

LECTURE NOTES
ON
Entrepreneurship and
Management & Smart Technology
For
DIPLOMA 5th SEMESTER
(TH. 1)
As per SCTE & VT Syllabus



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Concept of Entrepreneurship :- Entrepreneurship is the ability to develop, organise & run a business enterprise, along with any of its uncertainties in order to make a profit. The most prominent example of entrepreneurship is the starting of new businesses.

1. Land

2. Labour

3. Natural Resources

4. Capital (Money)

Vision

→ Maximum Profit

→ Risk Taking

→ Global Marketing

Types of Entrepreneurship :-

It is classified into following types :-

(i) Small business entrepreneurship :- These business are hair dresser, grocery store, carpenter, plumber, Electrician etc.

These people run their business & family hier family members or local employees. For them the profit able to feed to their family and not taking over a industry.

(ii) Large company Entrepreneurship :- These companies have more life cycle.

→ Most of these companies grow and sustain by offering new and innovative products.

→ Their only moto and goal is to make more profit and change in technology, customer satisfaction and

new competition.

Dt. 08/10/2021

CHARACTERISTICS OF ENTREPRENEURSHIP:-

1. Ability to take Risk:-

Starting any new venture involves a considerable amount of failure risk. Therefore, an entrepreneur needs to be courageous & able to evaluate and take risks, which is an essential part of being an entrepreneur.

2. Innovation:-

It should be highly innovative to generate new ideas, start a company & earn profits out of it. Change can be the launching of a new product that is new to the market or a process that does the same thing but in a more efficient & economical way.

3. Visionary and leadership quality:-

To be successful, the entrepreneur should have a clear vision of his new venture. However, to turn the idea into reality, a lot of resources & employees are required. Here, leadership quality is permanent because leaders impart & guide their employees towards the right path of success.

4. Open-Minded:-

In a business, every circumstances can be an opportunity & used for the benefit of a company. For example, PayPal recognised the gravity of demerit demonetisation of

acknowledged the need for online transactions would be more, so it utilised the situation & expanded massively during this time.

5. Flexible:-

An entrepreneur should be flexible & open to change according to the situation. To be on the top, a business person should be equipped to embrace change in a product & service, as and when needed.

6. Know your Product:-

A company owner should know the product offerings & also be aware of the latest trend in the market. It is essential to know if the available product of service meets the demands of the current market, or whether it is time to tweak it a little. Being able to be accountable & then after as needed is a vital part of entrepreneurship.

7. Creation of Employment:-

Entrepreneurship generates employment. It provides at entry level job required for any experience and training for unskilled workers.

8. Impact on Society and Community Development:-

A society becomes greater if the employment gets large gets larger or diversified. It deals about changes in the society & promotes necessities like higher expenditure on education, better sanitation, pure a highly level of home ownership, therefore entrepreneurship assist the

to organisation towards more stable & high quality of community life.

9. Increase standard of living :-

Entrepreneurship helps to improve the standard of living of a person by increasing the income, the standard of living means increase in the consumption of various goods & services by a household for a particular period.

10. Supports Research and Development :-

New procedure & services need to be researched and tested before launching in the market therefore an entrepreneur also dispenses finance & research & development with ~~to~~ universities. This promotes research & development in the ~~country~~ economy.

* Joseph Alois Schumpeter is known as father of entrepreneurship.

Entrepreneur

(i) An entrepreneur is the one who undertakes and ~~operates~~ operates a new enterprise & assumes the ~~the~~ inherent risk.

(ii) Entrepreneur is often synonymous with the founder.

(iii) The person who starts & operates a business enterprise in an entrepreneur.

(iv) The entrepreneur is a co-ordinator as he co-ordinates all the 3 elements in production i.e. - Land, labour capital

(v) A person who innovates something new is an entrepreneur.

(vi) An entrepreneur who leads an enterprise towards its vision to ~~see~~ Leadership & motivation.

Entrepreneurship

(i) Entrepreneurship is the practice of starting of organisation, particularly new businesses generally in response to identify opportunity.

(ii) Entrepreneurship ranges in scale projects to major from solo projects to major undertakings. Creating many job opportunities.

(iii) The process in which an entrepreneur starts & cooperates each business enterprise.

(iv) It is the coordination maintained by an entrepreneur

(v) The innovation of something new on the process of innovation is called as entrepreneurship.

(vi) It is the way on which an entrepreneur leads each man power motivates them for achievement of the ~~firm's~~ ^{firm's} goal each entrepreneur

(ii) He bears risk of the
from for farm for the
sake of making it viable

(iii) The risk bearing
practice is done by
the entrepreneur is called
as entrepreneurship.

Roles Of Entrepreneur:-

1. Economic change
2. Social change
3. Technical change

Characteristics Of Entrepreneur:-

1. Facilitating Character:-

An entrepreneur must build a team
& keep & keep themselves motivated.

2. Self Confidence:-

Entrepreneur must have believe in themselves
& the ability to achieve their goal.

3. Work with a vision & mission:-

He must be committed to the
project with a time horizon.

4. High degree of Endurance:-

Success of entrepreneur demands the ability
to work long hours.

5. Trouble shooting Nature:-

An entrepreneur must have intense
desire to complete task for solve a problem.

6. Initiative & Entreprising personality :-

An entrepreneur must have initiative accepting personal responsibilities and making good use of resources.

7. Goal setters :-

He must be able to set challenging and realistic goals.

8. Calculated Risk taking Ability :-

An entrepreneur is must be a moderate risk taker & should learn from failures.

(1) Types of Entrepreneur :-

1. Imitating Entrepreneur
2. Fabian Entrepreneur
3. Drone Entrepreneur (Traditional approach)

1. Imitating Entrepreneur :-

These are often disappear length referred to as "copy late". They copy existing successful system & replicate it in a manner who have all the deficiencies of the original model are address & all its efficiencies are retained.

2. Fabian Entrepreneur :-

These are very careful in their approaches. They are not to sudden decisions and try to shy away.

3. Drone Entrepreneur :-

They don't like change & want to do the business in the traditional or orthodox manner that's why basically they outdated are outdated.

(2) Types of Entrepreneurs (On the basis of business)

(i) Business Entrepreneur:- They start business units after developing ideas for new products public services.

(ii) Trading Entrepreneurs:- They undertake buying and selling of goods but they do not engage in manufacturing.

(iii) Corporate Entrepreneur:- They establish and manage corporate from an organisation which has a separate legal existence.

(iv) Agricultural Entrepreneur:- They undertake activities like raising & marketing of crops, fertilizers and other allied activities.

(3) On the basis of Motivation

(i) Pure Entrepreneur:- They are basically motivated to become entrepreneur for their personal satisfaction.

(ii) Induced Entrepreneur:- They induced to take of entrepreneurial role by the assistance of govt. policies like incentives & subsidies.

(iii) Motivated Entrepreneur:- They are motivated by the desire to make a use of technical & personal expertise & skill.

(iv) Spontaneous Entrepreneur:- They motivated by their desire to make use of their self employment and to prove their excellence in job performance.

(4) On the basis of stages of development :-

(i) 1st Generation Entrepreneurs :- They do not possess any entrepreneurial background. They start industries by their own innovative skills.

(ii) 2nd Generation Entrepreneurs :- They inherit their family business and pass it to the next generation.

(iii) Classical Entrepreneurs :- They aim to maximize their economic returns with or without an element of growth.

(5) On the basis of use of technology :- Technical - they are task oriented and they focus mainly on production rather than marketing.

Non technical :- They focus mainly on marketing rather than production.

Professional :- They start a business unit, operate then sell the running business & start a new business later.

(6) On the basis of Area :-

(i) Urban :- They belong to urban areas and established their business in the same location to avail the local advantages.

(ii) Rural :- Rural entrepreneurs are involved in trading on agricultural activities, they belong to rural areas.

(v) On the basis Gender :-

(i) Female Entrepreneurs :- They are defined as woman or group of women who initiate, organise and run a business enterprise.

(ii) Male Entrepreneur :- They are defined as man or group men

* Social Entrepreneurs :- A person who establishes an enterprise with the aim of solving social problems or affecting social change.

* Importance of entrepreneurship :-

(1) Promotes Capital formation :- They promote capital formation by mobilising the idle savings of public they employ their own as well as borrowed resources for their setting up their business such type of activities leads to creation wealth which is very essential for the industrial and economical of the country.

(2) Creates large scale employment opportunities :- Entrepreneurs provide immediate large scale employment to the unemployed which is a major problem in under developed & developing nation.

(3) Reduces concentration of economic power :-

(3) Promotes Balanced regional development :- They help to remove regional disparities through setting up industries in less developed and backward areas by improving the transport

the transport, health, education entertainment.

- (4) Reduces concentration of economic power:-
Economic power is the natural out come of industrial and business activities which lead to the concentration of economic power in the hand of few individual. Which results in growth of monopoly.
- (5) Increase per capita incomes:- Entrepreneur explore & exploit opportunities encourage effective resource mobilisation thus increasing the per capita income of people in a country.
- (6) Improvement in the standard of living:- A good entrepreneur enables people to avail better quality goods at lower prices which results in improvement of their standard of living.
- (7) Promotes country's export trade:- They produce goods and services in large scale for the purpose of earning huge amount of foreign exchange from export.
- (8) Meeting local demands:- They focus their attention to manufacture/service to indigenous technology, local skill, local resources and local experiences.

Entrepreneurial Motivation:-

It is the process of transforming & ordinary individual into a powerful business man who can create opportunity & helps in economic development.

(1) Internal factors :- (Under control of self)

(i) Needs for self realisation

(ii) Optimism

(iii) Positive Attitude

(iv) Self Motivation

(v) Enthusiasm

(vi) Commitment

(vii) Education

(viii) Background

(ix) Financial Background.

(2) External factors :- (Not under control of self)

(i) Influence

(ii) Availability of Resources

(iii) Product's demand

(iv) Govt. policies

(v) Information Availability

(vi) Technology

(vii) Changing tastes

(3) Entrepreneurial Personality :-

(i) Bold

(ii) Rational and Practical

(iii) Original

(iv) Perceptive (Sensitiveness)

(v) Direct

(vi) Sociable.

Entrepreneurial Environment

Micro

- (i) Consumer
- (ii) Market
- (iii) Suppliers
- (iv) Organisation
- (v) Intermediary
- (vi) Competitors

Macro

- (i) Demographic
- (ii) Economic
- (iii) Technological
- (iv) Political
- (v) Social

Identification of opportunity

- (i) offline education
- (ii) Online education

Combination

- (i) Good E + Not good O
- (ii) Not good E + Good O
- (iii) Good E + Good O
- (iv) Not good E + Not good O

Results

- F
- F
- S
- F (Immediately)

Business Incubators

- (1) Brick and mortar Model
- (2) Virtual, & portal or without wall model
- (3) The hub/venture capital
- (4) Eggubator model

(1) Brick and mortar Model:-

- (i) It is the simplest of four models.
- (ii) It represents the historical model of business incubation which focuses on physical facilities office support and limited on-site activities.
- (iii) This provides a very limited amount of services, which includes a receptionist, a telephone a photocopier etc.
- (iv) It is unlikely that considerable management expertise is available but one individual may be there to provide limited coaching and direction.
- (v) It's strength is its simplicity.
- (vi) Its weakness is its limited scope.

(2) Virtual, portal or without wall model:- (i) This is a new type of business incubator, mostly startups.

- (ii) They have no solid track record but are rapidly proliferating/growing.
- (iii) They deliver a wide range of services electronically through internet, they have limited amount of funding.

- (iv) Its major strength is the easy access to wide of products.
- (v) Its weakness is lack human interaction, since many seek personalised, humanized services.
- (vi) Virtual incubator is described as an organised organisation which is set up on the internet with the possibility of stimulating new business.
- (vii) Virtual incubators are those which provide entrepreneurs with all the services and support which is necessary for the development of the enterprise.
- (viii) So virtual incubators can be classified into venture incubators, venture accelerator, venture portals and venture networks.

(3) The hub/venture capital model :-

- (i) This is the most typical startup incubator it combines the strength of both brick and mortar model & virtual model into a central office.
- (ii) It offers specialised divisions with a good range of services.
- (iii) A limited amount of funding is available to the incubators.
- (iv) Yet, the incubators network outside is underdeveloped, loose, informal, inconsistent.

(4) Eggubator Model :-

- (i) It is the newest and the most recent model of business incubator.
- (ii) It is so new that its description finds its way

into studies and none of those have applied a name to it.

(iii) It has an orbital structure in that, it has a strong centre that needs good vertical information flow and allows high quality information circulation multi-directionally through the layers.

(iv) It offers a total range of services, its devoted alliances and partnership represent a pre perfect network where access to any service is offered at any given time.

Module - 2

Setting Up a Small Enterprise

(1) Selection of a project

(i) Product/service selection

(ii) Location selection

(iii) Feasibility study

(iv) Business preparation

(v) Project profile

(2) Decide on the constitution

(3) Obtain SSI registration

(4) Obtain clearances

(5) Arrange for land

(6) Arrange for machinery

(7) Arrange for infra-structure

(8) Prepare project report

(9) Obtain finance

10) Implementation

Q // What are the different stages of setting up a small scale industry/organisation. Give a detailed view on it.

1.1 Selection of project :-

A strong entrepreneur is the most vital aspect of every successful project in order to set up a small scale industry, a suitable project has to be decided upon.

(a) Product or Service selection :-

Before deciding on a suitable project the entrepreneur has to decide on suitable product or service. The main factors are:

- (i) Background and experience of the entrepreneur
- (ii) Availability of technology
- (iii) Marketability of product or service
- (iv) Investment capacity
- (v) Availability of plant and machinery
- (vi) Availability of materials
- (vii) Availability of proper infrastructure facilities (Land, power, water, transport)

(b) Location selection :-

The major aspects to be considered before deciding the location of the project are

- (i) Proximity to the market
- (ii) Availability of raw material
- (iii) Availability transportation and communication facilities

- (iv) Availability, incentives or concession
- (v) Govt. policy.

(c) Project feasibility study:-

The important factors of project feasibility studies are as follows:

(i) Market analysis:- Under this analysis one needs to understand the aggregate demand of the product or services at present and also in future.

(ii) Technical analysis:- It seeks to determine whether reasonably good choices have been made with respect to location, size and process.

(iii) Financial analysis:- It seeks to confirm whether the proposed project will be financially viable in sense of being able to meet the burden of servicing debt and whether the proposed project will satisfy the return expectation of those who provided the capital.

(iv) Economic Analysis:- It is also referred to as cost-benefit analysis. It is concerned with judging a project from social point of view.

(v) Ecological analysis:- It is generally concerned with whether the proposed project is harming environment or not.

(d) Business plan preparation: ~~It~~ It can be used to establish realistic goals and to determine the ~~correct~~ ~~positi~~ current position.

~~It~~ While making a business plan ~~also~~ we should keep the following points in mind:-

- (i) Keep target audience in view.
- (ii) Strategy core of a business plan
- (iii) Think competitively throughout.
- (iv) Be realistic.
- (v) Involve people.

(e) Prepare project profile:-

A project profile gives a bird's eye view of the proposed project. This may be used for obtaining the provisional registration certificate from district industrial centre for making applying for industrial areas development board; for land for Small Scale Industries Development Corporation, (SSIDC)

2. Decide on the constitution

To start any industry the promoter has to decide the constitution of the unit. The alternatives are:-

- ~~(i) Sole proprietorship~~
- ~~(ii) Partnership~~
- ~~(iii)~~
- (i) Sole proprietorship
- (ii) Partnership
- (iii) Corporation/limited company
- (iv) Franchise.

The constitution of the unit has to be decided in the initial stages of the project.

(3) Obtain SSI Registration:-

→ Small scale units that is undertakings with investment in plant and machinery of less than one crores should seek registration with the director of industries of the concerned state govt.

→ Entrepreneurs desiring to start a small scale industries, have to initially obtain a provisional registration certificate.

→ After one of the unit goes into production the PRC has to be converted into permanent registration certificate.

(4) Obtain Clearance:-

→ Several clearances are required from different authorities depending on the type of industry and location of the unit
example:- Agricultural land conversion and pollution control board clearance

(5) Arrange for land:-

Once the location of the unit is decided the land for the project ~~was~~ could be taken from the State Industrial Areas Development Board (SIADB) and can be purchased if the land is private.

(6) Arrange for plant & machinery:-

The plant and machinery required for the project ~~to~~ could be purchased from recognised manufacturers or dealers or it can also be hired by National Small Industries Corporation (NSIC)

(7) Arrange for Infrastructure:-

The main ~~of~~ infrastructure facilities required for the SSI units are Land, power, water and ~~trans~~ transportation.

(8) Prepare project report:-

→ For any new project proper planning is necessary a DPR (Detailed project report) such a plan for the project.

→ The report is useful to the entrepreneur for planning and implementing the project. It is essential for obtaining finance and other clearance to the project.

→ The points are

- (i) Proper validation of data
- (ii) Effective presentation by use of charts and graph
- (iii) Cost minimisation and timeliness

(9) Obtain in finance:-

There various sources of funds small scale units can obtain. These are two type

- (i) Term Loans
- (ii) Working Capital loans

(10) Implementation:-

(i) Proceed to implement:- The entrepreneurs will have to take the necessary step to implement the project after obtaining various license & clearance & infra facilities

(ii) Obtain final clearance:- Entrepreneurs are required to take several final clearances before the unit goes into production.

Dt = 03/11/2021

Q. Write the name of entrepreneurial agencies.

(i) NSIC

→ Nation Small Industries Corporation Limited

→ It is a mini-ratna established by govt. of India in 1955.

→ It is under MSME (Micro Small Medium Industries)

→ NSIC is a nodal office of several schemes of ministry of MSME such as performance & credit rating, MSME data bank, National SE & ST hub. (MSME - Micro Small Medium Enterprise)

→ Govt. of India to promote small and budding entrepreneur of post Independent India, decided to establish govt. agencies which can mediate and provide help to small Scale Industries (SSI).

(ii) NRDC

→ National Research Development Corporation

→ It was established in 1953 by the govt. of India with the primary objective to

promote, develop, and commercialise technologies, inventions, processes, ~~and~~ ~~are~~ developing from various national R and D agencies.

→ It is presently working under the administrative control of the department of scientific and industrial research. (Under ministry of Science and Technology).

(iii) NABARD :- (1982)

→ National Bank for Agricultural and Rural Development
→ It is the apex institution for development of finance in India headquartered at Mumbai with region offices all over India.

→ The bank has been entrusted with 'matters concerning policy', planning and operations in the field of credit for agricultural and other economic activities in the rural areas of India.

→ NABARD is active in developing financial policy

(iv) KVIC

→ The Khadi and Village ^{Industries} India Commission
→ It is Statutory body established ^{by} the commission ^{act} ~~act~~ of 1956 formed by Govt. of India under the act of parliament called as Khadi and village industry commission act in 1956.

→ It is an apex organisation under MSME with regard to Khadi and village industries within India

→ It seeks to promote, plan, promote and facilitate

organise and assist in the establishment and development of khadi and village industries in rural areas in coordination with other engaging agencies in rural development.

ATBI

- Technology & Business Incubator
- It was setup by NIT, Kattikalicut
- It is supported by NSTEDB (National Science & Technology Entrepreneurship Development Board) under
- The main function is to incubate startup industries in IT (Information Technology) & ETC (Electronic and Telecommunication)

Science and Entrepreneurship

Science and Technology Entrepreneurship Park

- This programme was initiated to provide reorientation ^{in the} approach to innovation and entrepreneurship involving education training research, finance, management Govt.
- STEP creates facilities and opening new avenues for students, teacher teachers, researchers industrial managers to grow.

Market Survey's

(1) ~~One on one~~ Interview.

(ii) Market surveys are ~~the~~ ^{the} ways in which companies obtain information about their customers, non customers ~~and~~ ^{for} their business, and how their customers and consumers views on companies product & services

Types of market surveys

- 1) One on one
- 2) Focus group
- 3) Telephonic
- 4) Online survey
- 5) Market survey.

(1) One on one

One on one market surveys is another market survey technique used on introducing new products

(2) Focus Group:-

In focus group type market survey a company may interview customers

(3) Telephonic:-

These surveys are conducted over phone, such as customer

(4) Online survey:-

Online surveys open appear in the companies website in the form of notifications

(5) Mail ~~Market~~ survey:-

A company may use mail in survey it determine why some of its customers have stopped purchasing the companies product.

Supply and demand

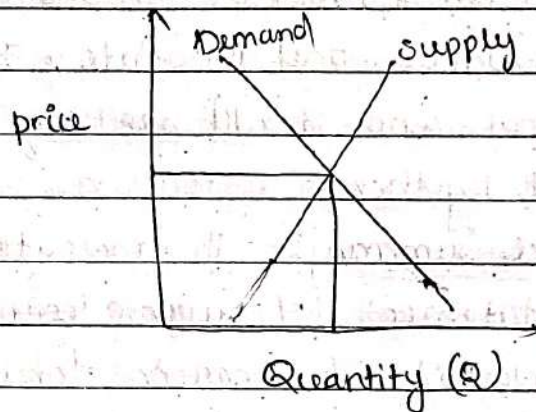
(i) In the context of supply and demand discussion demand

(ii) An important distinction to make the difference between demand and quantity demanded. The quantity demanded refers to the specific amount of that product that the consumers are willing to purchase at the given price. This relationship between price and the quantity of product demanded at that price is defined as demand relationship.

(iii) Supply is defined as the total quantity of product or service that the market can afford.

(iv) The quantity supplied is amount of service that suppliers are willing supply in given price. This relationship between price and amount of product or service supplied is called as supply relationship.

- (v) When thinking about demand and supply together the supply relationship & demand relationship are mirror to each other at equilibrium.
- (vi) The quantity supplied and quantity demanded are same at equilibrium.



Business Planning

Business Plan:-

Def:- A written document describing the nature of business, the sales, marketing, strategy and the financial background and the profit and loss statement is called a business plan.

→ A business plan is also road map which provides direction to the business to avoid any bumps in the future.

Contents/Components:-

- (i) Title page
- (ii) Executive Summary
- (iii) Description of Business
- (iv) Description of product/services

Teacher's Signature.....

- (5) Market Analysis
- (6) Competitive analysis
- (7) Operation and management
- (8) Financial Components

(1) Title Pages:- A business plan should be presented with a cover listing the name of the business, address, phone number, Email, website address and the date. It must look professional and should be easy to read and well put together

(2) Executive Summary:- The executive summary or the statement of purpose concisely describes the reason for writing the business plan. It tells the reader what is to be expected right upfront
→ It should contain business concept, financial features, financial requirements, current business position and major achievements

(3) Description of Business:- The business description usually begins with a short explanatory point when describing the industry what is going on now as well as the outlook of the future
→ With necessary research we can provide information on all the various markets within the industries including references to new products or development that could benefit or hinder the business

(4) Description of product and service:-

- While describing the product or service we should make sure that the reader has clear idea what we are talking about
- It should explain how people are going use the product or service and talk about what makes these product different from the others available in the market.

(5) Market Analysis:-

- A thorough market analysis will help defining the prospects as well as help to establish pricing, distribution promotional strategies that will allow the company to succeed against the competitors both in short term and long term.

(6) Competitive Analysis:-

- The purpose of competitive analysis is to determine the strengths and the weaknesses of the competitors within your market means whoever reads our business plan should get a clear idea about of target market and how we will stand apart from our competitors

(7) Operation & Management:-

- It design to describe how the business function on a continuing basis. The operation plan highlights the logistics of the organisation, responsibilities of the management team and the task assigned to each within the company

(8)

- After defining all the components three financial statements which are the backbone of the business

plan needs to be defined - they are

- (i) Income statement
- (ii) Cash flow statement
- (iii) Balance sheet

Business Opportunities

- An entrepreneur takes the initiative to start the business activities by exploring and analysing or identification of business opportunity.
- He also bears the related risks.
- A real entrepreneur is an opportunity centre not risk centre.

Identification of Business Opportunities :-

- An entrepreneur is a person who sees the opportunities and try to explore it by a new method of production a new market and a new source of raw materials

09/11/2021

Business Opportunities :-

① Objectives :-

- To keep a watch over the possibility market of the commodity (Product) or service to be produced
- To decide a high level group of manager so that the venture may be started
- To make an assessment of firm over financial resources by making financial forecast

- To explore the opportunities for possible entry in other areas.
- To assess the requirements of labour capital and materials for the industries.
- To find out the possibilities of short term and long term development in various areas of economy.
- To have the desire for technical knowledge, awareness towards new opportunities and acceptance for changes.
- To see the possibilities of diverting the available resources towards achieving the business goal.
- To identify those industries which are not based on local sources but which may be economically considered for future.

(2) Factors affecting:-

(i) Analysis of internal demand:-

→ Business opportunities may be identified by assessment of internal demand of the existing and proposed products, that means what will be the possibilities of future demands.

(ii) Availability of raw materials:-

If the raw material will easily available the production cost will be low. It also makes the entrepreneur ready to establish the industrial unit.

(iii) External Assistance:-

→ Role of external assistance like Govt, Supplier Investors and specific Institutions is also important in identification of business opportunities.

(iv) Knowledge about industrial development :-

→ By obtaining detailed knowledge about proposed industrial development from various sources, the entrepreneur may know the establishment of which type of industries will be profitable.

(v) Internal Sources :-

→ If the sources of production are regularly available to the entrepreneur he may take positive approach for the setup of industrial unit.

(vi) Risk in business opportunities :-

→ Every business involves risk. It goes on increasing or decreasing in such conditions the entrepreneur has to identify when and how much risk is to be taken.

(vii) Performance of existing unit :-

→ He must analyse the performance of existing unit (Manufacturing, packaging, Distributing, Marketing)

(viii) Promote entrepreneurial activity :-

→ The entrepreneur must promote entrepreneurial activity for development of industries.

(3) Challenges :-

(i) Initial crisis :-

→ The crisis which an entrepreneur has to face in the beginning is called as initial crisis.

→ He should feel fully confident of his skills and

PROJECT REPORT PREPARATION

- ① Preliminary Project Report (LQ)
- ② Detailed Project Report (LQ)
- ③ Techno-Economic feasibility (short note)
- ④ Project viability (LQ)

① Preliminary Project Report :-

→ The project preliminary report describes the progress so far it should form the basis of final report

→ The preliminary project report should include

(i) Problem :- A clear description of the problem to be addressed this should be more refined than the original proposal

(ii) Related work :- A good summary and analysis of the work relevant to the project. Everything to be described how it is related to the project

(iii) Solution :- The idea for solving the problem should be described. This need not be complete yet but should include specific ideas

(iv) Research Plan :- What to do and what to be researched should be exactly defined

(v) Evaluation Plan :- Describe how the work will be evaluated. This should include specific sample programs to be used during evaluation.

(vi) Schedule and division :- Calendar showing specific milestone, when they will be accomplished and how the team will be split up for the work.

(2) Detailed Project Report (DPR)

→ A detailed project report is extremely important in order to turn the idea of the project into reality

→ A DPR acts as a ladder towards success to make the project reach greater heights.

→ If the project report is prepared by putting a tremendous amount of work into details we will surely get the good results later

→ The important points of DPR are

(i) Minimizing the risk: → It is crucial to identify and to reduce the risks as much as possible so that the project is implemented without any hassles (obstacles)

→ That means it reporting the risk to the project manager before the implementation. That makes the room for improvement.

(ii) Managing the project budget: →

→ Managing the budget or expenditure is not an easy task especially when you have to look at so many aspects of your project. Hence a DPR comes to rescue and helps to plan and manage the budget.

(iii) Project progress follow up: → It is a must to have control on the project progress so that we can keep a track of schedule of the project and eliminate problems

(iv) Hold over the project: →

→ Project reporting maintains hold over the higher authority such as managers over the project

so that they can keep a check on progress and eliminate factors that can cause a halt on the progress on the project.

(3) Techno-economic feasibility:-

→ Objective of techno-economic feasibility is to determine the technical feasibility and financial viability of the project, assess the risk associated with the project and specify immediate actions that are required to be taken. It helps a client to get a detailed evaluation of a project.

(Date-11/11/2021)

(4) Project Viability:-

→ Every business project has stated outcomes that needs to be met in order to be viable or profitable.

(i) Cost:-

→ A project is not viable if its value exceeds the cost. Sometimes the cost viability of a project can change over the course of project's development.

(ii) Time:-

A project that is not on track from a deadline perspective can lose its viability.

(iii) Manpower:-

Loosing key members of the staff can cause a project losing its viability.

(iv) Quality:-

If the quality of a project is not as per expected or anticipated then the project can lose its viability.

Project Presentation Guidelines

- (i) The presentation should be 15 minutes long with a 5 minutes of question session afterwards.
- (ii) The presentation should be polished and a carefully planned performance.
- (iii) The outline included in the document must be followed.
- (iv) Include a short performance like demonstration of a program or a powerpoint presentation.
- (v) Each member of the group must play a significant role during the presentation.

Project Presentation Outline :-

- ① Introduction :- It should summarize the projects purpose and program.
- ② Goals :- Related programs going into the project.
- ③ Constraints :- The limitations to be faced during the course of project.
- ④ Ethics :- Ethical concerns (Moral value)
- ⑤ Challenges :- Both expected and encountered.
- ⑥ Demo :- To show something about the project.
- ⑦ Accomplishments :- The objectives we have met.
- ⑧ Future work :- What will be continued with the project in any form.
- ⑨ Leave time for questions :-

Tips on giving good presentation:-

- (i) Practice ahead of time
- (ii) Start with an outline and end with a conclusion.
- (iii) Be confident.
- (iv) Speak clearly
- (v) ~~Not~~ Maintain eye contact with audience
- (vi) Use visual aids
- (vii) Consider using handouts

Projects Status Reports

Project status reports is accomplished to serve the following purpose:-

- (i) To keep an updated flow of information related projects progress.
- (ii) To immediately address ~~to~~ issues and concerns during the implementation of the project.
- (iii) To document reasons for changes and adjustment made to ~~to~~ the original plan.
- (iv) To monitor the utilisation of fund.
- (v) ~~To~~ To serve as a basis for decision making and addressing problem.
- (vi) To keep a track of individual performance as well teams performance.
- (vii) To act as a uniform procedure for communicating project development to stake holders.

(viii)

Characteristics or features of an entrepreneur:-

(i) Initiative

(ii) Concern for quality

(iii) Urge to take calculated risk

(iv) Seeing and acting on opportunities

(v) Urge for solving problems.

(vi) Planning

(vii) Assertiveness

(viii) Self-confidence

(ix) Commitment to work contract

(x) Efficiency Orientation

(xi) Risk Taking

(xii) Leader

(xiii) Task and Result orientation

(xiv) Originality

(xv) Sense Responsibility

(xvi) Time management

(xvii) Future orientation

(i) Definition of Management:-

Management is the process of designing and maintaining an environment in which individuals working together in groups, efficiently accomplish desired goals.

(ii) Management as an economic resource:-

The four important economic resources

(a) Land

(b) Labour

(c) Capital

(d) Entrepreneurship

(iii) Management as a group:-

Management embraces all duties and functions as a group to obtain a certain goal.

(iv) Discipline:-

Management is a multidisciplinary discipline.

(v) Management as human process:-

Management is an art of directing and inspiring people.

(vi) Management as a process

Management is a distinct process consisting of planning, organising, staffing, directing and performing.

(2) Characteristics of Management:-

Management is

- (i) Goal oriented
- (ii) Process
- (iii) Group Activity
- (iv) Universal
- (v) Art (or) Science
- (vi) Dynamic Process
- (vii) Important organ of society
- (viii) Economic resource
- (ix) Profession
- (x) System of Authority

Objectives of management:-

- i) Market standing
- ii) Innovation
- iii) Productivity
- iv) Physical and financial resources
- v) Profit
- vi) Management performance
- vii) Worker Performance
- viii) Public responsibility

Market Standing:-

Management should set objectives indicating where it would be like to among the competitors.

Innovation:-

Management should set objectives specifying its commitment to the development of new method of co-operation.

Productivity:- Management should set objectives outlining the target of production.

Physical and financial resources:-
Management should set objectives with regard to use and maintenance of capital and monetary resources.

Profit:-

It should specify the profit the company would likely to generate.

Management performance:-

It should specify the ^{managerial} workers productivity and growth.

Worker Performance:-

It should specify the workers productivity and growth.

Public Responsibility:-

Management should work for the upliftment of the society.

Importance of Management:-

According to Peter Drucker, management is the dynamic, life giving element in every business, without it the resources of production will remain resources and never become production.

The following are the importance of management :-

- It provides effectiveness to human efforts
- It is a critical ingredient in countries growth.
- It brings order to projects

- It provides judgement and courage.
- It helps in achieving group goals.
- It ensures efficient use of resources.
- It assists in meeting the challenges of the rapidly growing environment.
- It is a crucial factor in economic and social development.

Managerial Skills

- (i) Conceptual Skills
- (ii) Human Skills
- (iii) Technical Skills
- (iv) Diagnostic Skills

- Management required several skills to be successful in each or ~~use~~ his/her job.
- A manager is successful when he is able to make smooth functioning team of people working under him.
- He/she has to plan and organise the operations of the enterprise so that the subordinates are able to use the material resources in the best possible manner.
- The skills of an manager may be classified into 4 categories

(i) Conceptual Skills

- Such skills comprise the ability to see the organisation as a whole, to recognise interrelationship among different ~~to~~ functions of the business and external forces and to guide the organisation in the most efficient manner.

(ii) Human Skills:-

- This consists of the ability to work efficiently with other people both as individual and as a team.
- These skills are the abilities needed to resolve conflicts, motivate, lead and communicate effectively with others

(iv) Technical Skills :-

→ Such skill refers to the ability and knowledge in using the equipments techniques and procedures involved in performing different tasks

(v) Diagnostic skills :-

→ Such skills include the ability to determine by analysis & examination the nature and the circumstances of a particular condition.

→ Thus diagnostic skill are the abilities to quickly get at the true cause of a certain situation through data, observation, and facts.

Q.1) Management is an Art or Science? Explain.

Q.2) Managers are born or made? Enlighten.

Q.1/ Management is an Art or science? Explain.

Ans ⇒ (i) In the management literature, it is often discussed whether ~~manag~~ management is an art or a science.

(ii) Art is concerned with the application of knowledge and skills to achieve concrete results.

(iii) Since each and every manager has to apply certain knowledge and skills while dealing with the people to achieve the desired results, management is an art.

(iv) Management requires a vast knowledge and certain innovating, ~~in~~ initiating, implementing and integrating skill in relation to goals, resources

tech techniques and results. The skills that a manager needs are planning skills, the organising skills, the staffing skills, the directing skills and the controlling skills.

(v) As Koontz and O'Donnell have rightly pointed out, the work of managing a business or any group activity is an art. But for this the organised body of knowledge is required. So management is also a science.

(vi) Science is a systematically organised body of knowledge based on proper findings and exact principles and is capable of verification.

(vii) The principles of management have been evolved from the practical experience and theoretical research over several decades. The researchers in management use scientific techniques to collect and analyse data about human behaviour. Several principles have been developed which establish cause and effect relationship.

(viii) However, management is not a perfect science, because it deals with human beings and it is very difficult to predict the human behaviour accurately.

(ix) Thus, management is neither exclusively an art nor exclusively a science, but a combination of both.

(x)

Q.2// Managers are born or made? Enlighten.

Ans) (i) Managing involves planning, organising, staffing, directing and controlling for the accomplishment of organisational goals. Any person who performs these functions is a manager.

(ii) The basic job of a manager is the effective utilisation of human and other resources to achieve organisational objectives.

(iii) The attributes, a successful manager often possesses, are good personality, sound health, clear voice, high stamina, patience, sharp memory, initiative, education and training, intelligence, leadership, technical skill, knowledge of the organisation and above all self confidence.

(iv) Some of the above qualities are inborn, while others can be acquired in order to be successful in the work. These additional qualities can be added or improved by only through training and management development programmes.

(v) Combination of trained and inborn qualities can make good managers.

(vi) It has been now established and accepted that it is through proper learning and training process that skilled managers are developed.

(vii) It is more important that the person to be a good manager must possess technical and vocational knowledge of the organisation.

(viii) Hence, the need for a definite programme designed specially for executive development should

be emphasised.

Managerial

→ These principles establishes the cause and effect relationship between two or more variables in order to provide guidelines for managerial decision making and action.

Need of management principles:-

- (i) To increase the efficiency of management and in understanding the and solving the managerial problems.
- (ii) To crystalize the nature of management.
- (iii) To train and develop managers.
- (iv) To influence human behaviour.
- (v) To ensure the constant supply of goods and service.
- (vi) To attain the social objectives.
- (vii) To improve research in management.

Nature of management Principle :-

→ The principles of management have been developed and established on the basis of experience and observation of facts. Hence the management principles are characterised by the following features

(1) Universal:-

→ Management principles are universal that means these can be applied in different situations like military, hospital, school etc.

(2) Evolutionary:-

→ Management principles are evolutionary in the sense that these have been developed on the basis of facts and observations.

(3) Dynamic:-

This means these are flexible in nature. It can be applied in different ways under different situations.

(4) Relative:-

→ Management principles are relative not absolute. They must be utilised in changing and special conditions. It is a matter of knowing how to make use of these principles intelligently and with experience.

(5) Behavioural:-

These are behavioural in the sense that it aims at influencing individual efforts and motivating them towards the maximization of resources with minimum wastage.

Universality of Management Principles:-

(i) The concepts and principles of management have universal application.

(ii) This concept of universality of management suggest that the knowledge may be transferred from one country to another or from

from one organisation to another within the same country.

Favours:-

- The universality of principle of management is due to emphasis on the functions of management that are planning, staffing, organising, directing, controlling.
- The universality is due to fundamentals of management not due to techniques of management.
- The universality is due to common problems of effective use of resources like time, efforts and capital.

Against:-

- (i) Peter F. Drucker argued that the skills and the experience of management can not be transferred and applied from one organisation to another having different objectives.
- (ii) Earnest Dale argued that no individual can be a good administrator in both democratic and communist countries.
- (iii) Mcmillan argued that philosophy is culture bound and not universal.

Functions of Management

- Write The Elements of management process are known as functions of management.
- The functions of management are in general divided into 5 categories.

(i) Planning

(ii) Organising

(iii) Staffing

(iv) Directing

(v) Controlling

(i) Planning :-

→ It is the primary function of management

→ It involves the determining the objectives and selecting a course of action to achieve them.

→ It is an intellectual process

(ii) Organising :-

→ It is the process of establishing responsibility relationships among the members of the enterprise

→ The process of organising consist of

(a) determining the activities required to achieve the goal

(b) Grouping in units

(c) Assigning specific duties to specific person

(d) Defining the responsibility of every person

(e) Establishing vertical and horizontal authority responsibility.

(iii) Staffing :-

→ It is the process of filling all the position in the organisation with qualified persons.

→ It consists of man power, recruitment, training, maintenance of employees.

(i) Directing :-

→ Directing is the managerial function of guiding, supervising, motivating and leading people towards the attainment of ~~the~~ targets.

→ Directing consists of the process and techniques utilised in issuing instructions and certain people that the operations are carried out as per planned.

(ii) Controlling :-

→ It is the managerial function that relates to measurement and correction of performance.

→ It is the process of determining what is to be accomplished that is the standards, what has been accomplished that is the performance and if necessary taking the corrective measures.

→ It basically involves

- (i) Establishing of standard
- (ii) Measurement of performance
- (iii) Comparing the performance with standard
- (iv) Correcting the deviations.