UNIT 14 PROVIDING FOLLOW UP SUPPORT TO POTENTIAL ENTREPRENEURS

Structure

14.1 INTRODUCTION

Many researches across the globe report that in the case of startups, by five years, half of them become history, i.e., they shut their shop within 5 years. Many startups enthusiastically start and get stuck even within the first year and they continue to remain in business for at least 12 months, because their rental agreement shall be for a year's time. As soon as it expires, the shop is shut.

It is something like this, on the day of marriage many people come to greet you, but from the very next day, you both have to face your life alone. The story of startup is also something like this, you may have lots of people around on the day of inauguration, but when you travel further, the people around you may start to vanish.

Also it could happen this way, the needs of your enterprise, keep changing with the changing stages of growth. You shall require different kinds of support at different stages. It is like growing up a child, before it is born a gynecologist is required, as soon as it is born it is the turn of neonatologist, once it starts growing you need a pediatrician and when it undergoes the adolescent transition, you need the help of a psychologist. Your business is also like this. You need different specialists and different support at different stages.

The support required may be broadly categorized into soft and hard support. The stepwise guidance/mentoring could be called as the soft support and the tangible support like marketing assistance, financial support, innovation, incubation, patenting, quality certification, etc., it could be called as hard support. The business shall require both these support in the right doses at the right time.

This Unit traces both the aspects of hard and soft support required for potential entrepreneurs.

14.2 OBJECTIVES

After studying this Unit, you would be able to

- explain the different support schemes available from the Government of India for entrepreneurs at various stages of their enterprise;
- examine the need for a mentor and the factors to be considered while choosing a mentor; and
- analyze the benefits of having a mentor.

14.3 IMPORTANT SUPPORT SCHEMES FROM GOVERNMENT

There are an estimated 26 million Micro, Small and Medium Enterprises (MSMEs) in India providing employment to an estimated 60 million persons. The MSE sector contributes about 45% of the manufacturing sector output and 40 % of the nation's exports. Realizing the need for follow up support required for these MSMEs, Govt. of India has devised several schemes which shall be helpful at various stages of their development life cycle. Selected schemes have been briefed in the following table for a quick perspective.

Stage of the enterprise	**Activity**	**Relevant Schemes of Ministry of MSME, Govt. of India**	**Major objective of the Scheme**
Idea Stage	For supporting a concept or idea or R&D for product development	Scheme for Building Awareness on Intellectual Property Rights (IPR) for Micro, Small and Medium Enterprises.	The objective is to enhance awareness of MSME about Intellectual Property Rights (IPRs) to take measures for the protecting their ideas and business strategies.
Start Up	Initializing operations or developing prototypes	Support for Entrepreneurial and Managerial Development of SMEs through Incubators	To promote and support untapped creativity of individual innovators and to assist them to become technology based entrepreneurs.
First Stage	Start commercial production and marketing	Scheme For Technology And Quality Upgradation Support To Micro,	To sensitize the manufacturing MSME sector in India to the use of energy efficient technologies and manufacturing processes so as to

		Small And Medium Enterprises	reduce cost of production and the emissions of GHGs. To improve the product quality of MSMEs and to encourage them towards becoming globally competitive
		Credit Linked Capital Subsidy Scheme (CLCSS)	providing upfront capital subsidy to SSI units, including tiny, khadi, village and coir industrial units, on institutional finance (credit) availed of by them for modernisation of their production equipment (plant and machinery) and techniques
Second Stage	Expand market and growing working capital need	Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGMSE)	Both term loans and working capital facility up to Rs.100 lakh per borrowing unit, extended without any collateral security or third party guarantee, to a new or existing micro and small enterprise.
Third Stage	Market expansion, acquisition & product development for profit making company	Scheme For Marketing Assistance And Technology Upgradation	The objectives of the scheme will be achieved by performing the following major activities for MSMEs through Government of India financial assistance in the manner laid down in these guidelines : (i) Technology Upgradation in Packaging. (ii) Skill Upgradation/Development for modern marketing techniques. (iii) Competition Studies. (iv) Special component for North-Eastern Region. (v) New markets through State/District level local Exhibitions/Trade fairs. (vi) Corporate Governance Practices. (vii) Marketing Hubs. (viii) Reimbursement to ISO 18000/ISO 22000/ISO 27000 certification
		Design Clinic Scheme	To enhance the understanding and application of design and innovation in MSMEs

Fourth Stage	Established business on the run	Incentive Scheme for ISO 9000 /ISO 14001 /HACCP Certifications	Reimbursement of charges of acquiring ISO-9000/ISO-14001/HACCP certifications to the extent of 75% of the expenditure subject to a maximum of Rs. 75,000/- in each case
		Lean Manufacturing Competitiveness Scheme (LMCS)	to enhance their productivity and competitiveness by reduction of wastages in manufacturing processes, inventory management, space management, energy consumption, etc
		National Award Scheme	To identify achievers under the following categories and recognize them with awards a) Micro, Small and Medium Enterprises for Outstanding Efforts in Enterpreneurship b) Research & Development Efforts in Micro, Small and Medium Enterprises c) Quality in Selected Products in Micro, Small Enterprises (MSEs) d) National award Entrepreneurship Services
		Market Development Assistance Scheme For Micro, Small & Medium Enterprises	The scheme offers funding for: 1. Participation by manufacturing Small & Micro Enterprises in International Trade Fairs/ Exhibitions under MSME India stall. 2. Sector specific market studies by Industry Associations/ Export Promotion Councils/ Federation of Indian Export Organisation. 3. Initiating/ contesting anti-dumping cases by MSME Associations and 4. Reimbursement of 75% of one time registration fee (w.e.f. Ist January 2002)(Under MDA Scheme) and 75% of annual fees (recurring) (w.e.f. Ist June 2007)(Under NMCP Scheme) paid to GSI (Formerly EAN India) by Small & Micro units for the first three years for bar code.

For availing assistance under these schemes, the process is very simple

i. register your enterprise with MSME – either through online or through the District Industries Centre (DIC)
ii. find the right scheme you would like to apply for, go through the guidelines for the scheme and
iii. submit the applications to the DIC

Apart from the Ministry of MSME, every bank now has a MSME financing cell, which shall guide you at various stages of your business and provide support.

14.4 MENTOR – THE GUIDEPOST

As discussed in the earlier chapters, when you are in a dilemma, you look for advice. Entrepreneurs — especially youngsters — tend to turn to their friends for business advice. But can they be of real help. At times, friends would tell you what you want to hear. But, you shall need some objective advice, for which a mentor is often a better bet.

A mentor could be a professional who advises entrepreneurs for a living or someone working in a related industry who is willing to help you. And unlike your friends, mentors are typically more removed from you and your business. So they tend to be more objective and comfortable in delivering bad or critical news and advice. And since many such mentors are themselves entrepreneurs or intrapreneurs their experience can be of great help in handling specific business challenges.

So how do you find this mentor or *guru* (as we call them in Indian context)? Finding a suitable mentor also is difficult. Mostly, you'll need to spend time networking among friends and colleagues to find them. Be sure to reach out to someone who could be a good role model, someone who has the skills and personality that match yours. You can identify a good mentor with five qualities.

14.4.1 Five Qualities of an Ideal Mentor

- **Pragmatism:** Most entrepreneurs have lots of ideas. Some can be put into practice easily, but others will be pure passion and need refinement to implement. A good mentor will have some knowledge and some perspective on almost every business subject, which compounds their effectiveness. Look out, whether your potential mentor speaks sense on a variety of industries.
- **Fortitude:** Entrepreneurs tend to be driven by the crisis of the moment. As a result, they may neglect the real priorities of growing the business. Once you share your long-term goals with your mentor he may remind you at an appropriate time and help you to get back on the right track. Is your prospective mentor having such fortitude?

- **Stamina:** A successful business is hungry for a constant stream of ideas for scaling and expanding, with a realistic understanding of the costs and resources required. Then there's the exit strategy, which needs planning, connections and forethought. Certainly, you need a mentor to help you out. Check out whether your prospective mentor is a storehouse of such energy.
- **Connections:** When you are in need of the right investors, equipment and legal or accounting advice, your mentor shall have the contacts and knows where to find those such critical information. More importantly, a mentor shall guide you to build and maintain your own list of such critical contacts. Check whether your prospective mentor has such a network of contacts.
- **Perspective:** A mentor shall know what exactly to look for, and shall be able to see from the point of view of your customers. Since you are passionate about your idea, you may get so immersed in your business that you forget to step out and look at your business. It's like living next to the railway track — after sometime, your ears become deaf to the noise of trains. Is your prospective mentor indicating you such noises? Is he the devil's advocate?

Thus with the guidance of a proper mentor your business shall be able to reach greater heights. A passion that is guided properly shall create histories. The right mentor shall be able to provide you that guidance to create histories.

ACTIVITY 1

Analyze the case of women entrepreneurs given at the end of this chapter in terms of the follow up support they shall require and the schemes of MSME that shall suit their requirements.

ACTIVITY 2

An Additional reading on Six Business Models from the popular financial daily The Economic Times has been given for a lucid understanding of the structures that shall suit different entrepreneurial ideas. Read and discuss the same in your class.

Check Your Progress Exercise 1

Note: i) Use this space given below to answer the question.

ii) Compare your answer with the one given at the end of this Unit.

1. Write short note on any two qualities of mentor.

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14.5 REAL LIFE CASE STUDY--SUCCESS STORIES OF INSPIRATIONAL WOMEN ENTREPRENEURS

ECONOMICTIMES.COM | 4 Jul, 2013,

Innovative ideas are the mantra behind every successful start-up story. India has been a flourishing ground for enterprises, and this phenomenon has witnessed an unprecedented surge in the last few years. A handful of women entrepreneurs are stepping up to show they have the appetite, skills and vision to take a shot at scaling their young ventures. Across sectors as varied as technology, clinical research and retail women are poised to burst a common myth that women-led businesses do not grow beyond a certain scale.

Vijaya Pastala, Under the Mango Tree

Vijaya Pastala's enterprise has Rs 60 lakh turnover from selling honey! The enterprise which took 14 years to shape up has a simple business model. The sourced honey is tested, certified, packaged and labelled in a production plant on rented premises in an industrial area, in Mumbai. The packaged products are sold online, delivered to over 100 shops in Mumbai and Bangalore, as well as to a lot of B2B partners like Taj Hotels. After acquiring a post graduate degree in regional planning from the MIT, US, in 1993, Pastala returned to India and stumbled upon the name for her future venture. When her son was born in 2003, she changed career tracks. It took Pastala about a year to zero in on exactly what she wanted to do.

Sneha Roy & Sananda Misra - Toptomato.in

Toptomato.in by Sneha Roy & Sananda Misra is an online platform for ordering all household items. Its not a new concept but the founders aim to make it unique with its grocery subscription. One can subscribe for regular needs like milk, butter, etc and can specify required frequency. TopTomato was launched in the month of September, 2012 by Sneha Roy and Sananda Misra, graduates from Indian Institute of Technology, Kharagpur, with varied experience of working in the FMCG sectors. The venture is self-funded and the seed capital was about Rs 5 lakhs. The initial capital was used for building the website and setting up the back-end and delivery networks.

Mitali Kalra, Zao Foods

The idea of starting her own cafe took root in 2010. After completing her MBA in finance from INSEAD in France, in 2008, she spent a year working in Dubai and Singapore, handling private equity investments in oil and gas, and shipping. About a year on, her craving for healthy fare spawned a business idea: a chain of health food cafes in India. So, in December 2011, she left her cushy investment banking job, pumped in Rs 14 lakh from her personal savings, and registered her company name as Zao Foods Private Limited. Samosas, kachoris, choley-bhaturey/ kulchey... No matter how much we relish our traditional unhealthy savouries, there is the nagging need to eat nutritious food. To cater to this growing awareness of eating healthy is Mitali Kalra's year-old Mediterranean cafe, Crostini, tucked away in a corner of the HauzKhas Village in south Delhi. A year into operations, her turnover is Rs 25-30 lakh. Till date, she has invested Rs 30 lakh, but expects to earn Rs 35-40 lakh by end of 2013.

14.6 TURNING INTO AN ENTREPRENEUR? FIVE BUSINESS MODELS ONE SHOULD CONSIDER

Sakina Babwani, ET Bureau Jun 10, 2013

When Lourdu Mary retired from the teaching profession five years ago, she was sure that she didn't want to just sit at home and twiddle her thumbs. Starting her own school seemed like a good idea with her vast experience, but the various administrative and organisational technicalities were staggering, not to mention the vast sum of money that setting up a school required.

"But as I was very keen to start something, I started looking around for options that could help me. Buying the franchise of a pre-school chain was the best one," says the 65 year old. Bangalore-based Mary bought a franchise of My Apple School for Rs 3.5 lakh, with the company providing the curriculum and support as well as training to her staff.

There are numerous people like Mary who want to explore their entrepreneurial side and have a good idea of what they want to do, but are stumped as to where to start and how to set up the venture. The franchise model was the answer to Mary's prayers but it may not appeal to someone who wants the independence to take his own decisions. He may prefer to set up a proprietorship, while someone else may be wary of flying solo and would like to rope in another person to form a partnership.

Each type of business model comes with its benefits and bugs, from the procedures and approvals required to set up the venture to how its income will be taxed. "The kind of set-up you choose will depend on a variety of factors, such as your business, the amount of risk you can afford to take, legal provisions and liabilities. Do your homework carefully before you choose a particular organization type," advises Aakanksha Joshi, senior associate, Economic Laws Practice.

This is why choosing the right type of business set-up is the first crucial step of your entrepreneurship path. You need to understand the key features of each type and analyse the advantages and drawbacks so that it gives you a comprehensive idea of whether the business model will serve your purpose.

To help you get started, here's a ready reckoner that lists the characteristics of the five most common organizational set-ups.

PROPRIETORSHIP

This is the simplest business type. As you don't need to fulfill any legal formalities, you can simply set up shop and start a proprietorship on your own. You may need to acquire some business-specific approvals, depending on the type of business, such as a tax identification number (TIN) if you want to manufacture products or become a dealer. However, these are fewer than what are needed if you start a company.

Pros and Cons

While a proprietorship gives you immense flexibility to carry out your business the way you want to, it also brings with it huge responsibilities. Firstly, you will be legally responsible for anything and everything. Secondly, you will be personally responsible for any fraud or credit default that may occur in the course of business. Besides, as a proprietorship does not have a separate identity distinct from its owner, you can be personally sued for matters that go wrong in the business. Moreover, the risk levels are extremely high as you are solely running the business, especially as in the case of credit default, unsatisfied creditors can ask you to clear their debt by selling your personal property. Apart from this, the income that you earn from your business will be clubbed with your personal income, so your tax liability could be very high. This is why a proprietorship is not a very tax-efficient business set-up.

Who should go for It?

Ideally, you should opt for a proprietorship if you are setting up a small business. Also, if you are not sure of how your venture is likely to develop, you can start by setting up a proprietorship and later, explore other business structures. This is exactly what Mumbai-based Rakesh Nanda did when he started his flex printing business in 2008. "Initially, I wasn't sure whether my business would take off, so a proprietorship seemed ideal. However, after nearly five years in the business, I am now exploring the option of setting up a private limited company," says the 25 year old.

PARTNERSHIP

In the degree of simplicity, this comes second. A partnership is basically a relation between two or more people who come together to run a business and share the profits earned. The organisation so formed by the partners is known as a partnership firm. The legal formalities to set it up are minimal. All you have to do is execute a partnership deed that clearly spells out the rights and duties of all partners as well as specifies the share of each partner in the profits.

A partnership deed can also list the terms and conditions under which the partners will work, the amount of capital to be contributed by each partner, how much they will earn from the business, and so on. You should make sure that the deed is signed by all partners to avoid trouble in the future. Though registration is not mandatory, it is highly recommended that you register the firm.

There are some inherent features of this kind of set-up. Firstly, a partnership firm is not a separate legal entity like a company. In the eyes of the law, the firm and its partners are one and the same. This leads to the principle of unlimited liability of the partners. So, in case of credit default, creditors can proceed against the personal property of partners as well, similar to what's possible in the case of proprietorship. Besides, if a partner wants to leave the firm and transfer his interest to a third person, he will need to get the consent of all the other partners to do so. A bigger problem is that a partnership firm will automatically dissolve in case of lunacy, bankruptcy, retirement or death of any partner. Despite this rigidity, the most positive aspect is that all partners have a right to participate in all the activities of the business and have the right to share in the management of the partnership firm. So, any partner can inspect the account books at any time.

Pros and Cons

A partnership firm is very easy to form, which is one of its biggest plus points. Also, individual partners have greater access to capital and resources. However, there are a few drawbacks that must be considered. Firstly, there is a restriction on the number of partners. For instance, a banking business cannot have more than 10 partners, while for most other partnerships the maximum number is 20. Secondly, the absence of an absolute authority can lead to slow decision-making and ultimately hamper the business. Moreover, partners can lose their personal assets as well in case of credit default due to the unlimited liability factor. To add to this, each partner is also responsible for the actions of other partners, which could prove to be a precarious situation. Since the death, insolvency or lunacy of any partner would automatically dissolve the firm, it means that such firms have a limited lifespan.

Who Should go for It?

You could opt for a partnership firm if yours is a medium sized business with limited capital, such as a small-scale industry or retail trade. Partnership is a popular form of business among smaller concerns too like transport or real estate agents. However, it is best suited for professionals like chartered accountants or lawyers, who can team up to offer their services.

COMPANY

The term company is used very casually to refer to any type of enterprise. However, a company is actually very well defined and has to conform to various rules prescribed under The Companies Act, 1956. In simple terms, a company is an association of individuals who share a common purpose and unite to achieve specific, declared goals. A company can be formed by individuals or even a corporate body, also known as promoters. There are several types of companies, such as private limited, public, non-profit making, etc, from which you could choose the one that suits you. Generally, most start-ups opt for a private limited company.

A private company is one that cannot invite deposits from the public and the transferability of its shares is restricted. Such a company is exempt from complying with certain provisions of The Companies Act since public interest is negligible in its affairs. On the other hand, a public company is one that has a minimum paid up capital of Rs 5 lakh. There is no restriction on the transferability of its shares; anybody can buy the shares or debentures of a public company, which are quoted on stock exchanges. The provisions of The Companies Act are fully applicable on these companies.

Setting up a company is a complex process and involves a lot of paperwork. To start with, you have to zero in on a name, which isn't easy as you have to first apply to the Registrar of Companies of your state to check the availability of the name. After you receive confirmation on the name, you have to start other paperwork. These include assigning a Director Identification Number to each director and applying for digital signatures for directors.

You also need to draft the memorandum of association and articles of association that list the objectives of the company. Since these documents state the fundamental provisions on which the company is incorporated as well as the bylaws and regulations that govern the management of the company, it is best that you get an expert to help you draft them. You must register all documents pertaining to the formation of the company and pay the registration fee, which depends on the capital of the company. You can get the requisite information from the website of the Ministry of Corporate Affairs (mca.gov.in).

After all the formalities are completed, the registrar will issue a Certificate of Incorporation within seven days of receiving the documents. In the case of a private limited company, you may commence business from the date of incorporation. However, in case of a public company, you will have to obtain a certificate of commencement of business. Even after the company has been formed, there are many other formalities that have to be followed, such as conducting board meetings and annual general meetings.

Pros and Cons

Despite the lengthy and time-consuming procedure for forming a company, there are several advantages that this business set-up offers. Unlike other models, a company is treated as a separate legal entity—distinct from its shareholders, directors and managers—by the law. This special feature lends the business structure its main characteristic of limited liability.

So, if there is a credit default, personal assets of directors and shareholders remain protected. Also, this feature allows a company to sue other entities.

It were these features that prompted Aadil Muscatwala and Rishabh Gupta to form a company when they established a chain of budget hotels called Vedanta Wake Up! in 2011.

"Besides, it is easier to attract investors if you have a more structured organisation (that is, a company)," says Mumbai-based Muscatwala. Also, a company is not affected by the death of a shareholder or director and its shares can be easily transferred. However, running a company can be a costly affair. Even winding it up is an expensive process.

Who should go for it?

A company is not easy to form and run. So, opt for it only if you need to issue stocks and obtain investment capital. You may also form a company if you want to save tax.

As a company is a separate entity, you can split your income by keeping some profits in the corporation every year and save tax accordingly. If, however, your only motive to form a company is to limit your liability, you could explore the option of limited liability partnership (see what's an LLP?).

FRANCHISE

Buying a franchise lets you be your own boss without the added worries regarding ideation, brand building, infrastructure and legal problems. You don't need to start from scratch since the franchiser is an already established brand that would allow you to sell its products and to operate under its brand name. Of course, this also comes with stringent rules regarding how the workplace will look, the products that will be used and the programme menu that will be implemented. The business structure is such that there is little scope for innovation as franchisers would like to maintain consistency across all franchisees.

The greatest appeal of the franchise model, apart from the immense support and established brand name, is that you can find a business to suit all pockets, no matter which industry you want to set foot in. Of course, the bigger the brand, the higher is the cost of buying the franchise. So, a small street food kiosk could be owned for as little as Rs 5 lakh, while you may have to invest Rs 30 lakh for a large Chinese food joint.

This one-time investment is a collation of various charges, including the setting up of infrastructure as well as hiring of employees and their uniforms. It also includes a franchise fee and a refundable security deposit. For instance, if you take a Cocoberry franchise, you will have to invest Rs 20-30 lakh, depending on the location. This includes a deposit for Rs 5 lakh, while the royalty is in the range of 5-9% of your profit.

Apart from the basic investment, as a franchisee, you will have to shell out a royalty, which typically ranges from 5-30%. This can be paid quarterly, monthly, annually or only once. Royalty is an important aspect of a franchise model as it has an impact on the profit you earn. Another expenditure that you will have to bear on your own is the rent. Given these expenses, it will take a while before you break even. However, the good part is that break-even periods are usually established or projected by the company, so you'll have a reasonable idea about when you could start pocketing your own salary.

Pros and Cons

A franchisee gets the opportunity to benefit from the well-known brand name and goodwill of the franchiser, which is a considerable advantage considering that these are things that are very hard for a new business to build from scratch. Besides, the franchisee also gets to benefit from tried and proven business systems that the franchiser has established. If you were to venture out on your own, it would take a considerable period of time to build your own systems. "As I lacked the practical experience of building a brand, the franchise model seemed the best possible option," says Mary. On the other hand, the model does not encourage thinking out of the box. So, it could be a little frustrating for highly enterprising people who want to try out innovations.

Who Should go for it?

You can buy a franchise if you are averse to risk and want handholding in the initial years in the business. If you are someone who doesn't know much about running a business and wants an expert to handle the legal, financial and marketing matters, this is the best option for you.

TRUST

Generally a trust is associated with estate planning or charity, but it can also be used as a business model. This is how it usually works: A company is formed to carry on the business, and then a trust is created as its majority shareholder. So, the trustees would primarily be responsible for the management of assets and business for the benefit of the company. Forming a trust is not a complicated process. All you have to do is execute a trust deed that lists the terms and conditions on which the trust would function. Besides, the trust deed also incorporates the powers and duties of the trustees. In cases where the trust is revocable, the trust deed should also specify how and when the trust would be revoked.

"The main idea behind opting for a trust is ring-fencing of assets and retaining control over the business," says Richa Karpe, director, investments, Altamount Capital. Your company may get into trouble or there may be huge losses in your family business, but the assets that you put into the trust will remain safe. This way at least a portion of your wealth is secure.

A trust also offers you tremendous control over your assets as compared with a company. In a company set-up, promoters may not be able to give detailed instruction to directors to act in a certain manner, but this kind of mandate can be given to trustees. This feature is especially useful for family and private businesses.

Pros and Cons

While a trust allows you to retain control over your assets, choosing the right trustees and beneficiaries can be a daunting task. "A wrong trustee or beneficiary can defeat the very purpose of setting up the trust," says Karpe. Another disadvantage of using trusts is that you cannot pull out an asset that you have put into a trust. Also, people who own several companies that are listed on the stock exchanges need to be careful as to how they use their trusts. Most ultra HNIs, who own such companies, are advised to create a holding company.

As they would also want to ensure that their assets are secure for the generations to come, they can create a family trust above the holding company to complete the succession planning. The family trust will hold personal as well as holding company assets. This structure can help a business family meet long-term succession, taxation and personal objectives.

Who should go for it?

A trust is best suited for family businesses, where you want to create a structure that preserves assets for future generations. You could also use a trust where you want to retain long-term control over the management of the business.

14.7 SUMMING UP

Now, you have come a long way from the idea generation stage to the business establishment and follow up. Entrepreneurship is a journey filled with lots of exciting twists and turns. It could be a roller-coaster, but it shall be fun for those who seek the same. It is now for you to think and decide, about the course of action to be pursued.

14.8 GLOSSARY

Mentor: An Experienced and trusted adviser.

14.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1. **Pragmatism:** Most entrepreneurs have lots of ideas. Some can be put into practice easily, but others will be pure passion and need refinement to implement. A good mentor will have some knowledge and some perspective on almost every business subject, which compounds their effectiveness. Look out, whether your potential mentor speaks sense on a variety of industries.

   Fortitude: Entrepreneurs tend to be driven by the crisis of the moment. As a result, they may neglect the real priorities of growing the business. Once you share your long-term goals with your mentor he may remind you at an appropriate time and help you to get back on the right track. Is your prospective mentor having such fortitude?

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QUESTIONS FOR REFLECTION AND PRACTICE

1. What are the different support schemes available from the Government of India for entrepreneurs at various stages of their enterprise
2. What are the qualities of an ideal mentor? Describe in detail.