

ENTREPRENEURSHIP AND MANAGEMENT & SMART TECHNOLOGY

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ch-1

Entrepreneurship development

Entrepreneur → person

Entrepreneurship → process

Enterprise → outcome

Entrepreneurship

process of developing, organising, running & setting up one own's business & taking up financial risk to make profit

Entrepreneur :-

The person who set up his own business & take its responsibilities & financial risk to make profit

Need & importance of Entrepreneurship:

(i) Life line of a nation :-

- No country can develop without the development of Entrepreneurship. So every country tries to increase its trade by having more enterprises.
- So, Entrepreneurship is a yardstick to measure the development of country.

(ci) provide innovation :-

- Entrepreneurs are innovators who develops new business ideas, tries new methods of production, new technology, new ways of marketing etc.

(cii) Growth & development of country :-

- Entrepreneur helps in development of country by increasing GDP of a country, increasing productivity, provide employment opportunities, use of local resources, improve exports etc.

(ci) Increased profit :-

Entrepreneur always tries to minimize cost, increase efficiency & get optimum utilization of resource. This all helps in increase profit.

(v) Employment opportunities :-

Entrepreneurship not only provide self employment opportunities to more & more people in case of successful enterprise.

(vi) Social benefits :-

Entrepreneurs → adopt latest technology → provide good quality goods & service.

- Enterprise → setup in backward area → balanced regional growth.

Characteristics of Entrepreneurship ::

① Innovation :-

- Entrepreneurship is innovation process.
- Does not mean invented.
- It means introducing new products, new technology, searching new market & discovering new source of raw material etc.

② Risk Bearing ::

- Business is full of risks & uncertainties.
- The entrepreneur has to bear a no. of risks on forming & running the enterprise.

③ Decision-making :-

- * Entrepreneurs have to take decision on selection of product, site, raw material, labour, technology etc.
- * Success of entrepreneurs depend on the ability to make decision promptly & accurately, & this requires a creative & analytical mind.

④ Dynamic Process :-

- In the course of time, enterprises grow, unsuccessful enterprise die & new enterprises are established.
- The nature of enterprise, methods of business, nature of technology ~~searching new market~~ & ~~discovering new source of raw material~~ etc change over a period of time.
- Today's Complex & Uncertain environment compels the entrepreneurs to remain dynamic in order to survive in the market.

⑤ Organizing Process :-

Entrepreneur has to organize various factors of product, create an organisation structure & define the roles & responsibilities of personnel & manage the enterprises.

⑥ Accepting challenges :-

- * Gives importance to accepting challenges by the entrepreneur.
- * In today's era of globalisation & hyper change entrepreneurs have to face more

challenges.

⑦ Management :-

Should manage the resources in an effective & viable manner.

Ans. 2(a)

Qualities of Entrepreneur :-

① Innovative Ability :-

Entrepreneur has a creative ability to search for new opportunities & introduce new techniques of production. He/she always keeps on trying new creative ideas.

② Risk taking :-

Business is all about taking risks & experimenting. So Entrepreneurs should have the risk taking ability to achieve their goal.

③ Leadership qualities :-

- Entrepreneurs should possess the qualities of a good leader.
- He should have the qualities like self discipline, presence of mind, high morale etc.

④ Future orientation :-

Entrepreneur plans & thinks for the future. He anticipates possibilities that lies beyond the present.

⑤ Desire for responsibility :-

He is ready to be personally responsible for the results of his decisions.

⑥ Skill in organising :-

- Entrepreneurs have skill in organising work & human resource.
- They are able to make productive use of all resources.

⑦ Flexibility :-

Entrepreneurs are adaptable & flexible to adjust according to changed circumstances.

⑧ Self confidence :-

Entrepreneurs that have high level of confidence are able to get the job done even under the most stressful conditions.

→ They understand that big challenges bring big rewards.

⑨ Disciplined :-

Entrepreneurs are disciplined enough & are focused on making their business work & eliminate any distractions to their goals.

10) knowledge :-

knowledge is the key to success.

- So an entrepreneur should possess complete knowledge of his industry.
- with knowledge only he can solve any difficulty or crisis.

Types of Entrepreneur

(1) Innovative Entrepreneur :-

Those entrepreneurs who introduce new product or services, new methods of production, discover new market etc.

- They are aggressive in nature & contribute towards building a modern capitalist economy.

- They generally found in developed countries where opportunities & resources are in abundance.

eg:- Walt Disney started Disney land in America.

(2) Imitative Entrepreneurs :-

- These Entrepreneurs usually copy innovation made by innovative Entrepreneurs.
- They are adaptive & more flexible.
- They generally found in under developed economics, where facilities for research & development are not easily available.
- eg: local mobile companies copy technology of big manufacture.

(3) Patrician Entrepreneurs

- They are usually second generation entrepreneurs in a family business enterprise.
- They are unwilling to take risk & do not start new venture.
- They follow foot steps of their predecessors.
- They are usually rigid & cautious in their approach.
- They are also shy & lazy.
- eg: Coparceners in Joint Hindu Family business.

(4) Drone Entrepreneurs :-

Those entrepreneurs who refuse to accept the opportunities that come their way.

→ They are traditional in their approach.

→ They are not ready to make changes in their existing production.

eg:- Farmers using traditional methods of cultivation even after development of modern technology.

Functions of Entrepreneur

① Innovator :- who tries to develop new technology, product & markets.

② Bearer of risks & Uncertainty :-

Prepared for the losses that may arise because of unforeseen contingencies in future.

③ Promoter :- They conceive the business idea, conduct feasibility studies, take steps to get the company registered & raise capital from the public other sources.

④ Supplier of capital :- They supply initial capital to the business.

- ⑤ Manager : The entrepreneur plans, organises, directs & controls the activities of the business.

Barriers to Entrepreneurship

① Environmental barriers

② Personal barriers

③ Social barriers

A Environmental barriers :-

① Non-Availability of Raw material :-

Especially during peak season is one of the obstacles inhibiting entrepreneurship.

This leads to competition for raw material.

② Lacked of Good Machinery :-

Good machines are required for the production of goods, because of rapid technology developments, machine become ~~obstacle~~ very soon.

③ Lacked of Skilled labour :-

Most important resources in any organisation unfortunately, desired manpower may not be available in an organisation.

④ Lack of Infrastructure:-

Lack of infrastructure facilities is a major barrier to the growth of entrepreneurship particularly in under developed & developing economies.

Infrastructure facilities include land & building, adequate & cheap power, proper transportation, water & drainage facilities etc.

⑤ Lack of fund :-

These are various methods by which an entrepreneur arrange for funds. Many people do not enter into entrepreneurial activities because of lack of fund.

⑥ Other Environmental Barriers

Lack of Business education, lack of motivation from government, high cost of production etc.

(B) Personal Barriers

(1) Unwillingness to Invest Money :-

Even though people have money, still they do not come in Entrepreneurship. They are not willing to take the risk of investing money in Business.

(2) Lack of confidence :-

Many People think that they lack what it takes to become an entrepreneur. They feel that they could not master all the skills.

(3) Lack of motivation :-

When an individual starts a new venture, he is filled with enthusiasm & drive to achieve success, But when faces the challenge of real business or bears loss, no has ideas don't work, he loses interest or motivation.

(4) Lack of Patience :-

The desire to achieve success in the first attempt or to become rich very soon is the prime motivating factor of modern youth.

- ~~which~~ when such dreams do not come true, they lose interest.

(5) Inability to Dream :-
Entrepreneurs who are short on vision or become satisfied with what they achieve sometimes lose interest in further expansion.

(C) Social Barriers :-

(1) Low Status :-

The society thinks that entrepreneurs are the people who exploit the society. Thus the attitude of the society towards entrepreneurs is not positive.

(2) Custom & Tradition of people

Most people want a real job. Even parents who are entrepreneurs wouldn't like their children to be same.

This lack of support from society & family hinders the growth of entrepreneur.

Entrepreneur Vs Manager

Entrepreneur

- ① He is the owner of the business.
- ② Entrepreneur is visionary & bears all financial risks.
- ③ Focuses on starting & expanding the business.
- ④ Key motivation for entrepreneur is achievement.
- ⑤ Reward for all efforts is profit he earns from the enterprise.
- ⑥ Entrepreneur can be informal & casual.
- ⑦ They are driven by the perception of opportunity.
- ⑧ Their focus is on business start up.
- ⑨ Reward is profit

Manager

- ① He is just an employee.
- ② Managers work for salary & does not have to bear any risks.
- ③ Focuses on daily smooth functioning of business.
- ④ Key motivation for manager comes from the power that comes with their position.
- ⑤ Remuneration is the salary he draws from the company.
- ⑥ Managers approach to every problem is very formal.
- ⑦ They are driven by the resources currently controlled by them.
- ⑧ Their focus is on ongoing operations.
- ⑨ Reward is salary.

Forms of Business Ownership

- Sole proprietorship
- Partnership forms & others
- Joint Hindu family business
- Cooperative Societies.
- Joint stock company.

Sole Proprietorship :-

- * The word "sole" implies "only".
- * & "proprietor" refers to "owner".
- * A sole proprietor is the one who is the one & only owner of a business.

It is a form of business organisation :-

- * which is owned, managed & controlled by an individual & also he/she is the recipient of all profits & bearer of all risks.

* Sole trader is a type of business unit where a person is solely responsible for providing the capital, for bearing the risk of the enterprise & for the management of business.

→ A business owned by one person & operated for his or her own profit

Joint Hindu Family Business

* One of the oldest forms of business organisation in the country.

* Refers to a form of organisation where in the business is owned & carried on by the members of the Hindu Undivided Family.

* Governed by the Hindu law.

* The basis of membership in the business is birth in a particular family & three successive generations can be members in the business.

* The business is controlled by the head of the family who is the eldest member & is called Karta.

All the Members have equal ownership right over the property of ancestor & they are known as coparceners.

Partnership

The Relation between persons who have agreed to share the profit of the business carried on by all or any one of them acting for all.

It is the relation which subsists between persons who have agreed to combine their property, labour or skill in some business & to share the profits therefore between them.

Cooperative Society

- It means working together & with others for a common purpose.
- Is a voluntary association of persons, who join together with the motive of welfare of the Member.
- Compulsary required to registered under the Cooperative Societies.
- It should contain at least 10 major persons to form a Society.
- The capital of society is raised from its members through issue of shares

- The society acquires a distinct legal identity after its registration.

Joint Stock Company

- * A company is an association of persons formed for carrying out business activities & has a legal status independent of its members.

~~Characteristics~~

Features:-

① Artificial Person:-

- does not have physical body like humans
- artificial person created by law.

② Separate legal entity

- Company & its members are separate individual.
- Can carry on business
- buy & sell assets
- enter into contract

3) Registration

Mandatory. (Under the act 1956)

4) Perpetual succession:-

- Company existence is independent of members.
- Company will continue even after death insolvency & incapacity of any member

5) Transferability of Shares

- Share → freely transferable.
- Share holder can easily withdraw his membership → sell his shares

6) Common Seal

- Company → artificial person - Can't sign
- So it has a Common seal with its name engraved on it
- Document → No common seal → Company is not bind for contract

7) Separation of ownership & control

- Company Owner → share holder
- share holder elect their representatives (Directors)
- Director → manage & control all act

8) Limited Liability

Liability of member → Limited (to the extent of capital contributed by them)

Less → Creditors Can't claim over their personal property

9) Transferability of Shares

- Shareholder can easily sell his share
- Share → freely transferable

10) Common Seal

- Do it has a Common Seal with its name
- Company → official person - Can't sign
- Document or No common seal → Company as not bind for contract

11) Separation of Ownership & Control

- Shareholder elect their representatives (Directors)
- Company Owner → Shareholder
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Classification of Industries

- Industry is concerned with making or manufacturing goods.

- It is that constitute of production which is involved in changing the form of a good at any stage from raw material to the finished product.

The industries may be classified as under:-

① Primary & Genetic Industry :-

- Genetic industry is related to the re-producing & multiplying of species of animals & plant with the object of earning profit from their sale.

- Nurseries, Cattle breeding, fish hatcheries, poultry farms are all covered under genetic industry.

② Extractive Industry :-

- The extractive industry is engaged in raising some form of wealth from the soil, climate, air, water or from beneath the surface of the earth.

- In these industries workers collect goods already existing.

- * Mining, fishing & hunting is covered in this industry.

3. Construction Industries :-

- * This industry is engaged in the creation of infra-structure for the smooth development of the company.
- * It is concerned with the construction, erection or fabrication of products.
- * These industries are engaged in the construction of buildings, roads, dams, bridges & canals.

4. Manufacturing Industry:-

- * This industry is engaged in the conversion of raw materials into semi-finished or finished goods.
- * This industry creates utility in goods by making them suitable for human use.
- * Manufacturing industry may be classified as follows:-

Analytical Industry :-

One product is analysed & many products are received as final products.

- * By processing of crude oil we get kerosene, petrol, gas & diesel etc.

Processing Industry :-

In this industry a product passes through various processes to become a final product.

- * In case of cotton textiles, cotton passes through ginning, weaving & dyeing process to become cotton cloth.

Synthetic Industry :-

In this industry many raw materials are brought together in manufacturing process to make a final product.

- * In manufacturing cement, - rocks, gypsum, coal etc are required.

Concept of start-ups

Startup India Scheme

- initiative of government of India to promote & support startup.
- This drive will help in economic growth & generate employment opportunities.

what is startup?

- startup is a business enterprise in the form of Pvt Ltd. Co, partnership or sole proprietorship registered in India, which was started less than 5 years ago & have annual turnover of less than 25 crore.

Schemes & Benefits offered by government of India for startups :-

(1) No inspection

→ No inspection for startups for first 3 years.

→ Need only self certification.

(2) Registration

One can registered startup in one day through a mobile app & a portal launched by government

(3) Income tax Exemption :-

Income tax Exemption is available for 1st three years, This exemption is available only after obtaining a Certificate from interministerial board.

(4) Capital gain tax Exemption :-

startups can claim this exemption for first 3 years.

(5) Benefit on patent & intellectual property

→ If startups applies for patent govt. will give 80% rebate on fee.

- protection for intellectual property rights are also provided under this scheme.

(6) Funding schemes for startups

→ Government has announced Rs 10000 Crore fund for new startup

→ Rs 500 crore for credit guarantee scheme.

→ Foreign aid is also provided to startups.

• Entrepreneurial support agencies at National State, District level (Sources): DIC, NSIC, OSIC, SIOBI, NABARD, Commercial Banks, KVIC etc.

• Technology Business Incubators (TBI) & Potential Areas Science & Technology Entrepreneur Parks.

① National level :- (MSME)

(i) Commercial Banks (v) OSIC

(ii) SIDBI (vi) KVIC

(iii) NABARD

(iv) NSIC

③ State Level

(i) SFC

(ii) SIDO

② District level :-

(i) DIC

* SFC - State Finance Corporations

* SIDO - Small Industries Development Organisation

* SIDBI - Small Industries Development Bank of India

* NABARD - National Bank for Agriculture & Rural Development

* NSIC - National Small Industries Corporation

* OSIC - Odisha Small Industries Corporation

* DIC - District Industries Centre

(i) NABARD

- * It was established in 1982
- * Apex institution to provide finance to small scale industries due to which rural development can happen ^{also on} agricultural development will come.

In rural area certain villages are there those have finance problem. NABARD Institute provide finance when ever they want finance.

(ii) SIDBI

→ Set up on april 1990 - Small industries Development bank of India Act 1990.

→ Promote, finance & develop small scale sector in India.

→ Financial assistance.

→ Coordinates - functions of other institution

(iii) NSIC

→ Set up in 1955

→ Supply indigenous & imported machine in easy installments.

→ Exports & improve credit worthiness.

- Upgradation of Technology.
- Advisory & mentoring services.
- Develops software technology park & technology transfer.

(iv) Commercial Banks

SBI - Largest public sector bank & PLI, has international branches & ATMs. It has some scheme for SSI (25 lacs (liberalised), PMRY, Upto 5 crore only 20% margin money is required.

For professional - upto 5 lakhs the margin money is not.

ICICI Bank

Provide loan on foreign currency for purchase of foreign raw material or machinery.

(v) OSIC :

It was established on 3rd April, 1972 as a wholly owned Corporation of Government of Odisha. The basic objective of the Corporation is to aid, assist & promote the MSMEs on the state for their sustained growth & development to gear up the industrial process on the state. Ex: NALCO, Thermal power plant.

(vi) KVIC

- * KVIC has its head office at Mumbai.
 - * KVIC is actively working for planning, promotion & production of khadi as well as setting up of village & rural industries in India.
 - * It gives emphasis on utilizing the locally available raw material & human skills which ultimately helps to generate non-farm employment opportunities in the rural areas.
 - * It also helps to strengthen the rural economy.
 - * It plays a role of coordinate with other agencies engaged in rural development.
- KVIC receives fund from the Ministry of Micro Small & Medium Enterprises for effective implementation of various programs & schemes.

The KVIC use these funds to implement its program either directly through its state offices or indirectly through Khadi & Village Industries Board.

Objective

- * The social objective of providing employment.
- * The economic objective of producing saleable article.
- * The wider objective of creating self-reliance amongst the poor & building up of a strong rural community spirit.

vi) DIC

- launched on 1st May - 1978
 - Services & support facilities to Entrepreneurs to set up small & village industries at district level.
 - focal point - Economic & Industrial growth at district level.
 - Assist the entrepreneurs to procure imported machinery & Raw material
- | |
|--|
| Technology Business Incubators (TBI) |
| & Science & Technology Entrepreneurs Parks |

Technology Business Incubators

It is an attractive innovation for entrepreneurs who want to start a business from zero.

- * It is provided by an organisation.
- * This organisation or centre is known as Business Incubator.

* They provide shared office space, management support service & management advice to entrepreneur.

- * "A business incubator is an organisation designed to accelerate the growth & success of entrepreneurial companies through an array of business support resources & services."

Science & Technology Entrepreneurs

- * Steps in autonomous body.
- * Steps create necessary climate for innovation, information exchange & opening new avenues.
- * Steps programme was initiated by the NSTEDD. (National Science Technology Entrepreneur Development Board)

Its objectives

- ① To have close linkage betⁿ institute
- ② To promote entrepreneurship among science & technology persons.
- ③ To provide R & D support

Chapter -2

Market Survey and Opportunity Identification (Business Planning)

"Business planning is a strategic process used by entrepreneurs to set objectives, evaluate market opportunities, allocate resources, and outline the operational and financial roadmap needed to successfully launch and run a business."

Small Scale Industries:

Small-scale industries (SSIs) are businesses that operate on a smaller scale compared to large corporations, with limited resources, investment, and workforce. They often focus on manufacturing, production, or service provision and are characterized by their relatively smaller size in terms of investment, revenue, and number of employees

Characteristics of SSI:

1. Limited Investment

Investment in plant and machinery is limited (e.g., in India, as per MSME classification, micro & small enterprises have a cap on investment and turnover).

Capital requirements are low compared to large-scale industries.

2. Labor-Intensive

SSIs typically use more labor than automation.

They generate substantial employment opportunities with relatively low capital investment.

3. Localized Operations

Operate in specific geographic areas, often catering to local or regional markets.

Utilize local resources (raw materials, labor, etc.).

4. Flexibility

More adaptable and responsive to changes in the market.

Easy to modify production lines to meet changing demand.

5. Ownership and Management

Mostly owned, managed, and operated by individuals, partnerships, or small groups.

Decision-making is quick and centralized, usually done by the owner.

8. Lower Production Capacity

Output is relatively low and often customized.

Not equipped for mass production.

ANCILLARY UNITS:

Ancillary units are small businesses that primarily supply parts, components, or services to larger, "parent" or "master" units.

TINY INDUSTRY:

Tiny Industry: Tiny Scale industry is *one in which the investment in plant and machinery is less than Rs.25 lakhs* irrespective of the location of the unit.

SERVICE SECTOR UNITS:

The service sector **provides services, rather than producing material commodities**. Activities in the service sector include retail, banks, hotels, real estate, education, health, social work, computer services, recreation, media, communications, electricity, gas and water supply.

TIME SCHEDULE PLAN:

Time scheduling is **a collection of techniques used to develop and present schedules that show when work will be performed.**

1. Project Activities and Duration:

- Identify all tasks required for a project and estimate their duration.
- Break down large projects into smaller, manageable tasks.

2. Prioritize Tasks:

- Determine which tasks are most important and need to be completed first.
- Focus on "Big Rocks" or critical tasks that contribute to overall goals.

3. Schedule Tasks:

- Allocate specific time slots for each task, considering deadlines and priorities.
- Utilize tools like Gantt charts or project management software to visualize the schedule.

4. Incorporate Breaks and Discretionary Time:

- Schedule regular breaks to avoid burnout and maintain focus.
- Include time for personal activities and rest to ensure a healthy work-life balance.

5. Review and Adjust:

- Regularly assess the schedule to identify areas for improvement.
- Adapt the plan based on performance and changing priorities.

Agencies to be contacted for Project Implementation:

For effective project implementation, several types of agencies can be contacted include government bodies, NGOs, and specialized implementation support agencies

1. Government Agencies:

National Project Implementation Unit (NPIU):

A unit of the Ministry of Human Resource Development, Government of India, that coordinates, facilitates, monitors, and provides guidance on projects.

State Rural Livelihoods Missions (SRLMs):

These state-level bodies play a crucial role in implementing various rural development schemes.

2. Non-Governmental Organizations (NGOs):

Action for Food Production (AFPRO):

An NGO with expertise in land and water management and other development areas.

- **Other specialized NGOs:**

Depending on the project's focus, NGOs with relevant experience and expertise in the field should be identified and contacted

Assessment of Demand and Supply and Potential are of growth

1. Demand Assessment

Consumer Needs and Preferences: Analyse shifting consumer behaviours—preferences for convenience, personalization, sustainability, and digital experiences.

Market Size & Growth Trends: Examine whether the market is growing, stagnant, or declining. Use tools like market surveys, Google Trends, industry reports.

2. Supply Assessment

Current Players: Who are the major competitors? What are they offering?

Market Saturation: Is the market flooded with similar offerings, or is there room for innovation?

Potential Areas of Growth for Entrepreneurs

1. Green and Sustainable Businesses

Renewable energy (solar panel installation, EV charging stations)

Eco-friendly packaging and products

Carbon offset and environmental consulting

2. Digital and AI-Driven Services

AI-powered productivity tools and SaaS

Cybersecurity and data privacy solutions

Identifying business opportunities in entrepreneurship

Online education platforms and e-learning tools

Identifying business opportunities involves **recognizing gaps in the market, emerging trends, consumer needs, or areas where there is room for innovation and improvement.**

1. Understanding the Market:

Market Research: Conduct thorough research to understand your target audience, their needs, and the competitive landscape.

Identify Gaps: Look for unmet needs, underserved markets, or areas where existing solutions can be improved.

Analyze Trends: Stay informed about industry trends, technological advancements, and broader societal changes that may create new opportunities.

Competitor Analysis: Examine your competitors' strengths, weaknesses, and market strategies to identify potential areas for differentiation.

2. Generating Ideas:

Brainstorming:

Engage in brainstorming sessions to generate a wide range of potential business ideas.

Problem Solving:

Identify problems that people are facing and develop solutions that can be transformed into a business.

Networking:

Connect with other entrepreneurs, industry experts, and potential customers to gain insights and new perspectives.

3. Evaluating Opportunities:

Feasibility Analysis: Assess the practicality and financial viability of your business idea.

Risk Assessment: Identify potential risks and develop strategies to mitigate them.

Business Plan Development: Create a comprehensive business plan that outlines your goals, strategies, and financial projections.

Validation: Test your business idea with potential customers to gather feedback and refine your concept.

4. Key Considerations: **Your Skills and Resources:** Evaluate your own strengths, weaknesses, and available resources to ensure alignment with the chosen opportunity.
Scalability: Consider the potential for growth and expansion of your business.
Regulatory Environment: Ensure compliance with relevant laws and regulations.

Final Product

Product selection is a **strategic decision consisting of “what product is to be produced – in what form, what features and what number”** whereas Process Selection decides about the quality and quantity of the manpower, capital requirement and the choice of processes used for the production.

Chapter-3

PROJECT REPORT PREPARATION

A Preliminary Project Report (PPR) is a concise document that provides an overview of the intended project, including its background, objectives, methodology, expected outcomes, and preliminary cost or resource estimates. It is often used to assess the viability of the project before committing significant resources.

Key Components of a Preliminary Project Report:

1. Title of the Project
2. Introduction / Background
3. Objectives of the Project
4. Problem Statement
5. Scope of the Project
6. Methodology or Proposed Approach
7. Expected Outcomes or Deliverables

Purpose of a Preliminary Project Report:

- To evaluate the feasibility of a project.
- To provide a clear understanding of project goals and direction.
- To assist in decision-making regarding project approval.
- To serve as a communication tool between stakeholders.

Detailed Project Report:

1. Project Summary and Background:

This section provides an overview of the project, its objectives, and the problem it aims to solve.

2. Company and Management Profile:

Details about the company's background, its management team, and their experience and expertise.

3. Product/Service Description:

A clear explanation of the product or service offered, including its features, benefits, and target market.

4. Market Analysis:

An in-depth assessment of the market, including market size, growth potential, competition, and marketing strategies.

5. Technical and Production Aspects:

Details about the technology to be used, the production process, the required machinery and equipment, and the raw material requirements.

6. Financial Projections:

This includes projected income statements, balance sheets, cash flow statements, and key financial ratios.

7. Organizational Structure and Management:

Details about the organizational structure, staffing requirements, and management team.

Techno Economic Feasibility:

It is a process that assesses the feasibility of a project, taking into account the technical and economic aspects of the project and evaluating its potential for success.

Purpose of a techno-economic feasibility study:

Informed Decision Making:

Provides a data-driven basis for deciding whether to proceed with a project.

Resource Optimization:

Helps identify the most efficient and cost-effective way to implement the project.

Risk Management:

Enables proactive identification and mitigation of potential risks

Project Viability:

A project is viable if it is able to meet its objectives within the constraints of available resources. In other words, a viable project is one that can be completed successfully given the time, money, and other resources that are available.

- ① Definitions of management
- ② Principles of management
- ③ Functions of management
- ④ Level of management in an Organisation

Definition

Management is defined as a process of getting things done with the aim of achieving goals effectively & efficiency.

Principles of management

① Division of work

According to this principle, the work is divided into different kinds such as technical, financial, commercial accounting & managerial.

It is assigned to employees as per their qualities & capabilities.

② Authority & Responsibility

Authority is the right to take decisions, it is necessary to get the things done appropriately from subordinates.

③ Discipline :-

Employee must obey & respect the rules that govern the organisation

④ Unity of command :-

Each member of organisation should receive orders from only one supervisor

⑤ Unity of Direction

This principle states that there should be one head & one plan in every organization

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Financially as well as retain them
for long span of time within the
organization.

Skills, Expertise, knowledge, Tenure
cost of living, market trend,
profitability of the organisation

⑨ Line of Authority / Scalar chain

Scalar chain means the hierarchy of
authority from the top level to the
lower level for the purpose of
communication.

Employee A

B

C

D

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2023	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30

⑩ Order

This principle is based on a place for everything & everything on its place.

⑪ Equity

Management should be fair as well as friendly to the subordinates.

⑫ Stability of Tenure of Personnel

At the time of recruitment of ^{Sunday 18} employees, the management should assure them about stability of tenure or job security.

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Initiative

Initiative refers to volunteering to do the work in an innovative way.

(14)

Team work

If all employees are working as a team & with mutual trust the difficulties can be solved quickly.

JUN	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S							
2023	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	•

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Wk 26 • 172-193

Wednesday

June

2023

② Organising:-

* To organise the activities & establishing an organisation structure to execute the plan.

* Deciding the framework of working how many units & subunits or departments are needed, how many posts or designations are needed in each department

* How to distribute the authority & responsibility among different people

③ Staffing :- It is a function of a manager.

It refers to recruiting, selecting, appointing the employees, assigning them duties & maintaining cordial relations & taking care of ^{problems} grievances of employee

- Training & Developing the employees
- Deciding Remuneration, Promotion.
- Maintaining, Personal records of employees

23

Friday

Wk 26 • 174-191

June

2023

④ Directing :-

Giving directions or instructions to employees & get work done by motivating them, supervising the activities of employee, communicating with them.

It includes supervising, motivating, communicating & leadership.

⑤ Controlling

It is last function of manager.

Managers try to match Actual performance with the planned performance.

2023

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June

24

Saturday

- If there is no match between both then managers try to find out the reasons of deviation & suggest corrective measures.

Sunday 25

S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	JUL
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Monday

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June

2023

Level of management

① Top level management:

It consists of senior most executives of organisation.

eg:- chairman, Board of directors, president, vice president etc.

- These managers have maximum authority.

Function of Top level management

① Determine objectives of enterprise

They formulate both long term as well as short term objective.

- ② They frame plans & policies $\Rightarrow$ to achieve objectives.
- ③ Assign Jobs to individuals working at middle level.
- ④ Arrange finance, fixed assets to carry on day to day activities.
- ⑤ Responsible for survival & growth of organisation - make plans to run organisation smoothly & successfully.
- ⑥ Remains in contact with outside world.
eg: government, competitors, suppliers
- ⑦ They analyse business Environment & effect on organisation

28

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Wednesday

June

2023

② Middle level Management :

It consists of purchase department heads, finance manager, marketing manager, plant superintendent.

They execute plans & policies of middle top management.

Function of middle level management

① Implement & explain the policies & plans made by top management to lower level.

② Linking pos between Top level & lower level.

- ③ Middle level managers $\Rightarrow$ Head of some department. - So they organize resources & activities of their department.
- ④ Recruiting & appointing employees required for their department.
- ⑤ Motivate employees so that they give their best.
eg. gave incentives to employees.
- ⑥ Control & instruct employees.
- prepare their performance reports, appraisal reports etc.
- ⑦ Cooperate with other department

② Supervisory (lower) level management

It consists of supervisors, foreman, clerk, sub department executive.

Function of lower level management

- (1) Represent the problems of workers before the middle level management
- (2) provide good working conditions to workers
- (3) They provide safe & secure work environment for workers
- (4) Help middle level managers in recruiting, selecting & appointing workers

- (5) Communicate with worker
welcome their suggestions
encourage them to take initiative
- (6) minimise wastage of resource
- (7) Develop team spirit

CHAPTER-5

Function Areas of Management

The main functional areas of management typically include Human Resources, Marketing, Operations, and Finance

A) Production Management

Key Areas of Production Management in Entrepreneurship:

1. Production Planning

Objective: Determine what to produce, how much, and when.

Includes capacity planning, resource planning, and scheduling.

Entrepreneurs must align production with customer demand and market trends.

2. Product Design and Development

The entrepreneur must ensure that the product meets market needs.

Design must be efficient for production and cost-effective.

Involves prototyping, testing, and refining.

3. Process Design and Technology Selection

Choosing the right production process (batch, mass, or job production).

Selecting suitable technology or equipment to ensure scalability and quality.

4. Facility Location and Layout

Choosing a location based on cost, proximity to markets, suppliers, and labor.

Facility layout (e.g., process, product, or fixed-position) affects workflow and efficiency.

5. Materials Management

Involves procurement, storage, and handling of raw materials.

Efficient inventory control using systems like JIT (Just-in-Time) or EOQ (Economic Order Quantity).

6. Quality Control and Assurance

Implementing quality checks and standards (ISO, Six Sigma).

Ensuring consistent product quality to build customer trust.

7. Cost Control and Budgeting

Tracking and minimizing production costs.

Budgeting helps in financial planning and cost estimation.

8. Production Scheduling

Allocating resources and timing tasks to meet delivery deadlines.

Tools: Gantt charts, PERT/CPM.

9. Maintenance Management

Regular maintenance of equipment to avoid production delays.

Includes preventive and corrective maintenance.

10. Sustainability and Waste Management

Entrepreneurs are increasingly focusing on eco-friendly production.

Implementing lean manufacturing and green practices to reduce waste and energy use.

Importance of Production Management for Entrepreneurs:

Ensures efficient use of limited resources.

Helps maintain consistent product quality.

Improves customer satisfaction through timely delivery.

Enhances profitability by reducing waste and managing costs.

Supports scalability as the business grows.

B) Inventory Management

Need for Inventory Management:

Inventory management is essential for organizations to ensure smooth operations, reduce costs, and maintain customer satisfaction. The key reasons for inventory management include:

1. Cost Control:

Reduces holding costs (storage, insurance, depreciation).

Minimizes wastage, theft, or obsolescence.

2. Ensures Product Availability:

Prevents stock outs that can lead to production halts or lost sales.

Maintains adequate supply to meet customer demand.

3. Efficient Use of Resources:

Helps in optimal utilization of storage space and capital.

Balances supply with demand effectively.

4. Improves Cash Flow:

Avoids overstocking, freeing up working capital for other uses.

Better cash management through planned purchases.

5. Enhances Customer Service:

Ensures timely delivery of products, improving customer satisfaction and loyalty.

6. Data-Driven Decisions:

Provides insights into sales trends, demand forecasts, and supplier performance.

Techniques of Inventory Management

Here are common inventory management techniques used by businesses:

1. ABC Analysis

A-items: High-value, low-quantity items – need tight control.

B-items: Moderate-value, moderate-quantity – need regular monitoring.

C-items: Low-value, high-quantity – require simple controls.

2. Economic Order Quantity (EOQ)

Determines the ideal order quantity that minimizes total inventory costs (ordering + holding costs).

3. Just-In-Time (JIT)

Inventory is ordered and received only as needed in the production process, reducing holding costs.

Requires strong supplier relationships and accurate demand forecasting.

4. First-In, First-Out (FIFO) / Last-In, First-Out (LIFO)

FIFO: Older inventory is sold first (useful for perishable goods).

LIFO: Newest inventory is sold first (useful in inflationary environments for tax benefits).

5. Safety Stock Management

Maintaining a buffer stock to prevent stock outs due to demand spikes or supply delays.

6. Reorder Point (ROP)

Inventory level at which a new order should be placed to avoid stock outs

7. Perpetual Inventory System

Continuous tracking of inventory through real-time updates via software or RFID/barcode systems.

8. Periodic Inventory System

Inventory is physically counted at regular intervals (e.g., monthly, quarterly).

9. Vendor Managed Inventory (VMI)

Suppliers manage the inventory levels of their products at the customer's location.

10. Demand Forecasting

Predicting future inventory requirements using historical sales data, market trends, and seasonality.

Financial Management:

Financial Management refers to the planning, organizing, directing, and controlling of financial activities such as procurement and utilization of funds. It focuses on managing a company's financial resources to achieve its business objectives and maximize shareholder wealth.

Functions of Financial Management:

1. Financial Planning

Estimating capital requirements

Determining sources of funds (equity, debt, etc.)

Budgeting and forecasting

2. Capital Structure Decisions

Deciding the right mix of debt and equity

Balancing risk and return

3. Investment Decisions

Evaluating investment opportunities (capital budgeting)

Allocating resources to projects that offer the best return

4. Dividend Decisions

Determining how much profit to retain vs. distribute

Choosing dividend payout ratio

5. Liquidity Management

Ensuring the firm has enough cash to meet short-term obligations

Managing cash flows efficiently

6. Financial Control

Monitoring and evaluating financial performance

Using tools like ratio analysis, cost control, and internal audits

Management of Working Capital:

$\text{Working Capital} = \text{Current Assets} - \text{Current Liabilities}$

Working Capital Management involves managing short-term assets and liabilities to ensure the company maintains sufficient liquidity to run its operations smoothly.

Key Elements:

1. Cash Management

Ensuring availability of cash when needed

Managing cash inflows and outflows efficiently

2. Inventory Management

Maintaining optimal inventory levels to avoid overstocking or stock outs.

Using techniques like EOQ (Economic Order Quantity), JIT (Just-in-Time)

3. Receivables Management

Managing credit policy to ensure timely collection from customers

Assessing customer creditworthiness

4. Payables Management

Strategically delaying payments to suppliers without affecting credit rating

Taking advantage of discounts when beneficial

Marketing Management:

1. Concept of Marketing Management

Marketing Management refers to the process of planning, organizing, implementing, and controlling marketing activities to achieve organizational goals and satisfy customer needs efficiently and profitably.

It involves:

Identifying target markets

Understanding customer needs and wants

Developing products or services that satisfy these needs

Creating pricing strategies

Promoting products effectively

Distributing products efficiently

2. Key Concepts in Marketing Management

3. Common Marketing Techniques

a) Traditional Marketing Techniques:

1. Television and Radio Advertising – Broad reach for awareness campaigns.
2. Print Advertising – Newspapers, magazines, brochures.
3. Outdoor Advertising – Billboards, transit ads.
4. Public Relations (PR) – Building a favorable image through media exposure.
5. Direct Marketing – Direct communication via mail, catalogs, or telephone.

b) Modern/Digital Marketing Techniques:

1. Search Engine Optimization (SEO) – Improving website visibility on search engines.
2. Social Media Marketing – Promoting through platforms like Instagram, Facebook, LinkedIn.

Human Resource Management:

Human Resource Management (HRM) is a critical function in any organization focused on managing people effectively to enhance performance and ensure employee well-being. It involves a range of functions and responsibilities aimed at developing, maintaining, and optimizing the workforce.

Functions of Human Resource Management (HRM)

1. Human Resource Planning

Forecasting future HR needs

Analyzing current human resources

Identifying gaps between demand and supply

2. Recruitment and Selection

Attracting qualified candidates

Conducting interviews, tests, and background checks

Selecting the most suitable candidates

3. Training and Development

Organizing orientation programs

Enhancing employee skills through training

Career development and succession planning

4. Performance Management

Setting performance standards

Conducting appraisals

Providing feedback and performance-based rewards

5. Compensation and Benefits

Designing salary structures

Offering incentives and bonuses

Managing employee benefits like health insurance, leave, etc.

6. Employee Relations

Handling grievances and conflicts

Promoting positive workplace culture

Ensuring compliance with labor laws

7. Health, Safety, and Welfare

Implementing safety measures

Conducting health and safety training

Supporting employee well-being

8. Compliance and Legal Issues

Ensuring adherence to labor laws and employment regulations

Managing employee contracts and documentation

Manpower Planning (Human Resource Planning)

Definition:

Manpower planning is the process of estimating the number and type of employees required to meet organizational goals. It ensures the right number of people, with the right skills, are in the right jobs at the right time.

Steps in Manpower Planning

1. Analyzing Organizational Objectives

Understand short- and long-term goals of the organization

2. Forecasting Demand for Human Resources

Estimate future HR needs based on business plans, expansions, or retirements

3. Analyzing Current Human Resources

Evaluate current workforce capabilities and skills

4. Identifying HR Gaps

Compare current and future needs to identify shortages or surpluses

5. Developing Action Plans

Recruitment, training, transfers, or downsizing strategies

6. Monitoring and Evaluation

Review effectiveness and adjust plans as needed

Importance of Manpower Planning

Ensures optimum use of human resources

Helps avoid manpower shortages or surpluses

Supports organizational growth and expansion

Improves productivity and reduces labor costs

Aids in strategic decision-making

CHAPTER -6

LEADERSHIP AND MOTIVATION

LEADERSHIP:

In management, leadership is the ability to guide, influence, and motivate individuals or teams to achieve common goals. It's not just about holding a position of authority, but also about inspiring others to work willingly and enthusiastically towards a shared vision.

Importance of leadership

1. They communicate clearly
2. They're passionate about their work
3. They don't care about being popular
4. They keep their minds open
5. They work for their employees
6. They're positive and encouraging
7. They respect others
8. They build relationships.

Functions of Leadership:

1. Setting Goals and Direction

Establishing a vision and defining objectives for individuals or teams.

2. Motivating and Inspiring

Encouraging team members to give their best and stay committed to goals.

3. Planning and Organizing

Structuring resources, tasks, and timelines efficiently.

4. Building Teams

Creating cohesive, cooperative teams by promoting collaboration and resolving conflicts.

5. Decision-Making

Analysing situations and making strategic choices to drive results.

6. Monitoring and Evaluating

Tracking progress, giving feedback, and making adjustments as necessary.

7. Developing People

Coaching, mentoring, and providing opportunities for growth and development.

8. Representing the Group

Acting as the spokesperson and bridge between the team and external stakeholders.

Qualities of Leadership:

1. Visionary Thinking

Leaders have a clear sense of direction and long-term goals.

They inspire others by communicating a compelling vision.

2. Integrity

Honesty, ethics, and consistency in actions build trust with followers.

3. Confidence

A good leader believes in themselves and their decisions, inspiring confidence in others.

4. Communication Skills

Effective leaders communicate clearly, listen actively, and provide constructive feedback.

5. Empathy

Understanding and sharing the feelings of others helps in building strong relationships.

6. Decisiveness

Leaders must make timely and well-informed decisions, even under pressure.

7. Accountability

Accepting responsibility for actions and outcomes, both personal and team-related.

8. Adaptability

Being flexible and open to change in dynamic environments.

9. Inspirational

Motivating and energizing others through words, actions, and behaviour.

10. Delegation Skills

Trusting team members with responsibilities and empowering them to perform.

Difference between Manager and Leader:

1. Focus of Role

Manager: Focuses on processes, tasks, and systems. Ensures things are done efficiently and correctly.

Leader: Focuses on people, vision, and change. Inspires and motivates others to achieve goals.

2. Authority

Manager: Holds a formal position of authority. Their power comes from their organizational role.

Leader: May or may not hold a formal title. Their power comes from influence, trust, and respect.

3. Goals

Manager: Aims for stability, consistency, and short-term results.

Leader: Aims for innovation, transformation, and long-term vision.

4. Approach to Change

Manager: Often resists change if it disrupts efficiency.

Leader: Embraces and drives change to improve and evolve.

5. Style

Manager: Often uses a directive or transactional style (giving instructions, managing performance).

Leader: Often uses a transformational or inspirational style (building relationships, motivating people).

6. Risk Attitude

Manager: Tends to minimize risk and follow established procedures.

Leader: More willing to take risks and explore new ideas.

7. Key Skills

Manager: Planning, organizing, budgeting, controlling, and problem-solving.

Leader: Vision-setting, inspiring, communicating, mentoring, and strategic thinking

Style of Leadership (Autocratic, Democratic, Participative)

1. Autocratic Leadership

The leader makes decisions unilaterally, without much input from team members.

Key Features:

Centralized decision-making

Clear expectations and instructions

Little to no input from subordinates

Advantages:

Fast decision-making

Clear direction and control

Disadvantages:

Can demotivate employees

Limits creativity and collaboration

2. Democratic Leadership

The leader involves team members in the decision-making process, although the final decision rests with the leader.

Key Features:

Encourages group discussion and input

Promotes teamwork and collaboration

Leader still retains final authority

Advantages:

Increases team morale and job satisfaction

Encourages innovation and creativity

Disadvantages:

Time-consuming decision-making

Can lead to conflict if opinions differ

3. Participative Leadership (Similar to Democratic, but more inclusive)

The leader actively seeks and values input from the team, often sharing decision-making responsibilities.

Key Features:

Shared decision-making

Empowers employees

Open communication

Advantages:

High levels of employee engagement

Builds trust and respect

Encourages ownership and accountability

Disadvantages:

Slower decision-making

Can be inefficient in urgent situations

Motivation: The entrepreneurial motivation is the process that activates and motivates the entrepreneur to exert higher level of efforts for the achievement of his/her entrepreneurial goals.

Characteristics of Motivation:

1. Goal-Oriented:

Entrepreneurs are driven by clear goals—whether it's starting a new business, launching a product, or solving a specific problem.

Motivation helps them stay focused and committed to achieving these goals despite obstacles.

2. Intrinsic and Extrinsic Motivation:

Intrinsic Motivation: Comes from internal desires such as passion, innovation, self-fulfillment, and independence.

Extrinsic Motivation: Includes external rewards like profit, recognition, market success, and social status.

3. Risk-Taking Appetite:

Entrepreneurial motivation often includes a willingness to take calculated risks.

Entrepreneurs are not necessarily reckless, but they are motivated by the potential of high reward despite uncertainty.

4. Persistence and Resilience:

Motivated entrepreneurs show high resilience and grit, continuing their efforts despite failures or setbacks.

They use failure as a learning tool rather than a deterrent.

5. Innovation-Driven:

Motivation in entrepreneurs is often closely linked to a desire to create, innovate, and do things differently.

It fuels the search for new opportunities and unique value propositions.

6. Need for Achievement:

Coined by David McClelland, many entrepreneurs have a high need for achievement, which motivates them to set and attain challenging goals.

7. Autonomy and Independence:

A strong desire to be their own boss or have control over decisions is a common motivational trait.

Entrepreneurs are often motivated by freedom from traditional job constraints.

8. Vision and Passion:

Passion is a powerful motivator that sustains entrepreneurs through long working hours, stress, and uncertainty.

Vision helps keep them aligned with long-term objectives.

9. Proactiveness:

Motivated entrepreneurs tend to take initiative rather than waiting for things to happen. They are opportunity-seekers and often act before competitors do.

10. Commitment to Value Creation:

Entrepreneurs are often motivated by the desire to solve problems or add value to society, not just earn profits.

Importance of Motivation:

1. Initiates Entrepreneurial Action

Motivation is what triggers the decision to start a business.

It helps entrepreneurs move from an idea to action, overcoming the fear of risk and failure.

2. Sustains Effort and Persistence

Entrepreneurship involves continuous effort, long hours, and facing setbacks.

Motivated entrepreneurs are more likely to stay committed during tough times and keep pushing towards their goals.

3. Enhances Creativity and Innovation

A highly motivated entrepreneur tends to think creatively and look for innovative solutions.

Motivation encourages out-of-the-box thinking which is crucial in a competitive market.

4. Boosts Risk-Taking Ability

Starting and running a business involves taking calculated risks.

Motivation helps entrepreneurs accept and manage risks positively, viewing them as opportunities rather than threats.

5. Encourages Goal Setting and Achievement

Motivation drives entrepreneurs to set clear, achievable goals.

It helps them maintain focus and work systematically toward reaching milestones.

6. Builds Resilience

Failures and rejections are common in business.

Motivated entrepreneurs are more resilient, learning from mistakes instead of giving up.

7. Inspires Team and Stakeholders

A motivated entrepreneur can inspire employees, attract investors, and build strong relationships with customers and partners. Their passion becomes contagious, creating a positive and productive work environment.

8. Drives Growth and Expansion

Motivation doesn't stop at startup success. It also fuels the desire for business growth and improvement.

Entrepreneurs driven by a strong internal motive constantly seek to scale their ventures.

Theory of Motivation (As per Maslow):

Maslow's theory of motivation is one of the most well-known and widely used psychological theories in understanding human motivation. It is called Maslow's Hierarchy of Needs, proposed by Abraham Maslow in 1943 in his paper "A Theory of Human Motivation."

Maslow's Hierarchy of Needs – Overview

Maslow suggested that human needs are arranged in a hierarchical order, from the most basic physical needs to higher-level psychological and self-fulfillment needs. According to him, people are motivated to fulfill these needs in order, starting from the lowest level.

The Five Levels of Maslow's Hierarchy

1. Physiological Needs (Basic Needs)

These are biological requirements for human survival.

Examples: Food, water, air, shelter, sleep, clothing, reproduction.

If these needs are not satisfied, human body cannot function properly.

2. Safety Needs (Security Needs)

Once physiological needs are met, people seek safety and security.

Examples: Personal security, financial security, health and well-being, safety against accidents and injury.

3. Love and Belongingness Needs (Social Needs)

After safety, the need for interpersonal relationships becomes important.

Examples: Friendship, intimacy, trust, acceptance, receiving and giving affection and love.

4. Esteem Needs

After feeling loved and accepted, individuals seek esteem and respect.

Two categories:

Self-esteem (confidence, achievement, independence)

Esteem from others (status, recognition, attention)

Lack of esteem can lead to feelings of inferiority or helplessness.

5. Self-Actualization Needs

This is the highest level in Maslow's hierarchy.

It refers to the realization of a person's full potential.

Examples: Pursuing personal growth, creativity, problem-solving, moral development.

Key Features of the Theory

Progressive Structure: Lower-level needs must be reasonably satisfied before moving on to higher-level needs.

Motivation Decreases as Needs Are Fulfilled: Once a need is satisfied, it no longer motivates behavior.

Individual Variation: Not everyone moves through the hierarchy in the same way or at the same pace.

Applications of Motivation:

In Education: Teachers can foster a supportive learning environment by meeting students' basic and psychological needs.

In Workplace Motivation: Employers use Maslow's hierarchy to design incentives and a positive organizational culture.

In Healthcare and Therapy: Understanding a patient's unmet needs can guide treatment.

Method of Improving Motivation:**1. Set Clear, Achievable Goals**

Why it works: Goals provide direction and a sense of purpose.

How to apply:

Break large goals into smaller, manageable tasks.

Use SMART criteria (Specific, Measurable, Achievable, Relevant, and Time-bound).

Regularly track progress and celebrate small wins.

2. Develop a Strong “Why”

Why it works: A clear personal mission or passion fuels long-term motivation.

How to apply:

Reflect on your core values and reasons for starting your business.

Align your business with causes or problems you deeply care about.

3. Build a Growth Mindset

Why it works: Entrepreneurs face constant failure and uncertainty; a growth mindset helps them see challenges as opportunities.

How to apply:

View setbacks as learning experiences.

Seek feedback and use it constructively.

4. Surround Yourself with Motivated People

Why it works: Motivation is contagious; the right network can inspire and hold you accountable.

How to apply:

Join entrepreneurial communities, mastermind groups, or accelerators.

Find mentors or accountability partners.

Attend events and conferences for inspiration.

5. Practice Self-Care and Work-Life Balance

Why it works: Burnout kills motivation. Healthy entrepreneurs are more productive and creative.

How to apply:

Schedule regular breaks and time off.

Exercise, eat well, and sleep enough.

Engage in hobbies outside of work.

6. Visualize Success

Why it works: Visualization helps entrepreneurs stay mentally focused and emotionally connected to their goals.

How to apply:

Practice daily affirmations or mental rehearsal of success.

Use vision boards or journaling to reinforce long-term dreams.

7. Use Intrinsic and Extrinsic Rewards

Why it works: Both internal satisfaction and external incentives boost drive.

How to apply:

Set personal rewards for achieving milestones.

Use recognition, bonuses, or team celebrations to maintain morale.

8. Keep Innovating and Experimenting

Why it works: Novelty and progress can reignite passion when routine becomes dull.

How to apply:

Test new ideas regularly (e.g., A/B testing, MVPs).

Take on new challenges that align with your vision

Importance of Communication on Business:

1. Building Relationships

Entrepreneurs must communicate effectively with stakeholders—investors, customers, suppliers, and employees. Strong relationships are built on trust and clear communication, which are essential for collaboration and long-term success.

2. Attracting Investors

To secure funding, entrepreneurs need to pitch their ideas clearly and persuasively. Good communication helps convey the value of the business, the vision, and the growth potential to potential investors.

3. Leading Teams

As a leader, an entrepreneur must communicate the company's goals, values, and strategies to motivate and align team members. This helps create a shared vision and improves productivity.

4. Marketing and Customer Engagement

Entrepreneurs need to understand their target audience and communicate the value of their products or services effectively. Marketing, branding, and customer service are all dependent on strong communication.

5. Problem Solving and Decision Making

Clear communication ensures that problems are identified early and solutions are discussed openly. It enables better decision-making by ensuring all relevant information is shared and understood.

6. Negotiation and Persuasion

Entrepreneurs often negotiate deals, partnerships, and contracts. Effective communication helps them articulate their needs, understand the other party, and reach mutually beneficial agreements.

7. Building Company Culture

Communication shapes company culture. Entrepreneurs set the tone by how they speak, listen, and share ideas, which impacts employee engagement and retention.

Types of Communication in Entrepreneurship

1. Verbal Communication

Face-to-face meetings, phone calls, video conferencing

Essential for negotiations, presentations, and leadership

2. Non-verbal Communication

Body language, facial expressions, posture, tone of voice

Often reflects confidence, openness, and trustworthiness

3. Written Communication

Emails, business plans, proposals, memos, reports

Used in documentation, formal communication, and marketing

4. Visual Communication

Charts, graphs, infographics, branding materials

Helps simplify complex data and enhance understanding

5. Digital Communication

Social media, websites, messaging apps (Slack, WhatsApp)

Crucial for customer interaction, team collaboration, and branding

◆ Barriers to Communication in Entrepreneurship

1. Language and Semantic Barriers

Use of jargon, unfamiliar terms, or language differences

Misinterpretation of messages due to word choices

2. Cultural Barriers

Differences in customs, beliefs, and communication styles

May lead to misunderstanding in international business settings

3. Emotional Barriers

Stress, fear, ego, or lack of trust can hinder open communication

Negative emotions can distort how messages are sent/received

4. Perceptual Barriers

Differences in perception due to background or experience

A message may be understood differently by different individuals

5. Technological Barriers

Poor internet connection, incompatible software, or lack of digital skills

Hinders smooth digital communication especially in remote work

6. Organizational Barriers

Poor hierarchy, unclear reporting lines, or bureaucracy

Leads to miscommunication or message distortion

7. Physical Barriers

Noise, distance, or environmental distractions

Particularly relevant in manufacturing or field operations

8. Lack of Feedback

One-way communication with no opportunity for response or clarification

Leads to confusion and unaddressed issues

CHAPTER -7

WORK CULTURE, TQM AND SAFETY

Human Relationship and Performance in Organization:

1. Enhanced Employee Performance:

Motivation and Engagement:

Positive relationships foster a sense of belonging and value, leading to increased employee motivation and engagement.

Reduced Conflict:

Strong interpersonal relationships minimize conflict and promote a more harmonious work environment, allowing employees to focus on their tasks.

Increased Job Satisfaction:

When employees feel respected and supported, their job satisfaction increases, leading to higher productivity and reduced turnover.

Improved Communication and Collaboration:

Open communication and effective teamwork are direct results of positive relationships, leading to better problem-solving and innovation.

Professional Development:

Human relations initiatives can facilitate mentoring and coaching, helping employees develop the skills and knowledge needed for career advancement.

2. Organizational Benefits:

Attracting and Retaining Talent:

A positive workplace culture attracts top talent and reduces employee turnover, saving the organization time and resources on recruitment and training.

Increased Productivity and Efficiency:

A motivated and engaged workforce is a productive workforce. Strong human relations contribute to increased efficiency and better performance on individual and team levels.

Innovation and Creativity:

When employees feel comfortable and supported, they are more likely to share ideas and contribute to innovation.

Adaptability and Flexibility:

A positive work environment enables organizations to adapt to change more effectively, as employees are more open to new ideas and processes.

Stronger Company Culture:

Positive human relationships contribute to a positive and healthy organizational culture, which is a key factor in attracting and retaining employees and customers.

3. Entrepreneurial Context:

Leadership: Entrepreneurs need to be skilled in building and maintaining positive relationships with their teams.

Teamwork: In entrepreneurial ventures, strong teamwork is essential for success. Effective human relations ensure that teams work well together.

Resource Management: Building trust and rapport with employees can improve their commitment and willingness to contribute their best efforts, even with limited resources.

Adaptability: Entrepreneurial ventures often face challenges and changes. Strong human relations help organizations adapt to these changes more effectively

Relationship with Peers, Superiors, and Subordinates in Entrepreneurship:

In entrepreneurship, maintaining effective relationships with all levels of personnel is crucial for business success.

1. **With Peers:** Entrepreneurs should collaborate and share knowledge with fellow entrepreneurs and colleagues. This promotes innovation, support, and the exchange of ideas.

2. **With Superiors** (e.g., investors, mentors): Entrepreneurs must communicate clearly, show accountability, and respect their guidance. Building trust with superiors ensures continued support and investment.

3. **With Subordinates** (employees): Entrepreneurs should lead with empathy, motivate their team, delegate responsibilities effectively, and create a positive work environment. This fosters loyalty and enhances productivity.

Good interpersonal relationships improve teamwork, decision-making, and organizational growth.

TQM Concept: Quality Policy, Quality Management, Quality System

TQM is a management approach focused on long-term success through customer satisfaction. It involves all members of an organization and emphasizes continuous improvement in all aspects of operations.

1. Quality Policy

Definition: A formal statement from management outlining the organization's commitment to quality.

Purpose: Sets the direction for quality objectives.

Communicates the organization's dedication to meeting customer needs and regulatory requirements.

Key Features:

Aligned with the organization's vision and mission.

Reviewed periodically for relevance and effectiveness.

Example:

"Our company is committed to delivering high-quality products that meet or exceed customer expectations through continual improvement and innovation."

2. Quality Management

Definition: The coordinated activities to direct and control an organization with regard to quality.

Main Elements: Planning: Defining quality objectives and processes.

Control: Monitoring and measuring performance.

Assurance: Ensuring quality standards are being met.

Improvement: Continuously enhancing processes.

Approach: Customer-focused, Involves all employees, Fact-based decision making.

3. Quality System

Definition: The organizational structure, procedures, processes, and resources needed to implement quality management.

Also Known As: Quality Management System (QMS).

Standards: Often based on international standards like ISO 9001.

Functions:

Documenting processes and responsibilities.

Ensuring compliance with quality objectives.

Providing a framework for continual improvement

Accidents and Safety, Causes, Preventive Measures, Personal Protection Equipment & General Safety Rules

1. Accident and Safety Overview

Accident: An unplanned, unexpected event that may cause injury, illness, damage, or loss.

Safety: The condition of being protected from or unlikely to cause danger, risk, or injury.

Proper safety measures are critical in workplaces, laboratories, construction sites, roads, and homes to reduce accidents.

2. Causes of Accidents

Common causes of accidents include:

a. Human Factors Carelessness or negligence

Fatigue or stress

Lack of training

Disobeying safety rules

Improper use of equipment

b. Mechanical Failures

Faulty machinery

Poor maintenance

Equipment malfunction

c. Environmental Factors

Slippery or uneven surfaces

Poor lighting or ventilation

Excessive noise

Fire hazards or chemical spills

d. Organizational Issues

Lack of safety protocols

Inadequate supervision

Time pressure or unrealistic deadlines

3. Preventive Measures

Preventing accidents requires proactive actions:

a. Training and Awareness

Regular safety training sessions

Instruction manuals and safety signage

Emergency drills (e.g., fire, chemical spill)

b. Maintenance and Inspections

Routine equipment checks

Prompt repair of hazards

Housekeeping to maintain clean and clear work areas

c. Engineering Controls

Installing safety guards or sensors on machinery

Proper ventilation systems

Fire detection and suppression systems

d. Administrative Controls

Standard operating procedures (SOPs)

Shift rotation to avoid fatigue

Safety audits and incident investigations

4. Personal Protective Equipment (PPE)

PPE is the last line of defense against hazards. Common types include:

Note: PPE must be regularly inspected and replaced as needed.

5. General Safety Rules

Basic safety practices everyone should follow:

1. Know the emergency procedures – exits, alarms, first aid, fire extinguishers.
2. Use PPE properly – wear it consistently and correctly.
3. Never bypass safety systems – such as machine guards or lockout/tag out procedures.
4. Report hazards immediately – spills, exposed wires, damaged equipment.
5. Keep your work area clean and organized – reduces slips, trips, and falls.
6. Follow instructions and training – don't attempt tasks you're not qualified for.

Chapter-8

Legislation

Intellectual Property Rights, Patent and Trademark

1. Intellectual Property Rights (IPR)

Definition: IPR refers to the legal rights granted to individuals or businesses over the creations of their minds. These rights give the creator exclusive rights to use their creation for a certain period.

Importance in Entrepreneurship (IPR):

Protects innovative products, designs, and brands.

Increases business value and market competitiveness.

Helps attract investors by safeguarding core assets.

Prevents others from copying or using your ideas without permission.

Types of IPR relevant to entrepreneurs:

Patent – Protects inventions.

Trademark – Protects brand names, logos, and symbols.

Copyright – Protects creative works (e.g., books, software, advertisements).

Design Rights – Protect the visual design of objects.

Trade Secrets – Protect confidential business information.

2. Patent

Definition: A patent is an exclusive legal right granted for an invention, which must be novel, non-obvious, and useful.

Types:

Utility Patent – For new processes, machines, or compositions.

Design Patent – For ornamental design of a functional item.

Plant Patent – For new varieties of plants.

Relevance to Entrepreneurs:

Protects technological innovations and products.

Prevents competitors from using your invention without permission.

Can be licensed or sold, generating revenue.

Duration: Generally valid for 20 years from the filing date.

3. Trademark

Definition: A trademark is a recognizable sign, design, or expression that distinguishes products or services of a particular source.

Examples: Company logos (e.g., Nike swoosh), brand names (e.g., Coca-Cola), slogans.

Relevance to Entrepreneurs:

Builds brand identity and customer trust.

Provides exclusive rights to use the brand in the market.

Helps prevent counterfeit or similar-looking products.

Duration: Renewable indefinitely every 10 years (depends on jurisdiction).

Features of Factories Act 1948 with Amendment:

Here are the key features of the Factories Act, 1948 (with amendments relevant to entrepreneurs):

1. Applicability

Applies to all factories:

Employing 10 or more workers with power.

20 or more workers without power.

Covers both public and private sector enterprises.

2. Health Provisions

Ensures cleanliness and hygiene in the factory environment:

Proper ventilation and temperature control.

Clean drinking water.

3. Safety Provisions

Fencing of machinery.

Regular maintenance of machines.

Employment restrictions on young persons near hazardous machinery.

Safety officers (mandatory for units employing >1000 workers).

Entrepreneur Impact: Critical for compliance and avoiding penalties or shutdowns.

4. Welfare Provisions

Separate washing and changing facilities.

First aid appliances.

Crèches for children (if more than 30 women are employed).

Canteens (if 250+ workers employed).

Entrepreneur Impact: Initial setup costs but enhances employee satisfaction and productivity.

5. Working Hours

Maximum 48 hours/week, 9 hours/day.

Rest intervals after 5 hours of work.

Weekly holiday (usually Sunday).

Overtime pay: Double the regular rate.

Entrepreneur Impact: Must structure shift systems accordingly and manage payroll to account for overtime.

6. Employment of Young Persons

Children (<14 years) are not allowed to work.

Adolescents (14–18 years) can work only with medical fitness certificates.

Restrictions on night shifts for young workers.

7. Annual Leave with Wages

Workers who have worked for 240 days in a year are entitled to one day of leave for every 20 days worked. Leave encashment and carry-forward rules apply.

Entrepreneur Impact: Impacts workforce planning and payroll liabilities.

8. Registers and Records

Entrepreneurs must maintain:

Attendance registers.

Leave records.

Entrepreneur Impact: Requires administrative oversight and periodic audits.

9. Penalties and Offences

Monetary fines and/or imprisonment for violations.

Higher penalties for repeat offenders or serious violations (like accidents, child labor, etc.).

Entrepreneur Impact: Legal and financial risks if not in compliance.

10. Recent Amendments / Changes (post-2019 labor reforms)

The Code on Occupational Safety, Health and Working Conditions (OSHWC), 2020, consolidates and simplifies labor laws, including the Factories Act:

Thresholds revised (possibly changing the 10/20 employee limit).

Streamlined licensing and registration through a single license.

Stricter safety compliance, especially for hazardous industries.

Increased digitization of compliance and reporting.

Features of Payment of Wages Act 1936:

1. Timely Payment of Wages

Wages must be paid on time:

Before the 7th of every month if the number of employees is less than 1,000.

Before the 10th of every month if employees are 1,000 or more.

This ensures employee satisfaction and avoids legal trouble.

2. Mode of Payment

Wages must be paid in current coin, currency notes, or through bank transfers (digital payments are also allowed).

This promotes transparency and traceability in transactions.

3. Scope of the Act

Applies to factories, railways, and certain other establishments.

It also applies to industrial and commercial establishments with a monthly wage ceiling (currently ₹24,000 per month; subject to updates).

4. Authorized Deductions Only

Only specified deductions are allowed (e.g., for fines, absence, damage, loans, income tax, provident fund).

Entrepreneurs must maintain clear records of all deductions.

5. No Arbitrary Wage Reductions

Employers cannot arbitrarily reduce wages or withhold payments.

Promotes ethical treatment of employees, which is crucial for startups to retain talent.

6. Fines and Penalties Regulated

Any fine imposed must be:

Authorized by law

Communicated in writing

Not exceed 3% of wages

Ensures fair disciplinary action practices.

7. Appointment of Inspectors

Government appoints inspectors to ensure compliance.

Entrepreneurs must be ready for random inspections and audits.

8. Grievance Redressal

Workers can file complaints regarding wage disputes.

Entrepreneurs must have a mechanism for resolving payment issues.

9. Record Maintenance

Employers must maintain wage registers, deduction records, and other relevant documents.

Helps in legal compliance and simplifies tax/audit processes.

10. Promotes Legal Compliance Culture

Adhering to the Act builds a trustworthy brand image for new businesses and startups.

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Chapter-9

Smart Technology

Definition of IOT:

It involves connecting physical objects to the internet, enabling them to collect and exchange data, which can be leveraged to create new products, services, and business models. Entrepreneurs are using IoT to enhance existing industries, develop entirely new markets, and improve operational efficiency across various sectors

Concept of IoT (Internet of Things)

IoT refers to a network of physical devices (things) embedded with sensors, software, and connectivity that allow them to collect, exchange, and act on data without human intervention.

From an entrepreneurial point of view, IoT is not just a technology—it's a platform for innovation. Entrepreneurs can use IoT to solve real-world problems, optimize processes, and create value-added services.

How IoT Works (in simple terms)

1. Sensing (Data Collection)

Devices like sensors, cameras, and trackers are used to gather real-time data (e.g., temperature, motion, energy use, location). Example: A smart thermometer collects room temperature.

2. Connectivity (Data Transmission)

Data is sent to the cloud or central system using Wi-Fi, Bluetooth, 4G/5G, or LoRaWAN, etc. Example: The thermometer sends temperature data to an app.

3. Data Processing

Once the data is collected, it's analysed using software or AI to extract meaningful information.

Example: If the temperature is too high, the system triggers an alert.

4. Action (Automation or Human Input)

The system then acts based on the analysis — either automatically or by notifying a user.

Example: The AC turns on automatically if the temperature crosses a limit.

IoT in Entrepreneurship: Use Cases & Benefits

1. Smart Products

Entrepreneurs can build smart versions of common products (e.g., smart locks, smart fridges). Opportunity: Sell value-added, subscription-based services.

2. Operational Efficiency

Businesses can use IoT to reduce waste, track assets, or manage energy consumption.

Example: A logistics start up uses GPS & RFID to monitor shipments.

3. Data-Driven Decisions

IoT enables real-time monitoring and analytics, improving business intelligence.

Example: A factory start up optimizes machine maintenance based on sensor data.

4. New Business Models

Pay-per-use, remote monitoring, or predictive maintenance models.

Example: A start up rents out IoT-connected air purifiers and charges based on usage.

****Components of IoT (from an entrepreneurship lens)**

These are the core building blocks entrepreneurs use to develop IoT products/services:

a. Devices/Sensors (Things)

Collect data from the physical world (e.g., temperature, motion, humidity).

Examples: Smart thermostats, health trackers, industrial sensors.

b. Connectivity/Network

Transfers data between IoT devices and central servers/cloud.

Options include Wi-Fi, Bluetooth, Zigbee, LTE, 5G, LoRaWAN.

c. Data Processing Unit (Edge or Cloud)

Where data is processed, analysed, and decisions are made.

Cloud platforms like AWS IoT, Google Cloud IoT are commonly used.

d. User Interface (UI)

Allows users to interact with the system (mobile apps, dashboards).

Important for customer experience and usability.

e. Security & Privacy Layers

Crucial for trust, especially in smart homes, healthcare, and finance.

Includes encryption, authentication, and secure APIs.

Characteristics of IoT (Relevant to Entrepreneurs)

a. Interconnectivity

Devices communicate across platforms and systems.

Enables creation of integrated solutions.

b. Real-time Data Access

Data is collected and analysed instantly.

Enables proactive decision-making and automation.

c. Scalability

Systems can grow from a few devices to thousands.

Cloud platforms help with cost-effective scaling.

d. Automation & Control

IoT enables automated operations, improving efficiency.

Reduces human intervention and cost.

e. Personalization

Data can be used to personalize services (e.g., smart home settings, health monitoring).

Drives customer satisfaction and loyalty.

f. Revenue Potential through Data

Data collected is valuable for analytics, behaviour prediction, and product improvement.

Can be monetized or used for strategic insights.

*****Categories of IoT (Entrepreneurial Applications)**

Entrepreneurs often align their startups or products into one of these categories based on market needs:

a. Consumer IoT

Target: Individuals and households.

Examples: Wearables, smart homes, voice assistants.

Business Focus: B2C product development, user experience.

b. Industrial IoT (IIoT)

Target: Manufacturing, logistics, energy, agriculture.

Examples: Predictive maintenance, asset tracking, factory automation.

Business Focus: B2B, cost-saving, process optimization.

c. Healthcare IoT

Target: Patients, hospitals, elder care.

Examples: Remote health monitoring, smart pills, wearable ECGs.

Business Focus: Compliance, reliability, patient outcomes.

d. Smart Cities

Target: Urban infrastructure.

Examples: Smart parking, traffic systems, waste management.

Business Focus: Government partnerships, urban planning.

e. Retail IoT

Target: Retail stores, supply chains.

Examples: Smart shelves, customer behaviour tracking, automated checkout.

Business Focus: Customer experience, operational efficiency.

f. Agricultural IoT

Target: Farmers and agri-businesses.

Examples: Smart irrigation, soil sensors, livestock monitoring.

Business Focus: Yield improvement, sustainability.
