

Startup Village Entrepreneurship Programme (SVEP)

Training Module

For Existing
Entrepreneurs



Deen Dayal Antyodaya Yojana-
National Rural Livelihoods
(DAY-NRLM)



Entrepreneurship
Development Institute
of India, Ahmedabad

Training module on
Basic Business Management Training Program for Existing Entrepreneurs

(Orientation of Existing Entrepreneur on Basic Management and Practices)



Developed by
Entrepreneurship Development Institute of India (EDII), Ahmedabad
(October 2024)

Training module on

Basic Business Management Training Program for Existing Entrepreneurs

(Orientation of Existing Entrepreneur on Basic Management and Practices)

Total Days of Training – 3

Module 1 (Basic: Day 1)

Training Duration - 4.30 hrs.

No.	Subject	Subtopic	Source person for training	Training method
1	Initial information	<ul style="list-style-type: none"> ➤ Introduction ➤ Purpose of training ➤ Use of training 	Mentor and BPM	Lectures and Discussions
2	Brief Introduction of SVEP Project	<ul style="list-style-type: none"> ➤ Information about the SVEP Project ➤ Role of CRP - EP and BRC-EP 	Mentor, BPM and CRP-EP	Lectures and group discussions
3	Basics of Entrepreneurship Management	<ul style="list-style-type: none"> ➤ Expenses ➤ Value Determination ➤ Profitability ➤ Entrepreneurial Risks ➤ Bookkeeping 	Mentor, BPM, CRP-EP and Other Resource persons	Lectures, role-plays and group discussions
4	Basic information about the development of the Enterprise	<ul style="list-style-type: none"> ➤ Market demand ➤ Product Selection ➤ Skills (Soft and Hard Skills) ➤ Business plan preparation ➤ Intra-organizational networks – Banks etc ➤ Developing an 	Mentor, BPM, CRP-EP and other Resource person	Lectures, role-plays and group discussions

		understanding on the value chain		
5	Stories of Successful Entrepreneur - Sharing and Learning from their Experiences	<ul style="list-style-type: none"> ➤ Successes, failures and challenges faced by an entrepreneur ➤ Possible help from SVEP 	Open Session for Discussion and Learning (Mentor/CRP-EP)	Lecture and Group Discussion on Qualities of an Entrepreneur

Module - 1 (Advance: Day 2)

Training Duration - 4.30 hrs

No.	Subject	Subtopic	Source person for training	Training method
1	Basic principles of marketing	<ul style="list-style-type: none"> ➤ Market survey ➤ 4P's concept ➤ Target market and customers ➤ Consumer behavior and attitudes ➤ Product quality 	Mentor, BPM, CRP-EP and Other Resource person	Lectures, role-plays and small size group discussions
2	Business Operation Scheme (Management Based Game)	<ul style="list-style-type: none"> ➤ Boat game studies 	Mentor, BPM, CRP-EP and other Resource person	Lectures, role-plays and small size group discussions
3	Discussion on Entrepreneur's Unit (Video Based)	<ul style="list-style-type: none"> ➤ Challenges, successes of entrepreneurs who have started their own venture 	Open discussion on the basic understanding / message conveyed to the trainees through the video	Developing understanding through lectures, videos and group discussions

Module - 2 (Advance: Day 3)

Training Duration – 4.30 hrs

No.	Subject	Subtopic	Source person for training	Training method
1	Entrepreneurship Development Program	<ul style="list-style-type: none"> ➤ Understanding the customer's needs ➤ Increase in customers ➤ Skilled workers ➤ Capital Management ➤ Competent supplier and distribution network ➤ Technology 	Mentor, BPM, CRP-EP and other Resource person	Lectures, role-plays and small size group discussions
2	Financial Management for Enterprise	<ul style="list-style-type: none"> ➤ Management of working capital ➤ Understanding cash flow ➤ Understanding the profitability of the business ➤ Business loan repayment and investment ➤ Monitoring the performance of the industry - Entries in the accounts 	Mentor, BPM, CRP-EP and other Resource person	Lectures, role-plays and small size group discussions
3	Feedback and question-answer session	<ul style="list-style-type: none"> ➤ Open session for discussion 		Individual and group discussion

Methods used in training includes: Lectures, poster presentations, flip charts, graphs, audio and video tools, exposure visits for gathering information and data, and management studies.

A training batch will consist of maximum of 20-25 participants.

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1 Information about training

Skill development for aspiring and existing entrepreneurs is essential for improving any business and achieving its goals. Effective planning and management play a key role in this process. The success of a business largely depends on the skills and management of an entrepreneur. To address this need, entrepreneurship development training institutes and organizations have emerged to provide targeted programs and resources. These institutions focus on equipping entrepreneurs with the knowledge and tools necessary to navigate the challenges of running a business. They offer training in various areas, including financial management, marketing strategies, and operational efficiency.

In this regard, the Government of India has established the "Ministry of Skill Development and Entrepreneurship" to promote skill development initiatives. Recognizing the importance of self-employment, an orientation program is being organized for entrepreneurs in rural areas. This program aims to help them improve their businesses through better management practices and effective policies.

If you've started your own business and want to grow or adopt new technology, you're not alone. Every entrepreneur wants their venture to be profitable. In a constantly changing economy, only skilled entrepreneurs can succeed. Therefore, expanding your business is crucial if you're already operating.

Main Objectives of Training

1. To provide existing entrepreneurs with information to enhance their success.
2. To identify key factors essential for sustaining any industry.
3. To educate professionals about effective systems and methods.
4. To explain the importance of business growth.
5. To understand and address the challenges and problems faced by businesses.
6. To assist in discovering various strategies and solutions for enterprise growth.
7. To promote understanding of financial management
8. To inform about managerial processes involved

Need of training

1. To enhance the economic condition of existing entrepreneurs.
2. To increase employment opportunities through existing enterprises.
3. To ensure the proper utilization of locally available resources.

4. To provide necessary support for the success of enterprises.
5. To improve the standard of living for existing entrepreneurs.
6. To implement innovative technologies and processes to enhance existing enterprises.
7. To encourage self-sufficiency among existing entrepreneurs.
8. To promote the consumption of locally available goods and services.



Before training - The entrepreneur is able to meet the basic needs of the business.



After training - a successful entrepreneur

2 Information about Startup Village Entrepreneurship Program (SVEP)

If you've started a business and are now seeking to expand, support is available to you through the Startup Village Entrepreneurship Programme (SVEP). It's essential to first understand the basics of SVEP, as this knowledge will guide you in taking the next steps toward business growth more effectively. By familiarizing yourself with the program, you'll gain valuable insights into the available resources and support, enabling a more informed and strategic approach to scaling your enterprise.

On July 10, 2014, during the 2014-15 budget session, the then Hon'ble Finance Minister proposed the launch of the Startup Rural Entrepreneurship Program to promote entrepreneurship in rural areas. He highlighted the importance of fostering local-level entrepreneurship to inspire rural youth. To support this initiative, the then Finance Minister allocated Rs. 100 crores, marking the inception of the Startup Rural Entrepreneurship Program (SVEP), which is now implemented as a sub-program under the National Rural Livelihoods Mission.

Entrepreneurship and problems

Youth aspiring to start their own enterprise in rural areas often encounter the following challenges:

- Limited knowledge of the business ecosystem
- Lack of access to consultant-based organizational support
- Insufficient institutional support for banking and financial aid

This scheme makes a focused effort to address and resolve these key issues, providing the necessary support to overcome these barriers.

Rationale –

The overall objective is to accelerate the economic development of the village by providing assistance in starting rural enterprises, to implement the efforts of the government by eradicating poverty and unemployment.

The main objectives are as follows –

- A. To enable rural poor to set up their enterprises, in its proof of concept phase, by developing a sustainable model for Village Entrepreneurship promotion through integrated ICT techniques and tools for training and capacity building, enterprise advisory services and to provide loans from banks/SHG & federations.

- B. Develop local resources by training a pool of village level community cadre (CRP EP) and build the capacity of the NRLM and SHG federations to monitor and direct the work of the CRP EPs.
- C. Help the rural entrepreneurs to access finance for starting their enterprises from the NRLM SHG and federations, the banking systems including the proposed MUDRA bank.

Identification of entrepreneurs, training and support

In collaboration with community organization and CRP-EP, the selection of entrepreneurs will be based on economic status and efficiency in entrepreneurship operations. There is no age restriction for choosing an entrepreneur. Community Investment Fund (CIF) will be provided in the form of seed capital for the purpose of starting an enterprise. The program will provide assistance to rural entrepreneurs through business skill training, tourism and start-up loans for the enterprise along with linkages with banks and other government schemes.

Establishment of BRC

A block resource center will be set up in the designated development area as part of the program, serving as the nodal center. The BRC will operate independently with support from Community Resource Persons (CRP-EPs) and Bank Coordinators/Bank Mitras. Until the BRC is fully established, its functions will be managed by the Village Sanghatan/CLF.

Important facts about SVEP

- Beneficiaries under the program will be selected in two ways - 1. Community Resource Person, 2. Entrepreneur
- Beneficiaries will be selected by the community organization based on its need, entrepreneurial ability etc. There is no age restriction. Beneficiary can be either male or female.
- Enterprises other than agriculture are eligible under this program.
- Rural artisans have been included in this scheme.
- This program also offers limitless opportunities for working in a cluster approach by bringing together artisans or families engaged in traditional skills and occupations within a federation or similar structure.

- Preference will be given to beneficiaries from MNREGA, women, individuals from poor and disadvantaged backgrounds, as well as members of Scheduled Castes and Scheduled Tribes.
- There is no provision of subsidy in the scheme, only loans will be sought to set up the industry.
- Generally not more than 12% interest should be taken by group or federated entrepreneurs. Interest rates will be determined and agreed upon by the CBO. Guidance in this regard should be done through SRLM and PIA. A development area should have a uniform rate of interest, which would be considered the ideal condition.
- Any entrepreneur can set up any type of business under this program.
- In addition to the service, business, and manufacturing sectors, any artisan with traditional skills can join this program.
- Handloom work etc. can also be done.
- An entrepreneur is free to work individually or in a group to manage their enterprise.

Roles of CRP-EP and BRC-EP

S. R. L. M. The Power of Common Institutions- S. H. G. and through their federations CRP and BRC – EP are utilized for the following tasks –

- Disseminating information about new entrepreneurs to aspiring entrepreneurs
- Guiding entrepreneurs in securing loans through the Community Investment Fund (CIF).
- Monitoring the utilization and repayment of loans.
- Maintaining records of entrepreneurs' performance.
- Establishing a Community-Based Credit Guarantee Fund.
- Streamlining internal processes to facilitate bank operations related to credit flow and loan collection.

3 Growth and expansion of Existing Business

The primary objective of an existing entrepreneur is to achieve consistent profits from their business. In a changing economic environment, only capable and successful entrepreneurs can truly thrive. The desire to expand and grow their business is always on the mind of an entrepreneur. Therefore, for those already running a business, expansion and growth become essential.

You must have chosen one of the following options to start your business, as there are no other alternatives apart from these three.

- a. Establishment of Manufacturing based enterprise
- b. Establishment of Trade based enterprise
- c. Establishment of Service-based enterprise

When growing or expanding a business in any of the aforementioned areas, it's crucial to consider whether there is a viable market for your ideas. Additionally, you should assess if there are opportunities to start new industries alongside your existing business or how you can effectively expand your current operations. Let's discuss some potential enterprises to explore in this context.

Potential enterprises in the areas of Food and agricultural processing

1. Primary Processing, Grain Mill, Dal Mill, Cotton
2. Oilseeds, seed processing
3. Flour mill
4. Biscuits, breads and other non-baked products
5. Spices, processing and oil extraction
6. Fruits and vegetables (except potatoes)
7. Processing of agricultural waste (eg, making fuel briquettes / wafers, particles, boards)
8. Traditional light foods (like wafers, papads, farsan etc.)
9. Unconventional light foods (like noodles)
10. Potatoes processed into chips etc
11. Mushroom farming

Trading sector

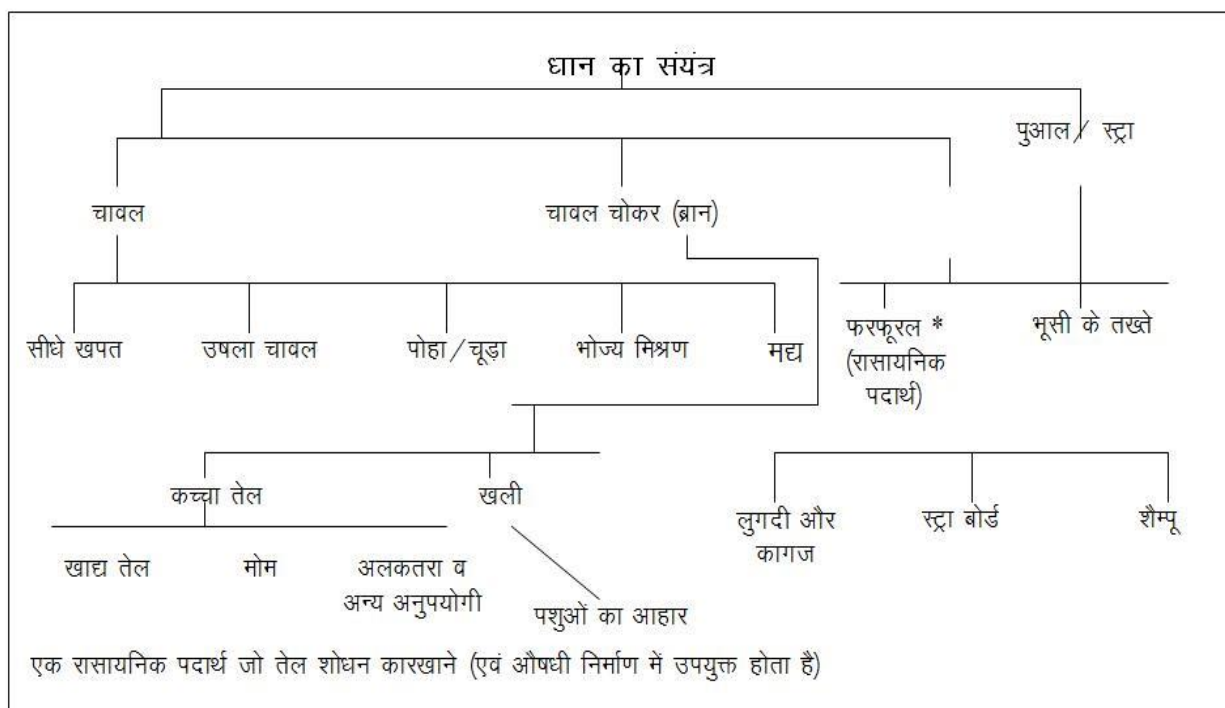
1. Grocery and General Store

2. Stationery shop
3. Milk Parlour
4. Spare parts of cars
5. Readymade clothes
6. Bookstore
7. Pesticides Medicines Sales Center
8. Hardware and paint store
9. Electronic goods sales center etc

Service area

1. Boutiques
2. Leasing of tractors or other agricultural machinery
3. Interior Decoration
4. Beauty parlour
5. Homestays
6. Video Production services
7. Cleaning services

Grain farming is definitely going on in your surroundings. Have you ever wondered what you can make from grains?



We should consider the options of all enterprises being established under one source.

Following aspects should also be taken into consideration while expanding the business –

- An area with uniform occupation
- Availability of Raw material supplier
- Innovation in packing materials
- Utilization of co-products
- Creating products designed to effectively address consumer problems
- Requirements and suppliers of various services

For example, if soybeans are grown extensively in your area, you can choose from a variety of products made from soybeans.



Products made from soybeans

Skills (Professional and Technical) -

Skills are crucial for running a successful business. However, it's not necessary for a professional to master every skill before starting their venture; some skills can be learned along the way. In traditional businesses, many professionals gain skills through exposure to family-run enterprises from a young age, allowing them to absorb knowledge and techniques over time. This experience

can provide a solid foundation, enabling them to navigate their business effectively as they continue to develop additional skills.

For instance, if someone aspires to work in furniture making, they can enroll in training programs specifically focused on that craft. In addition to technical training in furniture making, it's also important for them to pursue professional training that covers effective business management practices and operational procedures.

Alongside these technical skills, an entrepreneur should also develop soft skills, which are essential for building a unique identity and achieving growth in their business. These soft skills, such as communication, leadership, and problem-solving, enable them to connect with customers, manage teams effectively, and navigate challenges in the business environment.

1. Involvement – An entrepreneur must be involved in every aspect of the business. Even if employees are appointed for a job, the entrepreneur should be aware of all the developments in that job. Such involvement in work keeps attention on each task, and employees also behave more responsibly towards work.
2. Presentation -Presentation means presenting oneself to others in an effective manner. A successful entrepreneur must have self-belief, a positive mindset. So they can effectively present their thoughts to others and encourage customers, sellers to buy the products.
3. Communication Skills – Communication skills mean being able to communicate effectively in front of others. In order to become a successful entrepreneur, it is necessary to speak less, but the other person should easily understand what you want to say. Speaking at length without clarity can lead to misunderstandings. Therefore, it is essential to communicate clearly and concisely, ensuring that your message is clearly understood by others.
4. Contact (Networking) – Networking is all about connecting with the right people. A successful entrepreneur should be able to distinguish himself in the market, so that he does not face any problem in selling his products, timely supply of raw materials and other tools in the business.

5. Stress Management – Every business carries risks, which tend to increase as the business grows, leading to stress for entrepreneurs hence, it is necessary for entrepreneurs to solve problems and get out of stress by timely and informed decisions at the right time.
6. Flexibility / Variable - Adaptability is the crucial trait for a successful entrepreneur. An entrepreneur should be willing to evolve himself avoiding rigid stereotypes. This flexibility allows them to maintain influence in the market.
7. Time Management – An entrepreneur should manage time effectively and ensure tasks are completed on scheduled time. Failure to meet deadlines can damage market reputation and lead to gradual decline in the business..

Pragmatics in Business Thinking: Basic Questions

1. What is the physical appearance of the product or service?
2. What are their uses and to what extent?
3. Potential capabilities of products or implementations
4. Capital required to achieve said capacity
5. Market opportunities, potential
6. Sales value of the business
7. Complexity / arrangement in technology
8. Potential annual sales
9. Potential profit
10. Critical Elements of success

Supporting Unit

Before establishing a supporting unit, it's essential to carefully consider every aspect, as this supporting business will be closely linked to the larger company. Large companies often encourage you to make significant capital investments in machinery, which can boost production and enhance the quality of goods through improved technology.

By promoting another industry alongside yours, the larger company ensures a consistent supply of raw materials, preventing any shortages. This strategic partnership not only supports your growth but also strengthens the overall supply chain for both businesses.

Process system

You may also play a specific role in supporting another business. For example, if textile mills in your area produce white cloth, you could start a business that specializes in dyeing or printing that cloth. This way, your business complements the mills' operations by adding value to their product.

Packing material

Packaging is very necessary and important for bringing the product to the market. Let's say, there are drug manufacturing or electronics businesses in your area, they need to package their product in a certain attractive way. This can be a good business opportunity for you.

Increasing demand in the market

Select products or services that are in high demand in the market. Many items that weren't popular in the past have gained traction due to changing times. For instance, ready-made clothes, especially shirts, are now very sought after. People also prefer buying various types of papads instead of making them at home. Sports shoes, once seen as a luxury, are now a necessity. The demand for products and services such as plastic goods, Ayurvedic products, computers, writing materials, and two-wheeled vehicles like scooters and mopeds for school children is expected to keep rising.

Considerations from other markets

Typically, product ideas flow from developed countries to developing ones, and from large cities to smaller towns and villages. This suggests that if certain products or services are in demand elsewhere, they might also be needed in your local area. Pay attention to this when you visit different places. While not every product will be suitable for your market, some may be in high demand in your community. Here are some examples of products and services that originated abroad but have become popular in our country as well.

- Electronic Games / Toys
- amusement parks
- Restaurants (Fast Food)

- Sanitary Napkins

Local market conditions are crucial, so it's important to make informed decisions. If you want to expand your existing business, you'll need information on several topics, including opportunities, markets, technology, financing, policies, and business locations. Where can you find this information? How will you analyze what you gather? What steps can you take to enhance your access to relevant data? These are all key points to consider.

Discuss the following points to get information to expand the business you are running in your development area or village.

- Customer requirement
- Increase in customer base
- Skilled Artisans / Laborers / Workers
- Financial management
- Strong distribution system and network
- Use of high technology

Example 1 : You are working on sewing and selling clothes. For that, you use a foot operated machine. So you cannot fulfill the demand properly. In such cases you have to use an electric sewing machine. This is how you can grow your business using high technology.

Another example: You are in the business of making mattresses and quilts. A customer comes to you and says that he wants to a new mattress by removing the cotton from an old mattress and mixing it with some new cotton. But you don't have the required machine, so you have to go to the other markets. It consumes your entire day and takes a toll to buy the necessary device. Therefore you have to buy that machine in your shop to save your time and efforts.

Example 3: You started a grocery store three years ago, and you've noticed that customers nearby are asking for soft drinks and ice cream. But you don't have a fridge to store these items. To meet customer demand and increase your profits, consider investing in a fridge. This will allow you to offer these popular products and attract more customers to your store.

4 Professional Management

The success of any business depends on its efficient management. On the basis of management, an entrepreneur can control the affairs of his business. By coordinating various activities, profit and loss can be estimated by maintaining a balance between income and expenses of the business. The basic principles of management are as follows –

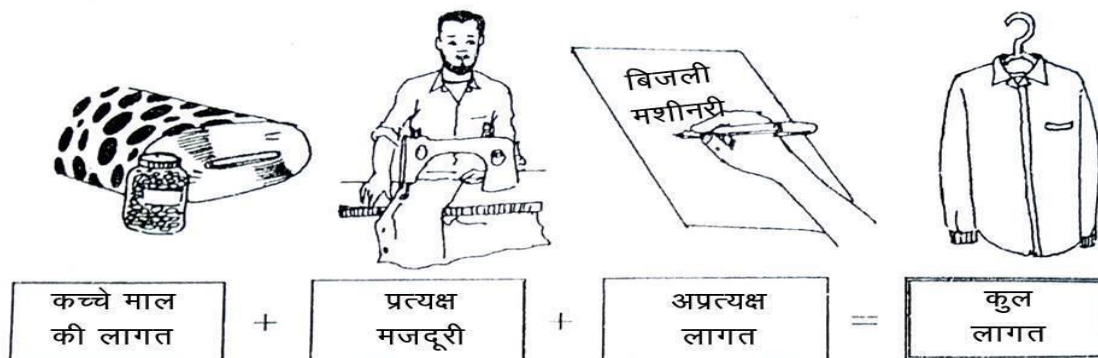
Costs and their classification-

The money required to make any item is the cost incurred for that item. There are two types of costs - direct costs and indirect costs

Direct costs- It includes raw materials and labor used in manufacturing the product.

Indirect costs- Expenditure on machinery, electricity, rent, facility expenses, transport / communication, interest, depreciation, equipment expenses etc. is included in this.

While calculating the cost of any product, total cost can be understood by calculating both these types of costs. This is further explained further.



Price determination process-

While determining the price of any good, the total cost of that good includes the direct costs incurred in bringing the product to the market such as transportation costs, government taxes, warehousing costs, advertising costs, etc. and indirect taxes. The amount now due can be determined as the cost of the product or the value of the product. We can understand this as follows –

$$\boxed{\text{वस्तु की लागत}} + \boxed{\text{समस्त व्यय}} + \boxed{\text{लाभ का मार्जिन}} = \boxed{\text{उत्पाद का मूल्य}}$$

For example, if a product costs Rs. 30 in total, here's how that breaks down: Rs. 15 is spent on bringing the product to market, and the entrepreneur wants to make a profit of Rs. 5. So, when you add these amounts together—Rs. 30 (total cost) + Rs. 15 (marketing cost) + Rs. 5 (profit margin)—the total selling price of the product would be Rs. 50.

Profitability -

The ability to make a profit in a business is called profitability. A whole sale is not a profit for any business. The profit of the business is the amount left after deducting the total cost of the product from the amount received after selling the product. This can be understood as follows –

$$+ \begin{array}{c} \text{कुल बिक्री} \\ - \\ \text{कुल लागत} \\ - \\ \text{समस्त व्यय} \\ = \\ \text{शुद्ध लाभ} \end{array}$$

As we have understood above product cost / product value if the commodity is sold at its fixed price i.e. 50 rupees, the cost incurred on it is 30 rupees and the cost of transporting the commodity to the market is 15 rupees then the profit of the entrepreneur is 5 rupees.

Working capital- Some expenses have to be incurred frequently in business, the capital used for this is working capital. For example, purchase of raw materials, expenses incurred on repairs, wages, communication, transportation expenses, stationery etc.

Occupational risk-

When pursuing an important and challenging goal within a specific timeframe, it's essential to recognize that taking risks is part of the process. If you fail to understand the potential risks involved, you might lose focus on your objective. To succeed, you must confront challenges both mentally and emotionally, enabling you to persevere despite setbacks. Every ambitious goal carries the possibility of success or failure. Those who seek success often encounter numerous difficulties along the way, and failure can never be entirely avoided. However, developing the ability to face failure—with resilience, practice, and a positive attitude—can strengthen your capacity to handle risks and challenges effectively.

Business accounting records provide you with information on other organizations as well as on an individual level about the products or services the business needs. Contracts you enter into with suppliers or customers are also part of your business records.

Accounting records

You know the benefits of keeping business accounting records. Accurate and clear records make it easy to understand how the business is doing and help to resolve any problems in the business.

- If your business is doing well, you can use records to understand why and make it better.
- If the business is not doing well, you can use the records to understand the exact problem and create a plan to solve the problem.

The major benefits of keeping accounting records are –

1. Cash transactions can be controlled by keeping accounting records – Records show how much cash an entrepreneur has and what activities he can use it for.



2. Accounting records show the actual position of the business – If there is any problem in the business, it is noticed from the accounting records. You can use records to understand that the business is running smoothly, nothing is going wrong, costs are not increasing or sales are not falling.



3. Accounting records can present the performance of a business to others – An entrepreneur needs business records for loans, tax payments and other business functions. Entrepreneur can submit his account for all these.



4. Future Planning – Records show you how your business has performed in the past and how it is now. If you understand the weaknesses of the business or the strengths of the business, you can effectively plan for the future accordingly.

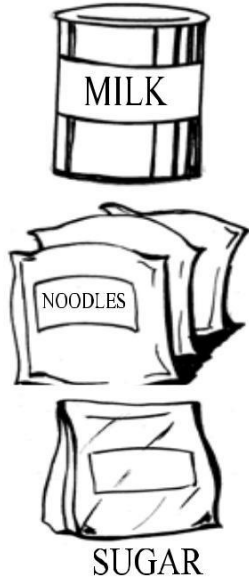


Record keeping means writing down all the information that is important to the business

- How much did you earn in business?
- How much money was paid off from your business?
- How many sales were made on credit in your business?
- To what extent do other people own your business?
- What is the cost of equipment purchased in your business?
- How much capital is invested in your business?
- Contracts with suppliers or customers in your business

Easy way to register business

A record of cash sales made each day



दैनिक नगद बिक्री का हिसाब –किताब				
दिनांक – 11/07/2017				
वस्तु (1)	बेची गयी वस्तु की संख्या (2)	प्रति वस्तु मूल्य (3)	कुल मूल्य (4)	
दूध	☑	5	10	50
नूडल्स	☑☑☑	14	5	70
शक्कर	☑☑☑	15	10	150

If your business involves selling affordable products on a daily basis, it's important to keep track of your cash sales every day. Here's how you can organize this:

List of Items: In the first column, write down all the items you sell.

Sales Tracking: In the second column, put a mark every time you sell an item. At the end of the day, count all the marks you've made to find the total number of items sold.

Cost per Item: In the third column, note the cost of each item.

Sales Calculation: In the fourth column, multiply the total number of items sold by the cost of each item.

At the end of the day, sum up the totals in the fourth column. This total will show you how much money you made from selling those items.

It's important to maintain this record daily, so consider using a notebook where you can make entries for multiple days. This way, you can easily track your sales over time.

Capital expended by business -

Always get a receipt for every expense when you use the capital from your cash box for the day's expenses.

- Receipt of purchase of raw materials and products for resale
- Pay slip / Receipt of payment of wages and salaries
- Bills for rent, electricity, telephone and other business expenses

If the supplier doesn't give you a written receipt, you should make a note of the transaction yourself so you don't forget it. You can use paper to write the above information / entries. The following must be written in it.

- Date of exchange
- Who is involved in the transaction?
- What was the transaction about?
- How much money was spent in exchange?

If you do not have any written proof of expenditure, you should write down the details of the transaction yourself. Apart from that you can hire a skilled accountant in your business, who can prepare other business records like profit and loss details, balance sheet etc., which will help you understand the exact status of your business.

5 Business plan

For a business to succeed, its plan must be both effective and realistic. This plan serves as a foundation for organizing essential elements such as tools, equipment, and staff. A well-structured business plan is crucial for obtaining loans, acquiring necessary production tools, and securing support for marketing the product.

Business Plan – Format

1. Name and Address of Applicant:
2. Name and Address of Business / Enterprise / Service Enterprise :
3. Name and brief introduction of product / service, market demand potential:
4. Proposed Capacity (Monthly)

No.	Product / Service Name	Quantity	Value
1			
2			
		Total	

5. Capital planning

A. Fixed capital

1. Land / office, godown, shop or similar (own or rented)
2. Machinery:

No.	Machinery	Quantity	Value
1			
2			
		Total	

B. working capital

1. Expenditure on Raw Material (Per Month)

No.	Name of raw material	Quantity	value
1			
2			
	Total		

2. Salaries and wages

No.	Description	the number	Estimated salary
1			
2			
	Total		

3. Other expenses

No.	Details	Estimated cost
1.		
2.		
	Total	

6. Total working capital (1 + 2 + 3):

7. Cost of production per month

No.	Details	Amount (Rs.)
1.	working capital	
2.	Depreciation on machinery, equipment (10% of fixed capital)	
3.	Interest on total capital	

	Total	
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8. Profit / Loss per month

No.	Details	Cost (Rs.)
1.	Income from service / product sales	
2.	cost of production (-)	
	net profit	

9. Financial needs

No.	Details	Amount (Rs.)
1.	For fixed capital	
2.	For working capital	
	Total	

10. Essential financial management

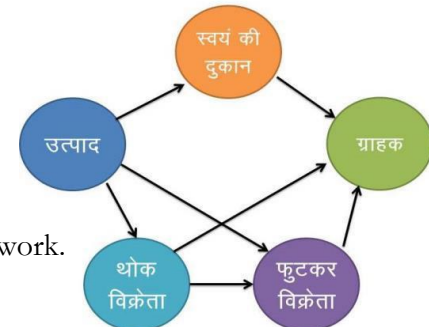
No.	Details	Amount (Rs.)
1.	Margin money help	
2.	Loan from bank	
	Total	

11. Loan repayment period
(Monthly / Quarterly)

Applicant's name and signature

6 Marketing Network

A marketing network includes the identification of an entrepreneur in the market, product promotion, distribution and sales. As a professional in, network marketing, determine how to advertise the product, identify your target audience, decide how much to sell, choose whether to sell wholesalers or retailers or directly to customers through your own shop.



Network of Institutions - Bank, Post Office etc.

Banks, post offices, and other financial institution play a key role in this network.

. The financial exchange between businesses

On a large scale, money is needed from time to time.

A business can take a loan by approaching institutions like banks or post offices. For that, it is necessary to have a strong network of professionals with financial institutions like banks, post offices etc. If such a network is developed, the businessman will not be a new customer every time for a bank or post office and will not have to submit documents every time. He can do his job just by submitting the necessary documents.

Understanding how much development can be done in the value chain

Improvement in the quality of any product, development of new products and maintaining its value from production to delivery to the consumer is known as the production value chain.

How do you develop in series?

It is important to understand future demands in order to

Increase production.

For example, one

from commercial milk to curd, buttermilk, paneer,

Making butter, ghee etc. but

Now considering the demands of the customers

He also started making ice cream.



जोड़े गये नये उत्पाद

अब तक बनाये जा रहे उत्पाद

7 Fundamentals of Selling

It is a necessary and important task to sell the product within a certain time frame after it is produced. The entrepreneur has to plan for this in advance, so that the product is delivered to the market on time, consumers use it on time and the entrepreneur does not suffer any loss. This requires understanding the fundamentals of selling –

Importance of market survey-

Market survey is important as it helps to understand the exact market conditions. It helps identify how many other manufacturers produce similar products, how many goods they make, what kind of goods are in demand in the market, their sales volume, information about the prices of competing manufacturers etc. Apart from this, there are many more benefits of market survey –

- When an entrepreneur repeatedly goes to the market, meets various potential buyers / sellers, business relationships are formed between them, and in the future these same buyers / sellers become partners with each other and buy and sell products.
- Through the market survey, the entrepreneur can understand how much and in what form the exact need for the product is, according to which he can make changes in his product. For example, an entrepreneur wants to start a business manufacturing plastic mugs. After surveying the market, he realizes that instead of plastic mugs, there will be more demand for soap containers. He can change his product accordingly.
- Market survey helps the entrepreneur to understand the demand in the market for the product he is going to make. Accordingly, the confidence and enthusiasm of the entrepreneur increases.
- A market survey helps an entrepreneur to understand the reactions of various individuals. Thus the entrepreneur gets guidance and can learn from the mistakes of other entrepreneurs.
- An entrepreneur can influence financial institutions by presenting the data collected through market surveys to financial institutions.

4P Theory –

The 4P theory is based on four elements; these four elements are as follows –



Promotion - Promotion of a product means promoting, disseminating or advertising it. The contribution of advertisement in the sale of a product is important because the more effective the advertisement is, the more consumers will be attracted to it and buy it. Many of us choose the things we need by watching advertisements on TV. This requires knowledge of the following –

- Type of Advertisement – Posters, leaflets etc.
- Advertising costs

Produce -Introducing the product to the market is the first step of a business. Information about a product can be obtained from several sources. The easiest way to do this is through market research. By surveying the market, one can get the information about the advantages and disadvantages of the product and if necessary, changes in the product and improvement in its quality can be made. The following information is required for this –

- Product quality
- Color of the product
- Product size
- Product packaging
- Additional parts of the product
- Necessary changes in the product

Price / Value- Determining price / value of a product is not as simple as it may seem . The market is filled with competing products.. Hence, a fair price must be decided by adding up all the costs of

production and keeping a fixed margin. People should be attracted to buy a good quality product at the right price. It should have all the following information –

- Estimated cost of production
- Consumers in the product market
- The price at which competitors of the same product sell their products
- Value determined by the entrepreneur himself
- Reason for choosing this value
- How much discount an entrepreneur can give if required
- Reason for Exemption
- To which buyers / sellers goods can be loaned
- Reason for lending

Location - Before starting a business, an entrepreneur needs to choose a suitable location for his product. This location should be such that he gets enough distributors for his product. It requires all the following information –

- A place for business
- Reason for choosing location
- Information about distributors , customers, wholesalers, retailers or others

Class distribution and Target Setting-

Before selecting the product, the entrepreneur should segment the class so that he can easily determine his objectives. Class segmentation means that the entrepreneur should look at the customer segment of the product he is making, i.e. whether the product is for children, youth or the elderly, and also what class these people belong to, upper class, middle class or poor or below poverty line. This class segmentation helps the entrepreneur to determine his product and its price.

If an entrepreneur wants to make a product for children, he also has to decide whether the product is for children under five years of age, school children, children under 15 years of age, if so, toys, clothes can be manufactured.

If products are to be made for school children then items such as pens, notebooks, bags, school uniforms etc. can be made.

An entrepreneur can decide the price of his product according to whether the customers are upper class, middle or poor class or below poverty line.

Consumer Behavior / Tendency-

There are certain motivations, purposes, decisions and buying processes behind which consumers buy a product. The process that consumers follow while purchasing a product is called consumer behavior.

For example, some consumers value the scent of soap while buying it. Some customers are impressed by its packaging while others value the price. Therefore, it is essential to understand customer behavior. Accordingly the entrepreneur can change his product.

Quality-

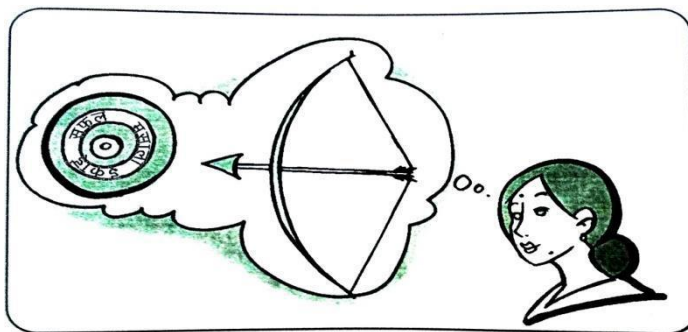
An integral part of any product is its quality,. No matter how attractive your product is, no matter how low its price, if it is not of good quality, once purchased, customers will not buy it again. Therefore, attention should be paid to the quality of the product, for which the market should be surveyed and improved based on the customer demand.

8 Basic principles of business plan

An entrepreneur's entire business is based on the plan he makes. An entrepreneur's plan should be realistic and objective based. The basic principles of a business plan are as follows –

Objective determination-

Setting objectives is the first step in any business. Until the entrepreneur decides what exactly he wants to achieve, he cannot plan effectively. All plans made by an entrepreneur should align with these objectives.



Products / Services

The profit and loss of a business depends on its output services. Therefore, it is necessary to collect all the necessary information related to the product before production. Information about a product can be obtained from several sources. The easiest way to do this is through market research. By surveying the market, one can get the information about the advantages and disadvantages of the product and if needed make changes in the product and improvement in its quality. The following information is required for this –

- Product quality
- Color of the product
- Product size
- Product packaging
- Additional parts of the product
- Necessary changes in the product

Marketing Plan –

A marketing plan is a plan for selling a product after it is manufactured. A marketing plan has to be prepared before the product is launched. All the following information has to be combined in this –

- How the product will be promoted/promoted.
- In which markets the product will be made available.
- How the product will be delivered to the market
- Sellers information about the buyers of that product in the market
- Will the product be sold directly to consumers or to wholesalers?

Action plan

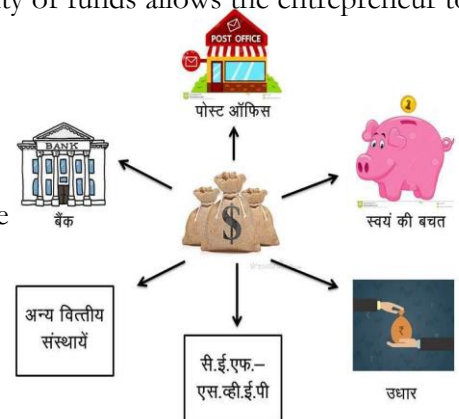
Various tasks are conducted in business. An entrepreneur has to make a plan about what work needed to be completed within a timeframe, what items are required for it, etc. An entrepreneur cannot manage all the work of the business, for that he divides the work by appointing employees in the business, so that the work can be completed in the given time according to the work plan made and the benefits can be earned.

Financial Planning

Financial planning is the lifeline of any business. The Availability of funds allows the entrepreneur to arrange resources

according to the business plan.

based on the financial outline, the entrepreneur decides the source of funds- personal savings, borrowed from someone or secured from bank loan.



If an entrepreneur wants to take a loan to start a business, he needs to know what the bank emphasizes in the loan case, so the entrepreneur can prepare in advance. An entrepreneur needs to keep the following things in mind so that he does not face difficulties in getting a loan -

(a) Personal capacity-

- Approach the bank with confidence.
- Submit all necessary business documents properly.

- Choose the right enterprise
- Gather complete information about the chosen industry.

(b) Capacity of machinery used in the unit

- Ensure the technology and machinery are suitable and tested.
- The machinery's capacity should match your needs.
- Check the previous work record of the machinery.
- Know the background of the supplier from whom you acquire the machinery.

(c) Finance capacity of the unit

- Ensure the unit is fully established..
- The entrepreneur should be able to invest the required margin
- Identify financial sources used to set up the unit.
- Understand the breakeven point, where the unit makes neither profit nor loss.
- Assess the unit's profitability.

(d) Financial Performance of the unit

- The unit should generate enough income to be profitable.
- Minimize other financial burdens and non-productive costs.

(e) Marketing ability of the unit

- There should be sufficient demand for your product or service in the market.
- Research the likelihood of market acceptance for your product.
- Stay informed about current trends and customs in your product area.
- Know your buyers and sellers.
- Understand the competition in the market.

(e) Legal Aspects

- The entrepreneur must have completed all the legal formalities.
- Necessary licenses / approvals should be obtained.

(f) Other Matters

- Choose a strategic and favorable location for your business.
- Identify available support for entrepreneurs.
- Ensure the availability of raw materials.
- Consider additional warranties or securities for the business.

Risk -

Risk is a crucial aspect of business. As a business grows, it faces more risks that need to be managed. Entrepreneurs must have a practical and creative mindset to navigate these challenges. They should be open to new ideas and aware of potential future risks.

Just as villagers repair their roofs and walls before the rainy season to avoid problems later, entrepreneurs need to proactively manage their businesses. Some challenges, like floods, earthquakes, or fire damage, can be anticipated. To prepare for these risks, entrepreneurs can invest in necessary tools and consider insuring their business and products to minimize potential losses.

9 Watching a video of a successful entrepreneur and discussing it (informing entrepreneurs about the initial knowledge of business, its challenges and success)

While watching a video of a successful entrepreneur, try to gather the following information during the discussion, so that you can use it in your business –

- Reasons for choosing business through entrepreneurs
- Difficulties in running a business
- Efforts to overcome difficulties
- Sources selected for financial provision
- Availability of tools around
- The customer segment selected by the entrepreneur according to which the products are selected
- Information about the technology being used in the business
- Number of employees working in the business
- Information such as quantity of production etc.

10 Entrepreneurship Development Project

Profits and losses occur in business, but an entrepreneur should make an effective plan to maintain the profits in the business for a long time, so that the business can grow and the sales of the product do not decrease. Following are the things that can be done to stabilize the profitability of the business and for the development of the entrepreneur -

Understanding what the customer needs are-

An entrepreneur should periodically survey the market to understand the needs of the customers and accordingly make changes in the product so as to retain their customers.

For example, earlier people used to buy milk in household containers. But now most people buy milk bags or packets.



Before After

Increase in number of customers

Create various strategies to attract customers to your products so that customers buy more. This can be understood from the following pictures –



आकर्षक विज्ञापन



आकर्षक योजना



आकर्षक छूट

In addition, entrepreneurs attract customers by offering special discounts during festivals or on special occasions. Apart from this, customer meetings can be convened to understand their suggestions regarding the product and changes in the product can be made accordingly. Also, if customers are satisfied with the product, they can be encouraged to promote the product by word of mouth.

Skilled manpower

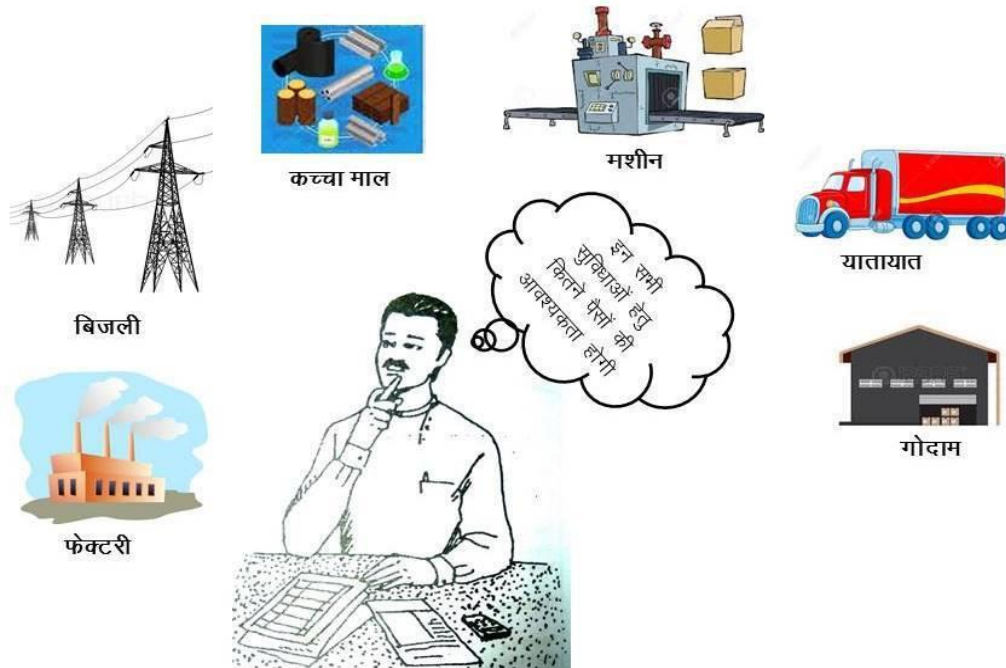
It is not necessary for an entrepreneur to have all the qualities in himself and it is not even possible for him to complete all the tasks by himself. By employing skilled persons in his business, he can complete his work properly, within the stipulated time. A business may employ people for different tasks, such as,



- Accountant to keep accounts
- Driver for transportation and communication
- Skilled artisans for production
- Other personnel for product packaging.

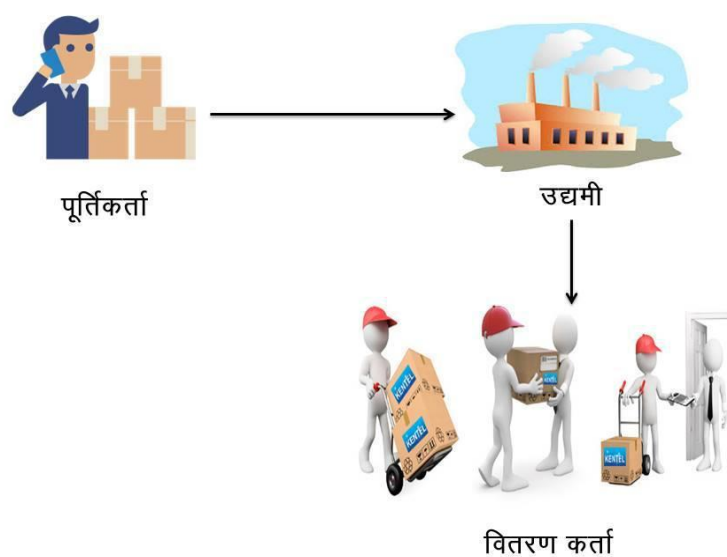
Managerial Capital Skills

An entrepreneur must arrange capital at every level in the business. An entrepreneur should make provision of capital in advance by understanding the future events and necessary resources. This is how a successful entrepreneur moves forward.



Strong arrangement of suppliers and distributors

The system of suppliers and distributors must be strong. That is, the raw material required for the production should be received on time and after the production of the product, it should be sold by the distributor in the market on time. It should not happen that the manufacturer is ready to supply the product but lacks the necessary raw materials. or the product is ready but there is no buyer.. Such situations could lead to significant losses for the business.



11 Financial Management in Business

In any business, money is essential for its survival. Financial management is a key aspect of business management. It involves creating a plan for how to use the available funds effectively. An entrepreneur needs to determine how much money they have, how much they want to invest, and where to allocate it to ensure the business operates smoothly within their budget.

Management of working capital

In any business it is necessary to manage capital, so that balance between income and expenses can be maintained. An entrepreneur manages the working capital in advance to meet the day-to-day and necessary expenses incurred in the business according to the money available to him, so that the work does not stop due to lack of any equipment or facility. We can understand this from the following example –



Understanding Cash Flow

Cash flows (records of how much cash is brought into the business and how much is spent) account for the amount of cash coming into and out of the business between two accounting periods. The opening balance of the business at the beginning of each period and the remaining balance at the end are shown. Such financial statements may be made monthly, weekly or for any other regular period. We can understand how much goods and money the entrepreneur had at the beginning and how much goods and money remained at the end of a certain period of time from the following picture.

सप्ताह के प्रारंभ में



वस्तु



पैसा

सप्ताह के अंत में



वस्तु

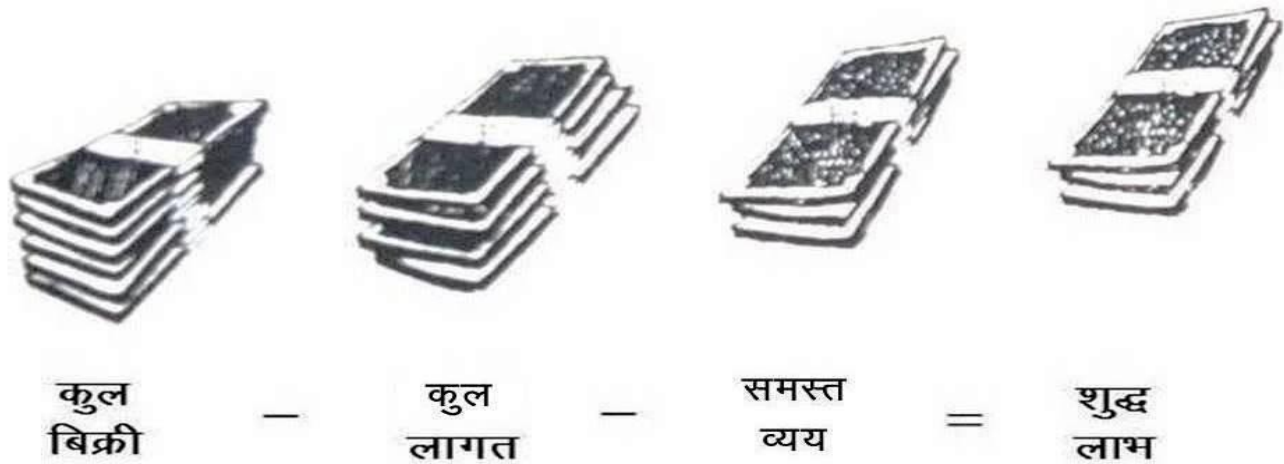


पैसा

सप्ताह में
बिक्री के
बाद

Profitability -

As previously discussed, the ability to generate profit in business is called as profitability. A sale in itself does not constitute profit. Profit is the amount remaining after deducting the total cost of the product, all direct and indirect costs, wages, etc., from the amount received after selling the product. This can be understood as follows –



Repayment of business loans and capital

An entrepreneur needs to repay the business loan on time so that a good relationship with financial institutions like banks etc. can be established and the entrepreneur can get a loan easily if needed in the future.



An entrepreneur can prepare a list to repay the loan. In this one can write all the accounts such as the amount paid every month and the remaining amount of the loan as well as the amount remaining with him.

month		January	February	March	April	May
Loan received from bank		10,000/-	--	--	--	--
Amount Repaid		1,000/-	1,000/-	1,000/-	1,000/-	1,000/-
The remaining amount	2,000/-	11,000/-	10,000/-	9,000/-	8,000/-	7,000/-

According to the above table an entrepreneur has Rs.2,000/- at the beginning of the year and takes a loan of Rs.10,000/- from the bank. Thus he gets Rs.12,000. Out of this he pays Rs 1000 for the month of January. Then he is left with Rs.11,000. In this way he records the defaulted amount every month. From this one can easily understand his current loan status from time to time.

Understanding the profitability / success of a business through accounts-

We have already seen the benefits of having good accounting records in any business. The profit / success of the business can be easily understood from the accounts prepared by the entrepreneur as the accounting records contain records of every income and expenditure, purchase and sale. This allows the entrepreneur to understand whether he is making a profit or loss in the business and accordingly he can plan future operations.

12 Obtaining and repaying the loan

Entrepreneurs will be selected in collaboration with community organizations and CRP-EP based on entrepreneur's need, poverty and enterprise operational efficiency. There is no age restriction for choosing an entrepreneur. It will also encourage the entrepreneurs who are already running along with the start-up. As much as taking a loan is necessary, so is creating a business plan. If the plan is not properly evaluated, the entrepreneur may face many problems in the future. After selecting the industry, a business plan is drawn up for the loan; it consists of the following components –

- Name and identity of the product/service as well as demand potential in the market
- Proposed capacity or total sales of the industry
- Shop rent
- Machines and other materials
- Raw material
- Salaries and wages
- Other incidental expenses
- Capital Total Plan Expenditure to be used in actual work
- Financial management
- production costs
- Profit / Loss

While evaluating the business plan, attention should be paid to the above aspects.

Arrangements have been made under this scheme to provide Community Enterprise Fund (CEF) in the form of seed capital to start up an enterprise. CEFs also increase the risk-taking capacity of entrepreneurs.

- Management of financial discipline as well as regular repayment of loans
- To demonstrate the creditworthiness of the poor to banks and other financial institutions.
- Availability of margin money helps in obtaining loans from banks and other financial institutions

Getting loan from CEF

- First of all, the entrepreneur's credit rating graph should be prepared with the help of CRP - EP.
- Presenting the loan graph as well as the loan repayment information in the meeting and informing the CRP-EP.
- After deliberation by the group, the representatives of the group will submit it to the executive committee of the village association for approval. The Executive Committee may approve any application or return it for reconsideration.
- After this the case will be presented to the Credit Committee of BRC through CRP-EP and entrepreneurs for final payment by BRC.
- BRC will evaluate the proposal to ensure that all guidelines are followed. The loan amount will be credited to the account of the respective group when the proposal is valid.
- The group will deposit the amount in the entrepreneur's account after receiving the instruction through BRC. Intimation of payment of amount will be given to the entrepreneur through CRP-EP to BRC as well as village association.

Repayment of loan

The entrepreneur will repay the CEF to his respective group at a monthly interest rate of 1 percent from one month after receiving the loan. The group will remit 75% of the loan principal and interest amount to their village organization, the village organization will keep 25% of the interest amount in their organization and send the remaining amount through a check (in the name of BRC) to the CLF, from which the BRC members will collect the cheque. The CEF will be repaid through the entrepreneur to the group as per the repayment plan. The CEF will be reimbursed by the group to the village organization, then from the village organization to the nodal community organization. If the BRC is operated through the BLF, the reimbursement from the village association will be made to the CLF of the concerned village association. The repayment of CEF by the village association to the BRC will be done in a special meeting organized by the BRC. This meeting will be held in February or August and BRC will inform all village associations about the date of this meeting.

The minimum moratorium period in repayment of CEF will be 3 months and maximum 6 months. The duration of the moratorium period will be agreed between the group and the entrepreneur. After this the above instruction will be applied for CEF. SHGs can only claim interest on CEF during the moratorium period. The principal amount will not be payable during this period. If the entrepreneur voluntarily wants to return the principal amount, the SHG will accept it.

The repayment period from the entrepreneurs to the group will be mutually agreed upon and will be mentioned in the industry appraisal. Loan repayment period for individual business can be maximum 24 months. The loan repayment period for collective enterprises can be up to a maximum of 36 months.

With CEF providing financial assistance to entrepreneurs to start a successful business, capital is very important for any business. The maximum interest rate for Group CEF repayment by the industry has been fixed at 12% per annum to stabilize the industry. The CEF interest repayment rate from the group to the village association is 9% and the loan repayment rate from the village association to the nodal community organization is 6% per annum.

Loan amount given to entrepreneur in 24 months B. R. C. has to be returned.

- As decided earlier, the entrepreneur will repay the loan through the group itself. The loan will not be disbursed in cash under any circumstances.
- After the entrepreneur fully repays the loan, BRC will issue a loan clearance certificate to the entrepreneur and the group.

13 Games related to management - boat games

Through this activity they will learn some things which need to be vigilant like planning, maintaining quality of product, competition at work etc. Various things related to practicality in entrepreneurship like setting goals, learning from experience, taking personal responsibility for success or failure, getting out of stress, etc. can be learned and one's own behavior can be examined accordingly. The main objectives of this initiative are as follows -

- To examine your own abilities in personal planning and vigilance
- To develop your abilities to come out of stressful situations
- To explain the importance of attention to planning and quality
- To explain that one needs to take responsibility for success or failure

The instructor must have these materials-

- One side colored square glossy paper (10X10 cm)
- Copies of boat making guidelines for participants (to be given to each person)
- Fruit / Flip Chart
- Clock for measuring time (stop watch)

Action of the game—



Participants are asked to make two different paper models of boats. For this they have to follow certain quality parameters. In this phase of the test, participants are asked to complete a task within a

time frame of their choosing. They are then asked to record the raw material they have purchased (paper for making boats) and the time taken to make boats. Now everyone is asked to make a boat with 5 minutes time. In this both models are made differently to make. Now the coach buys the boats that are made within the specified time and according to the parameters and discards the boats that are not according to the parameters. Now everyone is asked to calculate profit and loss. Analyze the answers of the trainees and use the following criteria for this -

- Planning
- Product quality
- Commitment to work according to a certain structure
- Learning from mistakes
- Responding to the external environment
- Ask for information
- Build up and get out of stress

Score Sheet for Apprentices in Boat Building

No.	Details	Model (Sample 1)	Model (Sample 2)
1.			
A	How many boats can you make in five minutes?	..... number	..... number
B	What is the probability that this objective will be met? 100% 90% 80%%%
S	Why do you think you can accomplish this goal?		
2.	Examination		
A	How long did it take you to make these models? (in seconds)	..... Sec	..... Sec
B	How many can you make in five minutes?	..... number	..... number
S	What will be the investment in this?	..... Rs.	..... Rs.
D	What is the probability that this objective will be met?%%
etc	Why do you think you can accomplish this goal?		
3.	Business and Conclusion		
A	How many boats did you make?	..... number	..... number
B	How many boats can you make?	..... number	..... number
S	Sales (Rs.)	..... Rs.	..... Rs.
The	Profit / Loss	..... Rs.	..... Rs.
4.	Write down the reason for the profit/loss in each model you make.		

Success Plan Table

Name -

Dated -

1. Analysis of own objectives and objectives
2. c) What is your long term (more than 5 years) objective?
(b) Is the objective realistic and measurable? Please explain.
(c) If yes, in what time and in what manner do you intend to accomplish this objective?
3. c) What is your short term (1 to 5 years) objective?
(b) Is the objective realistic and measurable? Please explain.
(c) If yes, in what time and in what manner do you intend to accomplish this objective?
4. c) What is your goal for 6 months to 1 year?
(b) Is the objective realistic and measurable? Please explain.
(c) If yes, in what time and in what manner do you intend to accomplish this objective?
5. Required notices
Ever need some tips to help you accomplish your goals? Make a list of necessary instructions according to your objectives.

No.	Objective	duration	Required notices
1.	More than 5 years		1 2 3 4
2.	1 to 5 years		1 2 3 4
3.	6 months to 1 year		1 2 3 4

6. Your action plan

(c) Have you made a time-bound work plan to meet your goals for a period of more than 5 years?

No.	Action plan	duration
1.		
2.		
3.		
4.		
5.		

(b) Have you made a time-bound work plan to meet your goals for a period of 1 to 5 years?

No.	Action plan	duration
1.		
2.		
3.		
4.		
5.		

(c) Have you made a time-bound work plan to meet your goals for a period of 6 months to 1 year?

No.	Action plan	duration
1.		
2.		
3.		
4.		
5.		

7. To minimize the problems and risks that could stand in the way of achieving your goals –

(1) What are your personal difficulties?

- _____
- _____
- _____

(2) What plans have you made to overcome or minimize these personal difficulties?

- _____
- _____
- _____

(3) What external obstacles might stand in the way of achieving your goals?

- _____
- _____
- _____

(4) What are your actions designed to eliminate or reduce these external constraints?

- _____
- _____
- _____

8. How likely are you to succeed or fail in accomplishing your goals? And what are the odds?

(c) What is the percentage probability that you will succeed - _____

Reason - _____

(b) What is the percentage chance that you will fail – _____

Reason - _____

8. Resources and Help

(a) What kind of help can you get from where and till when?

Kind of help	Person's Name	Name of Institution / Organization	duration

(b) What kind of resources can you get from where and by when?

Type of resources	Person's Name	Name of Institution / Organization	duration

10. How will you feel after success?

11. How would you feel if you failed?

Action plan for your business growth

developments	Date of Increment	Completion date