



K-W-L ABOUT

| I Know | I want to Know | I Learned |
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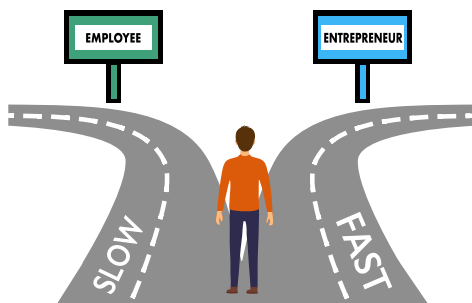
Fill in the I know and I want to know columns by yourself or with the help of the facilitator before starting this unit.

1. ENTREPRENEUR AND ENTREPRENEURSHIP

Objectives

At the end of this lesson you shall be able to

- Define entrepreneur, entrepreneurship and enterprise
- State the advantages of entrepreneurship



INTRODUCTION

We all aspire to be placed in a job after completing our education, we can choose to be an employee working for an organization or an entrepreneur who can create his/her own organisation. Here are some differences for you.

| ENTREPRENEUR | EMPLOYEE |
|--------------------|----------------------|
| They plan a task. | They execute a task. |
| Creates schedule. | Follows a schedule. |
| They embrace risk. | they avoid risks. |



Entrepreneur

An entrepreneur is a person who aspires with new ideas or ways of doing business and makes profit in return. “An entrepreneur is a person who takes the risk of setting up his own business venture for perceived rewards. He is a person who initiates the idea, formulates a plan, organise resources and puts the plan into action to achieve his/ her goal”

Madhu Saran, Chairperson of STC Technologies

She is an entrepreneur from Chennai. Madhu Saran the chairperson of STC Technologies which is a software testing firm and also owns Cosmetic clinics with centres all over Chennai. Also, has an NGO called River. Her NGO also has a venture of House of coffee Shop. Her NGO helps to empower the growth of women. It provides freshly brewed coffee for coffee lovers on wheels.

INTRAPRENEUR

An intrapreneur is an employee who works in a company and creates an innovative idea and obtains resources within his company. He is the entrepreneur of the company or organisation.

Prerequisites while Planning to be an Entrepreneur

- Identify a problem to solve
- Find ways to solve a problem
- Built up a diverse skill set
- Ensure Financial Stability
- Create a wide network

Capital for Entrepreneurs

Entrepreneurs can obtain financial resources or capital from various ways. Some of them are listed below:

Bank Loan: Indian Government supports entrepreneurs by providing loans like MSME loan, Business loan for Women, Working capital Loan, MUDRA loans, Stand up India loan and many more for start-ups and small businesses.

They may find financing in the form of angel investors and venture capitalists. These types of investors also provide guidance, mentorship, and connections in addition to just capital.

Crowdfunding has also become a popular way for entrepreneurs to raise capital, particularly through Kickstarter. An entrepreneur creates a page for their product and a monetary goal to reach while promising certain givebacks to those who donate, such as products or experiences.

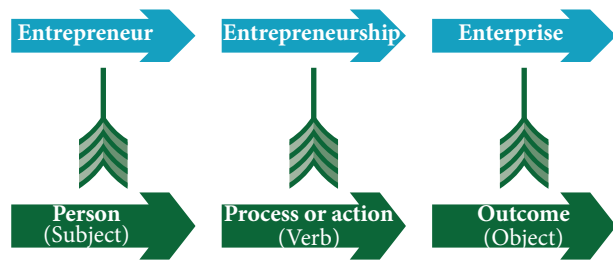
Bootstrapping refers to building a company solely from your savings as an entrepreneur as well as from the initial sales made from your business. This is a difficult process as all the financial risk is placed on the entrepreneur and there is little room for error.

Entrepreneurship

Entrepreneurship is the process of planning, organizing, operating, and assuming the risk of a business venture. Entrepreneurship is a process involving various actions to be undertaken to establish an enterprise. Innovation and risk bearing are regarded as the two basic elements involved in entrepreneurship. Individuals performing these functions are the entrepreneurs and



their enterprising ability and skill is known as 'entrepreneurship'.



A small business is a company, usually, a sole-proprietorship or partnership, that is not a medium-sized or large-sized business, operates locally, and does not have access to a vast amount of resources or capital.

Entrepreneurship refers to an individual that has an idea and intends to execute on that idea. Entrepreneurship usually starts as a small business but the long-term vision is much greater, to seek high profits and capture market share with an innovative new idea.

ACTIVITY 1

Think of 4 entrepreneurs you know. In the picture below, mention the businesses they run and what is the advantage of that business to society.

Entrepreneurs I know

| | |
|--|--|
| | |
| | |

Enterprise

An enterprise is the business organization that is formed, which provides goods and services, creates jobs, contributes to national income, exports and overall economic development.

Types of Business Activities

Our needs and wants are never constant. They are ever changing. We may want something today but not the same thing tomorrow. For example, Sameer wanted a pair of shoes today but after a few days he wanted a pair of jeans. We can clearly see our wants change over time. Markets provide us with a product in the form of a good or a service to meet our specific needs. In the market, different types of businesses exist. The four different types of business activities are as follows:



Examples of:

- Trading Companies: Auto care, pet care, pet food services.
- Manufacturing companies: Car parts, chemicals, clothing.



ACTIVITY 2

Poster Presentation — Businesses Around Me!

Procedure

1. In this activity, you will work in groups to come up with examples of different kinds of businesses we see around us.
2. Each group will create a poster regarding their business idea
3. Then make a presentation of the poster in front of your friends

Advantages of Being an Entrepreneur

- a. **FOLLOW YOUR PASSION.** Being an entrepreneur offers you the flexibility and freedom to pursue your interests and abilities. You are also able to make quicker decisions because of a smaller organization structure.
- b. **BE INNOVATIVE** You are free to try new and creative ideas because an entrepreneur's risk taking capacity is higher than that of large organizations.
- c. **FULFILL CUSTOMER NEEDS** Entrepreneurs identify problems that their customers have and turn those into new business opportunities for themselves.
- d. **MORE JOBS WITH GROWTH OF BUSINESS,** entrepreneurs look for more people to help them. They buy more material, and from more people. They also hire more people to work for them.
- e. **USE LOCAL GO GLOBAL** Entrepreneurs use the material and people available around them, to make products at low cost. This increases the income of the individuals around them

and the local population is also able to access products and services at a lower cost.

CONCLUSION

From the above lesson you should understand the Role of Entrepreneur and Apply your skill sets to be successful in Building your Future

QUESTIONS TO THE STUDENT

1. Does the entrepreneur you discussed about was able to solve the needs of a customer?

2. Discuss and write as an entrepreneur what should be your contribution towards your business?

3. How would you categorise the business(es) of the entrepreneurs you identified in the activity as discussed earlier?



2. BEING ENTREPRENEURIAL

Objectives

At the end of this lesson, you shall be able to:

- Identify the skills needed to be an entrepreneur
- List the qualities of an entrepreneur
- Assess your abilities as an entrepreneur

INTRODUCTION

Irrespective of the path(as discussed in lesson 1) you take in life, if you have this(Fig below) mindset to do whatever it takes to improve, take risk in developing it and to try new things you are in the path of improvement then you have set yourself on the path to success!

SKILLS OF AN ENTREPRENEUR

Along with the above said mindsets, an entrepreneur also has the following skills:



- a. **Leader** An entrepreneur is a good leader. They guide and support their

employees to grow the business and be a role model for others.

- b. **Creative** An entrepreneur is creative and innovative. They come up with different and unique ideas for their business to work and grow.
- c. **Ambitious** An entrepreneur is ambitious and keeps thinking of new ways to make the business bigger and better!
- d. **Goal-Focused** An entrepreneur is goal-focused. They know the targets that they are working towards.
- e. **Hard work and smart work** An entrepreneur works hard to achieve his/her goals.
- f. **Risk Taker** An entrepreneur isn't afraid of taking calculated and informed risks to make their business better.

ACTIVITY 1

Read the following story in groups of 3 or 4.

Bigbasket is India's largest online food and grocery store with mobile app owned and operated by Innovative retail concepts private limited. At the big basket you can select a time slot for delivery and your order will be delivered to your doorstep. It was founded by Hari Menon, CEO of big basket. This was not his first initiative though one among many was he was the CEO of India skills, Vocational education venture. His test run for bigbasket was Fabmart, 1999 the first e-commerce portal of India similar to amazon and flipkart these days since it was ahead of the internet era in India. Fabmart had no transaction for the 1st year, so it was converted to Fabmall (Physical retail chain), which clearly shows he didn't give

up on his creations. It was in 2011 after the introduction of smartphones in India Big basket was launched in 2011. It was started in Bengaluru and expanded his firm to 8 cities in 2015. Now Big basket is the 5th largest online grocery firm in 2021. He created bigbasket to deliver food and groceries at lowest price and quicker at the touch of your hand.

| Skills | Examples |
|--------------|--|
| Creative | App ahead of internet era and smartphone |
| Goal Focused | |
| Leader | |
| Risk taker | |

| Mindsets | Examples |
|----------------|--|
| Self-Awareness | He knew that the detergent market did not have cheaper options for Indian households. He knew he wanted to solve for that. |
| Self-Belief | |
| Independence | |
| Grid | |
| | |
| Skills | Examples |
| Creative | |
| Leader | |
| Ambitious | |
| Goal-Focused | |
| Goal-Focused | |
| Risk Taker | He offered a money back guarantee to his customers. |

ACTIVITY 2

What do you think it will take for you to succeed in any option that you pick? Let us look at some examples of people who have been successful in their careers. Read the stories and write down what you find common in them.

What do these people have in common?

Gitanjali Rajamani

COO and Co Founder of Farmizen, Here you can rent a piece of land and cultivate products..She turned to her roots after her cubicle 24 hrs job.

Laxmi Agarwal

At 15, she was attacked with acid to her face. After a painful recovery she now stands up for the rights of victims. She founded the NGO Charnav foundation.

Josephine Arokiya Mary

An Agripreneur. Founder of Vibis Natural Bee farming. Her family issues and commitments did not stop her from starting a venture as a support to her husband.

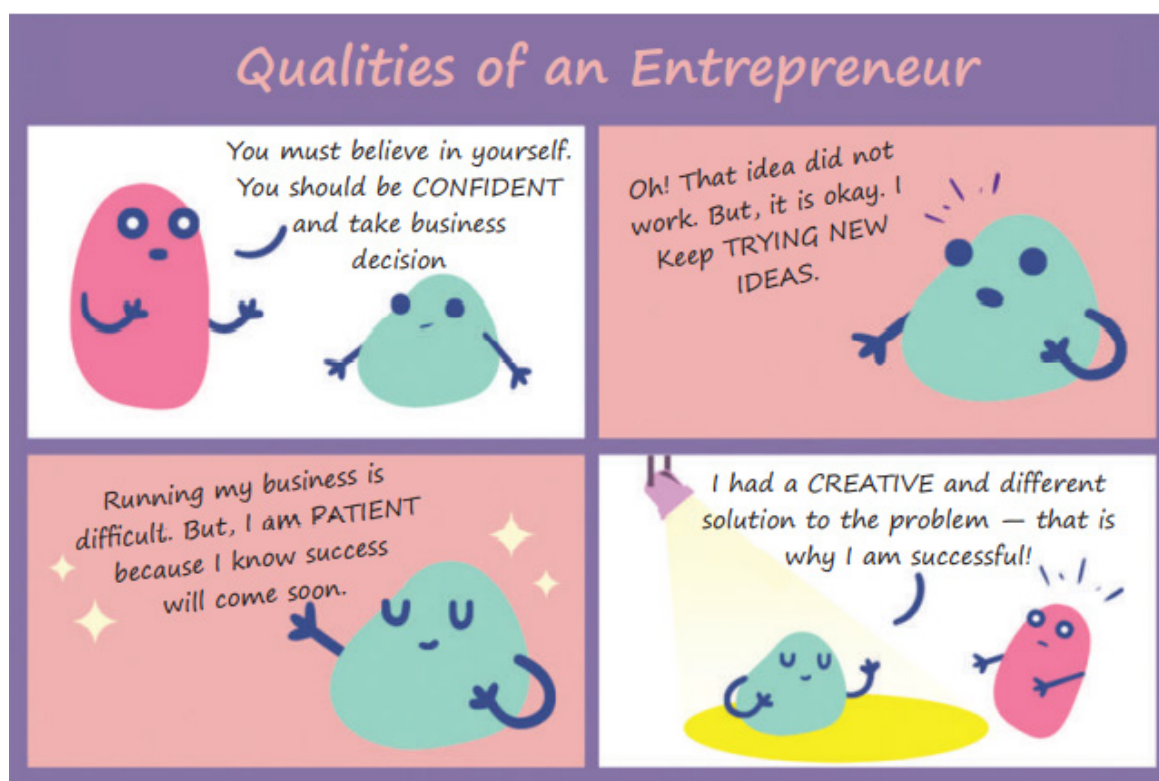
Qualities of a good entrepreneur

The following are the qualities of good entrepreneur:

- **Initiative-** acting out of choice rather than compulsion, taking the lead rather than waiting for others to start.
- **Competent-** A mindset where one is trained to look for business opportunities from everyday experiences, and takes a plunge.
- **Persistence-** A 'never say die' attitude, not giving up easily, striving hard, information seeking, continuously until success is achieved.
- **Knowledge** - Acquires knowledge, consults experts, continuously willing

to learn and have an overall openness to ideas and information.

- **Concern for High Quality of Work-** Attention to details and observance of established standards and norms to achieve quality.
- **Commitment to Work-** Taking serious efforts & personal pains to complete a task as scheduled.
- **Efficiency Orientation-** Highly concerned for conservation of time, money and effort.
- **Ethical leader:** Conscious in creating the organisation around some values and morals for the common good.
- **Systematic Planning-** Breaking up the complex issues into parts, close examination of the parts and inferring about the whole; e.g. simultaneously attending to production, marketing and financial aspects (parts) and the overall business strategy (the whole).
- **Problem solving-** Observing the symptoms, diagnosing and taking corrective action to sort out problems.
- **Self-confidence-** Not being afraid of the risks associated with business and relying on one's capabilities to successfully manage the enterprise.
- **Assertiveness-** Conveying emphatically one's vision and convincing others of its value.
- **Persuasion-** Elicit support of others in the venture.
- **Use of Influence Strategies-** Providing leadership.
- **Monitoring-** Ensuring the progress of the venture as planned.
- **Concern for Employee Welfare-** Believing in employee well being as the key to competitiveness and success and initiating programmes for employee welfare.





ACTIVITY 3

Now, you have the chance to find out where you stand on the skills and qualities to be an entrepreneur! Read the skills and qualities of an entrepreneur and fill out the analysis for yourself below.



ACTIVITY 4

You have 50 rupees with you now and have to come back with a profit in the next class. In order to earn this profit, you can plan to do something together as a group. For example, selling biscuit packets in your school showcases any talent and collects money from the audience, etc. Note down what you did, how you did it, and what was it that you loved the most in this activity. You may consider making a SWOT analysis, if you wish to.

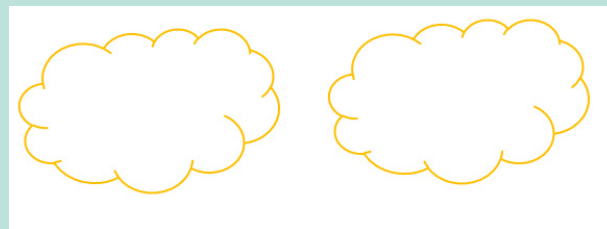
CONCLUSION

From the above Lesson you should understand skills, qualities and abilities required to become an entrepreneur.

QUESTIONS TO THE STUDENTS

What according to you are the skills that separates an entrepreneur and employee?

No Entrepreneur has all the necessary qualities but most of them will have many. Identify the qualities you already possess to become an entrepreneur and mention them below



As discussed about weakness in analysis of skills activity. Find ways in which you can overcome the weakness.



3. ENTREPRENEURIAL MOTIVATION, PERFORMANCE AND REWARD

Objective

At the end of this lesson you shall be able to

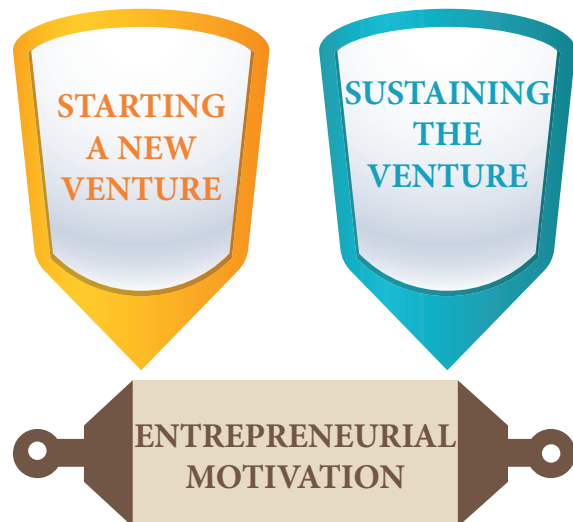
- Identify the entrepreneurial motivation and its sources
- Understand entrepreneurial performance and reward

INTRODUCTION

Entrepreneurial motivation may be defined as the process that activates the entrepreneurs to exert a high level of effort for the achievement of his/her goal. In other words, Entrepreneurial motivation refers to the drive or forces within an entrepreneur that affects his/her direction, intensity and persistence of voluntary behaviour. It is the process of transforming an ordinary individual to a powerful businessman



Starting a new venture and sustaining in the venture for a long time depends on the entrepreneurial motivation. If this fails automatically the venture will fail.



Sources for motivation includes

Internal factors like:

- Personal goals
- Need for achievement
- Ambition

External factors like:

- Societal needs
- Support
- Successful entrepreneurs(Role models)
- Access to capital
- Status

ACTIVITY

List some personal and social factors that motivate you to become an entrepreneur.



PERFORMANCE AND REWARDS

The various measures of business performance include

- sustainability
- sales growth
- growth in market share
- growth in market scope (local, national or international)
- growth in investment (in the same unit)
- diversification
- growth in number of employees
- growth in profit.

Both physical growth and financial growth parameters have been the traditional measures of entrepreneurial performance. Of late, other measures of performance such as customers' satisfaction, employee satisfaction, image, credit rating, etc. are also becoming increasingly relevant.

Entrepreneurial rewards

The personal rewards of entrepreneurship extend beyond business performance.

Intrinsic Rewards

As the names would suggest, intrinsic rewards vest in the activity itself- ask a musician the joy of making music, the craftsman or the artist the joy of creative work or a cricketer the joy of playing the game! Likewise, the entrepreneur enjoys the creativity and innovativeness that he brings to his venture.

Extrinsic Rewards

One reason an individual may desire to be on one's own could be that one is looking for the profit pie rather than mere a share in it! Apart from income and wealth that business ownership may bring forth, it may also be a source of career continuity for family members of the entrepreneur.



ACTIVITY 2

Ask the students to create a handmade paper craft in 5 min and ask the teacher to reward you according to your performance.

CONCLUSION

From the above lesson we should understand the entrepreneurial motivation and performance exhibited in this dynamic scenario.

QUESTIONS TO THE STUDENTS

1. List the various rewards you would expect if you are an entrepreneur.



2. Imagine you are facing a difficult situation in your business. What attributes will you consider to motivate yourself?

3. Identify the ways available to improve the performance of your business or brand.

4. SOURCES OF BUSINESS IDEA

Objectives

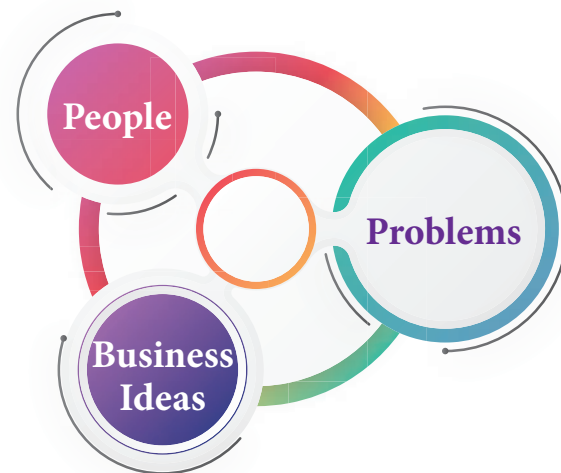
At the end of this lesson, you shall be able to:

- Recognize your interest or idea to start a business
- Create and list multiple sources of business idea

INTRODUCTION

The best business ideas come when they are rooted in people's needs and problems. When you know someone who is experiencing a problem, your immediate instinct is that you want to solve it. What you will learn in this lesson is to interact with people and

identify their problems. Thereafter, identify how these conversations can be catalysts for innovative business ideas that could be generated.



What is a Business Idea?

A business idea is a solution that an entrepreneur thinks of, to serve the customer. An idea determines what business activity an entrepreneur would take up to make financial gains. An idea can be product-service based or a hybrid model (combination of product and service).

Sources of Business Idea

- Invent a new product or service
- Add value to an already existing product
- Franchising
- Mass media
- Exhibitions, Expos and Trade shows
- Industrial Surveys
- Listen to customers complaints
- Brainstorming





ACTIVITY 1

Group Activity: Crazy Ideas Procedure

- Make groups of five members each.
- Each team comes up with 'crazy' business ideas, which no one has ever thought of or heard of before. For example, 'Special designer socks for Rs 5000/-' or, 'Books that read to you'.
- Every time someone comes up with a crazy idea, everyone in the group loudly say, YES LET'S DO IT! together and then give reasons for why the idea will work.
- Each group gets 20 minutes to come up with at least 10 crazy ideas.
- Each group presents their crazy ideas to the whole class.
- One student from the class makes a list of all the crazy ideas.

Summary

- No idea is a bad idea.
- One comes up with ideas when encouraged by others.

ACTIVITY 2

Now, think of someone you know who is related to this sector or works in it. It could be a friend, neighbour, classmate or yourself. Think of the problems this person faces relating to that sector. If you could come up with business ideas to solve those problems, what would those ideas be? An example is given for reference.

| | |
|----------------|--|
| Sector | Spa and salon |
| Person | Best friend Rama |
| Problem | The products used in the local beauty parlour are harsh on her skin. They give her rashes. |

| | |
|----------------------------------|--|
| Business Idea to Solve It | <ol style="list-style-type: none">1. Make ayurvedic products at home and sell them to her.2. Make ayurvedic products at home and sell them to the parlour.3. Work at the parlour and start an ayurvedic wing there.4. Source homemade remedies for skincare from a person I know that already makes it and sells it.5. Help people find the right beauty parlours, depending on their skin type. |
|----------------------------------|--|

| | |
|----------------------------------|--|
| Sector | |
| Person | |
| Problem | |
| Business Idea to Solve It | |

CONCLUSION

From the above lesson you should understand the ideas of starting a new business.

CASE STUDY

Nathiya, the Fashion Designer. Nathiya went to Chennai to become a fashion designer. She was always interested in designing beautiful dresses for her friends when she was in school. After college, Nathiya was not sure what kind of work she should do. In Nathiya's culture, girls have to wear a Chudidhar at all times. In a city like Chennai, it was difficult for Nathiya to find good quality Chudidhar, so she came up with an idea of making and selling them. She started making good-quality, fashionable and affordable Chudidhar. She would buy





good material, stitch pearls and beads, and pack her products in a beautiful box. She would sell them in hostels and colleges. Now, Nathiya has a boutique of her own and also sells products online.

Rakesh, the Special Auto-driver. Rakesh came from a small village in Uttar Pradesh to Mumbai when he was very young. He had come to make money for his family. His friends gave him an idea of buying an auto to make enough money. For many years, Rakesh was driving around like any other auto-driver. But with time, he really started enjoying his work. He loved talking to his customers and listening about their life. This gave him an idea, which turned him from an auto-driver to an entrepreneur.



He came up with the idea of a 'Special auto experience', in which a customer would get special services – Snacks, Cold-drink, Songs of their choice, Newspaper, and Wi-Fi for their mobile. In addition to this, Rakesh would take them through special routes and tell stories. He shared his mobile number so that his clients could call and pre-book his service. People started using Rakesh's services, and would stand in queue to get one ride with him. Rakesh now has many auto-drivers working under him. He has trained them to serve on the same standards to the customers. He has a flourishing business now.

QUESTIONS TO THE STUDENTS

1. What principle of getting an idea did the two entrepreneurs follow?
2. How do you think Nathiya and Durai came up with these ideas?
3. If you could do a business, what would be your idea?

5. MICRO, SMALL AND MEDIUM ENTERPRISE (MSME)

Objectives

At the end of this lesson you shall be able to

- define Micro, Small and Medium Enterprises (MSME)
- list out the functions of MSME
- list out the differences between small scale and large scale business.



INTRODUCTION

In accordance with the provisions of Micro, Small & Medium Enterprises Development (MSMED) Act 2006, the Micro, Small and Medium Enterprises (MSME) are classified into manufacturing enterprises and service enterprises:

Manufacturing Enterprises: The enterprises engaged in the manufacture or production of goods. The manufacturing enterprises are defined in terms of investment in plant & machinery.



Service Enterprises: The enterprises engaged in providing or rendering of services are defined in terms of investment in equipment.

The Central Government, hereby notifies the following criteria for classification of micro, small and medium enterprises, namely:—

- (i) a micro enterprise, where the investment in Plant and Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupee
- (ii) a small enterprise, where the investment in Plant and Machinery or Equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees
- (iii) a medium enterprise, where the investment in Plant and Machinery or Equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

NOTE: *The above ceiling limit is classified on July 2020, this ceiling limit will vary from time to time.

Functions

- Facilitation and credit flow to MSMEs
- Improving competitiveness of MSMEs
- Improve manufacturing base through upgradation of technology
- Promotion of MSMEs through cluster based approach
- Marketing support to MSMEs
- Skill development and entrepreneurship development training

- Creation of new Micro Enterprises through Prime Minister's Employment Generation Program (PMEGP)
- Growth and development of Khadi and Village Industries (KVI) sector
- Growth and development of Coir Industry

| Small Scale Business | Large Scale Business |
|---|--|
| It employs less people and capital. | It employs a large number of people and huge capital. |
| Most of the work is done by manpower, small machines and tools. | The work is done mostly by larger machines and more automation. |
| Raw materials used are very less and the production is consequently low. | Raw material used is large and there is mass production in large quantities. |
| They are scattered in rural and urban areas and are in the private sector, e.g. cycle, T.V., radio. | They are located in urban centres and are in the public sector or run by big industrialists, e.g., Cotton textiles, Jute textiles, car manufacturing etc., |

ACTIVITY 1

Identify some Small and Large scale enterprises in your locality and list them in the shapes given below.

Large



Small



QUESTIONS TO THE STUDENTS

1. The opportunities in the small scale sector are enormous . Why?
2. Identify and discuss the difference between Micro, Small and Medium enterprises around you.
3. Why manufacturing enterprises are classified based on investment in plant and machinery. Discuss

6. VARIOUS SCHEMES AND INSTITUTES FOR SELF-EMPLOYMENT

(GUEST SESSION)

QUESTIONS TO THE STUDENTS

1. List some of the schemes you learned about in the guest session.
2. As discussed, District Industries Centres (DICs) provide all sorts of assistance to the entrepreneurs under the single roof for the healthy growth of the industry sector .Collect information regarding the DIC center in your district.
3. Which scheme do you think that suits best for your business project?

CONCLUSION

From the above lesson you should understand the functions of micro, small and medium enterprises.

7. MARKETING, ADVERTISEMENT AND PUBLICITY

Objectives

At the end of this lesson you shall be able to

- define consumer behaviour and market survey
- explain the concept of marketing
- state the methods of marketing
- discuss the concept of advertisement and publicity

INTRODUCTION TO MARKETING

Marketing is the management process responsible for identifying, anticipating, and satisfying customer requirements profitably.

In simple terms, marketing relates to selling of products or services by generating a strategy that underlies sales techniques, business communication, and customer relations. It begins with the customer (by finding their needs) and ends with the customer (by satisfying their needs).

Who is a Customer and Consumer?



Customer is a person who purchases a product from the buyer.

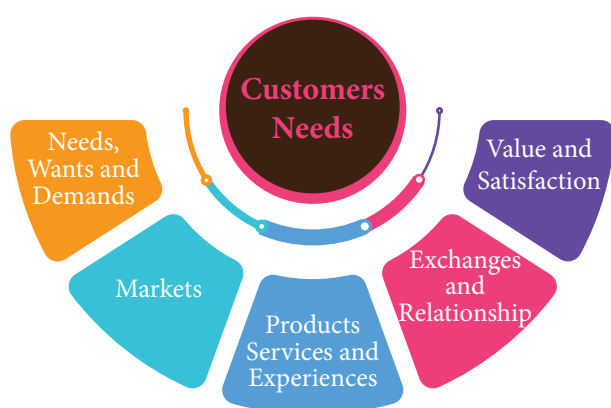
Consumer is the end user of the product.

Eg. Karthick buys a pen for his friend prakash. Prakash uses the pen for his exam

Karthick is the customer, Prakash is the consumer

Understanding Customer Needs and Behaviour

Marketing is different from selling. Marketing starts with buyers and focuses constantly on customer needs whereas selling focuses on selling needs. Therefore it is necessary to understand customer needs before marketing.



CUSTOMER BEHAVIOUR

Customer buying Behaviour includes:

- (i) Buying habit
- (ii) Living habits
- (iii) Purchasing power
- (iv) Attitude and preferences
- (v) Local environment

MARKET SURVEY



A market survey is an important requirement for initiating any successful business. The objective of a market survey is to collect information on various aspects of the business. This survey is a tool through which we can minimize risk. After the market survey, the results must be analyzed in order to finalize a business plan.

Through a market survey we can obtain information in the following areas:

- Size and location of market. For example, how many sellers are in the market, Area of market etc.
- Pattern of demand. For example, size of demand, possibility of increase of demand, seasonal demand, demand creation etc.
- Buying habits and motives. For example, who are the customer (age group, sex, and economical status), consumer buying behaviour, consumer choice etc.
- Past and present trends for this or other products.
- Competitors detail Who, where and how many are they? Quality & quantity of their product.

If a market survey is not conducted, entrepreneurs will have no information about purchasing power, age group, target market of the consumer. This will end up in making wrong decisions about production capacity, customer availability. Most businesses fail due to wrong location, wrong product selection.

ACTIVITY 1

Outdoor Interviews and Presentation:

Real Customer Survey Assignment

1. Construct a simple questionnaire containing questions related to customer's satisfaction regarding a product or service.
2. Meet some people in the market or residential area and administer the questionnaire.
3. Analyse the responses received from the people about the performance of the product or service.
4. Discuss the observations in the class.

Sample survey for the product or service you have thought of

| Questions | Answers |
|---|---------|
| 1. On a scale of 1 to 10, rate how you like the idea of this product or service? | |
| 2. How do you buy this product? (a) From a shop (b) Someone delivers it to you (c) Buy it online (d) Do not buy it yourself, someone else buys it for you | |
| 3. How often do you buy this? (a) Everyday (b) Once a week (c) Once a month (d) Once a year | |
| 4. How much money do you usually spend to buy this product? | |
| 5. What is your favourite brand of ____? Why do you like this brand? | |

Advertisement

An activity which establishes non-personal contact with the customers regarding the product, idea and service. It is an effort

to create and sustain the demand for the product. Advertisement is sponsored and paid for. It carries the message about quality and utility of the goods or services.

Purpose of advertisement

- To give information regarding the existence.
- To create new demand for the product
- To instruct about the use of the product
- To encourage the consumer
- To remove doubt and confusion about the products



Methods of marketing through advertisement

- Print advertisements - for example in newspapers and magazines. It reaches lots of people.
- TV/Radio Advertisement - for example to advertise promotions and competitions or events
- Leaflets - for example door to door, shops, posters, trade shows, cafe. It is simple, cheap and focuses on the local area only.

- Websites - advertisements can be put on website.
- Online advertisement.
- Social media - for example blogging, facebook, linkedin, youtube and twitter. Social networking can be a great way of building up the clients and promoting developments in business
- Word of mouth - through friends, family customers and even competitors.

Publicity

Publicity is an unpaid mention of the company, its product and brand by the news media in newspapers, journals, website, radio or television. It is an uncontrolled form of promotion. Favourable publicity increase the credibility and result in building faith in the product or company whereas unfavourable publicity will result in creating doubt in the mind of people for the product and company



ACTIVITY 2

Role play: Create an advertisement for your product/ Service

Procedure

- Class forms teams of 5 members each.

- Each team creates an advertisement for an idea they like.
- The teams get 10 minutes to create an advertisement.
- The teams present their advertisement in front of the students and receive feedback

ACTIVITY 3

Sell me a pen!

Come up with a creative way to sell a pen to someone in the class (someone who is not a friend). Let the class vote for the best sales idea. What are the different things you have to do to convince people to buy from you?

CONCLUSION

From the above lesson you should understand the concept of consumer behaviour and the importance of marketing and advertising.

QUESTIONS TO THE STUDENTS

1. Identify the difference between advertisement and publicity and list them below.

2. Do you think that analyzing customer behaviour is necessary? If yes, mention the reasons.



3. Identify a failure business around you, list the reasons for its failure.

8. SWOT AND RISK MANAGEMENT

Objectives

At the end of this lesson you shall be able to

- brief the concept of SWOT analysis
- explain the benefits of SWOT analysis
- discuss the concept of risk analysis and management.

INTRODUCTION TO SWOT ANALYSIS

SWOT is a strategic planning method used to evaluate a project's Strengths, Weakness, Opportunities and Threats.



Importance of SWOT Analysis

Identification of SWOTs is essential because subsequent steps in the process of planning for achievement of the selected objective may be derived from the SWOTs. Setting the objective should be done after the SWOT analysis has been performed. This would allow achievable goals or objectives to be set for the organization.

Some examples of internal and external factors are given below:

| INTERNAL FACTORS | |
|--|---|
| STRENGTH | WEAKNESS |
| <ul style="list-style-type: none">● Excellent sales staff with strong knowledge of existing products● Good relationship with customers● Good internal communications● High traffic location● Successful marketing strategies● Reputation for innovation | <ul style="list-style-type: none">● Currently struggling to meet deadlines - too much work?● High rental costs● Market research data may be out of date● Cash flow problems● Holding too much stock● Poor record keeping |

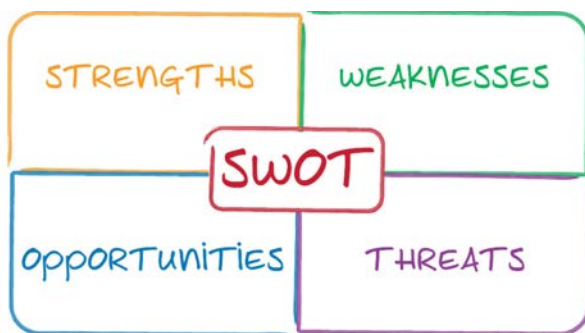




| EXTERNAL FACTORS | |
|--|---|
| OPPORTUNITIES | THREATS |
| <ul style="list-style-type: none"> Similar products on the market are not as reliable are more expensive Loyal customers Product could be on the market for Christmas Customer demand - have asked sales staff for similar product | <ul style="list-style-type: none"> Competitors have a similar product Competitors have launched a new advertising campaign Competitor opening shop nearby Downturn in economy may mean people are spending less |

ACTIVITY 1

Conduct a SWOT analysis for your project(write the details inside the box)



RISK MANAGEMENT

It is a technique used to identify and assess such factors that may threaten the success of a project. Risk analysis involves examining how project outcomes and objectives might change due to the impact of the risk event.

Once the risks are identified, they are analysed to identify the qualitative and quantitative impact of the risk on the project so that appropriate steps can be taken to reduce them.



“Dealing with risk is a part of governance and leadership, and fundamental to how an organisation is managed at all levels” - defines ISO.

The risk stems from a variety of sources including financial uncertainties, legal liabilities, technology issues, strategic management errors, accidents and natural disasters. It is the process of identifying, assessing, controlling and reviewing threats to an organization's capital and earnings.



Principle of Risk Management (RM) should

- Create value - the gain should exceed the pain.
- Be an integral part of the organisational process.





- Be the part of the decision making process.
- Explicit address uncertainty & assumptions.
- Be systematic & structured process.
- Be based on the best available information.
- Be flexible (not rigid)
- Be transparent
- Be dynamic, interactive & respond to change.

- Be capable of continual improvement & enhancement.

Some Examples of Risk for an Entrepreneur:

- Emotional risks
- Trusting key employees
- Committed employees health
- Interest in product/service

ACTIVITY 2

Now that you have seen the list, please arrange the risk (for an entrepreneur) in order of priority relating to your own life. then come up with solutions how you can reduce these risks and start with the one with highest priority.

RISK

1. _____
2. _____
3. _____
4. _____
5. _____

SOLUTION

1. _____
2. _____
3. _____
4. _____
5. _____

CASE STUDY

Ravi has always been a good chef. He started a Snacks shop in Chennai city 20 years ago. It is a very successful shop. He owns 5 Snacks outlets in the city. After some time, he decides to move back home to his village. He manages to sell his Snacks shop for a healthy profit to open a Snacks shop in his village. Sure of his success, because of his previous experience and the fact that there was only one other Snacks shop in the village, he sets up shop, and prepares for opening. He has a batch of menus left over from his old shop. So to save on the cost of printing new menus, he simply places a sticker with the new address over the old address and displays the menus on the counter.





On the opening night, one or two local people pop in. They taste the free samples and comment that the Snack is too bland. Another visitor looks at the pre-cut onions and pre-boiled potatoes and questions the freshness of the Snack. The only person that buys a plate of Snack is surprised when she is not given a helping of dry Snack to finish the meal. The annoyed customer says that she would be able to get a full thali meal in the shop next door, for less than the price of that Snack plate. Ravi is not very worried about the comments of a few people. After all, it is impossible to please everyone and he has been in the Snack business for a long time. A few weeks later, sales have not improved and Ravi is facing the possibility of closing down his shop, having lost all the money invested in it.

CONCLUSION

From the above lesson you should understand the concept and benefits of SWOT analysis.

QUESTIONS TO THE STUDENTS

1. What is Ravi doing wrong?

2. Why is he facing this problem?

3. What preventive measures that Ravi missed to do, to avoid such a risk in his business?

9. PROJECT FORMATION, FEASIBILITY AND LEGAL FORMALITIES

Objectives

At the end of this lesson you shall be able to

- explain the project report, its feasibility, estimation and costing, legal formalities
- describe briefly about the factors to be considered for the project report

INTRODUCTION

A Project report is the formal written expression of the entrepreneurial vision, describing the strategy and operations of the proposed venture. The project report when it is intended to be presented to a banker, it may be called a “loan proposal.”

The advantages of writing a project report of the firm is to think about their business in a comprehensive way, to communicate their objectives, to have a basis for making decisions, and to facilitate the planning process.

Factors to be Considered for Creating a Project Report

While there is no set format for writing a project report, there are several elements that are typically included. Here's what's important to consider when writing your project report.

- Executive summary
- Market analysis and opportunity
- Competitive analysis
- Execution plan: operations, development, management
- Marketing plan
- Financial history (funds) and projections



ACTIVITY 1

Create a checklist of the top 5 things that must be decided and be in place before you begin your business.

Feasibility

A feasibility study is defined as a controlled process for identifying problems and opportunity, determining

objectives, describing situations, defining successful outcomes and accessing the range of costs and benefits associated with several alternatives for solving problems. This would encompass factors such as description of the product specifications to be adopted, raw material availability as per requirements, outline of manufacturing process inclusive of a flow process chart, quality control measures, power supply, availability of water, transport facilities and communication network.

Types of feasibility

1. Market feasibility - includes current market, anticipated future market, potential competition etc.
2. Technical feasibility - details of how to deliver a product.
3. Financial feasibility - source of capital, how much start-up capital is needed, returns on investment etc.
4. Organisational feasibility - defines legal and corporate structure of business

Estimation and Costing

Project costing includes nonrecurring expenses such as land and building, plant and machinery, pre-operative expenses and so on, recurring expenses such as working capital needs, raw material needs, wages for personnel, etc. will have to be worked out in detail.

Besides profit per month, percentage of profit on investment and percentage of profit on expected sales should also be computed and furnished.

LEGAL FORMALITIES

Starting a new business venture in India is not as easy as it might seem. Several legal formalities are to be complied with, for both new as well as established businesses and startups. Some of these formalities include financial regulations, tax obligations as well as employment law regulations, which are central to the functioning of every business organization in India.

Some of these crucial legal formalities that entrepreneurs should be aware of before setting up a business venture are:

- 1) Deciding on a business name
- 2) Creation of a founder's agreement
- 3) Acquire all the legal licenses and registrations
- 4) Be acquainted with the relevant tax regime and accounting norms
- 5) Be acquaint with labour laws
- 6) Safeguard Intellectual Property
- 7) Creating a proper business policy
- 8) Get business insurance of your choice
- 9) Have a clear idea about the mode of winding up

ACTIVITY 2

Complete all the columns in the proforma given below with relevant details based on your own project.

| | |
|--|--|
| NAME OF THE PROPOSED ORGANISATION | |
| LOCATION | |
| ENTREPRENEUR DETAILS (Name,address, age,educational qualification,training/ work experience(if any)) | |

| | |
|--|----------------------------------|
| PRODUCTS TO BE MANUFACTURED | |
| TOTAL INVESTMENT(Capital) | |
| MANPOWER REQUIREMENTS AND WAGE DETAILS | |
| TYPE OF ORGANISATION | SOLE PROPRIETORSHIP/ PARTNERSHIP |

CASE STUDY

Bharti is a young woman from Bihar. She is a socially aware person and she realizes that the climate is fast deteriorating and resources are going to decrease day by day. Hence, she wants to start a business that uses sustainable material. Sustainable products are those products that use already existing resources without harming the environment. Bharti realizes that many girls in her area like to wear earrings. The area she lives in has a lot of jute fields. So, she buys jute from a farmer and starts making jute earrings. No one in her area has seen earrings made from jute. So Bharti's products look unique. Also, they are priced lower than the general metal earrings because the production cost is lower. Thus, more and more people start buying from her.

She calls her business 'Manavi Natural Handicrafts'. She also sees that most women in her village do not work. So, she hires two women to help her. As her orders increase, she buys more jute. She hires three more women to work for her. The farmer, and the women working for her now earn more money. They are able to save money for their future. Bharti is very clear that continuing to employ

women and helping families increase their income is very important to her as an entrepreneur.



CONCLUSION

From the above lesson you should understand how to design a project report and the benefits of it.

QUESTIONS TO THE STUDENTS

1. According to you, what were the reasons for Bharti's success as an entrepreneur

2. How was Bharti able to manage funds using the resources available?

3. What were the different feasibilities Bharti considered before starting her business?

KWL CHART

Complete I learned columns of KWL chart now and check with your facilitator if you have any doubts.

ASSESSMENT

I. Choose the Best Answer

1. In economic growth, role of an entrepreneur is to
 A. generate unemployment
 B stagnate standard of living
 C improve per capita income
 Dunbalance the regional development
2. In an entrepreneurial mindset, not giving up means.....

- A Self awareness
 B Self belief
 C Independence
 D Grit

3. As compared to an entrepreneur, manager
 A is a owner
 B has certain & fixed salary
 C assumes risk & uncertainty
 D has a motive to start a venture





4. MSME stands for
A Micro, Scale and Medium Enterprises
B Macro, Small and Medium Enterprise
C Micro, Small and Medium Enterprise
D Minor, Small and Medium Enterprise
5. Consumer's buying behaviour does not depend on which factor?
A Buying habits
B Education
C Purchasing power
D Living habit
6. Which one is an indirect promotion technique?
A Publicity
B Advertisement
C Display & Models
D Public relation
7. In "SWOT" analysis, "S" stands for
A Success
B Strength
C Survey
D Service
8. Which one is NOT a type of feasibility?
A Market feasibility
B Technical feasibility
C Educational feasibility
D Financial feasibility
9. In SWOT analysis which pair is helpful?
A Strengths, Weaknesses
B Strengths, Opportunities
C Threats, Weaknesses
D Threats, Opportunities

10. Paid forms of ideas, goods and services are called
A publicity
B good will
C public relation
D advertisement

II. Answer the Following

1. Who is an entrepreneur?
2. What is entrepreneurship?
3. What is a project report?
4. What is a manufacturing enterprise?
5. What is marketing?
6. Explain entrepreneurial motivation.
7. What are the four types of business activities?
8. Write short notes on DIC.
9. What is risk analysis?
10. Mention some purpose of advertisement.

III. Answer the Following

1. List the advantages of entrepreneurship.
2. What are the various qualities of an Entrepreneur?
3. What is the difference between manufacturing and trading business activities?
4. List some of the functions of MSME.
5. What are the different aspects of understanding customer needs and preferences?

