



Welcome to Presentation

on:

**Entrepreneurship Development Institute of India:
Its Role in Developing SME Entrepreneurship**

in:

**7th International CEO Forum for Chief Executives of
Development Finance Institutions**

at:

Siem Reap (Cambodia)

by:

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ABOUT EDI

A national resource institution committed to promoting entrepreneurs through education, training, research and institution building

Set up in 1983 by National Financial Institutions viz. IDBI, ICICI, IFCI & SBI

Recognized as a ‘Centre of Excellence for HRD Research & training’ by UNESCAP

Has established centers in Cambodia, Laos, Myanmar, Saudi Arabia, Vietnam, Sudan and Mozambique. Setting up ED Centers in Uzbekistan and Kazakhstan

Offers 2-year Post Graduate Diploma in Entrepreneurship, besides a well established distance learning programme in Entrepreneurship

Focuses research through it’s ‘Center for Research in Entrepreneurship Education and Development’ (CREED)



EDI's Mandate

- To augment supply of new, competent and globally competitive entrepreneurs through education, training & research
- **To increase competitiveness of SMEs**
- To contribute to the dispersal of business ownership and thus expand social base of entrepreneurial class
- **To promote inter-firm cooperation and collaboration to achieve competitive edge through cluster, value chain and local area development**
- To contribute to creation & dissemination of knowledge in entrepreneurial theory & practice and undertake policy advocacy to create a conducive environment wherein SMEs could germinate and grow.



WE FOCUS ON

- **Entrepreneurship Education**
- **Livelihood, Micro-enterprise & Micro-finance Development**
- **Performance Improvement & Growth of Existing Entrepreneurs**
- **ED Organisations and Support System**
- **Cluster and value chain development**
- **Social Entrepreneurship**
- **Women Entrepreneurship**
- **Research in Entrepreneurship Education and Development**

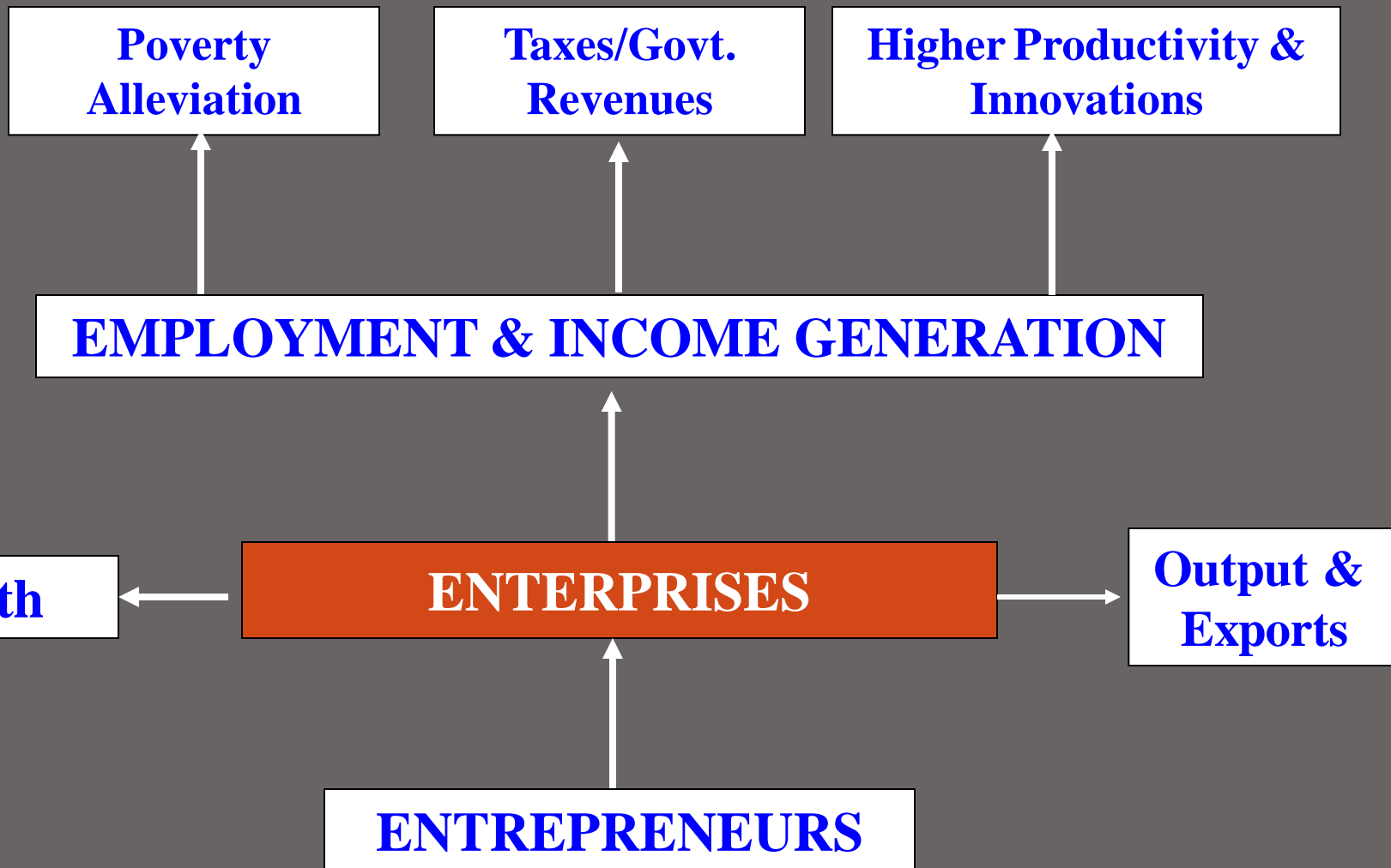


WHAT CAUSES ECONOMIC GROWTH?

Economic growth is effect, entrepreneur is the cause. Entrepreneurs explore opportunities, convert ideas into viable business proposition and provide new products and services to the society by bringing together and combining various factors of production. They change life style of the people.



WHAT ENTREPRENEURS DO?





Most resource rich regions the world over are poor and resource poor regions are rich. We call it the ‘resource curse’ phenomenon

Underdevelopment is not because of the lack of natural resources but because of the deficiency in the combining process itself that is undertaken by entrepreneurs

Capital and technology are futile till the absorptive capacity of the country is inadequate because of the shortage of skills or of attitude **(entrepreneurship)** which favor change.



Sources of Entrepreneurial Supply

1. Autonomous

2. Induced

-Policy intervention

-Training intervention

- Provisioning of business development services



Can Entrepreneurs be created?

Certainly, as experiences indicate that:

- 1. There is enormous untapped entrepreneurial potential**
- 2. There are ample unexploited opportunities**
- 3. Once shown, people will respond to opportunities**
- 4. This latent potential enterprise among people could be identified and then developed through appropriate training-cum-counseling interventions and linking the person with a viable business opportunity.**

Despite a large network of banks and significant contribution that it makes to the economy, the SME start-ups continues to remain starved of timely and adequate credit, globally.



Why the Bankers Perceive Credit to Start ups Risky?

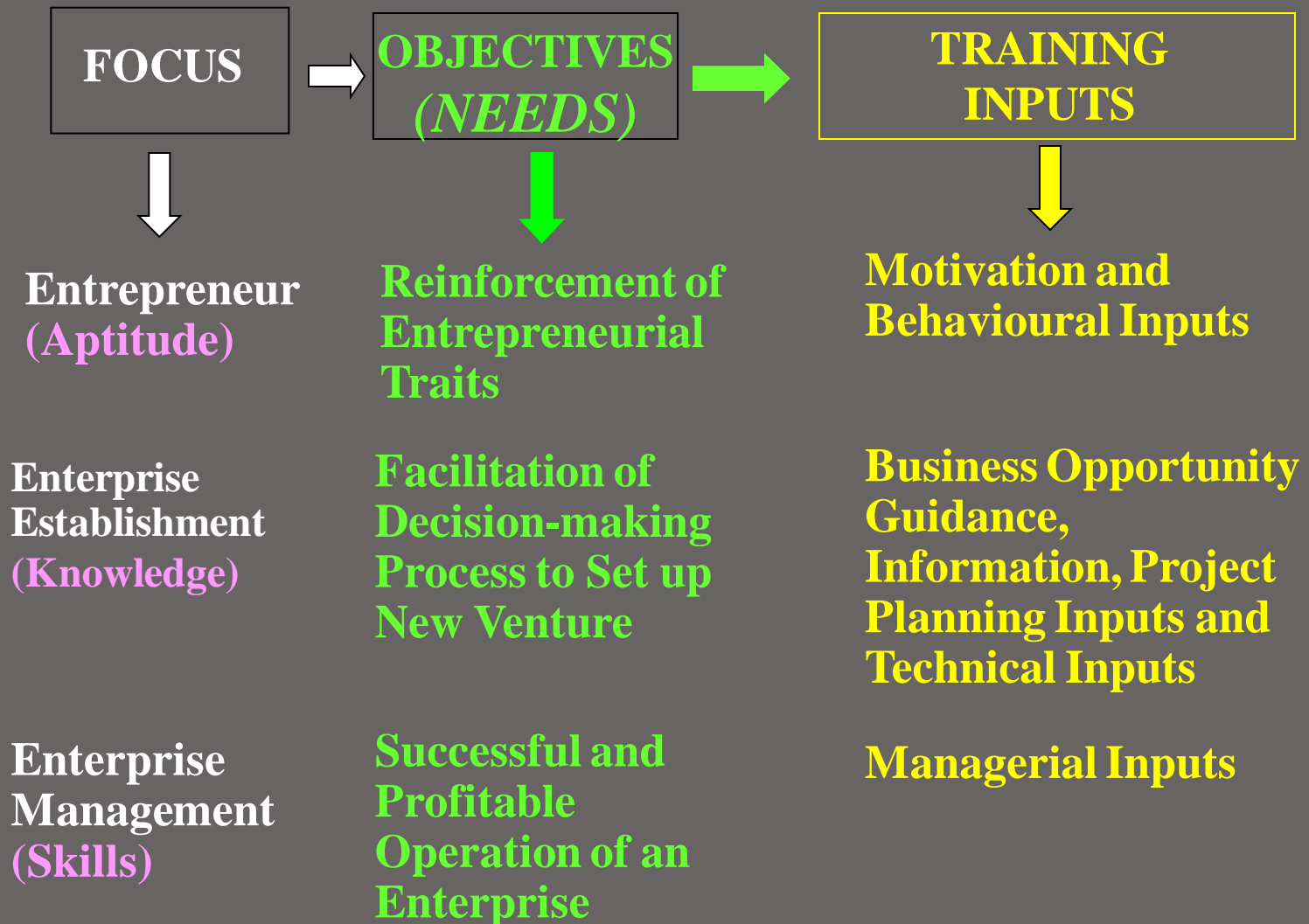
- Risk in Opportunity Identification
- Risk in Commercial Viability
- Risk in Investment
- Risk in Financing
- Risk in Management

Bankers' risk Perception on Entrepreneur, The person behind a Project

We offer the solution to this vexed issue through strategic NEC Programme by addressing all the above concerns.



THE EDP INPUTS AND THEIR FOCUS





How the Entrepreneurs are Developed?

Persons in the age group of 18 to 45 years are preferred

THE EDI PROGRAMME PACKAGE

- (i) Identifying and selecting those who can be developed as entrepreneurs
- (ii) Developing their entrepreneurial capabilities.**
- (iii) Ensuring that each potential entrepreneur has a viable industrial project
- (iv) Equipping them with basic managerial understanding**
- (v) Helping them secure financial, infrastructural and related assistance



PERFORMANCE EVALUATION OF EDPs

ABOUT 54 PER CENT START UP

- ✓ **68.21% FIRST GENERATION ENTRANTS**
- ✓ **89.70% JOINED EDPs WITH NO OR LITTLE BUSINESS IDEA**
- ✓ **29% WERE STUDENTS**
- ✓ **ANOTHER 25.66% WERE UNEMPLOYED.**

DESPITE THIS

MORE THAN 91 PER CENT OF THE EDP-LED VENTURES ARE SUCCESSFUL COMPARED 40% INDUSTRIAL SICKNESS AMONG NON-EDP SSIs

SPENDING OF ONE US DOLLAR ON TRAINING LEADS TO

MOBILIZATION OF INVESTMENT WORTH **US\$ 27.56 GENERATION OF OUTPUT WORTH **US\$ 19.45** IN THE INITIAL YEAR ITSELF**

IT HAS HELPED IN CREATING FULL-TIME REGULAR EMPLOYMENT FOR APPROXIMATELY 5 PERSONS PER VENTURE AT A COST OF US \$ 110 PER PERSON EMPLOYED.

Performance of EDP Trained v/s Non-Trained Entrepreneurs

- The EDP trained entrepreneurs got significantly higher (156%) return on equity compared to the non-trained group whose RoI was 66%;
- **The capital productivity (capital to output ratio) in the target groups was significantly higher (0.69) compared to the control group (1.47);**
- The annual average growth in investment in the case of trained entrepreneurs (43.54%) was statistically significantly higher than the control group;
- **The average annual growth in sales (57.84%) was significantly higher compared to the control group (35.04%); and,**
- Even the growth in the profits of the trained entrepreneurs was significantly higher (57.84%) than the control groups (35.04%), indicating a more efficient management of resources by the trained entrepreneurs.

STAGES OF ENTREPRENEURSHIP DEVELOPMENT AND RELATED INTERVENTIONS

1. Emergence stage

- **New enterprise creation programmes**
- **Rural & Micro Enterprise and Micro Finance Development Programmes**
- **Counselling**
- **Business Opportunity Guidance**
- **Pre-investment studies**
- **Succession Planning**
- **Business Incubators**
- **Group Entrepreneurship Development**

2. Survival Stage

- **Thematic Programmes (Finance, Marketing, HR, Technology, Exports, Quality, ISO, Brand Building, etc)**
- **Performance Improvement Programmes**
- **Counselling**

STAGES OF ENTREPRENEURSHIP DEVELOPMENT AND RELATED INTERVENTIONS

3. Growth Stage

- Growth Programmes
- Developing Business Counsellors
- Developing Small industry Managers
- Cluster Development Programmes
- Cluster Development Executives' Programme
- Thematic Programmes

4. Programmes for Support System

- Business Development Service Providers
- Entrepreneur Appraisal/Assessment Programme
- UNIDO's COMFAR based Project Appraisal Programme
- Project Formulation and Appraisal for Venture Financing
- Micro Credit Management and Product Development (e.g. Micro Insurance)
- NGO-Banker Interface Programmes



Expanse of the Activity

- **Nearly 500 organizations in the country follow the EDI-EDP approach.**
- **Taken together, they conduct about 5000 programmes per year.**
- **An estimated 125,000 entrepreneurs are thus trained every year.**



EDI's INTERNATIONAL CONTRIBUTIONA

- Institutionalized ED & Investment Promotion In Mozambique Through Setting up of an Investment Advisory Centre (IAC)
- **IN Bahrain, Set Up Arab Regional Centre for Entrepreneurship & Investment Training.**
- Facilitated setting up of Saudi Entrepreneurship Development Institute (SEDI), Jeddah, Saudi Arabia
- **Selected 4 countries viz., Sudan, Yemen, Mozambique and Lao PDR for New Enterprise Creation and Enterprise Up-gradation**
- European Union supported ENTRIXIE Project: SME Collaboration between European Countries (UK, GERMANY & AUSTRIA) and INDIA.



International Interventions

- ⇒ 2500 professionals from 55 countries trained on project development cycle and various dimensions of Entrepreneurship Development
- ⇒ 388 trainers trained for micro enterprise development
- ⇒ 128 NGO professionals trained on micro enterprise & micro finance management and NGO Governance
- ⇒ 10 Asian & African countries supported in ED activity institutionalization
- ⇒ Developed international partnership promotion with support from European Union



- **Initiatives in CLMV Countries (Cambodia, Laos, Myanmar, Vietnam) with the support of Govt. of India & ASEAN Secretariat**
 - Trained 'Resource Persons' For NEC
 - Full-fledged Centers Set Up in 4 Countries.
- **Collaboration With ASARIM, Sri Lanka, For Initiating Entrepreneurship And Investment Promotion Activities In Sri Lanka And Maldives**
- **SDC Project In GMS Region for Entrepreneurship**
- **Set Up South Asia Forum For Entrepreneurship Education And Research (SAFEER), in Collaboration with UCSD, San Diego**
- **Setting up Uzbekistan EDC at Tashkent, shortly**



Categories of Entrepreneurs

1. Innovators
2. Imitators
3. Fabian
4. Drones





THANK YOU