

## **ENTREPRENEURSHIP IN DEVELOPING COUNTRIES**

*Overview and interventionary instruments for integrated and effective entrepreneurship and investment promotion initiatives*

by **V. Padmanand** and **P.H. Kurian IAS**

Entrepreneurs propel the industrial and economic growth of any region, and it is widely realized that they need not be “born” but may be developed!. In this regard, in many regions within India as well as in many developing countries, there is hardly an integrated approach towards necessary interventions in terms of synergized policy, factor conditions including specialized infrastructure, institutions, and appropriate Entrepreneurship Development Programmes.

There is need for a diverse set of stakeholders – from policy makers, bankers, infrastructure developers, other supporting institutions, industry associations, and existing and potential entrepreneurs to work together in synergized fashion. In this perspective the Government of Kerala (through Kerala Bureau of Industrial Promotion (K-BIP)) has taken the lead in bringing out this book penned by two experts on the subject. Shri. V. Padmanand is an international SME expert who has worked extensively in Kerala and in over 12 countries. Shri. P.H. Kurian IAS is the Secretary (Industries), Government of Kerala, and has spear-headed several of the entrepreneurship and cluster value-chain development initiatives in the State.

The book comprises a Foreword by Hon’ble Minister for Industries & Commerce Shri. Elamaram Kareem. Shri. Balakrishnan IAS, Principal Secretary (Industries & Commerce), has drafted the Foreword of the book. The Hon’ble Union Minister for MSMEs Shri. Mahaveer Prasad had also been kind enough to offer his congratulatory message.

The book has been very well received by global and National experts such as: Shri. T.K.A. Nair IAS, Principal Secretary to the Prime Minister of India; Smt. Anita Das IAS, former Secretary to the Government of India; Prof. Phillip Kotler as well as Prof. Malcolm Harper; Shri. Amir Subhani IAS, former JDC, DC-MSME; Shri. Dinesh Awasthi, Director, EDII; Prof. K. Ramachandran, Indian School of Business and former Professor at IIM, Ahmedabad; Shri. H.K. Mittal, Head, National Science and Technology Entrepreneurship Development Board; Shri. R.C.M. Reddy, IAS, CEO, IL&FS (CDI); Rev Fr. Prof. Christie, Director, Loyola Institute of Business Administration; Shri. P. Rudran, former CGM, SIDBI; and Dr. Yerram Raju, former Dean, ASCI. Their comments and endorsements are also included in the book.

Entrepreneurship and SME related interventions are being pursued by the government as well as the private sector in countries ranging from the U.S.A., Namibia, and Australia to India. Nevertheless, even in India, which has had decades of experience in striving to promote entrepreneurship through dedicated interventions, several regions and programmes are yet to witness and display tangible impact. Evidently, there are limitations in terms of policy, schemes of assistance, as well as in field level implementation. Further, interventions are not pursued in an *integrated* and *holistic* manner. In this context, this book presents a global frame of reference to interventions. Further, the book also presents tools for start-up as well as management of an enterprise, of use to potential as well as existing entrepreneurs.

### **About the book**

The book, initially, provides an introduction to basic underlying concepts vis-à-vis entrepreneurship and considers different definitions for the term “entrepreneur.” It emphasises the need for an integrated approach towards fostering entrepreneurship. It also presents the critical parameters with regard to the environment to foster entrepreneurship. The challenge of new enterprise creation in the context of the business environment is elaborated upon. This is, particularly, in terms of macro-economic fundamentals, policy and schemes, factor as well as regulatory conditions. This part of the book also considers the regulatory framework in India.

Subsequently, the book presents schemes and targeted support programmes, providing illustrations from across the globe as well as in India on schemes as well as targeted support programmes to promote entrepreneurship and SME development. It also considers the options in the context of Business Development Services (BDS) with Indian illustrations, and profiles key institutions involved in entrepreneurship and MSME development in India. Thereafter, the book presents a world-wide empirical coverage of foreign investment promotion tools and institutions. It also introduces the rationale for FDI flows in a theoretical as well as empirical perspective, as well as the role of IPAs. Options for effective investment promotion along with simultaneous catalysation of domestic firm linkages are presented.

Thereafter, the book considers Entrepreneurship Development (ED) institutions in terms of activity profile, and an integrated EDP approach for effective impact. It elaborates on the Entrepreneurship Development Programme (EDP) structure in the Indian context and introduces incubation centres and common facilities to support ED initiatives. The book then elaborates on necessary entrepreneurial *soft* and *hard* skills, highlighting the methodology for basic structuring of a project, substantiating the criticality of necessary hard skills.

The book also considers opportunity identification and selection modes. It also presents the market, technical and financial assessment modes of a plan also highlighting the limitations in conventional management education-tools. It indicates the content-structure, stakeholders to be considered, as well as conduct of a industry sub-sector/value-chain and structure analysis in this context. The mode for market assessment including the tools for product and market-mix analysis is presented. A brief is provided on the technical analysis of a project, break-even, risk and leverage analysis, and the financials of a business plan as well as tools of feasibility analysis.

The book presents options for enhancing efficiency in managing a business. This may be visualised in terms of Total Quality Management, efficient marketing management, and finally on some practical management tools in business. Finally, it also highlights options vis-à-vis the legal constitution of start-up's. Much of the work draws insights from policy initiatives, studies, as well as field-level interventions by the authors in different developing countries, as well as locations in the Indian sub-continent.

The book has attempted to provide a global *frame of reference* as to be of use to a wider audience, and facilitate the role of all those involved in entrepreneurship promotion: policy makers, implementers, academicians, and entrepreneurship trainers. It could also serve as a useful read for existing and potential entrepreneurs in the SME segment. It is envisaged that the book could also help strengthen the knowledge-base and broaden the perspective of students of entrepreneurship in India and other developing countries.

***The book is priced Rs. 440/- (US\$ 10) and is available for purchase at Kerala Bureau of Industrial Promotion (K-BIP), Thiruvananthapuram.***

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