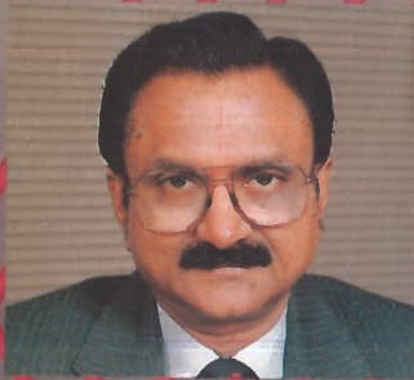


NEW VENTURES

DIGEST

Volume No.2 Issue: 6 November - December 1991. Rs.15.

THE RAMCO GROUP
RAJAPALAYAM, TAMIL NADU
50 GOLDEN YEARS OF
MANAGERIAL EXCELLENCE.



P.K. Ramasubrahmaneya Rajha
Chairman, Ramco Group.

SETTING RECORDS
IN PRODUCTIVITY, PROFITABILITY
AND HARMONIOUS LABOUR
RELATIONS.

SUCCESS
SECRETS!



S.N. Khaitan
Chairman, Sarya Group.



Bhavarlal Jain
Chairman, Jain Group.



R. Venkitachalam
Executive Director, V.I.P.
Industries Ltd.



Rajul Parikh
Director,
A&A Purifiers & Appliances Pvt. Ltd.



Dr. S.K. Chaudhury
Director,
International Word Secretariat.

NEW INSIGHTS



E

NTREPRENEURSHIP DEVELOPMENT IN INDIA

By Bhavarlal Jain

What is entrepreneurship ?

It is not merely exploitation of resources to produce optimum results. That is the economics of efficiency.

Neither is it only employment of skills and technology towards distribution to improve the lot of the downtrodden. That, of course, is politics.

Entrepreneurship is a word that encompasses and connotes a bunch of outstanding qualities of an individual whose perception of life is different from most of his fellow-beings. To my mind, he is not superhuman. Nonetheless, the way he conceives ideas, the way he works and keeps working, do lead others to feel that there is something unique about him. Is the entrepreneur 'born' or is he 'made' ?

Well, an entrepreneur is somewhat born and somewhat made. He is a person who conceives and dreams. He thereafter, decides and determines. He puts his heart and mind into the task. Now begins the process of giving concrete shape to his ideas and decisions. He backs them with an infinite capacity to take pains and a matching sincerity of purpose. An abiding faith in his objectives and the chastity of the means he is employing, for the achievement of these objectives, equip him to set his eyes on reaching out to achieve the seemingly 'impossible'. His path is endless and arduous.

Whether he is a Columbus who had

set out on an unknown voyage; or the Mahatma who decided to drive out the mightiest of the mighty without the use of a sword; or the Tata who slogged to make India an industrial giant right at the time when it had not even come out of its medieval womb; or the Nehru who dreamt and dreamt and died while building modern India, or a Mahavir who gave the world the dictum of ahimsa at a time when killing was the order of the day..... They were all entrepreneurs of a different kind.

The restricted meaning and connotation of the word entrepreneur is: a person who organises men, material and money for creation of wealth or for the achievement of predetermined objectives. He knows when and where to begin, how to go forward and above all where to 'stop'. He is one person fully aware of his own potential; and wishes to provide full opportunities for others around him to grow. He sets exacting standards and remains at peace with himself all through the passage. Here is an individual who has learnt to be ambitious without being avaricious; he plans audaciously and executes vigorously; a person who sleeps only to wake up and eats only to live.

Single Attribute : If there is one single attribute which distinguishes an entrepreneur from a manager, bureaucrat or an executive; or to a lesser degree, a professional - it is his built-in desire to run risks.

"Before undertaking any enterpri-

se," as Quarles puts it, "he would weigh the reward for his action with the danger of his attempt. If the reward outweighs the danger, he would feel a coward to neglect it; if the risk exceeds the reward, he would consider it rash to attempt it; and if the balances stand poised, he would use his ingenuity to strike".

Thus an entrepreneur does not have a set of guidelines, rules or a scheme of things within or without which he is expected to follow. That is how a manager or an executive conditions himself. An administrator or a bureaucrat is more concerned with observing the rules, rather than achieving the results.

Another aspect of entrepreneurship - is creativity. An entrepreneur would essentially tend to be a creator or a founder; a growth-hungry person.

Even 'trading' could be a satisfying enterprise, but industry provides an entrepreneur with real scope for his ability. The future necessarily belongs only to industry. The socio-economic compulsions in India are increasingly restricting the scope of operation in the field of business and hence an entrepreneur would always do well to usher in an industrial venture, however small it may be.

In fact, as Schumacher says, 'Anything that society really needs can be created very simply, very efficiently, very viably on a small-scale with very little initial capital by adapting simplified technology'.

An entrepreneur does not have to disturb the environment or encroach upon the ecological balance of Nature just to satisfy his creative urge. It is not that a monstrous chemical-complex alone is a symbol of entrepreneurship. To bring into being where nothing was before - is what creativity implies. Anything which has a tinge of originality, any piece of work done imaginatively, is a matter of the entrepreneur's creativity

By his very instincts, an entrepreneur seeks growth and also involves himself in the progress and prosperity of the environment in which he works. We thus find that a real entrepreneur derives great pleasure in improving the standards of not only the persons with whom he works but also of his overall surroundings. He would consider this aspect as his social responsibility.

Vital Importance: The development of entrepreneurship is of vital importance for any and every nation. For our country, it is a matter of survival. With entrepreneurship, we prosper; without it we will perish. Will India occupy only two percent of the world's land area, but has to support 14 percent of the world's population. It, however, is not a matter to get dejected about because we have always had a fine blend of crafts and culture. With the world's third largest technical and scientific force; with abundance of many basic raw materials and natural resources; all that we need is to develop an enduring spirit of entrepreneurship in the minds of our people.

And where else, if not in India, could entrepreneurship grow faster? We have a breed of people who almost inherit initiative and perseverance which are amongst the main characteristics of entrepreneurship. These were the traders who specialized in buying and selling for centuries. What we need to tell them is, to change their attitudes and approach. Instill in them the courage to adapt to the new environment. They already have the expertise and knowledge of marketing. Their ways are amiable and manners pleasing. To be an entrepreneur however, they need to know something of industrial licensing, manufacturing processes, economics, finance, labour affairs, management problems, research and development, productivity, government relations, and above all, they must possess and portray a humanitarian approach.

To be successful, the entrepreneur will have to acquire some technical insight into his industry, travel extensively in and out of the country, adopt and study new techniques, organize and participate in seminars, symposia and workshops. He must also learn to appreciate the good work of the people who work along with him and also get accustomed to living with tension and disappointment as part of his life and career. He should remember: 'Kites rise, not with the wind but against it'.

Entrepreneurs should take shortages of raw materials, the absence or poor availability of infrastructure, the current Licensing Apparatus, the

State monopolies, the lopsided Industrial Legislations and Regulations, the punitive-tax-structures and an over-bearing bureaucratic set up which indulges in delays rather than in decisions-as existing irritants. He must not allow himself to be bogged down with these. Instead, he should move forward with a positive outlook, constructive approach and resourcefulness.

The difficult problems, the real constraints, in fact, lie within the organisation. Thus, entrepreneurs must closely monitor the chronic shortage of working capital to funnel their continuous expansion. Bankers would invariably interpret such expansion as 'OVERTRADING'. Growth will be throttled if the morale and motivation of his organization is not continuously kept up. Unless an entrepreneur adopts an innovative approach, and keeps reorienting his organization, it is unlikely to go ahead with him. He must, therefore set high standards of performance, excellence and integrity for their sake. A keen sense of commitment towards the product, the people and all that go with it, will alone carry him through the tedious path. He must always set and fulfil his targets efficiently if he is to successfully direct, organize, motivate and control the organization he is to found and head. If he fails, he has only himself to blame.

The author is the Chairman of the Jain Group of Industries, Jalgaon, Maharashtra.

I N D I A

CAPITAL MARKETS REVIEW

January 1993

Corporate Briefs

Jain Irrigation Systems Ltd.

Year	Sales (Rs mn)	PAT (Rs mn)	EPS (Rs)	P/E
1991-92	351.9	56.6	18.74	10.94
1992-93 (e)	720.0	127.2	14.04 *	14.60

* Weighted average

No. of shares : 10.27 million (previous year 3.02 million)

Current price : Rs 205.0

52 week High/Low:425/140

The company is the market leader in the drip irrigation business with 65% market share. Favourable government policies like subsidies on drip irrigation systems, low sales tax and excise duty exemption make the industry attractive. The company's technological capabilities are strengthened through international technical collaborations. The company being an exporter, rupee depreciation will have a favourable impact, and a 50-60% growth in sales and profits is projected for the next three years.



DSP FINANCIAL CONSULTANTS LTD.

RESEARCH AND SECURITIES ANALYSIS DIVISION