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NEHRU GRAM BHARATI (DEEMED TO BE UNIVERSITY)

SUPPLEMENT TO EDP

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Introduction

Entrepreneurship provides the solution to many economic and social problems and also acts as an engine of growth. Entrepreneurship has become an important concern for many countries to achieve the status of economic superpower.

It is rightly said that if a country is able to produce an entrepreneur from each of its family then economy of that country would be sky rocket. Entrepreneurs generate employment, contribute in national income, and fulfill the need of the customer and society also. Entrepreneur is considered as one of the most important input or component of economic development of any region as s/he makes the real difference between the economic developments by performing various functions.

Economic development of an economy rests on the growth of entrepreneurship. For the development of entrepreneurship, entrepreneurs' attitude and performance is the key. Entrepreneurs' competencies make the real difference to the rate of economic and entrepreneurship growth. Entrepreneurial competencies are the decisive factors for the success and failure of entrepreneurs.

Entrepreneurial competencies help an entrepreneur in meticulous planning, effective implementation, and smooth operation of the enterprise. Competencies make an entrepreneur creative and innovative who always searches for new dimensions of business operations. But, the real problem is to make entrepreneurs competent so that they can drive their enterprise in the roads of success.

Entrepreneurial Development Programmes (EDPs) are considered as potential solution to these two problems. EDPs not only help in development of entrepreneurship but also help in the development of competencies among entrepreneurs. In the following sections, you will discuss in details about the EDPs and its role and relevance in the development of entrepreneur and entrepreneurship.

Concept of Entrepreneurial Development Programme (EDPs)

Entrepreneurial Development Programme (EDP) means programme designed to develop entrepreneurial ability among individuals. In other words, EDP means a programme which aims to strengthen the entrepreneurial ability of prospective entrepreneur. Entrepreneurial development programme helps a person in acquiring skills and developing capabilities to play a role of an effective entrepreneur.

EDP refers to programme which inculcate, develop, and polish the requisite skills into a prospective entrepreneur to establish and run an enterprise. The concept of entrepreneurial development programme refers to equip a person with the required knowledge and skills and change the attitude of a person for running the business successfully.

A programme which achieves all the above mentioned tasks called EDP. The programmes which provide necessary information and inputs to prepared project reports and other documents not eligible to be an EDP as their basic objective is not to develop entrepreneurship. A programme which achieves the objectives like imparting necessary skills, knowledge to run an enterprises and also touches the aspects of entrepreneurial motivation and behavioral aspects of an entrepreneur called entrepreneurial development programme.

National Institute of Small Industry Extension Training (NISIET), Hyderabad defined EDP as “An attempt to develop a person as entrepreneur through structural training. The main objective of such entrepreneurship development programme is to develop the entrepreneurship through increasing achievement motivation and entrepreneurial skills among less privileged sections of the society.” On the basis of above definitions and concepts, we can say that EDP is a planned process to identify, impart, develop, and sharpen the competencies which are essentials to run a business among individuals to become a successful entrepreneur.

An EDP consists following as an essential component:

- 1. Need of the programme**
- 2. Main objectives of the programme**

3. Design of the programme

4. Evaluation and feedback

Relevance of EDPs To achieve developmental objectives, it is important to promote entrepreneurship and that too in right directions. To promote entrepreneurship, attracting and motivating entrepreneurs is the first step and if entrepreneurs are attracted and motivated than successfully running enterprises is another challenge. Entrepreneurs require some basic characteristics to establish and run an enterprise. Sometimes entrepreneurs able to identify those underlying characteristics and sometimes they don't. To identify and developing those underlying characteristics,

EDPs are very essential as proved by D. McClelland through famous Kakinada Experiment. In Kakinada experiment, a proper training was provided to young persons and after experiment, it was found that they were highly motivated to start their own entrepreneurial activity. This experiment concluded that training through entrepreneurial development programme can develop need for achievement and high motivation and these has positive impacts on the performance of entrepreneurs.

Other than high motivation and need for achievement, entrepreneurs' required necessary competencies to achieve success in their initiatives. Competencies are underlying characteristics of a person and behavioral aspect of an individual. Basic components of competencies are knowledge, skills, and motivation. To inculcate necessary knowledge and skills, EDPs are very helpful as proved in many researches.

Objectives of EDPs

The main aims and objectives of entrepreneurial development programmes are as follow:

- i. Develop entrepreneurship and strengthen the entrepreneurial base and quality.
- ii. Promote and develop small scale businesses that encourage self employment.
- iii. Analyzing surrounding environment to identify the opportunities lying in the environmental set up.

- iv. Help prospective entrepreneurs to select the type of business and product to run an enterprise.
- v. Train individuals to prepare project proposal or business plans.
- vi. Educate prospective entrepreneurs about the process of setting an enterprise.
- vii. Inform about the sources from where entrepreneurs can get the financial and other supports for starting an entrepreneurial activity.
- viii. Developing the entrepreneurial competencies which result in superior business performance.
- ix. Identification of necessary characteristics of entrepreneurship and inculcate the required ones.
- x. Develop first-generation entrepreneurs who want to start their own business, but required some guidance and assistance.
- xi. To establish the fact that entrepreneurs are made, not born.
- xii. Helps an entrepreneur to choose the best business idea or in establishment of enterprise.
- xiii. Develop an entrepreneur so that s/he can select the best location and identify the target customers for business.
- xiv. To motivate an entrepreneur or develop high need achievement.
- xv. To impart necessary knowledge and skills to successfully run an enterprise.
- xvi. To know the relative advantages and disadvantages of choosing entrepreneurship.
- xvii. Preparing entrepreneurs to deal with the uncertainty in world of entrepreneurship.
- xviii. Develop the broad vision about the entrepreneurship.
- xix. Develop passion for entrepreneurship, dedication, determination and honesty for business.

xx. Making aware about the various policies, schemes, and statutory regulations of government for entrepreneurship.

xxi. Inculcating basic managerial skills which are pre-requisites of entrepreneurship. xxii. Prepare entrepreneurs to take fast, accurate, and strategic decisions.

xxiii. Enable prospective entrepreneurs to accept the challenges and unforeseen risks of entrepreneurship.

Some other objectives are:

i. Accelerate the pace of economic and industrial development.

ii. Transform the Indian economy. iii. Develop the entrepreneurial culture in the society. iv. Develop the sense of social responsibility among prospective entrepreneurs.

EDPs in India:

An Overview

After getting the freedom, govt. realised the importance of economic freedom and has been trying very hard to solve the problems of vast unemployment, poverty, heavy dependence on agriculture, and regional imbalances. Policy makers identified small scale business as an alternate to get rid of above mentioned problems and to boost the economic development process. Since then, this sector is recognised as an employment generation tool.

To speed up the process of entrepreneurial development, government decided to provide special incentives and promotional packages to entrepreneurs. These packages were included financial assistance, providing infrastructural support, technical and managerial assistance through various agencies of the government. After launching series of promotional programme, government did not get the desired and expected growth of entrepreneurship and finally realized that promotional packages are necessary but not enough to foster the entrepreneurship.

Therefore, focus was shifted towards the development of prospective entrepreneurs or human capabilities and concept of entrepreneurial development programme was emerged.

The first step in this process was the establishment of Small Industry Extension and Training Institute (SIET), Hyderabad in 1962, now known as NISIET. This institute in collaboration with famous behavioral scientist David.C.McClelland conducted famous Kakinada experiment and proved that through proper education and training, necessary competencies (including knowledge, skills, and need for achievement) can be developed in an entrepreneur.

This step laid down the foundation of entrepreneurship development programme and now has become a movement as entrepreneurial development programme in India. Recognizing the relevance of entrepreneurial development programme, Gujarat Industrial Investment Institutions launched a detailed three month training programme for entrepreneurs to develop entrepreneurship.

The motto of the programme was to identify and promote the young talent of potential entrepreneurs. This programme was focused on main areas like; development of small enterprises, management of business, and generate sufficient profit through small business ideas. Another initiative in this direction was establishment of North Eastern Council (NEC) to promote entrepreneurship in North Eastern States of the country.

Later on, North Eastern Industrial and Technical Consultancy Organisation (NEITCO) and after that Entrepreneurial Motivation Training Centre (EMTC) were established in the region to boost the process of entrepreneurship.

After these initiatives various institutions were set up under the initiatives of entrepreneurship development programmes (EDPs) like EDIIs, SIDO, and National Institute for Entrepreneurship and Small Business Development (NIESBUD), etc.

All these institutions are trying to make entrepreneurial development programmes as a movement to develop the entrepreneurship in the country so as to achieve the economic development objectives.

Structure of EDPs

EDPs are well planned and well organised efforts to develop the entrepreneurs. There is well devised structure of each EDPs and generally organised for the duration of six-weeks. It covers the following components to meet the objectives:

i. Awareness about entrepreneurship:

During EDPs, first of all, all the participants, who are prospective entrepreneurs, need to be familiarised with the world of entrepreneurship. All must get information about the various aspects of business, pros & cons, and their role in entrepreneurship.

ii. Behavioral Training:

Along with awareness about entrepreneurship, prospective entrepreneurs should go through the behavioral training. The main aim of this training is to induce the high need for achievement and inject confidence among entrepreneurs to take initiative to establish enterprise. It is their behavior, which makes the difference in success and failure of the enterprise.

iii. Inculcating Skills:

Only competent entrepreneur can succeed in his venture. For the long run survival, entrepreneurs should be imparted with necessary knowledge and skills during the entrepreneurial development programmes. Various types of skills like technical, managerial, human resource and operational skills are required to become a successful entrepreneur.

iv. Knowledge about process and services:

The prospective entrepreneurs must be informed about the process of setting an enterprise and support services available to them to implement their ideas. They need to inform about the various government agencies and the process of approaching them to get necessary assistance.

v. Business Plan and Feasibility Analysis:

After knowing the basics of entrepreneurship, prospective entrepreneurs need to educate about the preparation of business plan and further analyzing the feasibility of that plan. They must be educated about the various aspects of business plan and parameters on which plan is evaluated.

vi. Practical Exposure:

To get the practical exposure, entrepreneurs are exposed with real life situations during EDPs. This step helps them to familiarize with practical environment, personality of entrepreneur, his/her attitude, behavior, and approach towards entrepreneurship. The ultimate aim of EDPs is to train individuals to start their own business after the completion of programme.

Stages/Phases of Entrepreneurial Development Programmes (EDPs)

Entrepreneurial Development Programme is divided into various stages to fulfill its objectives and following are the stages of EDPs:

i. Pre-Training Phase:

During this phase of EDPs, preparation of conduct is done. This stage of EDP includes:

- ⊗ Identification and selection of prospective entrepreneurs through various procedures like conducting psychological test, thematic aptitude test, and interviews, etc.
- ⊗ Arrangements of necessary equipments and sources to organize the programme.
- ⊗ Formation of various committees for the smooth conduct of training programme.
- ⊗ Pre-survey of potential entrepreneurial opportunities.
- ⊗ Devising the course content for the programme.

ii. Training Phase:

At this stage, prospective entrepreneurs are provided with the necessary training to run the enterprise successfully. During training phase, efforts are made to change the behavior

and attitude of the entrepreneurs. Focus is on development of need for high achievement or motivation to take initiatives and become a successful entrepreneur. This phase aims at answering questions like; what are his basic traits, what kind of competencies s/he requires, how s/he behaves in complicated situations, what kind of knowledge and skills trainees possess. During this phase, trainees are also exposed to the practical situations and completed many tasks which are required to set up an enterprise.

iii. Evaluation Phase:

Whether the underlying objectives of the EDP are achieved or not? This evaluation is done at this phase of entrepreneurial development programme. At this phase, assessment is done about the entrepreneurial orientation of the participants. It is evaluated that how far prospective entrepreneurs are ready to start their own enterprise. During the follow-up process, review of various components of EDPs is done. These components include; pre-training components, course contents of programme, satisfaction of entrepreneurs, and post-training behavior of prospective entrepreneurs.

Challenges for Entrepreneurial Development Programmes (EDPs)

No doubts, entrepreneurial development programmes (EDPs) are shaping the aspirations of prospective entrepreneurs and contributing in the development of entrepreneurship. If all the underlying objectives of EDPs are achieved, then India can achieve the status of entrepreneurial society. But, EDPs suffer from many problems and faced following challenges to achieve the desired results:

- i. Low motivation level of trainers as well as trainee during the training.
- ii. Lack of commitment, dedication, determination, and sincerity in conduct of EDPs and low level of involvement and lack of active participation of trainees.
- iii. Proper planning and non-conducive environment of entrepreneurial development programme.
- iv. Lack of coordination between the organizer and supportive agencies like banks and other institutions.

- v. Poor implementation of planning.
- vi. Pre-decided course contents and lack of adaptive training modules.
- vii. Lack of monitoring and proper evaluation of feedback.
- viii. Lack of after training assessment of prospective entrepreneurs and non-consideration of entrepreneurs' feedback.

Myths About Entrepreneurial Development Programmes

EDPs are potential solution to boost the entrepreneurship and also contribute in motivation of prospective entrepreneurs. People assume that EDPs would solve all the issues of entrepreneurship. Lack of understanding and non-clarity of objectives of EDPs limits its growth. There are following misconceptions/myths about entrepreneurial development programmes:

- i. Most of prospective entrepreneurs believe that mere joining of an entrepreneurial development programme will solve all the problems of entrepreneurs.
- ii. People considers EDPs as training programme whereas, training is one part of the EDPs. It also covers other aspects of entrepreneurship.
- iii. People often link the success of EDPs with the number of participants. There is myth about EDPs that higher will be number, better will be the EDP.
- iv. Participants think that success of EDPs is the sole responsibility of trainers, motivators, organizers.
- v. Huge financial support to organizer and trainers. Whereas, these are national income and public money.
- vi. Waste the resources as it belong to government and government is responsible to manage all the resources.

Summary

It is well established and recognized fact that development of entrepreneurship is the need of the hour. Entrepreneurship development heavily relies on entrepreneurial attitude and behavior .

Attitude and behavior of entrepreneur can be developed through appropriately designed entrepreneurial development programmes. Entrepreneurial development programmes involve three basic attributes and these are; development of need for high achievement, identifying, developing, and sharpening entrepreneurial competencies, and guidance and assistance on opportunities identification, process of entrepreneurship, and project planning an implementation.

The basic objectives of entrepreneurial development programme are to foster entrepreneurship and motivation of entrepreneurs so that they can initiate their own entrepreneurial activities. Government proactive approach and support is essential to make EDPs successful and a movement also.

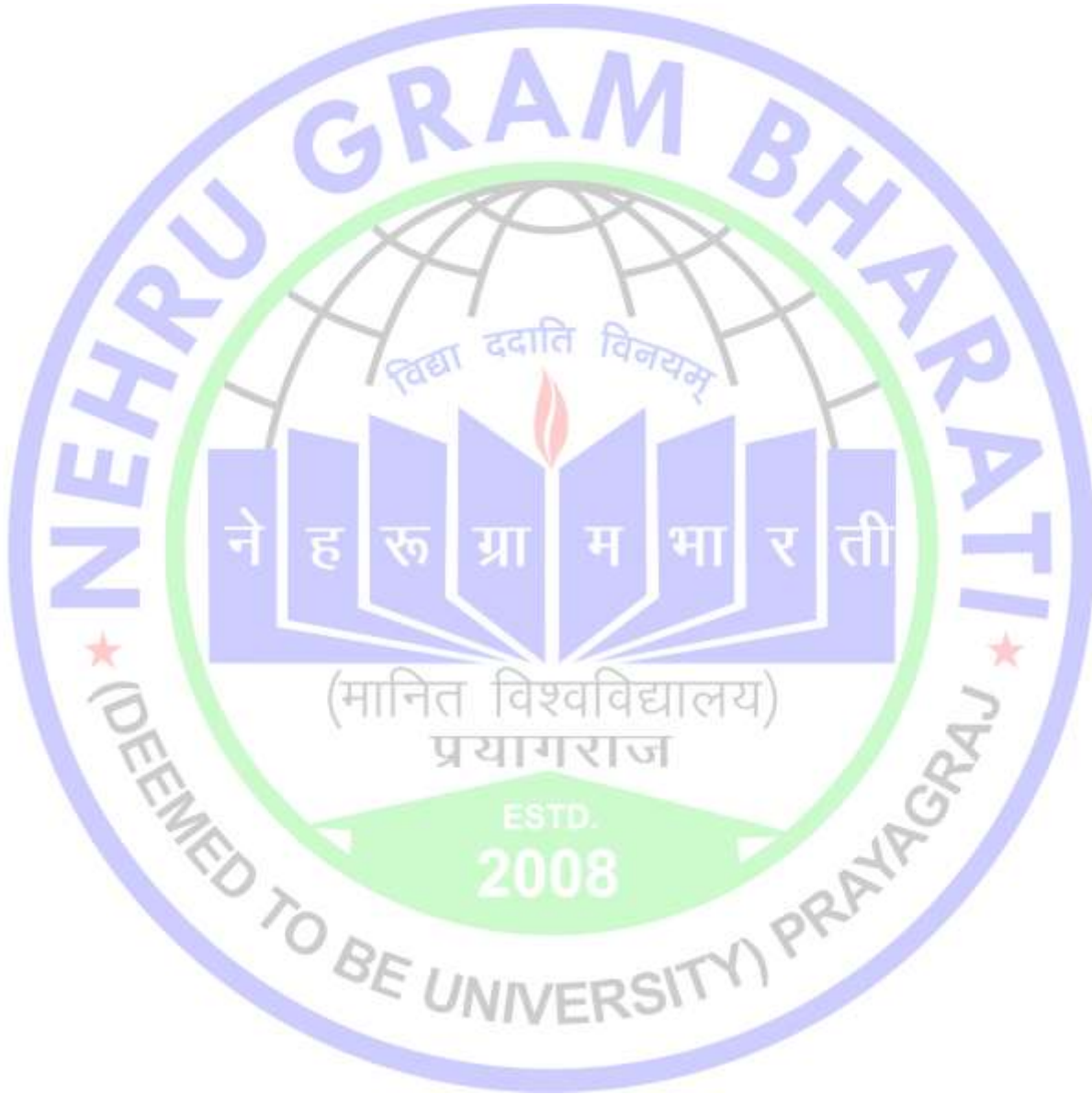
EDPs cover various components to fulfill its basic objectives like awareness about entrepreneurship, motivation, training, practical exposure, feedback etc. Generally, EDP is divided into three phases which include; pre-training, training and post-training part. Course contents and its coverage must be in tune with its objectives and should cover general introduction of business, inducement of motivation, inculcation of requisite skills, procedure involved and fundamentals of feasibility analysis.

EDPs ignite one's own need for high achievement and activate internal stimuli to start own business. There are many misconceptions about entrepreneurial development programmes among participants and general public.

To ensure the success of entrepreneurial development programme, proper planning, effective execution, and active participation of participants is the key. Assessment and evaluation of EDPs may help in the growth of entrepreneurship.

The simplest and best method of evaluation of EDPs is to find out how many participants have started their own entrepreneurial activities after completing the entrepreneurial development programme. Entrepreneurial development programme have faced many

challenges like low motivation of trainers as well as participants. These must be addressed to achieve the objectives of entrepreneurial development programmes.



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