Department of Electronics & Communication Engg.

Course : Management & Entrepreneurship Development-15ES51.

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Module 1
Function

Every Function has two dimensions:

Substantive: What is being done.
Procedural: How it is done.

Above definitions & functions of management only help us identify a manager but they tell us little about how he manages.

Relationship among four sub processes

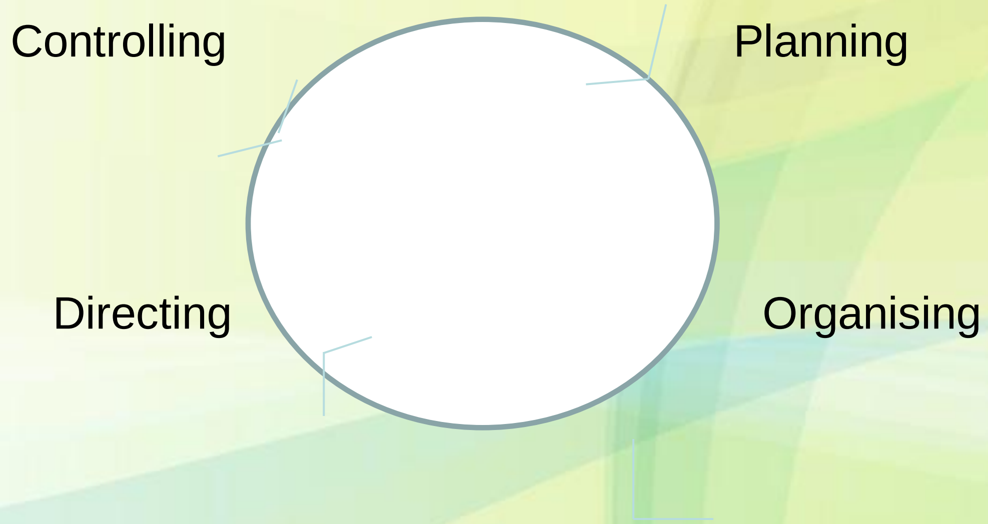

Fig: Management Process

Roles of a Manager

- Idea of a role → Sociology & is the pattern of actions expected of a person in his activities involving others.
- Arises → Result of the position that he/she occupies in a group in a given situation.

- Mintzberg

  A manager should be regarded as playing ten different roles.

Interpersonal Roles:

- Figurehead: Every manager has to perform some duties of a ceremonial nature.
  Greeting touring dignitaries
  Attending wedding of an employee
  Taking important customer to lunch.
- Leader: As a leader, every manager must motivate & encourage his employees.

Corporate Appraisal

- Involves an analysis of the company’s strength & weaknesses.

A company’s strength may lie in its:

Outstanding leadership
Excellent product design, low cost manufacturing skill,
Efficient distribution, Efficient customer service,
Personal relationship with customers,
Efficient transportation & logistics
Effective sales promotion
High turnover of inventories &/or capital,
Ability to influence legislation,
Ownership of lowcost or scarce raw materials & so on.

Essence of strategy

- Is in being different.
- i.e. In combining activities in such a way that they deliver a unique mix of values that are different from rivals.
- It is not that the rivals cannot imitate combination .
- But imitation of a combination of activities is certainly more difficult than imitation of one or two activities.
- It requires :--
  - Different equipment, different employee behaviour, different skills, different company image & different management systems.

Planning mode/Two other modes

- Above mode of strategy formulation is known as “Planning” mode.
- Is systematic & rational.

- Two other modes:

- <u>Entrepreneurial mode(Inside –Out)Mode:</u>
- ▪ Is one in which a proactive ,bold plan is drawn to seek new opportunities on the basis of intuition.

- Greatest constraint on company’s performance ---------its own mindset.

- <u>Adaptive mode</u>

- Is reactive & timid.
- Generally used to formulate strategies for solving problems as they come.

Module 2
Standing Plans

- Policies:

  A policy is general guideline for decision making.

  Sets up boundaries around decisions, including those that can be made & shutting those that cannot.

- Channelizes the thinking of the organization

Members so that it is consistent with the organizational objectives.

In words of George R Terry

“Policy is a verbal, written or implied overall guide setting up boundaries that supply the general limits & direction in which managerial action will take place”.

Policy deal with “how to do”the work, they do not dictate terms & subordinates.

They provide a frame work with which decisions must be made by the management in different spheres.

Policies & objectives guide thinking & action,but with difference.

Objectives are end points of planning while policies channelize decisions to these ends.
Policies lead to objectives in the way a series of alternate highway routes leads to a city.

Procedures

- Policies are carried out by means of more detailed guidelines called procedures.
- Procedure provides a detailed set of instructions for performing a sequence of actions involved in doing a certain piece of work.
- Same steps are followed each time that activity is performed.
- Eg. procedure for purchasing raw materials may be:

i) Requisition from the storekeeper to the purchasing department.

ii) Calling tenders for purchase of materials.

iii) Placing orders with the suppliers who are selected.

Advantages & limitations of procedures

- Several advantages of procedures :

1) They indicate a standard way of performing a task.

this ensures a high level of uniformity of performance in the enterprise.

2) They result in work simplification & elimination of unnecessary steps & overlapping.

3) They facilitate executive control over performance.

By laying down the sequence & timing of each task, executive's dependence on the personal attributes of his subordinates is reduced. supervision becomes more routine & discipline is externalised.

4) They enable employees to improve their efficiency by providing them with knowledge about entire range of work.

<u>Limitations of Procedures:</u>

1) By prescribing one standard way of performing a task, they limit the scope for innovation or improvement of work performance.

2) By Cutting across department lines & extending into various other departments they sometimes result into duplication, overlapping & Conflict.

Methods

- Method is a prescribed way in which one step of a procedure is to be performed.
- Specified technique to be used in screening the applications or conducting a written test is a method.
- Sequence of steps involved in the recruitment of personnel constitutes a procedure.
- The method that is selected for discharging a particular step under the existing conditions may become outdated in due course of time b’coz of discovery of better & more economical methods.
- Need for better & more economical methods of operation is great because of the pressure of competition in the markets for the products of the concern.
- Methods help in increasing the effectiveness & usefulness of the procedure.

- Rules also bring in predictability.
- Difference of rule from policy, procedure or method.
- It is not a policy because it does not give a guide to thinking & does not leave any discretion to the party involved.
- It is not a procedure because there is no time sequence to a particular action.
- It is not a method because it is not concerned with any one particular step of a procedure.
- Single –Use plans
- Programmes:

  Programmes are precise plans or definite steps in proper sequence which need to be taken to discharge a given task.

Programmes are drawn in conformity with the objectives and are made up of policies,procedures,budgets etc.

Single Use Plans

- An enterprise may have a programme of opening:

  five branches in different parts of the country or

  of deputing its employees for training

  or of acquiring a new line of business or installing new machines in the factory or of introducing a new product in the market.

- Essential ingredients of every programme are time phasing & budgeting.

- A programme for the opening of five branches must earmark money & specific time periods for
- 1.Securing the necessary accommodation.
- 2.Recruiting personnel to manage the branches.
- 3.Arranging the supply of goods which are to be sold through the branches.
- Single step in a programme is set up as a project.
- Schedule specifies the time when each of a series of actions should take place.

Budgets

- A budget is a “financial &/or quantitative statement prepared prior to a definite period of time,of the policy to be pursued during that period.,for the purpose of obtaining a given objective.
- Budgets are plans for a future period of time containing statements of expected results in numerical terms,
- i.e rupees, man-hours,product units & so forth.
- Important budgets are sales budget, production budget, cash budget & revenue & expense budget.

Steps in Planning

STEPS IN PLANNING

The steps generally involved in planning are as follows:

1. **Establishing Verifiable Goals or Set of Goals to be Achieved** The first step in planning is to determine the enterprise objectives. These are most often set by upper level or top managers, usually after a number of possible objectives have been carefully considered. There are many types of objectives managers may select: a desired sales volume or growth rate, the development of a new product or service, or even a more abstract goal such as becoming more active in the community. The type of goal selected will depend on a number of factors: the basic mission of the organisation, the values its managers hold, and the actual and potential abilities of the organisation.

The values and beliefs held by top men are very important in the selection of goals. Walchand Hirachand's belief, for example, that a cheap and efficient transport system was necessary for rapid industrialisation resulted in the establishment of the Scindia Shipping Company, Premier Automobiles and the Hindustan Aircraft Company. The Tata group of companies bears the stamp of the lofty ideas of Jamshetji N. Tata. Tata's sense of trusteeship, his realisation that to survive and prosper free enterprise must serve the needs of society, his emphasis on the application of science and technology—all have been brought to bear on the enterprises which bear his name.

2. **Establishing Planning Premises** The second step in planning is to establish planning premises, i.e., certain *assumptions about the future* on the basis of which the plan will be ultimately formulated. Planning premises are vital to the success of planning as they supply pertinent facts and information relating to the future such as population trends, the general economic conditions, production costs and prices, probable competitive behaviour, capital and material availability, governmental control and so on. Since managers at different levels generally differ in their views about these premises it is imperative for the chief executive to arrive at a common set of premises that all can accept.

Planning premises can be variously classified as under:

(a) Internal and external premises.
(b) Tangible and intangible premises.
(c) Controllable and non-controllable premises.

(a) ***Internal and external premises*** Premises may exist within and outside the company. Important internal premises include sales forecasts, policies and programmes of the organisation, capital investment in plant and equipment, competence of management, skill of the labour force, other resources and abilities of the organisation in the form of machines, money and methods, and beliefs, behaviour and values of the owners and employees of the organisation. External premises may be classified in three groups:

Steps in Planning

business environment, factors which influence the demand for the products of the enterprise and the factors which affect the resources available to the enterprise. These external premises may include the following:

(i) General business and economic environment
(ii) Technological changes
(iii) Government policies and regulations
(iv) Population growth
(v) Political stability
(vi) Sociological factors
(vii) Demand for industry's product.

(b) ***Tangible and intangible premises*** Some of the planning premises may be tangible while some others may be intangible. Tangible premises are those which can be quantitatively measured while intangible premises are those which being qualitative in character cannot be so measured. Population growth, industry demand, capital and resources invested in the organisation are all tangible premises whose quantitative measurement is possible. On the other hand, political stability, sociological factors, business and economic environment, attitudes, philosophies and behaviour of the owners of the organisation are all intangible premises whose quantitative measurement is not possible.

(c) ***Controllable and non-controllable premises*** While some of the planning premises may be controllable, some others are non-controllable. Because of the presence of uncontrollable factors, there is need for the organisation to revise the plans periodically in accordance with current developments. Some of the examples of uncontrollable factors are strikes, wars, natural calamities, emergency, legislation, etc. Controllable factors are those which can be controlled and normally cannot upset well-thought out calculations of the organisation regarding the plan. Some of the examples of controllable factors are: the company's advertising policy, competence of management members, skill of the labour force, availability of resources in terms of capital and labour, attitude and behaviour of the owners of the organisation, etc.

3. Deciding the Planning Period Once upper-level managers have selected the basic long-term goals and the planning premises, the next task is to decide the period of the plan. Businesses vary considerably in their planning periods. In some instances plans are made for a year only while in others they span decades. In each case, however, there is always some logic in selecting a particular time range for planning. Companies generally base their period on a future that can reasonably be anticipated. Other factors which influence the choice of a period are as follows: (a) lead time in development and commercialisation of a new product; (b) time required to recover capital investments or the pay-back period; and (c) length of commitments already made.

(a) ***Lead time in development and commercialisation of a new product*** For example, a heavy engineering company planning to start a new project should have a planning period of, say, five years with one or two years for conception, engineering and development and as many more years for production and sales. On the contrary, a small manufacturer of spare parts who can commercialise his idea in a year or so need make annual plans only.

(b) ***Time required to recover capital investments or the pay-back period*** These are the number of years over which the investment outlay will be recovered or paid back from the cash inflow if the estimates turn out to be correct. If a machine costs Rs 10 lakh and generates cash inflow of Rs 2 lakh a year, it has a pay-back period of five years. Therefore, the plan should also be for at least five years.

STEPS IN PLANNING

(c) ***Length of commitments already made*** The plan period should, as far as possible, be long enough to enable the fulfilment of commitments already made. For example, if a company has agreed to supply goods to the buyers for five years or has agreed to work out mines for ten years it need also plan for the same period to fulfil its commitments. However, if the length of commitment can somehow be reduced, the plan period can also be reduced. Thus, if the company can grant sub-lease of its mines to other parties, then it can reduce its plan period also.

4. **Finding Alternative Courses of Action** The fourth step in planning is to search for and examine *alternative courses of action*. For instance, technical know-how may be secured by engaging a foreign technician or by training staff abroad. Similarly, products may be sold directly to the consumer by the company's salesmen or through exclusive agencies. There is seldom a plan for which reasonable alternatives do not exist, and quite often an alternative that is not obvious proves to be the best.

5. **Evaluating and Selecting a Course of Action** Having sought alternative courses, the fifth step is to evaluate them in the light of the premises and goals and to select the best course or courses of action. This is done with the help of quantitative techniques and operations research.

6. **Developing Derivative Plans** Once the plan has been formulated, its broad goals must be translated into day-to-day operations of the organisation. Middle and lower-level managers must draw up the appropriate plans, programmes and budgets for their sub-units. These are described as *derivative plans*. In developing these derivative plans, lower-level managers take steps similar to those taken by upper-level managers—selecting realistic goals, assessing their sub-units' particular strengths and weaknesses and analysing those parts of the environment that can affect them.

7. **Measuring and Controlling the Progress** Obviously, it is foolish to let a plan run its course without monitoring its progress. Hence the process of controlling is a critical part of any plan. Managers need to check the progress of their plans so that they can (a) take whatever remedial action is necessary to make the plan work, or (b) change the original plan if it is unrealistic.

Planning Skills

PLANNING SKILLS

(i) Ability to think ahead.

(ii) Ability to define company objectives.

(iii) Ability to forecast future environmental trends.

(iv) Ability to frame correct strategies.

(v) Ability to monitor the implementation of strategies.

Decision Making

- Decision-making is an essential part of modern management.
- Decision-making is thus a key part of a manager’s activities.
- It permeates through all managerial functions such as planning ,organisation ,direction & control.
- In planning it is through the process of decision-making that objectives & policies are laid down & the managers decides many things such as
  what to produce, what to sell, where,when,how & so on.
- In organising,decision-making relates to the choice of structure,nature & form of organisation,division of work,delegation of authority,fixing of responsibility & the like.
- Meaning of a Decision:
- A decision is a choice between two or more alternatives.This implies three things:

Meaning of a Decision

- When managers make decisions they are choosing-they are deciding what to do on the basis of some conscious & deliberate logic or judgment.

- 2. Managers have alternatives available when they are making a decision. It does not require a wise manger to reach a decision when there are no other possible choices.

  It does require wisdom & experience to evaluate several alternstives & select the best one.

- 3. Managers have a purpose in mind when they make a decision.There would be no reason for carefully making a choice among alternatives, unless the decision brings them closer to some goal.

Major & Minor Decisions

- Some decisions are considerably more important than others.

- Relative significance of a decision can be measured in four ways.

- 1.Degree of futurity of decision:

  For how long into the future does a decision commit the company?

  A decision which has a long range impact, like replacement of men by machinery or diversification of the existing product lines must be rated as a very major decision.

  The decision to store raw material may be taken as a minor decision, since it does not have a long-range impact,although the amount involved may be substantial.

- 2. Impact of the Decision on other functional areas:

  If a decision affects only one function,it is a minor decision.Thus the decision to shift from bound ledger to loose leaf ledger may be made by the

Types of Decisions

- Decisions can be classified in a number of ways as shown below.
- Programmed & Non-Programmed Decisions:

Programmed Decisions:

Programmed decisions are those that are made in accordance with some policy, rule or procedure so that they do not have to be handled de novo each time they occur.

These decisions are generally repetitive,routine & are obviously the easiest for managers to make.

Eg.Pricing ordinary customers, orders,determining salary payments to employees who have been ill,recording office suppliers, & so on

.

Non Programmed Decisions :

- Non –Programmed decisions are novel & non-repetitive.
- If a problem has not arisen before or if there is no cut & dry method for handling it or if it deserves a custom-tailored treatment, it must be handled by a non-programmed decision.
- Such problems as how to allocate an organisation's resources ,what to do about a failing product line,how communicty relations should be improved-will usually require non-programmed decisions for which no definite procedure exists.
- In case of programmed decisions,since each manager is guided by the same set of rules & policies,it is not possible for two managers to reach different solutions to the same problem.

- In case of Non –Programmed decisions,since each manager may bring his own personal beliefs, attitudes & value judgements to bear on the decision process, it is possible for two managers to arrive at distinctly different solutions to the same problem,each claiming that he is acting rationally.

- Ability to make good non-programmed decisions helps to distinguish effective managers from ineffective managers.

- General tendency : programmed decisions to overshadow non-programmed decisions.

- Gresham's Law of Decision-Making

  Much of a managers time is usually spent in making routine,unimportant,programmed decisions,& very little time is left for making non-routine,important,non-programmed decisions.

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2.Impact of the decision on other Functional areas

If a decision affects only one function,it is a minor decision.Thus the decision to shift from bound ledger to loose leaf ledger may be made by the accountant himself since it affects no one except his department.

But a decision to change the basis of overhead allocation in preparing department profit & loss account affects all other functional areas ,& as such it is a major decision.

- 3. Qualitative factors that enter the Decision:

A decision which involves certain subjective factors is an important decision.

These subjective factors include basic principles of conduct,ethical values,social & political beliefs,etc.

Eg.The decision to pay even a small sum of Rs 25 to the excise inspector as illegal gratification may be made at a very high level in certain companies having an sense of propriety.

- 4. Recurrence of Decisions:

Decisions which are rare & have no precedents as guides may be regarded as major decisions & may have to be made at a high level.

Decisions which recur very often become minor & routing decisions & may be taken at a lower level.

- STEPS IN RATIONAL DECISION –MAKING

What is a rational decision?

A decision is rational if appropriate means are chosen to reach desired ends.

Six steps involved in the process of rational decision-making:

1.Recognising the problem.

2.Deciding priorities among problems.

3.Diagnosing the problem.

4.Developing alternative solutions or courses of action.

5.Measuring & comparing the consequences of alternative solutions.

6.Converting the decision into effective & follow up of action.

Organisation

- Organisation is a social unit or human grouping deliberately structured for the purpose of attaining specific goals— Amitai Etizoni

- Organisation as the rational coordination of the activities of a number of people for the achievement of some common explicit purpose or goal,although division of labour & function ,& through a hierarchy of authority & responsibility— Sehein.

- Process of identifying & grouping of the work to be performed.defining & delegating responsibility & authority & establishing relationships for the purpose of enabling people to work most effectively together in accomplishing their objectives--- Allen

- Is the pattern of ways in which large numbers of people,too many to have intimate face to face contact with all others,& engaged in a complexity of tasks,relate themselves to each other in the conscious,systematic establishment & accomplishment of mutually agreed purposes— Pfiffner & sherwood.

Characteristics of an organisation

- An attempt to synthesize some important definitions indicates that every organisation has:
- 1.A purpose,goal or goals which as already indicated are the tasks of planning.
- 2. a clear concept of the major duties or activities required to achieve the purpose.
- 3. Classification of activities into jobs, &
- 4. Establishment of relationships between these jobs.

Module 3

Typology of organisations

- Blau & Scott classify organisations into four categorie
- 1.Organisations which benefit their owners. All business organisations.
- 2.Organisations which benefit their members.
  A wide class of unions,cooperatives & clubs.
- 3.Organisations which benefit the whole society.
  governmental departments.

Process of organising

- In performing the organising function,manager differentiates & integrates the activities of his organisation.
- By differentation is meant the process of departmentalisation or segmentation of activities on the basis of some homogeneity.
- Integration is the process of achieving unity of effort among the various departments.
- Differentation & Integration in terms of six step procedure
- Consideration of objectives:

The first step in organising is to know the objectives of the enterprise.

Objectives determine the various activities which need to be performed & the type of organisation which needs to be built for this purpose.

“Structure follows strategy”--------Alfred D Chandler.

Grouping of activities into departments

- After consideration of objectives,next step is to identify the
  activities necessary to achieve them & to group the closely related & similar activities into departments & sections.

- Deciding which Departments will be key Departments

  Key departments are those which are rendering key activities i.e activities essential for the fulfilment of goals.

  Key departments demand key attention.Other departments exist merely to serve them.

  If key departments are not formally identified,attention of top management is focused on the minor issues raised by vocal managers.This is known as"decibel system"of management.

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Determining Levels at which various types of decisions are to be made

- After deciding the relative importance of various departments,the levels at which various major & minor decisions are to be made must be determined.

- Each firm must decide for itself as to how much decentralisation of authority & responsibility it wants to have.

- Extreme decentralisation may lead to loss of control & effective coordination as a result of which firm as a whole may fail to achieve its overall objectives.

- Extreme centralisation ,on the other hand may lead to wrong decisionsat wrong times & complete breakdown of the morale of employees.

Determining the span of management

- Is to determine the number of subordinates who should report directly to each executive .

  The narrower the span,the taller would be the structure with several levels of management.
- Setting up a Coordination Mechanism

  Emphasising the importance of coordination in an organisation ,Peter Drucker says that an organisation is like a tune.

  It is not constituted of individual sounds but of the relations between them.

  As individuals & departments carry out their specialisied activities,the overall goals of the organisation may become submerged or conflicts among organisation members may develop.

  Peter Drucker compresses the above six -step procedure into a three step procedure.the three steps are : activities analysis,decision analysis & relation analysis.

Module -3 Social Responsibilities of Business

- Social responsibility is a nebulous idea defined in various ways.
- Adolph Berle: Social responsibility as the manager's responsiveness to public consensus. Which means that there cannot be the same set of social responsibilites applicable to all countries in all times.

  Can be determined by the customs, religions, traditions, level of industralization & a host of other norms & standards about which there is a public consensus at any given time in a given society.
- Keith Davis: "Social responsibility " refers to two types of business obligations,

  a) Socio-economic obligation b) socio-human obligation.
- Socio –economic obligation of every business is to see that the economic consequences of its actions do not adversely affect public welfare.

  Includes obligations to promote employment opportunities to maintain competition,to curb inflation,etc.
- Socio-human obligation of every business is to nurture & develop human values(morale ,cooperation, motivation & self-realisation in work).

- Social responsibilities of business towards different groups:

  Every businessman is at the centre of a network of relationships which consist of those between him at one end & his workers,employees,consumers,shareholders,other businesses,community & the government on the other.

- Towards the consumer & the community:
- 1.Production of cheap & better quality goods & services by developing new skills,innovations & techniques,by locating factories & markets at proper places & by rationalising the use of capital & labour.
- 2.Levelling out seasonal variations in employment & production through accurate forecasts,production scheduling & product diversification.
- 3.Deciding priorities of production in the country’s interest & conserving natural resources .
- 4.Providing for social audit.

- 5.Honouring contracts & following honesty trade practices.

Some important but dishonest trade practices:

Making misleading advertisements calculated to deceive the purchaser:

Misbranding of articles w.r.t their material ,ingredients,quality,origin etc.

Selling rebuilt or secondhand goods as new:

procuring business or trade secrets of competitiors by espionage ,bribery or other means :

restraining free & fair competition by entering into combination agreements; using containers that do not give a correct idea of the weight & quantity of a product;making false claims of being an" authorised dealer" "manufacturer" or "importer" of certain goods: giving products misleading names so as to give them a value which they do not possess:

declaring oneself insolvent through questionable financial manipulations.

- 6.Making real consumer needs as the criterion for selecting messages to be given by product advertisements.

Nearly all current advertising seeks to create wants.

7.Preventing the creation on monopolies.Monopolies are bad in that they make the community face high prices,short supply & inferior quality of goods.Inequalities of wealth distribution are accentuated & the standards of public morality deteriorate as bribing the judges,legislators & the government to gain favours becomes very common.

8. Providing for after-sale servicing.

9. Ensuring hygienic disposal of smoke & waste & voluntarily assisting in making the town environment aesthetically satisfying.

10.Achieving better public relations by giving to the community ,true,adequate & easily intelligible information about its working.

11.Supporting education,slum clearance & similar other programmes.

Towards Employees & Workers:

1.A fair wage to the workers,which is possible only when the businessman is willing to accept a voluntary ceiling on his own profits.

2. Just selection,training & promotion.

3.Social security measures & good quality of work life.

4.Good human relations

- 5.Freedom,self-respect & self –realisation.

  A businessman should devote his knowledge & ability not only to making his worker’s life more affluent,but also to making it more satisfying & rewarding.

  There should be an awareness that the quality of man’s life is as important as the quantity of his material wealth.

- 6.Increase in productivity & efficiency by recognition of merit,by providing opportunities for creative talent & incentives.

Towards shareholders & other businesses

1.Promoting good governance through internal accountability & transparency.

2. Fairness in relations with competitors. competition with rival businessmen should always be fair & healthy,based on rules of ethics & fair play rather than on rules of warfare.

Module 4

- Classification of Entrepreneurs:
- A) Based on Functional characteristics:

1.Innovative entrepreneur: entrepreneurs introduce—new goods or new methods of production or discover new markets or reorganise their enterprises.

Entrepreneurs in this group are characterized -----------Aggressive assemblage of information for trying out a novel combination of factors.

Can do well only when a certain level of development has already been achieved.

They look forward to improving upon the past.

2.Imitative or adoptive entrepreneur:

Do not Innovate themselves,but imitate techniques & technology innovated by others.

Characterisied------by their readiness to adopt successful innovations by successful entrepreneurs.

Entrepreneurs ------suitable for underdeveloped economies as adoption saves costs of trial & error.

- 3.Fabian entrepreneur: entrepreneurs display great caution & skepticism in expermenting with any change in their enterprise.
- 4.Drone entrepreneur:such entrepreneurs characterisied by a die-hard conservatism & may be even prepared to suffer the loss of business.

--b) Based on the development angle:

1.Prime mover: This entrepreneur sets in motion a powerful sequence of development,expansion,& diversification of business.

2.Manager: Does not initiate expansion & is content just staying in business.

3.Minor innovator: contributes to economic progress by finding better use for existing resources.

4.Satellite: assumes a supplier's role & slowly moves towards a productive enterprise.

Entrepreneurial model	Central focus or purpose	Behaviours & Skills	Situation
"Great Person"school	The entrepreneur has an intuitive ability-a sixth sense- & traits & instincts he is born with	Intuition,vigour,energy,persistence,& self esteem	Start Up
Psychological characteristics school	Entrepreneurs have unique values,attitudes,& needs,which drive them	Personal values,risk taking,need for achievement,& others	Start Up
Classical school	The central characteristics of entrepreneurial behaviour is innovation	Innovation,creativity, &discovery	Start Up & early growth
Management School	Entrepreneurs are organisers of an economic venture;they are people who organise,own,manage,& assume the Risk	Production,Planning ,people,organisation ,capitalisation & budgeting	Early Growth & Maturity
Leadership School	Entrepreneurs are leaders of people,they have the ability to adapt their style to the needs of people.	Motivating,directing & leading	Early Growth & Maturity
Intrapreneurs	In corporations intrapreneurship is	Alertness to	Maturity &

PROJECT FORMULATION:

A major constraint faced especially in developing countries is the resource constraint.

Hence it becomes imperative that certain project ideas are only taken up or pursued in preference to others.

How to make this decision or choose only a few projects for implementation?

Project formulation techniques help us in making a choice.

Project Formulation:

Is defined as taking a first a look carefully & critically at a project idea by an entrepreneur to build up an all-round beneficial to project after carefully weighing its various components.

Formulated by entrepreneur with the assistance of specialists or consultants.

Project Formulation,is therefore a process whereby entrepreneur makes an objective & independent assessment of the various aspects of an investment proposition of a project idea for determining its total impact & also its liability.

Aim of project formulation is to achieve the project objectives with the minimum expenditure & adequate resources.

Is to derive max benefits from minimum expenses in a short span of time.

It is the assessment of the feasibility of a proposal or a scheme of a borrower based on the examination of factors like capacity of the unit,or farm to produce,repaying capacity generated by the funds asked for ,the assests & liabilities and so on. Factors are technical,economic,managerial,financial,commercial,organisational & legal.

Steps in Project Formulation:

A Project comprises a series of activities for achieving predetermined objective or set of objectives.

Objectives may be defined as precisely as possible.Objectives may be social,economic or a combination of both .Can be defined under the following categories.

i) General objectives
ii) Operational objectives

General objective: The achievements expected are stated in broad terms.

Operational objective: Specifically mentions results expected from the implementation of the project or scheme.

Sequential stages of project Formulation :

Process of Project development has been categorised intom seven distinct & sequential stages.

They are

1. Feasibility Analysis.
2. Techno-Economic & Network Analysis
3. Project Design & Network analysis
4. Input Analysis.
5. Financial Analysis
6. Social Cost-Benefit Analysis
7. Pre- Investment Analysis.

Queries ...?