

---

## **UNIT 5 DEVELOPMENT OF ENTREPRENEURIAL SKILLS**

---

### **Structure**

- 5.0 Objectives
- 5.1 Introduction
- 5.2 Who is an Entrepreneur?
- 5.3 The Joy of being an Entrepreneur
- 5.4 Traits of a Good Entrepreneur
- 5.5 Entrepreneurship
- 5.6 Entrepreneurial Skills
  - 5.6.1 Essential Skills for Entrepreneurs
- 5.7 Challenges Faced by an Entrepreneur
- 5.8 Strategy to develop right "Mind Set" for Entrepreneurship
- 5.9 Human Resource Development in Food Processing Industries
- 5.10 Let Us Sum Up
- 5.11 Key Words
- 5.12 Some Useful Books/References
- 5.13 Answers to Check Your Progress

---

### **5.0 OBJECTIVES**

---

After reading this unit, you will be able to:

- state about entrepreneur and entrepreneurship;
- identify the skills which an entrepreneur must have;
- explain the challenges faced by an entrepreneur;
- narrate the strategy to bring the changes in the mind set of the entrepreneurs through training; and
- describe the human resource development in food processing Industries.

---

### **5.1 INTRODUCTION**

---

Agricultural development is crucial to India's overall progress. This can be achieved by intensifying, diversifying and commercializing the agricultural and allied activities. Keeping in view the fast changing food habits and demand for ready to use foods a strong and effective food processing sector will play a significant role in diversification of agricultural activities, improving value addition, ensuring employment generation and surplus for export of agri-food products. This would, however, requires policies and plans for improvement of food processing infrastructure including upgradation of technology and enforcement of quality standards, activating the domestic market with focus on exports. This would also require simultaneous promotion of entrepreneurship in the society.

Entrepreneur is a person who is willing to convert a new idea into a successful innovation. He is able to make an idea saleable and in turn creates more job

opportunities and adds value to the mankind. Entrepreneur forces creative destruction across markets and industries by developing new products and business models that make market dynamic and help it grow.

In simple terms, entrepreneurs buy at certain prices and sell at uncertain prices. The one who can make good revenue despite the market being volatile and uncertain is a successful entrepreneur. He takes risk and reaps benefits if the venture is successful. An entrepreneur is a person who is daring and who thrives in uncertainty.

---

## 5.2 WHO IS AN ENTREPRENEUR?

---

As you grow up you have to think about what you would like to do in order to earn your living. If you look around you will find that different people are doing different activities to earn money to look after their family and to lead a decent life. They are choosing different careers based on their knowledge, and experience. For persons like you, there are two career alternatives:

- a) **Wage-employment**, i.e. taking a job and serving the boss for a monthly salary.
- b) **Self-employment**, i.e. to start any economic activity of your own for being self-employed. In self-employment, once the activity grows it can also generate wage-employment for others, then it is called entrepreneurship. The person who practices entrepreneurship is called an entrepreneur.

An entrepreneur is defined as "person in effective control of commercial undertaking; one who undertakes a business or an enterprise".

The economic activity in self-employment may be a small business, a manufacturing unit or a service-cum-repair unit. Individuals generally choose self-employment for the following reasons:

- i) Self-employment provides a solution to the problem of unemployment. Unemployment exists to a large extent in rural and urban areas and among the educated and uneducated in India. Hence, the need to promote self-employment.
- ii) One self-employed individual can also offer employment to others. The best scope for self-employment exists in a variety of small business like, retail trade, small stores, repair-cum-servicing units, newspaper stalls, dealership-based business activities, small catering places, franchise-based soft-drink vending, ice-cream and small servicing stations, small manufacturing units, etc.

Once you are self-employed you may like to grow and expand so as to become big to achieve great heights in life, one needs to take initiative and be on one's own. If you look around you will find that all those who have become rich and have earned a big name have become so by starting their own enterprises rather than by seeking jobs. In this way, the educated person does not become a burden on the nation but rather builds the nation by starting a small enterprise, which may be a small industrial enterprise to start with, but over a period of time it becomes a large industry. These are the people who are called entrepreneurs.

- i) Becoming an entrepreneur would mean to own one's tasks/jobs, organize activities, and manage and run an enterprise assuming the risk of a business.

- ii) Being an entrepreneur would mean independence and having control over one's own life.
- iii) Being an entrepreneur would mean being innovative and reaching towards excellence.
- iv) Being an entrepreneur would mean creating job opportunities for others.
- v) Being an entrepreneur would also mean sensing economic opportunities.

Entrepreneurs have specific qualities; they have special strengths which they draw upon for their foray into business. If you want to start your own enterprise and make it a success, you will have to play different roles at different times and at different stages of the growth of your enterprise.

The qualities of a good entrepreneur are good physical, mental and emotional health to handle the long hours and pressures of business, tolerance of uncertainty, skill to seek and use feedback, genuine enjoyment of challenge of authority, understanding and accepting personal responsibility, strong but realistic belief in himself, versatility, flexibility, desire for independence, sense of purpose, achievement-oriented technical and industrial knowledge, access to financial resources, respect for money and learning how to deal with it wisely, selling ability, ability to communicate effectively with investors/bankers, employees and customers alike, courage, commitment, sociability, consideration and cheerfulness, cooperation are important attributes for successful entrepreneurship.

### **Entrepreneur Vs. Gambler**

The difference between a gambler and an entrepreneur needs to be clearly understood for a proper appreciation of entrepreneurial behaviour. When a gambler takes risks, the person is primarily concerned with the pay off which is solely determined by the result of a "chance". The gambler operates without using the earlier experience. In gambling, such event is independent of any pay off.

On the other hand, even though the entrepreneur also stakes and hopes, he continuously intervenes to influence the outcome. In such a situation, the person is aware that any intervention, even in the most certain situations, makes all the difference to the outcome. Such awareness is confirmed by experience. It would be appropriate to say that an entrepreneur takes only such risks where one cannot control the outcome. The feelings or awareness, which is confirmed that the outcome can be controlled by interventions, marks the demarcating line between gambling and the calculated risk-taking.

In gambling, learning is not possible, whereas entrepreneurial risk-taking is mainly governed by learning. In the former, it is not possible to calculate long-term objective probabilities or odds. Such objective probabilities may be almost denied or not available to the entrepreneurial activity. Only the denial of the objective calculation of risk, however, does not make all the difference between gambling and an entrepreneurial venture. The sense of control, the possibility of learning, and the presence of moderate risk and subjectivity lead to entrepreneurial activity.

### 5.3 THE JOY OF BEING AN ENTREPRENEUR

Let us also understand the joy that a person gets after becoming an entrepreneur. In entrepreneurship the individual is the most important element. He/she takes a decision to start an enterprise and strives to make it a success. In this process, it is an experience of challenge, joy as well as fulfillment. Let us look at the reasons why this is an experience of fulfillment.

- An entrepreneur is an independent being; entrepreneurship provides an opportunity for self-expression and the realization of one's passion for doing something new and different – a scope for innovation.
- There are numerous opportunities for self-development.
- An entrepreneur makes his/her own decisions and acts on them.
- Working on one's own and thus getting rewards yields immense satisfaction and pleasure for more than what one can get in a job.
- Monetary rewards can be more that commensurate with one's capacity, capabilities and work.
- An entrepreneur with a science and technology background can introduce new technologies, develop substitutes for imported components.
- An entrepreneur generates employment for others.
- An entrepreneur can make significant contributions to the development of the country.
- An entrepreneur can be doubly fulfilled. He/She realizes both goals, of individual success as well as of contribution to society.
- Above all he/she can be an achiever, realize his/her goals and prove his/her achievements to the world.

### 5.4 TRAITS OF A GOOD ENTREPRENEUR

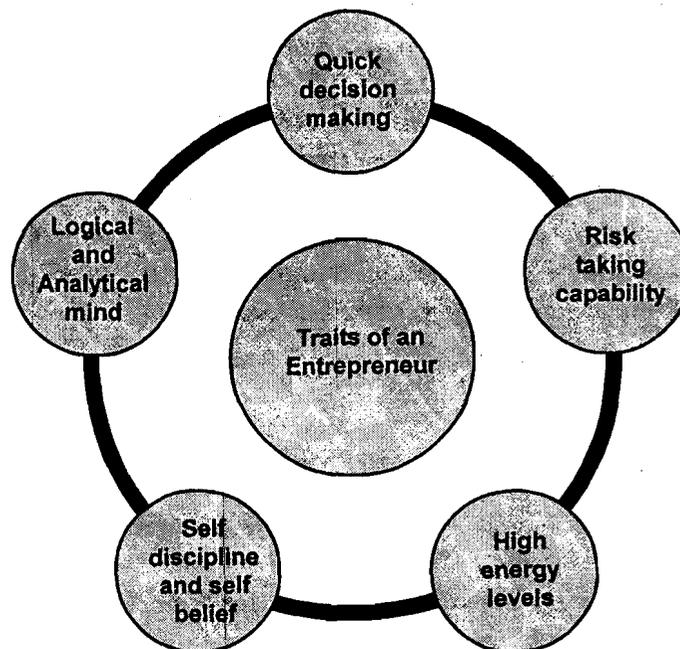


Fig.5.1: Traits of a good entrepreneur

Given below are some important traits of an entrepreneur. He/she should have:

- 1) **Quick decision making ability:** Ability to think on the feet and arrive at a decision quickly with logic is a must-have quality for an entrepreneur. In business having complete information and absolute correctness of the decision is not an important as taking a decision itself. Decision delayed is opportunity lost. Entrepreneur has to make decisions at every step, right or wrong, while doing business because he is the person who knows the best as to what he wants to do and achieve.
- 2) **Risk taking capability and Perseverance:** These are must have characteristics of an entrepreneur. He must be a high risk taker since in any start-up business there is a great degree of risk involved due to lack of complete information and high financial commitment. Due to continuous problems from unknown sources he has to be courageous enough to stand up to them, face them head-on and find solutions to them. As has been said - perseverance pays. For an entrepreneur perseverance is the key to success.
- 3) **High energy levels:** Entrepreneur must have never say die attitude. As mentioned earlier, entrepreneur is a one man army. He is the owner of the idea, the vision and the enterprise. He is the leader of the ship. He has to marshal all his resources in the right direction to fulfill his objectives. He has to own responsibility to achieve success. He cannot sleep at home and feel comfortable that there are people, whom he has employed, would do work for him. He needs to get into details of each and every activity that may affect his business. His success is directly proportional to the effort he puts into the business activities.
- 4) **Self discipline and Self belief:** Easier said than done but if entrepreneur lacks these qualities then his success is doubtful. As a leader he has to set example for others. If he is not disciplined then the team would be doubly irresponsible and laggard. These traits are even more needed in crisis. He must show courage and have self belief to pull the whole team out of crisis. If leader loses heart then followers anyway are losers.
- 5) **Logical and Analytical bent of mind:** Entrepreneur must think logically. He must have a broader picture in his mind. He must have the ability to see through the things and visualize what others cannot even think of. Good analytical skills go a long way in taking sound business decisions.

---

### Check Your Progress 1

- 1) List down important traits of a good entrepreneur.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

2) What are the differences between an entrepreneur and a gambler?

.....  
.....  
.....  
.....  
.....  
.....

3) How the entrepreneurship can give joy to the unemployed youth?

.....  
.....  
.....  
.....  
.....  
.....

---

## 5.5 ENTREPRENEURSHIP

---

Entrepreneurship is human activity instrumental in economic development. Anyone who runs a small, medium or large business is an entrepreneur. It could be an independent operator or one who works as part of a team or in a partnership. An entrepreneur is thus someone who organizes, manages and assumes risks of a business or enterprise. Entrepreneurship may be defined as a commercial practice, process, orientation and way of working. Entrepreneurship is typically a choice for those who belong to business families, for those who wish to be independent to achieve something personally and also for starving off unemployment. It is motivated by the drive to meet personal, emotional, or financial needs. Home-based businesses allow people to balance work with family commitments. Entrepreneurship also looks forward to the need to build the skills necessary to deal pro-actively with change in careers, organizations and the nature of work. Hence, while traditional jobs are being lost, more jobs are being created than were there before through entrepreneurship. Falling trade barriers, improved communications, the internet and globalization have facilitated creation of new ventures worldwide.

Entrepreneurship brings together the ability to identify promising opportunities for career or business development with the managerial skills, knowledge and motivation to realize these opportunities. It is a set of enabling skills and knowledge partnered with a determined and confident mindset.

Entrepreneurship is the practice of starting new enterprise particularly new businesses generally in response to identified opportunities. It is all about taking risk. Majority of the new ventures fail. Hence, it is tough and risky to be an entrepreneur but at the same the ones who are successful create immense wealth not only for themselves but also for the society.

---

## 5.6 ENTREPRENEURIAL SKILLS

---

Future lies in the entrepreneurship. The skills and competencies associated with entrepreneurship are essential in the present competitive business world. Many career opportunities arise in situations in the working world, and they take many forms. They also include the opportunity to turn a commercial idea into an economically useful venture. Entrepreneurship is a dynamic self-fuelling activity. A growing interest in appreciation for entrepreneurs creates impact not only on the economy but on the society as a whole. Entrepreneurships contain specific knowledge, attitudes, skills, concepts and theories that have to be applied in a reasonable and consistent manner. Therefore, it is important to learn the art of entrepreneurship. The development of entrepreneurship creates a new array of leaders, who provide employment to thousands, contributing greatly to the nation's wealth and economy.

It is definitely great to start off on your own and become your own boss. As you begin planning how to start your own business from home, you begin listing down what you want to do and what you can do. You decide on what you can do. But then, you ask yourself, "What skills do I really need to have to succeed as a home-based entrepreneur?"

Today's market is a very competitive one. To succeed in this competitive, dynamic and fluid market one must have lots of courage and character. In addition, one must have some basic skills to become an entrepreneur and make success out of a new venture. To start your own business, you will need a broad array of business skills to succeed and make your mark in today's competitive and ever changing market. You must possess basic skills necessary to enable you to start, develop, finance, and market your own home business enterprises.

There are a number of qualities and skills you need to have, including personal attributes, business skills and management capability. While you may not have all the skills at the moment, it is essential to develop them over time if you plan to run your own business.

Recognizing and realizing opportunities requires the integration of specific knowledge and skills, of technology, of finance, of regulations and of communication (marketing). The successful entrepreneur must understand where these skills will be needed and how to access them effectively. Indeed, many successful high-growth companies have been set up, not by one, but by two or three entrepreneurs with complementary skills to perform various entrepreneurial activities like conception, inception and operations.

### A) Conception

- Ability to identify opportunity
- Selection of project
- Foresight to see the scope for exploitation
- Courage to undertake risk
- Taking initiative and daring

**B) Inception**

- Investment decision
- Source of finance
- Market study
- Project planning and feasibility
- Business leadership
- Understanding business environment
- Knowledge and ability to complete formalities/actions under various laws/policies of government, local bodies and other agencies.

**C) Operations**

- Managerial skills
- Production planning and scheduling
- Utilization of capacity
- Raw material purchasing
- Inventory management
- Pricing, marketing, financial management, budgetary manpower planning etc.

Development of entrepreneurship aims at instilling and stimulating human urge for excellence by realizing individual potential for generating and putting to use the inputs, relevant to social prosperity and thereby ensure decent means of living for every individual. A good idea is not enough to ensure the success of a small business. The proper running of business finances will determine whether it will succeed or fail. When starting out, the first step is to consider different types of business entities available.

**5.6.1 Essential Skills for Entrepreneurs**

If you decide to become an entrepreneur, it is natural that you need to develop certain entrepreneurial skills to translate your dreams into action. What are these skills and how they are developed are certain questions that might bother you. However, we will first try to understand entrepreneurial skills.

Entrepreneurial skills refer to the ability and the capability of an entrepreneur to initiate, launch and sustain the process of enterprise building. These skills are not necessarily born but can be developed.

In order to initiate, launch and manage the enterprise, the entrepreneur is motivated to imbibe certain skills. Let us try to understand these skills, which are important for success.

**Positive self concept**

An achiever directs his energies towards accomplishment of worthwhile goals and sets standards of excellence in what he is doing. This is based upon the awareness of his strengths and weaknesses. He uses positive knowledge to support his thinking. He is rarely negative. He has self-confidence.

No entrepreneur has all these qualities. But most of them possess at least some of them. So the first step for a person aspiring to entrepreneurship is to make an inventory of the traits he possesses. This self-awareness analysis will help define your strengths and overcome your weaknesses.

### **Creativity and Innovation**

The anchor of an entrepreneur's career is creativity and innovation. Innovation is the process of applying "new knowledge" to practical use. It does not necessarily mean trying new ideas for the first time but it also means applying the same or a similar idea at different places or in new settings. As an entrepreneur you may have to develop the quality of picking up new ideas and adopting them faster than others.

### **Risk Taking**

Many of us have new ideas, knowledge and resources. But we do not start an enterprise because we lack the quality to take risk involved in it. As an entrepreneur you have to develop faith. No venture is possible without certain amount of risk. An entrepreneur assesses the risk and favours taking calculated moderate risk (neither very high nor very low). Risk means stretching ones own capacity where the chance of success is greater than the chance of failure.

### **Using Feedback**

Entrepreneurs like to have immediate feedback on their performance. They seek prompt and accurate data, and it does not make any difference whether or not the information they get is favourable. In fact, they are stimulated by unfavourable feedback into pouring more energy into attaining their objectives.

### **Opportunity Seeking**

Common people just wait for opportunities to come along. Majority does not even recognize opportunities until these become obvious. An entrepreneur actively looks for, seeks, recognizes or creates business opportunities even under crisis.

### **Information Seeking**

Seeking relevant and precise information is important for success. It enables you to take risk, helps improve the quality of decision that you make and provides basis for efficient management. An entrepreneur inculcates the habit of gathering information from all sources and considers expenses for seeking information as investment.

Being high achiever, an entrepreneur has ability for seeking and using feedback about his own performance. Based on the feedback, the person mends his ways. Often money (profit or loss) is an indicator of the performance.

### **Concern for Standard/quality of Work**

The concern for excellence is the key quality of an entrepreneur. By attaining certain standard of excellence in his work, and proving his worth he gets satisfaction. Sub-standard performance is not acceptable to him. The standard of work performance is not limited to products and services, but extends to efficiency, to do things better, faster, with fewer resources.

### **Problem Solving Orientation**

One of the important entrepreneurial qualities is the problem-solving orientation. While pursuing any business goal, an entrepreneur makes the basic assumption that problems are bound to be there. As a matter of fact, he believes that real pleasure comes in solving these problems. Accordingly, entrepreneurs develop a lifestyle of solving problems.

### **Faith in Planning**

To be a successful entrepreneur you need to develop skill in planning and a firm faith that planning is a must for successful completion of any task. You develop and use logical step-by-step plans to reach your goal. Through planning an entrepreneur prevents the wastage of scarce resources, ensures success by anticipating possible hurdles, locates new sources of help and resorts to alternative activities to reach the goal.

### **Persuasive and Influencing Quality**

One of the important functions is to influence the environment comprising individuals and institutions for mobilizing resources, procuring information, organizing production/services and marketing your products and services. For all these you need to develop skills and attitude for persuading, influencing and convincing others.

### **Long Term Commitment**

This is one of those characteristics, which distinguish you as an entrepreneur, as the creator and builder of an enterprise from the promoter of quick money. The commitment to a long-term entrepreneurial goal helps an individual to give highest priority to getting jobs completed.

### **Coping with Stress**

As a central figure in your enterprise, you will have to cope with many situations at the same time and make the right decisions, which may involve a lot of physical and emotional stress. All this can be done, if you have the capacity to work long hours and keep cool under a lot of tension.

---

## **5.7 CHALLENGES FACED BY AN ENTREPRENEUR**

---

Entrepreneur is an all-rounder who has to manage many tasks at a time. He is always in a hurry and running against time. He has to manage internal as well as external challenges. Internal challenges for example managing funds, lack of infrastructure, lack of trained manpower etc., and external challenges for example, pressure from existing players in the market, raw material suppliers, procurement tie-up etc.

- a) **Lack of Resources:** The biggest challenge that any entrepreneur faces is availability of adequate financial resources. He has to manage finances himself and also raise enough money through various sources to put new venture on its feet. Since he has to start from scratch he has to spend relatively more on every activity like putting up basic infrastructure, recruiting trained manpower, marketing activities, extension activities etc.

He needs high initial capital investment to make venture successful by bringing it to a financially stable stage.

- b) **Lack of knowledge about the pitfalls in the business:** From periphery one cannot appreciate the day to day problems faced by existing players who are already into the business. It is only when you get into the business you face many unknown challenges that keep coming up daily. These unknown problems are the biggest bottlenecks for an entrepreneur. The successful entrepreneur is one who overcomes these obstacles.
- c) **Market pressures:** There are some inherent entry barriers in every business. For example in setting up poultry processing plant finding a suitable land closer to the poultry farm is very important but difficult to get. Even at a new place the investment required to put-up a supply-chain in place and managing logistics would be big constraints.
- d) **Competitor's pressure:** As an entrepreneur and a late entrant in the field you are at disadvantage with respect to:
  - i) access to market information,
  - ii) pricing pressure,
  - iii) credit terms to distributors and dealers (Channel Partners), and
  - iv) getting into marketing tie-up at competitive rate for his produce.
- e) **Raw material constraint:** You, being new in the market, would not have any history. The advantage of good past track record and goodwill earned over the years by successful players would not be with you. As a result you will not get the best trade terms from the suppliers. You may have to make advance payments or on the spot payments to:
  - i) attract new customers, and
  - ii) give farmers confidence about your financial strength.

Also, you may have to spend on extension activities to overcome resistance from the farmers.

- f) **Manpower constraint:** Day by day market place is becoming more complex. The latest technological innovations and improvements require continuous learning for an individual to keep himself useful in the market place. For any entrepreneur it is a big challenge to get good, trained manpower at economical price. Actually it is a scarcity of trained manpower more than the cost and poses a challenge. In meat industry also the latest equipments need operators who are open to learning and can upgrade themselves faster to operate machineries efficiently and skillfully.

---

## 5.8 STRATEGY TO DEVELOP RIGHT "MIND SET" FOR ENTREPRENEURSHIP

---

In order to become an Entrepreneur, all you need to develop is the right mind set, the appropriate knowledge and required skill. I am sure you will agree that it is not so difficult to collect information in the era of internet, apart from books and journals, which are the old device. Acquisition of skill related to business function is important and it can be learnt. However what is most crucial in this is to develop a right kind of mind set. Let us look into the following.

It is possible to bring desirable changes through a purposeful training intervention. The specialist trainer organizes specialized training. However the major responsibility lies with the learner for this to succeed. The attempt is made to provide an opportunity to explore the "Behaviour" and experiment with new Behaviour conducive to entrepreneurial performance. These lead to getting entry into the process of "self- learning" and "self-acceptance". Now let us understand this process of change, during training.

**i) To Know "What You Are?"**

The question could be answered in a variety of ways. One of the ways commonly followed is the attempt to reflect oneself keeping in view the image of an achievement-oriented person. In such a situation it is possible to visualize an "ideal self"; against the "real self" i.e. what is reality or the real image? The gap between the ideal self & the real self sets the Process of change in motion. It is possible to realize the gap and enhance willingness to fill up the gap through action. For example, Raju's real self is that he hates math's, but the ideal self is that he wants to become a Chartered Accountant. Now it is for Raju to fill this gap by taking steps.

Let us examine the steps:

- Reviewing one's failures and successes, fears and aspirations.
- Looking at the relation between one's own desires and what society. (Family & Culture) expects.
- Examining one's characteristic modes of behaviour resulting from understanding, attitude, opinions and beliefs.
- Looking at the self through the eyes of others.
- Studying fantasies/dreams and the actual behaviour.
- Identifying the internal potentialities.

**ii) To Know Your Destination**

Once you know or discover the discrepancy between the ideal and real self it may create enough anxiety or discontentment and you may soon desire to change towards the ideal. This is important, as through discontentment, you may like to find alternative solutions. For this the following aspects may be kept in mind.

- Explore alternate ways of thinking and action and collecting factual information in relation to the consequences of these choices.
- Ensure quick feedback concerning the new Behavioural patterns and understand their significance.
- Evaluate progress in the desired direction.
- Try out the new Behavioural pattern in the real world outside the training experience.

### iii) To Believe that You are the Master of Your Own Destiny

Fundamental to all the other conditions for change is growing conviction in you that you can change, take control and direct your own life. There are different ways through which any person can realize how powerful he is, rather than a pawn being pushed around by others. Try this simple strategy to bring about:

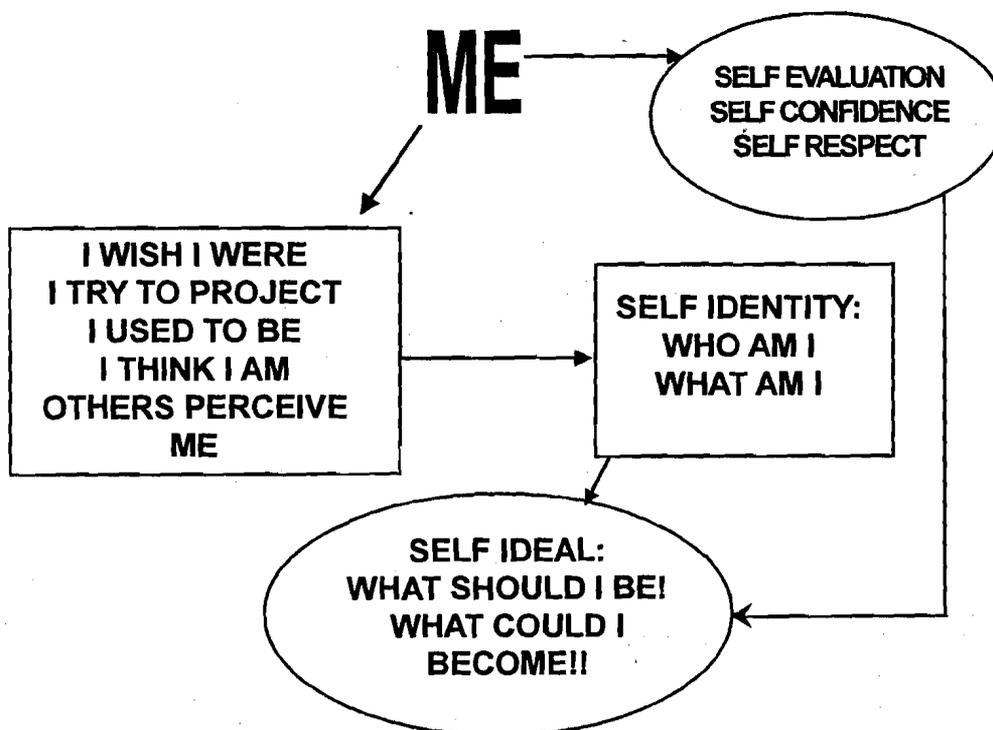
- Have belief in your capacity to help others and to learn from others.
- Have a constant desire to strive for change.
- Take a decision regarding pursuing any change on your own rather than following prescription by others.

These will facilitate your thinking and help you towards building an entrepreneurial profile. Any desirable change in thinking will lead towards actions conducive to entrepreneurial performance.

### iv) To Develop a Positive Self Image

In order to develop an image of self, let us look at this diagram. The central focus is 'ME'. This 'ME' is formed on what I think about myself, what I wish to become, how others perceive me and most important how I project myself. Based on this, I develop my own identity of "Who I am". However, this ME constantly goes through a continuous self-evaluation, which contributes to self-confidence and self-respect. Based on this evaluation the "Ideal self" is formed which helps the person to move forward towards the goal.

Remember this can make a person more focused. This leads to self-effectiveness and increased internal power or control.



Research has shown that a person desiring to be an entrepreneur has a goal where he is continuously engaged in some activity rather than just aiming at a goal where there is a lack of clarity. Further it has been found that such persons have tendency to solve rather than avoiding problems. They possess internal resources in the form of confidence, ability, capacity etc., rather than depending upon external resources or have a feeling of lack of resources. Similarly, they are found to take initiative rather than wait for a direction from others to do the task. A content analysis of the essay on "Who I am?" can help in understanding and developing this concept.

## 5.9 HUMAN RESOURCE DEVELOPMENT IN FOOD PROCESSING INDUSTRIES

The Food Processing Industry is growing rapidly. Consequently demand for trained manpower (*viz.*, entrepreneurs, managers, and technologists, skilled workers) to manage the growing needs of the food processing industry will also surge. This is more so because the existing food industries will require continuous up-gradation and diversification of technology to manage and market in the face of global competition. Management of quality control systems will require specially trained manpower. The organized food industries will particularly require highly trained managerial manpower. Developing entrepreneurs with conceptual, technical and human skills will be the key to rapid growth of Food Processing Industries. With a view to extend the spread of food processing units in the remote areas closer to the raw material sources, there will be need for developing entrepreneurship in areas for production, packaging and marketing of processed food products.

In fact, building high-grade manpower to manage, innovate and build, is one of the primary functions of the Government. Lack of skilled and trained manpower is one of the most important factors for industrial backwardness. The Government will ensure development and up-gradation of skills among the local people on a continuous basis. For this purpose the Government will review the performance of out-dated training programme and adopt new technology suitable to the present context. Government will give top most priority on technical training in reputed Organizations /Institutes for skill development. Apart from that, emphasis will also be given for development of managerial capability to the local youths through Entrepreneurship Development Programme (EDP). Govt. is instrumental in selecting people with responsibility, adaptability and creativity for further training to boost entrepreneurship as these qualities visualize the new era of successful entrepreneurs.

### Check Your Progress 2

- 1) Answer in True or False:
  - i) Promotion of entrepreneurship is key to industrial development. (.....).
  - ii) Employment opportunities are decreased as the culture of entrepreneurship increases. (.....).

- iii) A pool of professionally trained specialists should be created to consolidate manpower resources. (.....).
- iv) One should take up a business which suits his lifestyle. (.....).
- v) Lack of higher education is not much of a limitation for successful entrepreneurship. (.....).
- vi) Physically challenged can take up home based business to be productive. (.....).

2) Fill in the blanks:

- i) An entrepreneur capitalizes on ..... opportunities.
- ii) A lazy person ..... make a good entrepreneur.
- iii) An entrepreneur should prepare a detailed ..... but should be ready to revise it in the light of experiences.
- iv) An entrepreneur should look at the problems as .....
- v) An age group of ..... years seem to be ideal time when determined people should venture into business.
- vi) An entrepreneurs should use failures as .....
- vii) Any one who runs a small, medium or large business is an .....
- viii) Entrepreneurs should have very strong .....power.

3) Identify the must-have skills of entrepreneurs.

.....

.....

.....

.....

.....

4) What are the challenges faced by an entrepreneur?

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

---

## 5.10 LET US SUM UP

---

Any one who runs a business is an entrepreneur. He has to organize, manage and assume risks of a business. Entrepreneurship is a choice of those who wish to be independent and self employed. An entrepreneur has to be in good health to handle long hour's pressures of business. Ideally, he should be in the age group of 30-35 years. He has to be educated but higher education is not that necessary. Entrepreneurship is a dynamic activity. An entrepreneur has to develop certain minimum skills which have to be applied in a reasonable and consistent manner. He should learn to handle the money wisely. He must develop the skills taking initiatives, setting the goals, and solving the day-to-day problems of the business.

---

## 5.11 KEY WORDS

---

|                               |   |   |
|-------------------------------|---|---|
| <b>Entrepreneurship</b>       | : | The quality and skill required to become an entrepreneur.   |
| <b>Entrepreneurial Skills</b> | : | The ability and the capability of an entrepreneur to initiate, launch and sustain the process of enterprise building. |
| <b>Motivation</b>             | : | The driving force towards the attainment of the goal.   |
| <b>Innovation</b>             | : | The process of applying "new knowledge" to practical use.   |
| <b>Risk</b>                   | : | Stretching one's own capacity where the chance of success is greater than the chance of failure.                      |
| <b>Influence</b>              | : | The capacity to have an effect on the character or behaviour of someone or something, or the effect itself.           |

---

## 5.12 SOME USEFUL BOOKS/REFERENCES

---

Akhouri, Mishra; Sengupta. R. (1999) *Trainers Manual on Developing Entrepreneurial Motivation* Published by NIESBUD.

Gupta, C.B. (1992) *Entrepreneurial Development*, Sultan Chand & Sons.

Jain, P.C. (1999) *Handbook or New Entrepreneurs*, Oxford University, (Ed.II).

Khanka, S.S. (2004) *Entrepreneurial Development*, S. Chand & Company NISIET, Hyderabad.

Nalinaksha Mutsuddi (1996) *You Too can become an Entrepreneur*, Wheeler Publishing.

Raymond, W.Y. Kao Tan Wee Liang (2001) *Entrepreneurship and Enterprise Development in Asia*, Prentice Hall.

---

## 5.13 ANSWERS TO CHECK YOUR PROGRESS

---

### Check Your Progress 1

- 1) Important traits of a good entrepreneur are:
  - a) Quick decision making

- b) Risk taking capability
  - c) High energy levels
  - d) Self discipline and Self belief
  - e) Logical and Analytical mind
- 2) The differences between an entrepreneur and a gambler are as follows:

When a gambler takes risks, the person is primarily concerned with the pay off which is solely determined by the result of a "chance". The gambler operates without using the earlier experience. In gambling, such event is independent of any pay off.

An entrepreneur also takes risks but only such risks where one cannot control the outcome. He continuously intervenes to influence the outcome. In such a situation, the person is aware that any intervention, even in the most certain situations, makes all the difference to the outcome. Such awareness is confirmed by experience.

In gambling, learning is not possible, whereas entrepreneurial risk-taking is mainly governed by learning.

- 3) After becoming an entrepreneur, an unemployed youth can get the joy because of following reasons:
- He/she is no more an unemployed person and monetary rewards can be more that commensurate with one's capacity, capabilities and work.
  - Entrepreneurship provides an opportunity for self-expression and a scope for innovation. He/she makes his/her own decisions and acts on them.
  - There are numerous opportunities for self-development.
  - Working on one's own and thus getting rewards yields immense satisfaction and pleasure for more than what one can get in a job.
  - An entrepreneur generates employment for others.
  - An entrepreneur can make significant contributions to the development of the society as well as the country and prove his/her one's achievements to the world.

### Check Your Progress 2

- 1) True/ False

- |          |           |           |
|----------|-----------|-----------|
| i) True  | ii) False | iii) True |
| iv) True | v) True   | vi) True  |

- 2) Fill up in the blanks

- |                   |            |                          |
|-------------------|------------|--------------------------|
| i) available      | ii) cannot | iii) business plan       |
| iv) challenges    | v) 30-35   | vi) learning experiences |
| vii) entrepreneur | viii) will |                          |

3) The must-have skills of entrepreneurs are:

- Positive self concept
- Creativity and innovation
- Risk taking
- Using feedback
- Opportunity seeking
- Information seeking
- Concern for standard/quality of work
- Problem solving orientation
- Faith in planning
- Persuasive and influencing quality
- Long term commitment
- Coping with stress

4) Challenges faced by an entrepreneur are as follows:

- Lack of Resources
- Lack of knowledge about the pitfalls in the business
- Market pressures
- Competitor's pressure
- Raw material constraint
- Manpower constraint