.

Case 1

Oprah Winfrey is more than an American icon; she is an American entrepreneur, female entrepreneur, and Internet entrepreneur. Despite her humble beginnings, Oprah Winfrey has become one of the most powerful and influential entrepreneurs. Due to her business practices, activism, and philanthropy, Oprah has also become a worldwide household name.

Oprah the American Entrepreneur

Americans love to hear of people who face hardship and move on to bigger and better things. Oprah Winfrey was born in Mississippi and then raised in Nashville, Tennessee. It was there at the age of 19 she became the first African American woman and youngest person to become an anchor for news station WTFV-TV. From there she moved on to Baltimore, and then to Chicago, where after only a year the show AM Chicago was renamed The Oprah Winfrey Show because of the impact she made on its audience. Several years later, many lives changed through her talk show and winning Emmy awards, Oprah was no longer content to work for others and created her own Harpo Productions. Renamed Harpo Inc, the company employs well over 250 people full time in production, print, and movies. Oprah also went on to co-found Oxygen Media, which owns the Oxygen television channel.

Female Entrepreneur and Black Entrepreneur

Life Magazine has named Oprah the world's most influential woman. Oprah's main appeal is that although she is private with her personal life, she brings many of her thoughts and beliefs to her shows. She has gained the trust of the audience with the genuine concern she feels for others. Oprah is able to identify with many people from all walks of life, and her magazine, "O," appeals to most women. She also subjects and guests, both male and female, who relate their own personal stories of success and failure. Forbes Magazine said Oprah Winfrey was the richest African American of the 20th century and the world's only black billionaire for three years in a row. She could truly be considered a role model and one of the most admired and highly respected business leaders in the world.

Conclusion

Succeeding as an entrepreneur in today's world is vastly different than what it was earlier but still this century has shown more and made more entrepreneurs in different fields of business. Today the challenges are enormous, and innovations continue to disrupt the way businesses are conducted.

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Development of Entrepreneurial Concept in Economic Theory

Pooja Gupta Mahurkar, Faculty, SIESCOMS

The word “Entrepreneur” is of French origin and put to its first use in around 1700s by the Economist Richard Cantillon; Irish by birth who spent most of his lifetime in France. He described entrepreneurship as a type of arbitrage. Fifty years later Adam Smith has incorporated this Idea in his world famous publication *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776). The first mention of the term “entrepreneur” in the neo classical theory comes in **Joseph Alois Schumpeter’s** *Theory of Economic Development* (1911) wherein he talks of introduction of “new combinations”— new products, production methods, markets, sources of supply, or industrial combinations ; shaking the economy out of its previous equilibrium through a process he termed “creative destruction”. The hero of the story is the **entrepreneur** as he is the source of this “creative destruction” and at the same time the entrepreneur was distinguished from the capitalist. The concept was further developed in his two-volume work, *Business Cycles* (1939).

The term “entrepreneur” is mentioned in many other economic theories, one in the neo classical theory being - Transaction cost theory of the firm proposed in 1937 by **Ronald Coase**. Entrepreneur is looked upon as an entity who directs production. Coase defines the firm as "the system of relationships which comes into existence when the direction of resources is dependent on the entrepreneur." The firm may become larger or smaller based on whether the entrepreneur organises more or fewer transactions. The problem apparently is that he refers to an entity who, in a competitive system, takes the place of the price mechanism in the direction of resources. This coordinating function has been recognised by J B Clark as that of the entrepreneur but Knight (1921) acknowledges coordinators as managers.

The distinguishing features of an entrepreneur from a manager were highlighted by William J. Baumol by his study in 1968. As per him, a manager optimises the task assigned to him or in other words has the job of maximising efficiencies where as an entrepreneur is source of initiative and innovation. His study was divided into four parts

1. **Significance of the entrepreneur:** Entrepreneurial function is a vital component in the process of economic growth. The historic growth of gross output per man hour cannot be explained by the data on Capital accumulation and expansion of labour force alone. This phenomenal growth has been attributed to technological changes and increase in the use of capital. The introduction of such changes requires entrepreneurial initiative. This view has been vetoed by people involved in development policy. The dominant phenomena behind the faster rate of growth of some economies as compared to other economies, is the availability of entrepreneurial talent and the motivational mechanism which drives them on. The importance of the entrepreneur is realised as his absence has been understood as the reason behind a declining industry and many a times a difficult balance of payment situation is attributed to similar reason. Hence, the entrepreneurial

phenomenon is important for the purpose of micro as well as macroeconomic studies.

2. **Entrepreneur in Formal economic models:** The entrepreneur has not been accounted for in the formal economic theory. The nature of the Theory of the firm is such that the behaviour of the firm is explained with the help of models which deal with limited number of variables such as price, output, marketing outlay, etc. With every given set of variables the management has to consider the costs and revenues and come up with an alternative with optimal yields (profit maximisation/ cost minimisation) which is chosen. Ideally, the same decision would be repeated unless there is a change in exogenous variables. Innovations, brilliant/clever ideas don't have a place in such models. Hence the entrepreneur is not accounted for.
3. **Sources of entrepreneurial talent (Supply):** Even if the formal economic models would try and account for entrepreneurship as an input, since the nature of such models is that they deal with the treatment of inputs and not with the source of these inputs, the models will not be able to develop an understanding of determinants of the level of output of entrepreneurship.
4. **Theory of Entrepreneurship in Economics:** It is difficult to analyse the supply of entrepreneurship, strategic choices made by him, his risk appetite or the sources of his ideas but the economic theory could be based on the determinants of the payoff to his activity and minimisation of the marginal costs of his risk bearing. One can definitely stimulate the volume and intensity of entrepreneurial activity.

He came up with a formal entrepreneurship theory in economics in 1993 whereby he asserts that this theory of entrepreneurship exists, and that it is powerful and illuminating albeit there are limits to what it can be expected to do.

Many economists like Frank H. Knight, F. A. Hayek, Joseph A. Schumpeter, Ludwig Mises, Israel M. Kirzner, G.L. S. Shackle, and Ludwig M. Lachmann have contributed to the theory of entrepreneurship by highlighting different aspects of the phenomena (J. Stuart Wood, 2005).

In 2004, Nicolai J. Foss and Peter G. Klein have probed the possibility of integrating the theory of entrepreneurship and the economic theory of the firm usefully in light of the fact that in the contributions to the theory of the firm by economists like Williamson, Milgrom and Roberts, Hart; there has only been a passing reference of entrepreneurship. The rationality behind this synthesis is that the entrepreneur or the firm cannot work in alienation. The entrepreneurial process of experimentation results in unique combinations of heterogeneous assets and variations in profits unexplainable by current economic theories.

J. Stuart Wood (2005) talks of two types of markets:

1) The **flow market** for goods, such as bananas, refrigerators, Chevrolet Tahoes, and so forth

2) The **stock market** for assets such as real capital assets like refineries, metal pressing machines, aircraft, and such as financial assets

He says that since there is a vast difference in the nature of the two markets and the entrepreneur has to deal with both, the theory of entrepreneurship should encompass both markets.

Different conceptions of the entrepreneurial function have emerged in particular theoretical and historical contexts. Neoclassical theories are crowded with assumptions; hence fail to give a realistic multi-dimensional understanding of the role of entrepreneurship in economic phenomena. Firms are regarded as investments hence; emphasis should be placed on the plans and actions of the capitalist-entrepreneur (Peter G Klein, 1999). In Contemporary economic theory, integration of innovation as a central thread that can tie many economic concepts together, is missing and cannot easily accommodate entrepreneurial activity. Although most economists would acknowledge the role of the entrepreneur in the theory of the firm and in economic growth, that role is rarely included in the models used for analyses of the firm/economic growth as entrepreneurship cannot be standardized or expressed in the mathematical or geometric models that economists use for analysis and prediction (Calvin A . Kent, 1989). At the same point of time it is clearly understood that encouragement of the entrepreneur is the key to the stimulation of economic growth.

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Entrepreneurship in India

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The word ‘entrepreneur’ is derived from the French verb *entreprendre*. It means “to undertake.” The term “entrepreneur” was applied to business initially by the French economist, Cantillon, in the 18th century, to designate a dealer who purchases the means of production for combining them into marketable products.

ENTREPRENEURSHIP may be defined in various ways, but the four key elements involved in it are:

- i. Innovation.
- ii. Risk-taking.
- iii. Vision.
- iv. Organizing skill

Entrepreneurship is the future for any developing economy. Traditionally most entrepreneurs began their careers by working for someone else. Over time they realized that they need to move out and venture into their own as their employment failed to satisfy their needs.

In India entrepreneurship has come a long way from pre colonial era, where an entrepreneur was more of a trader, money lender merchant to today’s society where we can classify them into three categories.

The first category is that of well-established business families such as the Mittals, Tatas, Ambanis and Birlas to name a few. These families have a tradition where their strong business values and base is passed on from generation to generation. Most of these business houses have a professional management team and have taken their business global.

The second category are our young professionals, who have the drive, enthusiasm and most importantly the need for achievement, and have felt that setting an enterprise and being an employer is a better option than being an employee. Though this group is very small compared to the number of youth passing out year after year, nevertheless these young entrepreneurs are the future global Indians.

The third category of the society would be the product-based business entrepreneurs. We find them in every big city, town or village of India. Educational qualification does not mean much to them; rather they rely on sheer entrepreneurship ability that include training, experience, customer service skills, networking, hard-work and innovation.

Major constraint faced by budding entrepreneurs in India is shortage of capital and very little support from angel investors.

Another concern is encouraging women to take up entrepreneurship. Indian middle class women are not too eager to alter their role and most of them prefer to take up employment and contribute to the family income. Though Indian women have become aware of their existence, their rights they still have a long way to go. She plays multiple roles and sometimes submerges her own self role and her real identity.

Categories of women entrepreneurs in India are:

- Women in organized and unorganized sectors
- Women in traditional and modern industries
- Women in large scale and small scale industries
- Single women and joint venture

Role of Government has changed over the years. Since India's independence in 1947, until the early 1990s, India had a planned economy that made the Indian market closed and directly controlled by the government and not conducive for entrepreneurship. The situation is different now. Structural adjustments were made to simplify and create a rational tax system that removed off a number of controls and regulations.

Though some of the policies of the Government resulted in inhibiting the growth of large-scale industries, they gave encouragement to small-scale industries by providing a number of support measures for growth. Policy measures undertaken by the Central and State Governments addressed the basic requirements of the SSI like credit, marketing, technology, entrepreneurship development, and fiscal, financial and infrastructural support.

Difference between Entrepreneurship and Small Business:

Entrepreneurship:

- Innovation
- Fast growth
- Vision
- Employment creation
- Money making machine
- Higher risk

Small Business

- Little innovation
- Static growth
- Little vision
- Family business
- Earning a livelihood
- Low or minimum risk

Entrepreneurship among Students:

The Government of India is looking forward to the under-25 population of the country as the future pool of entrepreneurs and job providers. These groups of Indians are very tech savvy and are aware of global trends. According to a survey conducted by the Indian national newspaper The Hindu (2006), 36% of the nation's urban youth own cell phones, and 39% nationwide believe there is nothing wrong with being ambitious and successful, a view that would not have been shared as broadly by their parents and 65% are very anxious about employment and their career.

The government also realizes that in order to become entrepreneurs, this group needs training and support. Less than 15% of India's school-aged population makes it to high school, and only 8% of those go on to attend college (Government of India, 2001).

A recent report (Gujarat Global News Network, Ahmadabad) highlighted entrepreneurship as a new trend among management students. Eleven students of (2006 batch) IIM-Ahmadabad have declined attractive pay packets offered by multinationals and decided to set up their own ventures. This may be because of the pro-entrepreneurship policy of IIM Ahmadabad.. Bhandari (2006) conducted a study to know the intentions of a group of university students in India after the completion of their college education: He concluded that, of the eighteen independent variables, only two (luck and to lead other people) were found to have significant relationships with the dependent variable (to start your own business). Opportunity to lead other people, to be ones own boss, to put innovative ideas into practice, determination, personal challenge and non-business education was found to be the factors perceived to influence entrepreneurship.

Even though IIM-A is a typical case, the trend among management students in other states, has still not changed much. Most of the management institutes have taken several initiatives to promote entrepreneurship among their students. Promoting Entrepreneurship development clubs, coverage of entrepreneurship as a topic in the curriculum and entrepreneurship training being offered to the students of these management institutes are some of the instances by which entrepreneurship is being promoted. But many of these measures are not finding its effect in changing the mindset of the students.

Any economy needs a favorable business environment to nurture entrepreneurship – i.e.

- Flow of information
- Ease to obtain clearances from the authorities
- Efficient legal system and absence of corruption
- Infrastructural support
- Encourage Entrepreneurship

Finally we need to improve and change the perceptions regarding Entrepreneurship, to influence family and get community support to encourage the first generation entrepreneurs in India.

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Entrepreneurship and India

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Indian entrepreneurship activities are at an all time high. Over the past couple of decades India has seen a lot of entrepreneurial ventures initiated, particularly in the IT and BPO industry. Everybody knows about companies like Infosys, Wipro but there is more to Indian entrepreneurship than IT industry. There are outstanding examples in other fields also. While Ambani's Reliance Communications made mobile telephone affordable to the common man, Captain Gopinath's Air Deccan made air travel as affordable as travel by train and Kishore Biyani's Future Group changed the face of retailing in India. Ratan Tata's dream project of Nano car is set to revolutionize the auto industry.

India is emerging as an important center for software development, technical services and low-cost manufacturing. India's advantage is and its large English speaking educated population. There are tremendous opportunities for entrepreneurs due to the rapid pace of globalization and growth of the Indian economy. There is enough reason to be optimistic about India's entrepreneurial capability. However, we need to create an ecosystem that will foster and support new entrepreneurs. This will enable a scalable and sustainable model for creating a new breed of entrepreneurs in the years to come.

Efforts are on to foster entrepreneurship in India. Various agencies participate in entrepreneurial development across India. To coordinate and oversee their activities, the Ministry of Industry established the National Institute for Entrepreneurship and Small Business Development (NIESBUD). The institute organizes entrepreneurship development programs and conducts training activities for stimulating, supporting, and sustaining entrepreneurship. Among the non-governmental organizations promoting entrepreneurship in India is the Progress Harmony Development (PHD) Chamber of Commerce and Industries.

SINE is a business incubator where ideas from IIT Bombay students, professors, and alumni can be developed and commercialized. SINE is also a one-stop shop for venture capitalists looking for smart ideas coming out of India. Another institute that focuses on creating entrepreneurial personalities among youth is the Entrepreneurship Development Institute of India (EDII). A pioneer of the entrepreneurship movement in India, the EDII is a wholly autonomous body sponsored by several financial institutions like the Industrial Credit and Investment Corporation of India (ICICI), the Industrial Development Bank of India (IDBI), the Industrial Finance Corporation of India (IFCI), and the State Bank of India.

A new generation of companies has come along to spark the local economy.

Some of the Great Indian Entrepreneurs of the modern era

Late Dhirubhai Hirachand Ambani

Born to a Gujarat village school teacher Dhirubhai Ambani is truly an entrepreneur for the tumultuous, new India. He was Indian rags-to-riches business tycoon who mixed opportunities with extreme guile and founded Reliance Industries in Mumbai. He created an equity cult by going to millions of small investors when big bankers refused him money. Reliance operates in sectors like petrochemicals, textiles and is involved in the production of crude oil and gas, to polyester and polymer products.

Mr. N. R. Narayana Murthy, Founder Chairman, Infosys Technologies Ltd.

Infosys Technologies Ltd. was started in 1981 by N. R. Narayana Murthy, Nandan M. Nilekani, Kris Gopalakrishnan and four other engineers in Pune with an initial capital of US\$ 250. Most importantly they did it with middle class values, honesty and innovation. Today the company is a global leader in the “next generation” of IT and consulting with revenues of over US\$ 4 billion. Infosys has a global footprint with over 50 offices and development centers in India, China, Australia, the Czech Republic, Poland, the UK, Canada and Japan.

Ms. Kiran Azumdar Shaw, Chairman & Managing Director, Biocon

A self made woman entrepreneur in the hi-tech field of biotechnology. Mazumdar after returning from UK with a master’s degree could not find a job. Undeterred she launched her own company Biocon to manufacture enzymes for packaged fruit juices. Kiran’s Biocon is an amazing success story almost without parallel in India. Today Biocon is India’s largest biotech company focused on pharmaceutical products such as anti-infective.

Mr. Nirmal Jain Chairman, Managing Director, India Infoline

Mr. Nirmal Jain resigned from a stock market research firm and founded India Infoline in 1995 which is now a one-stop financial services solutions provider. India Infoline is a pan-India financial services organization with a network of 976 business locations (branches and sub-brokers) spread across 365 cities and towns. It has more than 800,000 customers.

Dr. Verghese Kurien

Dr. Kurien was the chairman of the Gujarat Co-operative Milk Marketing Federation Ltd.(GCMMF). GCMMF is an apex cooperative organization that manages the Amul food brand. Dr. Kurien is called the father of the White Revolution in India. He is credited with being the architect of Operation Flood -- the largest dairy development program in the world. He made India the world’s largest milk producer. Most importantly he put economic power in the hands of the producer. In the model he

developed at the core were farmers and the co-operatives on top was a district level milk producer's union and then a state federation that did the marketing.

Mr. Kishore Biyani, Founder and CEO, Pantaloon Retail (India) Ltd.

Over the past five years, Mr. Kishore Biyani has transformed India's entire retail sector with the Pantaloon Retail company. He has brought value-for-money goods to the middle-classes via his 120 Big Bazaar stores, 170 Food Bazaar stores and 112 Pantaloon clothing stores. Pantaloon Retail, the group operates over 16 million square feet of retail space in 73 cities and towns and 65 rural locations across India.

Mr. Dheeraj Garg, Managing Director, Steel Strips Wheels

Mr. Dheeraj Garg started young, setting up Steel Strips Wheels (SSW), a producer of steel hubcaps, wheels and rims. The company is now involved in manufacturing & marketing of steel wheel rims for passenger cars, utility vehicles, three wheelers, scooters, agriculture tractors & Commercial vehicles

Mr. Rajiv C. Mody, Chairman & CEO, Sasken Communication Technologies

True to the best IT clichés, Rajiv Mody founded his company in a Silicon Valley garage in 1989 Two years later he transported Sasken to southern India, where he set about building its reputation as the country's leading second-tier technology services firm behind Wipro, TCS and Infosys. Sasken employs 3,200+ people operating from state-of-the-art research and development centers in Bangalore, Pune, Chennai and Hyderabad in India, Kaustinen, Tampere and Oulu in Finland and Monterrey in Mexico. Sasken is also present in Beijing (China), Bochum (Germany), Kanagawa (Japan), Guildford (UK) and Chicago, Dallas & Santa Clara (USA).

Azim Premji, Chairman, Wipro

Wipro was a vegetable cooking-oil company begun by Premji's father Hussain Hasham Premji 45 years ago. Azim Premji diversified and entered the knowledge industry in 1979. He turned Wipro into India's largest publicly held tech-services company. Wipro was World's first PCMM Level 5 software company and has 55 development centers across the globe that create customized solutions.

Atul K. Nishar, Executive Chairman, Hexaware

A late entrant to the IT services industry the company was formed in 1990. Hexaware is a story of entrepreneurial gumption and Nishar's eye for challenges that turned every handicap into an opportunity of growth. Hexaware is a leading global provider of IT, BPO services and Process outsourcing with 159 active clients.

There is little question that India will continue to create important, innovative companies. In the 21st century the opportunities for growth, success and development is increasing globally. The focus of entrepreneurship needs to move to innovation, including process innovation, product innovation, management innovation, and business model innovation to win in the global market. Our educational system needs a revamp to be able to create more leaders and entrepreneurs.

One area which is lacking capital and guidance and can contribute significantly to the growth of India is village based micro businesses. With still more than 80 percent of India's population living in villages, micro finance is very cost effective to help reduce poverty. There are ample opportunities for local entrepreneurs to provide goods and services which could help alleviate the living standard of the masses. They need small amount of investments and some mentoring for starting and growing their businesses. We need to "adopt a village" model to help local want to be entrepreneurs succeed.

Relevance of law for a business organization

K.R.VENKATESWARAN, Faculty SIESCOMS

LAW is nothing but commonsense codified. As a business management student and a prospective business administrator and leader, one's prime Concern is to increase the bottom-line of the organization which you manage or own. Increasing the bottom-line includes increasing the top line for which you are taught marketing techniques. That the conceived product has a latent demand is identified through market research. The product should be readily accepted by the market and since the product is itself its advertisement, it should undergo strict quality control pre and post manufacture. Further, the most satisfactory after sales service in case of durable consumer goods should be a part of marketing activity. The best product at the cheapest price involves financial aspects like effective cost control, economics of scale, best production techniques, plugging of wastages, proper capital gearing etc.

However, since a business organization's activity always involves/affects outsiders, a system of regulation has evolved by means of various laws which give directions, guidance and stipulations for running a business organization.

Law is a **macro** concept and the various Acts which fall under a law is a **micro** concept. There are certain basic Business laws which are applicable to all types of organizations such as **Commercial laws, Labour laws, Banking laws, Economic laws, Taxation laws, Environment laws, Cyber laws** and the **Intellectual property laws**. The Companies Act, 1956 applies to the limited company form of organization. The securities contracts regulation Act, the Sebi Act, and the Depositories Act, 1996 apply to limited companies and the investor public.

The Indian Contract Act, 1872, The Sale of goods Act, 1930, The Indian Partnership Act, 1932, The Negotiable Instruments Act, 1881, The Transfer of Property Act, 1882, The Indian Registration Act, 1908 etc., fall under **Commercial laws**.

The Industrial Disputes Act, 1947, The Payment of Bonus Act, 1965, The Payment of Gratuity Act, 1972, The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, The Workmen's Compensation Act, 1923, The Payment of wages Act, 1936 etc., fall under **Labour laws**. It should be noted that the provisions of labour laws are so

sacrosanct that no one can waive his or her right provided under any of the provisions of the labour laws.

The Income Tax Act, 1961, the wealth Tax Act, the Sales Tax Acts of various states, the Central Sales Tax Act, The Value Added tax Act of various states, The Customs Act, The Central Excise and Salt Act etc., fall under **Taxation laws**. The proposed GST (goods and service tax) which may replace the sales tax, central excise etc., has also to be considered as and when it is enacted.

As finance is one of the essential ingredients of a business transaction, a business organization also comes under the **Banking laws** such as The Reserve Bank of India Act, 1934, The Banking Regulation Act, 1949 and the Regulations prescribed by RBI for Non-Banking Financing Companies (NBFC), Housing Financing Companies (HFC). To reduce the burden of accumulated Non Performing Assets(NPA) of the banking system, the recovery mechanism of the banks have been further strengthened by the enactment of the Recovery of Debt due to Bank's and Financial Institutions Act, 1993(DRT Act)and the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act. 2002 (The SARFAESI ACT).

-2-

Certain Acts like Copyrights Act 1957, Trade Marks Act, 1999 etc., come under Intellectual Property laws and the Information Technology Act, 2000 fall under cyber law.

As the activity of a business organization affects the environment, certain Acts like water(Prevention and control of pollution)Act, 1974, Air(Prevention and control of Pollution)Act, 1881, and Environment(Protection)Act, 1986, coming under the **Environment laws**, are enacted to prevent atmospheric pollution due to water, air, noise etc.

Last, but not the least, there is the **Indian Limitation Act, 1963** which stipulates certain time periods within which legal recourse has to be taken in a court of law from the time the cause of action arises. The Courts detest laxity on the part of the litigants and frowns upon the sword of democles hanging on the head of the potential defendants. As an example, a suit for recovery of money lent is to be filed within three years from the date, the loan is made or the cheque is paid. A suit for recovery of money secured by a mortgage is to be filed within twelve years from the date when the money sued for becomes due. These periods get further extended for 3 years/12years by the acknowledgement of the debt by the borrower or his duly authorized agent in writing or payment of any money in to the loan account by the borrower or his authorized agent. Certain individual Acts provide for limitation period for taking action/filing complaint with appropriate authorities under such Acts and in these cases the provisions of these Acts prevail over the provisions of the Indian Limitation Act.

The **Indian Contract Act, 1872**, deals with how a contract enforceable in a court of law, is entered into. It stipulates the essential elements which an agreement should contain to become a contract enforceable by law. Thus all contracts are agreements but all agreements are not contracts. The essential elements of a valid enforceable agreement are a) offer and acceptance b) legal relationship c) lawful consideration d) Capacity of parties e) free consent f) legality of object and g) Possibility of performance, writing, registration etc. The Contract Act also deals with Bailment and Pledge, Agency Contracts, Guarantee and Indemnity etc.

The **Sale of Goods Act, 1930** (which deal with the conditions and warranties in a contract of sale, the distinction between Sale and Agreement to sell, Ascertained and Unascertained goods, passing of ownership, risk following ownership, rights of an unpaid seller etc.) and The Indian Partnership Act, 1932 (which deals with partnership as an agreement between persons who have agreed to share the profits of business carried on by all or any of them acting for all) were earlier part of the Indian Contract Act, 1872.

The **Negotiable Instruments Act, 1881**, deals with Bills Of Exchange, Promissory Notes and Cheques, their negotiability, endorsements, protection given to Paying and Collecting Bankers under certain conditions discharge of negotiable instruments and the discharge of parties to the negotiable instruments under certain contingencies. The Negotiable Instruments Act also provides for penalties in case of dishonour of cheques for insufficiency of funds in the account of the drawer, popularly known of Bouncing of Cheques.

Since the topic of **BOUNCING OF CHEQUES** is of extreme importance to business community, the same is dealt with in brief as follows:-

Where a cheque drawn by a person on his account with a banker is issued by him in favour of another person, the payee, for the discharge, in whole or in part, of any legally enforceable debt or other liability, and the same is **returned by the bank unpaid** either because of insufficiency of funds or because the cheque amount exceeds the arrangement, if any, the drawer had made with his banker, the person who draws and issues such a cheque is deemed to commit an offence under the Act. The punishment is imprisonment for a term which may extend to two years or with fine which may extend to twice the amount of the cheque or both.

The conditions to be fulfilled to enable the aggrieved party to file a complaint for Bouncing of the cheque are as under, namely:-

- The payee has to present the cheque to the drawer's Bankers within six months from the date of the cheque or within the period of its validity, whichever is earlier.
- The Payee or the holder in due course of the cheque has to make a demand by way of a notice in writing for the payment of the money represented by the returned cheque

within 30 days of the receipt of information by him from his bankers regarding the return of the cheque.

- The drawer of the returned cheque fails to make the payment of the aforesaid cheque within 15 days of the receipt of the said notice. The Cause of Action arises on the completion of the 15 days herein mentioned.

-A complaint has to be made to a court of a metropolitan magistrate or a judicial magistrate of the first class **within one month of the date on which cause of action arises** as above.(extension of time for filing complaint beyond the stipulated period of 30 days is given by the court for sufficient reasons)

The **Transfer of Property Act**, 1882 provides for formalities while transferring IMMOVABLE PROPERTIES. The **Indian Registration Act**, 1908 provides for compulsory registration of the documents evidencing transfer of immovable properties worth ONE HUNDRED RUPEES OR MORE.

When the financial and human resources brought in by the sole proprietorship and partnership form of organization becomes inadequate to meet the modernization and expansion design of these organizations, the concept of the COMPANY as a legal juristic person with limited liability and perpetual succession came in to reckoning. A company has to be incorporated under the Companies Act, 1956. A memorandum of Association (M/A) and Articles of Association(A/A), called the company's charter, has to be prepared and submitted to the Registrar of Companies(ROC) who shall register the same in his records and issue a certificate of Incorporation. The Certificate of Incorporation gives legal birth to a company. The M/A

contains the registered office clause, the Objects Clause, The Capital Clause, The Liability Clause and the subscription Clause. The A/A contains clauses for the internal regulation of the

company. The Companies Act, 1956 is the largest piece of legislation in India, consisting of 658 sections and 15 schedules. The companies Act, inter alia, contains provisions for the incorporation of the company, the different types of companies, Issue and allotment of shares to public, Acceptance of deposits from public, management of companies consisting of Directors, their appointment, powers, restriction on their powers, their disqualification and vacation of office, the conduct of Board and General meetings, The Preparation and maintenance of Books of Accounts, Balance Sheet and Profit & Loss Account, various other statutory books, The Audit of Accounts, including Cost Audit and Special Audits in certain cases, Prevention of Oppression of minority shareholders and mismanagement of Companies, Amalgamation/mergers and the winding up of Companies.

The Limited Companies which are listed on the Stock Exchanges are also governed by the SEBI (issue of Capital and Disclosure Requirements) Regulation 2009 issued by SEBI under the Securities and Exchange Board of India Act, 1992, while accessing the investor public for finance, and the revised CLAUSE 49 of the Listing agreement

pertaining to CORPORATE GOVERNANCE and applicable to companies listed on Stock Exchanges.

As the Concept of CORPORATE GOVERNANCE has assumed great significance these days, the same is discussed briefly as follows :-

Corporate Governance can be considered as the SYSTEM by which companies are directed and controlled. It is a set of standards which aims to improve the company's image, efficiency, effectiveness and social responsibility. The Concept of Corporate Governance primarily hinges on complete transparency, integrity and accountability of the management with an increasingly greater focus on Investor Protection and Public Interest.

The Basic objective of Corporate Governance is enhancement of the long term shareholder value while at the same time protecting the interest of other STAKE HOLDERS. From the Company's perspective, the emerging consensus is that the purpose of high standards of governance is to increase the firm's value subject to meeting the corporation's financial and other legal or contractual obligations. This harmonizes the need for a company to strike a sound balance between the need to enhance shareholders' wealth whilst not in any way being detrimental to the interest of other stake holders in the company, namely, suppliers, customers, creditors, bankers, employees of the company, the Government and Society at large.

A few of the Steps for **Corporate Governance** under the Companies Act and under Clause 49 of the Listing Agreement with the Stock Exchanges are as follows:-

- S. 58 AA of the Companies Act, 1956, dealing with small depositors.
- S.252 of the Companies Act, dealing with small shareholders' right to have a director elected by such small shareholders.

- S. 292A of the Companies Act provides for the establishment of Audit Committees in cases of certain companies.
- The establishment of Investor Education and Protection Fund under S.205C of the Companies Act.
- The disqualification of a director under S.274 (1)(g) of the Companies Act.

- The Clause 49 of the listing agreement with the stock exchange provides for compliance with various requirements geared towards corporate governance like independent directors on the Board of the Company etc.

Board Of Directors:- In case of non executive chairman, at least one third of the Board should comprise of independent directors and in case of an executive chairman, at least half of Board should comprise of independent directors. Even if the non-executive chairman is, in any way, connected or related to the promoters of the company or the top management or to the management one level below the top management, then the Board of directors of that company, even though it has a non-executive director, should have at least half of its directors who are independent directors. According to an amendment to clause 49 of the listing agreement notified by SEBI on 08/04/2008, if the non-executive chairman is a promoter or is related to promoters or persons occupying management positions at the Board level or at one level below the Board, AT LEAST ONE-HALF OF THE BOARD of the Company should consist of independent directors.

The time gap between two board meetings is reduced to 3 months from earlier 4 months. There is no time gap between two board meetings under the existing provisions of the companies Act, 1956.

An Independent Director is defined in the listing agreement as follows:-

“Independent Director” means a non-executive director, who, apart from receiving directors

Remuneration, do not have any other material pecuniary relationship or transactions with the

company, its promoters, its management or its subsidiaries and associates which may affect the

Independence of the judgement of the director.

The **Information Technology Act, 2000**, (I.T. Act), is now applicable to many business organizations. The I.T. Act which came in to force in October, 2000, regulates “Electronic Commerce” involving use of alternatives to paper based methods of communication and storage of information. According to Sections 10 to 14 of the I.T. Act, there is no prohibition on the notice of meetings, annual reports or for that matter any communication to be sent by e-mail. It should be sent to a proper e-mail ID. The details of e-mail IDs should be taken from members and kept on record.

Earlier, in the seventies and eighties, computers were at best used to replace typewriters and to produce accounting statements. Now, every organization has a full fledged Enterprise Resource Planning (ERP) and active work has been done or is in progress to re-engineer business processes and redesign business net works to fully capitalize on the efficiency and effectiveness dimensions of Information Technology. ERP includes programmes like, supply chain management(SCM), customer relationship management(CRM) etc.

Trade Marks Act, The copyrights Act, Patents Act etc., is for protecting the Intellectual Property Rights. Intellectual Property is the property created by the intellect human mind and consists of a collection of legal rights resulting from Intellectual activity in the industrial, scientific, literary and artistic field. These are patents for inventions, trade

marks for brand identity of goods and services, designs for product appearance and copyright for material like literary and artistic, music, films, sound recordings etc.

The Economic laws include **The Monopolistic and Restrictive Trade Practices Act 1969**, (which strives to promote and sustain competition in the market), **The Consumer Protection Act 1986** (which strives for better protection of consumers against defective goods and deficient services), **FEMA,1999**(for facilitating external trade and payments and for promoting the orderly development and Maintenance of Foreign Exchange Market) etc.

Thus, a sound business manager should steer his organization clear of these laws, which, ultimately, would prove immensely beneficial to the progress of the organization and the people involved with the organization.

Role of Higher Education System for promoting Entrepreneurship Education in India

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Abstract:

Entrepreneurship as a way of life in the developing nation in general and India in particular has grown as a concept and the results of this is reshaping business, politics, and society at large. People in India are running faster than their rules, laws and regulations and new rules are getting created on their way and entrepreneurship is, after all, doing things in new ways, ahead of social norms and customs, and establishing the rules and laws in a most innovative way of doing things differently. This change is not only observed through the growth and impact of MSME (Micro, Small & Medium Enterprise) but also society at large is getting into the mode of Entrepreneurship. News about students of premier institutes in India are rejecting the corporate offers and going all alone to fulfil their own dreams endorses this phenomenon of growing importance of Entrepreneurship in India. The education support for entrepreneurship as a specialization under higher education system has and will play an instrumental role in enriching the full benefit of entrepreneurship in India.

Introduction

India has provided greater efforts to promote and nurture entrepreneurship in 1990s, at various levels attempts have been made to directly or indirectly do so. Broadly these attempts were made for removal of state-imposed barriers for starting businesses; availability of finances; education and nurturing. My article focuses on Entrepreneurship education in India, its challenges and ways ahead. Entrepreneurship education includes entrepreneurship training, entrepreneurship education in management and technical institutions, incubation support for job generators or creators by providing necessary support in all areas of their new venture.

The word entrepreneur is defined as ‘a person who organizes and manages a business undertaking, assuming the risk for the sake of profit’ (*Entre-pre-neur n.*) by Webster’s New World College Dictionary. Entrepreneurship is the professional application of knowledge, skills and competencies and/or of monetizing a new idea, by an individual or a set of people by launching an enterprise de novo or diversifying from an existing one (distinct from seeking self employment as in a profession or trade), thus to pursue growth while generating wealth, employment and social good.

Entrepreneurship Education in India

Courses offered in relation to entrepreneurship are the core activity of entrepreneurship education in India. The various types of entrepreneurship education can be divided into three types: Term based programs, short duration programs and long duration programs.

More than 100 different departments of universities offer courses in entrepreneurship, few of them conduct a two-year, fulltime program on family business management and most of the entrepreneurship courses cover the legal and managerial aspects of entrepreneurship. But the motivational aspect taught (from the successful Indian entrepreneurs) is equally important, since it creates an aspiration and improves confidence levels of any one wanting to start his / her family venture. Such courses on entrepreneurship are offered with an objective of equipping students with the skills, knowledge, and mind-set to run their family businesses.

Term based programs are focused programs covering some key concepts of entrepreneurship some of them provided by eminent institutions are mentioned in Exhibit 1. The long term program on entrepreneurship education is focused on provided full knowledge and skills to the participants by covering broadly all the aspects of entrepreneurship. Some of such programs provided by eminent institutions in India are mentioned in Exhibit 2. The short duration program on entrepreneurship education is focused on well defined target audience like faculty in the form of FDP (Faculty Development Program) or Corporate.

Challenges for Entrepreneurship Education in India

Entrepreneurship can develop only in a society where cultural norms permit variability in the choice of paths of life. Unfortunately, the culture of India consists of a network of benefits that in many ways run counter to entrepreneurship (Leo Paul Dana, 2000). Some of the challenges for entrepreneurship education like

- Absence of faculty awareness, opportunities, and interest
- Lack of skills and knowledge in interested faculty
- Need for an effort to create interest in faculty and to develop the skills and knowledge needed to teach entrepreneurship

At national level we have to look for following initiatives (as per NKC report on Entrepreneurship):

- Encourage and celebrate Entrepreneurship – Reward and acknowledge its role in wealth creation and employment generation.
- Widen the social base of capital, including access to new entrepreneurs from communities not traditionally associated with business, especially from marginalized groups.
- Launch Entrepreneurship Outreach events (not just in schools and colleges, but also through the media).
- Improve general perceptions regarding Entrepreneurship to influence family and community support for first generation entrepreneurs.

Conclusion & Suggestion for Entrepreneurship Education in India

Entrepreneurship education for the educated young people has a history of only seven to eight years, but it has already shown a sign of growth. Employment pressure has made Entrepreneurship Education in India's higher education system absolutely important, but the cultural barriers and the difficulties towards start-ups prevent Entrepreneurship Education from being successful. The following are recommended for the development of Entrepreneurship Education in India's higher education system fostering entrepreneurship culture by encouraging entrepreneurship, creating an Entrepreneurship Environment by easing norms for starting a business and by relaxing certain norms for entrepreneurs, refining techniques of entrepreneurship education by learning from the best in the world. At present, besides the special entrepreneurship training, entrepreneurship education in Indian educational institutions also needs to instill certain basic ethos and values in doing business. The issue of employment can be tackled well in India by improving the entrepreneurship education under our higher education system.

Exhibit 1: Some term based programs on entrepreneurship in India

Institute	Course Title	Focus	Duration
IIMA	LEM	Pre Start Up	10 Weeks
	ENVP	Pre Start up & Start Up	10 Weeks
IIMB	ENVC	Pre Start up & Start Up	10 Weeks
	Corporate Venturing	Pre Start up & Start Up	10 Weeks
	Social Entrepreneurship	Pre Start up & Start Up	10 Weeks
	New Venture Financing	Pre Start up & Start Up	10 Weeks

IIMC	SEM	Across Life Cycle	10 Weeks
	Managing New Ventures	Pre Start up & Start Up	10 Weeks
IIML	Org Issues in NV	Across Life Cycle	10 Weeks
	NVP	Pre Start up & Start Up	10 Weeks
ISB	PAEV	Pre Start Up	15 Weeks
XLRI	Entrepreneurship & NV	Pre Start up & Start Up	10 Weeks
XIME	Entrepreneurship	Across Life Cycle	10 Weeks
XIM, Bhubaneshwar	NEM	Pre Start up & Start Up	10 Weeks
	Rural Entrepreneurship	Pre Start up & Start Up	10 Weeks
	Social Entrepreneurship	Pre Start up & Start Up	10 Weeks
SPJMR	Start your Business Prog	Across Life Cycle	12 Weeks

Exhibit 2: Some long duration programs on entrepreneurship in India

Institute	Course Title	Focus	Duration
EDII	PGDBEM	Across Life Cycle	1 Year
TREC-STEP	Entrepreneurship Venture Incubation Program	Pre Start up & Start up	
	S&T Entre. Dev Program	Across Life Cycle	

SEMCOM	BCOM, BBA, BBAITM, Master of E Business	Across Life Cycle	1 to 3 Years
SPJIMR	EPBA	Across Life Cycle	18 Months
	Family Managed Business Programme	Across Life Cycle	2 Years
Indian Institute of Entrepreneurship, Guwahati	PGDME	Across Life Cycle	1 Year

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Doing business to make a significant difference-- an entrepreneur's odyssey

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17 years INDTL MKTG exp and last 9 years in teaching of which The last 3 years have been dedicated to management education.

“ Business houses should not leave money sitting unproductively in banks, should use wealth creatively to change society, and start new businesses, business expansions in new domains, generate more employment, and give tough fight to monopolistic competitive firms to improve general well being”

The question is can entrepreneurship be taught in classrooms? Or is it inborn or is it learnt the hard way in workplace?

It is the passionate drive and ability to create a new business emanating from idea generation, development of idea, growth of business, real wealth creation, employment generation which may probably lead to failure?

Creative entrepreneurship survives any financial crisis, because it's the large and behemoth companies that are challenged as these nimble footed creative entrepreneurs can quickly and decisively move forward to exploit business opportunities. To encourage entrepreneurship, government should also stir the competitor's hornet's nest. Entrepreneurs need to look closely on how they can possibly redistribute wealth for collective good.

Examples galore abound, these creative capabilities and business acumen of these past passive and now active discussion forums, the vadapav crorepati of VT station(post office terrain), kota/kanpur -iit coaching commercial boom, Lalit Modi initiated IPL cricket leagues, mergers and acquisitions globally—just to mention a few, glare you persistently on what makes them tick and rake the moolah? Isn't it the domineering perseverance of these creative entrepreneurs that make THEM STAND LIKE SOLID ROCK, ESPECIALLY DURING THESE PERIODS OF GLOBAL MELTDOWNS?

Examples are aplenty on the Indian entrepreneur psyche. With the population bursting at it seems, next to china, the intellectual capital which, India possesses is unparalleled in global context, should revolutionize and spur movement of entrepreneurship concept in inland scene. What we need to harness and encourage, is the potential to delve on the prospects of initiating the business propositions with wild card entries permitted, so that different idea proposals and themes could be launched, to stir and instill the confidence levels of these incumbent entrepreneurs, who can make a sea change to the views hitherto held by existing entrepreneurs.

Proof of the pudding lies in the eating they say, be that as it may, shouldn't the educational colleges bear the brunt of fostering the fillip to be provided to these budding grassy entrepreneurs, failures notwithstanding, asking these fellas to improvise, challenging their mental psyche, propelling them to reach greater heights? It is easier said than done. Few suggestions stem from the rot which is quoted above and which needs to be nurtured by educational institutions where employability leading to gainful employment ,still remaining unfulfilled by our management education FIASCO fraternity?

Isn't it our burden to resolve and absolve from, the societal blame perpetrated softly or otherwise. Let's fairly and squarely take the blame on this count and initiate steps which would augment better growth opportunities for our budding populace. easier said ,lets propose the following suggestions which is our prime responsibility as an educational institute fostering educational excellence, in imparting practical relevance to education, imparting employability which can coolly take care of employment.

Infrastructural developments coupled with the intellectual capability that we Indians possess, communicational inadequacies of Indian denizens notwithstanding, could itself,

offer competition to our budding entrepreneurs, in identifying the lacunae, bridging the gap, and ameliorating the differences, circumstantially evident from such steps
Could help propel our budding enthusiasts to greater heights in business?

Spirit of freedom rests in invigorating the minds of Indians, who only need a pinch of guidance and hordes of encouragement for these creative entrepreneurs, who could change the face of real India as it is, or as it ought to be. a global front to economic process of acceleration and growth perse.these paradigm shifts if imbued, could reverse the face of Indian social ethos and foster a spirit of camaraderie, in imbuing the centuries old Indian tradition and taking INDIA TO WUTHERING HEIGHTS—UNPARALLELED OR UNHEARD OF.—A STEP IN THE RIGHT DIRECTION.

Strategic planning: Its Importance and Implementation

Kumar Mupnar, SIESCOMS

There is a process of determining a company's long term goals & then identifying the best approach for achieving those goals.

Strategic planning consists of 3 basic phases.

Phase one is where an organisation should come up with its mission and vision statements. It should be clear about why it wants to grow; its market; its business; what kind of organisation it is at present and what it wants to become.

Phase two deals with the organisation defining what 'high growth' means for it and aligning itself with this definition. High growth might be a dramatic increase in profits, revenues, sales units etc.

The third phase is the one in which the strategic plan is drawn out and strategies for meeting this plan are developed.

Phase one—the context of growth: Context plays a crucial role in creating and sustaining high-growth strategies. Strategy is the means to achieve successful growth rather than destructive growth. Four stages make up the life of an organisation. Every organisation needs a vision to start with. Next in line is market expansion with the objective of achieving sustainability, leadership and significance in the market place. The third stage is for the organisation to thwart challenges to its market position or authority. The ultimate stage is either death or renewal of the organisation. These stages form the background on which one can build high growth organisational strategies.

With regard to organisational context, first of all, the organisation has to address questions such as 'How can we make a more significant contribution to our customers, members, employees and owners?' This will help create the right context for high growth strategies. Secondly, an organisation's mission or vision statement leads it to achieve high- growth strategies. The market has to be defined by the firm. A vision statement is qualitative and provides the broad goals of the organisation and how the world will be

changed by its vision. The mission statement talks more about the organisation's values and the steps towards achieving its goals. These two statements go towards creating the context of growth of the organisation.

Once the context has been established, the organisation has to carry out strategic planning to achieve high growth. Such planning will help it generate high calibre strategies. Strategic planning leads to 3 types of strategies-- intuitive strategies, umbrella strategies and planned strategies. Intuitive strategies are based on an idea of the final goal and a feel for how to achieve it. Umbrella strategies are global in nature and are written down. They help formulate the major policies of the organisation. Planned strategies are always written down and are detailed in nature. They carry out minute analysis of various factors such as environment, resources and implementation of plans. High- growth strategies will be a judicious mix of all 3 types of strategies.

Strategic plans have to take into account an organisation's core values and core competencies. They should be supported by the stakeholders and should be well thought out. They should also take into account the human elements such as personal dynamics, psychology, communication, empowerment and learning in their implementation aspects. Strategic planning defines the vision and goals of the organisation. It assesses its current position and abilities. Strategic planning also pulls together knowledge and information about the external environment. It helps identify and evaluate opportunities, activities and approaches that will promote its success. Strategic planning develops a plan, according to a schedule, for implementing the activities most likely to succeed. It also monitors the results of the activities and revises the plan and activities to improve its chances of success.

Phase two—growth objectives of the organisation: Strategy has to consider both the external environment (economic, political, market, demographic etc.) and the internal environment (human factors in the organisation, its culture, values, stakeholders and mindset). The strategic plan must have clear goals. There are 3 types of high-growth objectives of any organisation. The first type of growth is financial success tied up with the output or market expansion. The second type is competitive advantage and the third is capacity building in the organisation.

Entering Phase three—developing the plan: The beginning of phase three is marked by numerous activities. The person, team or teams to lead the development of the strategic plan and its components have to be selected. The time frame covered by the strategic plan has to be decided on. A schedule for the plan has to be identified. It should include all meetings, review periods, decision points etc. The budget and resources to be used has to be determined.

Completing phase three—creating the strategic plan and making strategies: Even though formulating a great strategy is an art, there are efficient methods for strategising and strategic planning. Seven steps make up the path to a high-growth strategic plan.

- (i) It is important to identify where the organisation currently is and how it reached there: The high growth strategies have to identify in terms of their rationale and the gap between where the organisation is today and where it intends to be has to be ascertained.
- (ii) Identification of what has worked and what has failed: This will help concentrate efforts in the right direction. New objectives can be attained easily using proven and tested techniques of the past.

(iii) Creating new approaches to achieving objectives: When new ways of achieving objectives are being explored, the external environment as well as the firm's current and potential resources and constraints should be kept in mind. Organisational constraints could be capital constraints, knowledge constraints or other limitations.

(iv) Developing an implementation plan: This involves developing a tactic around each high-growth strategy. These tactics will help the organisation to predict the financial costs, timeframe, human resources needed, potential benefits and payoff and probability of success of each strategic initiative.

(v) Comparing each high-growth strategy: Comparison of all the alternative high-growth strategies has to be done and the best ones should be selected.

(vi) Adopting and implementing: The pace of implementation of the strategy, documentation of the cost and effort of implementation and measuring the effectiveness or success of implementation are necessary for ensuring sustained success of implementation of high-growth strategies.

(vii) Monitoring and revising: Ignoring the internal and external environments of an organisation can be potentially devastating. Separation of the implementation of the strategy from monitoring and suggesting revisions is easy and inexpensive. The rewards of doing so, for high-growth strategising, are huge.

The entrepreneurs of the world depend on strategy, strategic thinking and strategic planning. Strategic planning is one of the pivots of an organisation. Strategy helps move people and organisations on the path to efficiency and success. New knowledge and products are created through it. Strategy serves to link the present and the desirable future of the organisation. Organisational breakthroughs are created and sustained through strategy. Strategy changes industry and organisational mindsets. Strategic planning is thus one of the most important aspects of business improvement and organisational enhancement available today.

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Website: Google **WOMEN AS "ENTREPRENEURS" IN INDIA**

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Abstract: The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. Women are increasingly becoming conscious of their existence, their rights and their work situations. This article attempts to understand the present scenario of women entrepreneurs in India, the challenges & barriers that they are facing, the role that government is playing to encourage women entrepreneurs & success stories of some of them, who made it big in spite of having roadblocks in the path of success.

Introduction:

Entrepreneurship word comes from the word "enterprise" which means the willingness to take new or risky projects. As per Webbers dictionary it means spirit of enterprise. India has always been a male dominated society and women have been seen as home makers.

Though with the growing awareness & education the situation is changing, still there is much more to be done to encourage women entrepreneurship in India. In the light of this background, this article attempts to discuss the present scenario of women entrepreneurs in India.

Present scenario of women entrepreneurs in India:

Since the onset of 21st century, the status of women in India has been changing. Prior to this, women were seen as a home maker. With the advent of education, the mindsets are changing and more and more women are going in for higher education. This growing trend of education & awareness has helped many women to take up shift from the four walls of the house to not only corporate positions, but also as entrepreneurs. They are not only running small & cottage industries but are also undertaking the higher level of the activities as well. Here names like Kiran Majumder Shaw, Pia Singh approves to the fact that Indian women has come a long way.

Though there has been a marked shift in the status of women from being just a home maker to that of that of an active participant in the economic development, it has not been a very smooth transition. There are many hurdles which still makes it a difficult proposition for women to start a venture of her own. Some of them are:

Barriers faced by women entrepreneurs in India

The problems & constraints faced by women entrepreneurs to some extent have restricted the expansion of women entrepreneurship in India. The major barriers which they encounter are:

- 1) Socio-cultural barriers – In a male dominated society like India, family and personal obligations are sometimes a great barrier for succeeding in business career. Only few women are able to manage both home and business efficiently.
- 2) Education and training – Not many Women are exposed to the level of education that is a must to acquire the skills and knowledge in all the functional areas of business management.
- 3) Awareness about the financial assistance – Various institutions in the financial sector extend their maximum support in the form of incentives, loans, schemes etc. The awareness for this assistance is still very low.
- 4) Issue of mobility – Sometimes lack of mobility of women make the dependence on middlemen too much. They are not fully aware of the changing market conditions because somebody else is co-coordinating for them.
- 5) Motivational factors – Somewhere the family support, societies support is still not that strong which somewhere does affect the Self motivation with which they try to carry on their enterprises.

In the past few years government has also laid special emphasis to encourage women entrepreneurship in India by running various schemes & special aids. Financial institutions & banks have also set up special cells to assist women entrepreneurs. Some steps that both government & non government bodies have taken are:

Promoting women entrepreneurship in India:

Trade related entrepreneurship assistance & development scheme for women (TREAD): With a view to encourage women in setting up their own ventures, government launched this Scheme during the 11th Plan. The scheme envisaged economic empowerment of women through the development of their entrepreneurial skills in non-farm activities. There are three major components of the scheme;

- 1) Government of India grant up to 30% of the total project cost to the Non-Government Organizations (NGOs) for promoting entrepreneurship among women.
- 2) Government of India grants upto Rs.1 Lakh per program to training institutions for training the women entrepreneurs.
- 3) Need-based, Government of India grants up to Rs.5 Lakh to National Entrepreneurship Development Institutions.

Exhibitions for women under promotional package for micro & small enterprises: This scheme has been formulated for women entrepreneurs to encourage Small & Micro manufacturing units owned by women in their efforts at tapping and developing markets.

Support for women entrepreneurial & managerial development: This training cell is being run by the government to conduct EDPs/MDPs for existing and prospective women entrepreneurs. To encourage more women entrepreneurs from among the SC/ST, and physically challenged groups, it is proposed that such beneficiaries will not be charged any fees but, instead paid a stipend of Rs.500/- per capita per month. Some other initiatives to encourage women entrepreneurs in India are:

- 1) MUN (Mahila Udyog Nidhi)
- 2) SSP (Stree Shakti Package) by State Bank of India.
- 3) WCFC (women's corporate finance corporation.)
- 4) FSWE (federation of societies of women entrepreneurship)

With the efforts of government & non government bodies' situation is definitely improving. We have some very inspiring success stories which motivate lot of young women to take up venture of their own, let us have a look on some of these commendable efforts:

Success stories of women entrepreneurs in India

Shahnaz Husain: She started India's first professional herbal salon in the balcony of her house in Delhi in 1971, now reigns over an ayurvedic beauty care empire. She says that armed only with complete faith in her concept & competence that she decided to have something of her own. Today she stands successful in her venture & continues to grow.

Jyoti Naik : president Shree Mahila Gram Udyog lijjat papad–Mrs. Naik says that she started only with seven group members at a very small scale in 1959 but with very strong conviction & commitment, today, shri mahila gram udyog has diversified into bakery products, detergents, spices and flour. It has built an image as one of trusted homemade products of the finest quality at very reasonable prices. The company now has 62 authorized branches across the country and, with only women members, is being seen as the best village industry institution in India.

Pia Singh Director (dlf india): DLF India is the country's largest real estate company in terms of revenue, earnings, market capitalization and developable area. Spearheaded by its director, Pia Singh, the company is becoming synonymous with luxurious entertainment around the country. .

It's interesting to note that none of these ladies discussed the hurdles that crossed their paths while they were realizing their dreams.

Conclusion “When women moves forward, the family moves, the village moves and the nation moves”. These words of Pundit Nehru are an accepted fact. Employment gives economic independence to women. Economic status gives way to social status & thereby empowerment to women. In present scenario of globalization & development of education women are entering into entrepreneurship much more than before. This movement can gain momentum by providing women enterprisers that much needed encouragement, appreciation, awareness, training and support. This would definitely enhance their socio economic status, a prerequisite for women empowerment.

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Women Entrepreneurship in India

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Introduction

Across centuries and across time, women remains rooted in eternity. Traditionally Indian society has been a male dominated, where women are considered as weaker and need to always depend on the male members of their family. Where, a young girl depends on her father and elder brother, a wife depends on her husband and in old age she depends on her son. So, throughout her life she depends on one or the other male members of her family. Indian culture made women only subordinates and executors of the decision made by male members of the family.

Emergence of Women as an Entrepreneur

The time has changed now where, the traditional set up of Indian society is changing. It took centuries for women's role to unfold in different forms, shapes and sizes and to move in new direction. A new form and a new structured emerged. Women stepped out with courage as they had a deep seated need for independence along with a desire to do something meaningful with their time and to have their own identity instead of remaining behind their husband's nameplate. More and more women are becoming entrepreneurs these days as they see the attractiveness that a home based business has to offer in terms of freedom and flexible working hours. They have more time to spend with their families and to bring up their children. Women business owners were traditionally in women oriented business like beauty care, fashion designing, garment, etc. The classic example is of herbal queen Shehnaz Hussain, who started the business of herbal based treatment from her kitchen on a relatively smaller scale. She started her business as hobby with a small budget and made an herbal empire. One more example is of Lijjat Papad, where a group of seven women came together and started a business on a small scale. Today the organization is wide spread with its 72 branches and 27 divisions in different states all over India.

The role of an Indian woman is changing, being a daughter she takes the responsibility of her parents, as a wife she wishes to create a home and family and as a mother she takes charge of her children. Today's woman is also an entrepreneur who builds an enterprise and discovers her identity and meaning of her life. More and more women are going for higher education and their proportion in the workforce has also been increasing. With the spread of education and awareness women have shifted from kitchen, handcrafts and traditional cottage industries to non – traditional activities. The best example is of Kiran Muzumdar Shaw, Chairman and Managing Director of Biocon Ltd.

The basic qualities required for entrepreneurs such as innovative thinking and farsightedness, quick and effective decision making skill, ability to mobilize and marshal resources, accepting changes in right time, strong determination and self confidence, etc and the basic characters of Indian women such as effectively coordinating the available factors and resources, efficient execution of decision, clear vision and ambition, ability to work and being patient reveals that, much potential is available among Indian women with respect to entrepreneurial ability. This potential is to be recognized and exposed for utilization in production and service sector for development of the country. Government has laid special emphasis for conducting special entrepreneurship training programs for women to enable them to start their own ventures. Financial institutions and banks have also set up special cells to assist women entrepreneurs.

In today's era Indian women entrepreneurs are facing some challenges like, lack of confidence in their strength and competence, family and personal obligation causes a barrier in successful business carriers, market oriented risk make them dependent on middlemen, lack of awareness about financial assistance, etc.

Biocon India – A Case

Kiran Mazumdar Shaw, Chairman and Managing Director of Biocon Ltd, is the India's first lady biotech entrepreneur. She was born on March 23, 1953 in Bangalore and had her schooling at Bishop Cotton Girls School and Mount Carmel College at Bangalore. After completing her B.Sc. in Zoology from Bangalore University in 1973, she went to Ballarat University in Melbourne, Australia and qualified as a master. She started her professional career as trainee in Carlton & United Beverages in 1974. In 1978, she joined as Trainee Manager with Biocon Biochemicals Limited in Ireland. In the same year, Kiran Mazumdar Shaw founded Biocon India in collaboration with Biocon Biochemicals Limited, with a capital of Rs.10, 000. She initially faced many problems regarding funds for her business. Banks were hesitant to give loan to her as biotechnology was a totally new field at that point of time and she was a woman entrepreneur. Under Kiran Mazumdar Shaw's stewardship Biocon transformed from an industrial enzymes company to an integrated biopharmaceutical company with strategic research initiatives. Today, Biocon is recognised as India's pioneering biotech enterprise.

Kiran Mazumdar Shaw won a number of awards. Prominent among them were, the Padmashri in 1989 and Padma Bhushan in 2005 and the Rotary Award for Best Model Employer. She also won the M. Visweswariah Award in 2002 for her achievements as an industrialist and her contribution to society. She was Vice President of the Association of Women Entrepreneurs of Karnataka (AWAKE) and the chairperson of the Vision Group on Biotechnology in Karnataka, which was charged with formulating the state's Biotech policy. She also won ET Businesswoman of the Year, Best Woman Entrepreneur, Ernst & Young's Entrepreneur of the Year Award for Life Sciences & Healthcare.

Conclusion

Empowering women entrepreneurs is essential for achieving the goals of sustainable development and the bottlenecks hindering their growth must be eradicated to entitle full participation in the business. Apart from entrepreneurship training programs; newsletters, mentoring, trade fairs and exhibitions can also be a source for entrepreneurial development. As a result, the desired outcomes of the business can be quickly achieved and more business opportunities can be found.

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