

LECTURE NOTE
ON
EMST
FOR
DIPLOMA IN CIVIL ENGINEERING
(5TH SEMESTER STUDENTS)
AS PER SCTE&VT SYLLABUS



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Definition:-

An entrepreneur is a person who is action oriented, highly motivated, takes risks to achieve goals.

- An entrepreneur is a person who establishes his own business with the intention of making profits.
- An entrepreneur is a person who only provides capital without taking active part in the leading role in an enterprise.
- An entrepreneur is a one who innovates, raise money, assembly input, choose managers and set the organization growing.

To sum up in the light of the developments, there are four key elements of entrepreneur.

There are:-

- vision (identifying emerging opportunities)
- Innovation (creating new business or new ways of doing something)
- Risk bearing (taking risk and facing uncertainty)
- Organising (collection and coordination of the necessary resources)

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Entrepreneur & Entrepreneurship

- Entrepreneurship like an entrepreneur no single definition.
- Entrepreneur is a person while entrepreneurship is a process
- Entrepreneurship is a process undertaken by an entrepreneur to create increments value and wealth by discovering investment opportunities organizing enterprises, undertaking risk and economic uncertainty and there by contributing to economic growth.

Role of entrepreneurs with in the economy capital Formulation

Entrepreneurs mobilize the ideal saving of the public through the issue of industrial securities.

- Improvement in per capital income
 - Generation of employment
 - Improvement of the living standard
 - Economic independence.
 - Balance regional development
 - Innovation : the commercial application of invention
 - Imitating role
- Entrepreneus , invention & innovation.
- Entrepreneus
 - Invention
 - Innovation

Areas of Innovation

- New product
- New services
- New production Techniques
- New way of Delivering the product or service to the customer.
- New operating practices
- New means of informing the customer about the product.
- New means of managing relationship within the organization.
- New way of managing relationship between organization.

SMALL BUSINESS

- Small business is a business which is independent owned and operated not dominated in its field of operation and meets certain standard of number of employee and capital.
- In general there are two approaches to define a small business: measures of the size and economic/control criteria.

Size Criteria

Some of the criterias to measure the size are

Number of employees:-

For examples in Ethiopian case it is less than 30 employees (6-30)

Investment paid up capital:-

For Ethiopia It is

- volume for sales, production and deposits are also used to measure the size of business.
- If there is a gap in the definition between the usage of man power and capital it is recommended to use the total paid up capital as a measurement criteria.

Importance / need of Entrepreneurship:-

- Stimulate demand in under economic.
- Nurture creativity, productivity, Innovation.
- Create more job opportunity.
- Develop community.
- make social change
- enhance the standard of living.
- promote resource and development
- political and economic interigation of outsider.

Types of Entrepreneur:-

On the Basis of type of Business

(a) Business entrepreneurs:-

who starts business units offer developing ideas for new products / services.

(b) Trading entrepreneurs:-

who undertake buying & selling of goods but not engage in manufacturing.

(c) Corporate entrepreneurs:-

who establish and manage corporate from of organization which have separate legal existence.

(d) Agricultural entrepreneurs:-
who undertake activities like raising
and marketing of crops, fertilizers, and other
allied activities.

On the basis of use of Technology :-

(a) Technical entrepreneurs:-
who are task oriented and
craftman type. They prefer doing to thinking.
They concentrate more on production than on
marketing.

(b) Non-technical entrepreneurs:-
who are not concerned with
technical side but rather with marketing
and promotion.

(c) Professional entrepreneurs:-
who start a business but
later self the running business and start
a new unit later.

On the basis of stages of Development:-

(a) First Generation entrepreneurs:-

who do not possess any entrepreneurial background, they start industry by their own innovative skills.

(b) Second Generation entrepreneurs:-

who inherit the family business and pass to next generation.

(c) Classical entrepreneurs:-

who aims to maximize his economic returns at a level consistent with the survival of the unit with or without an element of growth?

Function of a Entrepreneur:-

An entrepreneur does perform an the function necessary right from the genesis of an idea listed in the following sequential manner→

Idea generation and scanning of the test scorable idea.

→ Determination of and scanning of the test scorable idea.

→ product analysis and market research.

→ Determination of form of ownership organisation.

- Raising necessary Funds.
- Procuring machine & material
- Recruitment of men
- Under taking business operation.

For our convenience we have classified all the entrepreneurial function into 3 broad Categories.

- 1- Risk bearing
- 2- Organisation
- 3- innovation.

~~27/09/2022~~

Assignment-1

Q) Difference between innovation & invention.

Invention

1. It's creation of new product, service or process.
2. May not be commercialized
3. It can be autonomous or induced
4. Can be for economic or non-economic motive
5. Usually restricted to R&D centre
6. May bring few changes in organization.
7. Precedes innovation

Innovation

- 1) It is the introduction of new product, service or process into the market place.
- 2) Results into commercialization
- 3) Usually induced
- 4) Economic motive
- 5) Spread across the organization
- 6) Brings organizational change.
- 7) Succeeds invention

Difference between An Entrepreneur & Manager

Entrepreneur

Manager

1) Motive

↳ The main motive is to start a venture by setting up an enterprise the understand the venture for his personal gratification.

↳ The main motive is to render his service in an enterprise already set up by someone else.

2) Status

↳ An entrepreneur is the owner of the enterprise

↳ A manager is the servant in the enterprise owned by an entrepreneur.

3) Risk Taking / Bearing

↳ An entrepreneur being the owner of the enterprise assume all risks & uncertainty involved in running the enterprise.

↳ A manager as a servant do not bear any risk involved in enterprise.

4) Reward

↳ Reward an entrepreneur gets for bearing risks involved in the enterprise is profit which is highly uncertain.

↳ A manager gets salary as reward for the service rendered by him in the enterprise salary of a manager is certain & fixed

5) Innovation

↳ Entrepreneur himself thinks over what & how to produce goods to meet the changing demands of the customers. Hence to acts as an innovation also called a 'change agent'.

↳ A manager does is simply to execute the plans prepared by the entrepreneur. Thus as manager simply translates the entrepreneurs ideal into practice into practice.

a) Qualifications:-

↳ An entrepreneur needs to possess qualities so qualification like high achievement motive, originality in thinking, foresight, risk bearing ability & so on.

↳ In the country a manager needs to possess distinct of qualification in terms of sound knowledge in management theory and practice.

Barriers to Entrepreneurship

1- Environmental Barriers

- Non-availability of raw materials
- lack of skilled labour
- lack of good machinery
- lack of infrastructure
- lack of funds
- Other environmental barriers

2. Personal Barriers

- Unwilling to invest money
- lack of confidence
- lack of motivation
- lack of patience
- Inability to dream

3. Social Barriers

- low status
- custom & tradition of people.

Difference between Entrepreneur & Entrepreneurship

Entrepreneur

- (i) An entrepreneur is the one who undertakes and operates a new enterprise & assume for the inherent Risk
- (ii) Entrepreneur is often synonyms with the founder
- (iii) The person who starts & operates a business enterprise in an enterprise is an entrepreneur.
- (iv) The entrepreneur is a co-ordinator as he co-ordinates all the 3 elements in production i.e - land, labour Capital.
- (v) A person who innovates something new is an entrepreneur
- (vi) An entrepreneur who leads and enterprise towards its vision to leadership & motivation.

Entrepreneurship

- (i) Entrepreneurship is the practice of starting of organisation, particularly new business generally in response to identify opportunity.
- (ii) Entrepreneurship range in scale from solo projects to major undertakings. Creating many job opportunities
- (iii) The process in which an entrepreneur starts & cooperates each business enterprise.
- (iv) It is the coordination maintained by an entrepreneur.
- (v) The innovation of something new or the process of innovation is called as entrepreneurship.

- (vi) It is the way on which an entrepreneur leads each man power motivates them for achievement of the firm's goal each entrepreneur

(vi) He bears risk of the
firm for the sake of
making it visionabe.

(vii) The risk bearing practice
is done by the entrepreneur
is called as entrepreneurship.

START-UP

Small enterprises

- * What is small scale industry?
- ↳ In fact, small scale industry comprises of a variety of undertakings.
- ↳ The final Commission 1950 for the 1st time defined a small scale industry or one which is operated mainly with hired labour usually 10 to 50 hands.
- ↳ In order to promote small scale industry organisation and the small scale industries board in 1954-65
- ↳ The SSI Board at its 1st meeting held on January 5th & 6th 1965 defined small scale industry as a unit employing less than 50 employees. If using power & less than 100 without using power & capital are not exceeding 5 lakhs.

Types of small scale industries can be classified into 5 types.

- 1- Manufacturing industry
- 2- Feeder industry
- 3- Serving industry
- 4- Ancillary to large industry.
- 5- Mining or quarrying.

• Characteristic of small scale industries:-

- 1) A small scale unit is generally a one-man show
- 2) In case of small scale industries, the owner himself/herself is a manager also. Thus these units are managed in a personalised fashion.
- 3) Compared to large units a small scale industrial unit has a small scale industrial unit has a lesser gestation period i.e. the period after which the return on investment starts.
- 4) Small units use indigenous resources & therefore can be located anywhere, subjected to the availability of these resource like raw material.
- 5) Small industries are fairly labour intensive with comparatively small capital investment than the large units.
- 6) Last but not least compared to large scale industries / units small scale units are more change susceptible & highly reactive so respective to socio-economic condition.

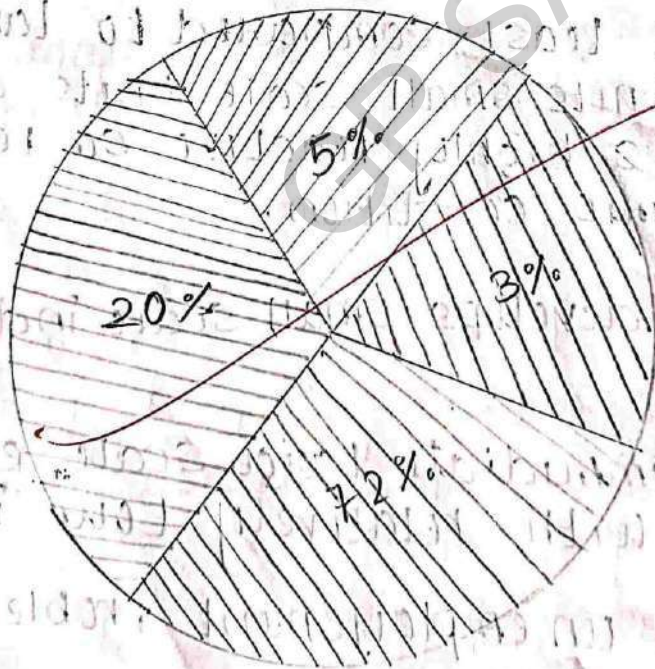
Objective to develop small scale industries those are:-

- 1) To generate immediate large scale employment opportunities with relatively low investment.
- 2) To eradicate an employment problem from the country.

- 3) To encourage dispersal of industries to an over country covering small villages so economically logging regions
- 4) To promote balanced regions development in the whole country.
- 5) To bring backward area to in the mainsystem of national development.
- 6) To consume more suitable distribution of national income.
- 7) To encourage effective mobilisation of country unapped resources.

Forms of Business Ownership:-

- 1- Proprietor ship - 72%
- 2- Partnership - 5%
- 3- Corporation - 20%
- 4- Others - 3%



Proprietorship:-

- Business owned and run by one person.
- Easiest to start
- few legal requirements
- more control over business decision
- owner receives all profits.
- owner is responsible for losses
- No shelter from creditors (Personal assets may be used to pay debt of business).

Partnership:-

- Business owned by two or more individuals.
- Written agreement
- Easy to start
- All partners are responsible for running business.
- All partners share in profit / losses
- Partners responsible for decision for each other.

Corporation:-

- Separate legal entity (the business is treated as an individual).
- Documents must be filled with state.
- Owned by share holders (stock holders).
- Managed by a board of directors
- Difficult to begin.
- More legal requirements.
- Risk of stock holders limited to their investment in stock.

- ★ Other forms of ownership:-
- Limited Liability partnership. Joint venture.
- Joint venture.
- S-corporation
- limited liability company.
- Non profit corporation.

Limited liability partnership:-

- A limited liability partnership (LLP) is all of the owners have limited personal liability for the financial obligation of the business.

Joint venture:-

- A joint venture is a commercial arrangement between two or more participants who agree to cooperate to achieve a particular objective.

S-Corporation:-

The S-corporation was formed by congress for use by small business owners offering the best characteristics of both a corporation and a partnership.

Limited liability company:-

A limited liability company (LLC) is a business structure for private companies. It is one of the most common legal entities to form a business.

All partners in a general partnership are responsible for the business and are subject to unlimited liability for business debts & corporations.

Non profit corporation:-

A non profit corporation is any legal entity which has been incorporated under the law of its jurisdiction for purposes other than making profits for its owners or shareholders.

Entrepreneurial support agencies:-

- **National Small Industries Corporation Limited (NSIC):-** It is a mini Ratna PSU established by the government of India in 1955. It falls under ministry of micro, small & medium Enterprises of India. NSIC is the nodal office for several schemes of ministry of MSME such as performance & credit Rating, single point Registration, MSME Data bank, National SC ST Hub etc.
- Government of India to promote small and budding entrepreneurs of post Independent India, decided to establish a government agency which can mediate and provide help to small scale Industries (SSI)

National Research Development Corporation (NRDC) was established in 1953 by the Government of India, with the primary objective to promote develop and commercialise the technologies / know-how / invention patents / processes emanating from various national R & D institutions / Universities and is presently working under the administrative control of the dept of Scientific & Industrial Research, ministry of science & Technology.

National Bank for Agriculture and Rural Development (NABARD) is an apex development financial Institution in India, headquartered at Mumbai with regional offices all over India. The bank has been entrusted with matters concerning policy planning and operations in the field of credit for agriculture and other economic activities in rural areas in India. NABARD is active in developing financial inclusion policy.

The Khadi and Village Industries Commission (KVIC) is a statutory body formed by the Government of India. Under the Act of Parliament 'Khadi & Village Industries Commission Act of 1956', it is an apex organisation under the ministry of micro, small & medium enterprises with regard to khadi and village industries within India which seeks to plan, promote, facilitate, organise and assist in the establishment and development of khadi and village industries in the rural areas in coordination with other agencies engaged in rural development wherever necessary.

DISTRICT INDUSTRIES CENTERS (DIC)

In each district, one agency was created to deal with all requirements of small & village industries which is called as "District Industries Centre".

In Industrial policy announced by the Government of India on 23rd December 1977, laid special stress on the development of small scale, village & cottage industries. The policy statement indicated that the District would be main focus of

efforts & agency for promotion of small scale, village & cottage industries would be a new organisation called as "District Industries Centre".

Objectives:-

- To develop Entrepreneurial skill of people.
- To motivate for self employment.
- To provide all the necessary facility under one roof.
- To reduce regional imbalance of development.
- To courage in migration.
- Registration of small industries is done at the district industries centre and PMRY (Pradhan Mantri Rozgar Yojana) is also implemented by DIC.

Prime Minister Rozgar Yojana (PMRY).

It is self-employment scheme for educated unemployed youth with eligibility.

- (a) Class VIII passed
- (b) Age 18 to 35 years (relaxable upto 45 years for SC/ST/women/physically handicapped/Ex-service men).
- (c) Project upto RS 2.00 lakh for Industries/service and RS 1.00 lakh for business.
- (d) Annual family income - RS 40,000/- (max)

- The organizational structure for of DICs consists of
 - General manager and
 - Project manager to provide technical services in the area relevant to the needs of the district concerned.
 - Management of DIC is done by the state government.

OSIC (ODISHA SMALL INDUSTRIES CORPORATION LTD)

OSIC stands for entrepreneurship innovation & empowerment. It believes in adventure of ideas, social change through participatory governance. It is all about trade with tradition, commerce with culture & entrepreneurship with entertainment. It is a corporation with a soul.

SIDBI (Small Industries Development Bank of India)

SIDBI is the apex regulatory body for overall licensing and regulation of micro, small and medium enterprise finance companies in India. It is under the jurisdiction of ministry of Finance, Government of India headquarters at Lucknow and having its offices all over the country. Its purpose is to provide finance facilities to banks and financial institutions and engage in term lending and working capital finance to industries and serves as the principal financial institution in the micro, small and medium Enterprises (MSME).

Commercial banks:-

A commercial bank is a financial institution which accepts deposits from the public and gives loans for the purposes of consumption and investment to make profit. Commercial banks include private sector banks and public sector banks.

Technology Business Incubators Introduction:-

Technology business incubators are a powerful economic development tool. They promote the concept of growth through innovation and application of technology, support economic development strategies for small business development and encourage growth from within local economies while also providing a mechanism for technology transfer.

Business incubation is the temporary, facilitative support provided to start-up enterprises through the delivery of complex service and special environment with the aim of improving their chance of survival in the early phase of the life span and establishing their later intensive growth.

The term incubation refers to the process of support, while incubator stands for the organization and infrastructure that are set up for these purposes.

→ Organisation.

Classification of Incubators

(a) Business incubators:-

Business incubators promote continuous regional and national industrial and economic growth, including increasing employment through general business development or stimulating specific economic objectives such as industrial restructuring and wealth generation or utilization of resources.

- The incubators combines a variety of small enterprises support elements in one integrated affordable package. It has a special niche i.e. nurturing early stage, growth-oriented venture through focussed assistance within a supportive environment.

(b) Technology Incubators (TI):-

TI are intended for bolstering the technology development stage. The primary goal of technology incubators is to promote the development of technology-based firms and assist in completion of the technologies under development.

These are located at or near universities, R&D institutes and science and technology parks. They are characterized by institutionalised links to knowledge sources including universities, technology transfer agencies, research center, national laboratories and skilled R&D personnel. The aim is also to promote technology transfer and diffusion while encouraging

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entrepreneurship among researchers and academics. Technology incubators in practice, are a variant of business incubators and combine broadly the functions of technology business incubator and innovation centre.

c) Technology Innovation Centres (TIC):-

The TIC conducts research and development R&D and technology innovations required by the industrial field, which aims to jointly invest resources into university campuses or research institutions and achieve commercialization with support from business enterprises or public institutions. As a concept the TIC is similar to that of the Technology parks, and at the R&D stage to the TIC.

d) Technology Business Incubators (TBI):-

The TBI is a venture of universities public research institutions to promote and bolster a new technology intensive enterprise. TBI refers to the type of incubation where the focus group consist of innovative mostly technology-oriented or knowledge intensive service sector enterprises and interactions with the academic sphere giving a substantive element of the incubation process. The pushing forward of TBI occurred in parallel with the vigorous transformation of today's spatial economic processes it can be interpreted as a reply for the challenges of the learning based economy.

Technology Incubation in India:-

The national Science & Technology Entrepreneurship Development Board (NSTEDB) established in 1982 by the Government of India under the aegis of Department of Science & Technology is an institutional mechanism for promoting knowledge driven and technology intensive enterprises. The board having representations from socio-economic and scientific ministries / Departments aims to convert "job-seekers" into "job-generators" through Science & Technology (S&T) interventions. The objectives of NSTEDB have been defined to be

- To promote and develop high-end entrepreneurship for S&T manpower as well as self-employment by utilising S&T infrastructure and by using S&T methods.
- To facilitate and conduct various informational service relating to promotion of entrepreneurship.
- To network agencies of the support system, academic institutions and Research & development (R&D) organisations to foster entrepreneurship and self-employment using S&T with special focus on backward areas as well.
- To act as a policy advisory body with regard to entrepreneurship.

These objectives have been operationalized by NSTEDB through two major intervention namely the Scheme for Science & Technology Entrepreneurs Parks (STED), which was started in the early 1980's and the technology Business Incubator (TBI) programme launched early 2000.

Science & Technology Entrepreneurs parks:-

Science park initiatives are meant to help in creating an atmosphere for innovation and entrepreneurship, for active interaction between academic institution ~~between~~ and industries for sharing ideas, knowledge, experience and facilities for the development of new technologies and their rapid transfer to the end user.

The Science & Technology Entrepreneurs Park (STEP) programme was initiated by NSTEDB to provide a re-orientation in the approach to innovation and entrepreneurship involving education, training, research, finance, management and the government. A STEP creates the necessary climate for innovation, information exchange sharing of experience and facilities and opening new avenues for students, teachers, researchers and industrial managers to grow in a trans-disciplinary culture, each understanding and depending on the other's inputs for starting a successful economic venture. STEPs are hardware intensive with emphasis on common facilities, services and relevant equipment.

↳ The major objectives of STEP are to foster linkage among academic and R&D institutions on hand and the industry on the other and also promote innovative enterprise through S&T persons many of whom were otherwise seeking jobs soon after their graduation & also to;

↳ Provide R & D support to the small-scale industry mostly through interaction with research institution.

↳ Promote innovation based enterprises.

Facilities & services provided by STEPS:-

They offer facilities like nursery sheds, testing and calibration facilities, precision tool room, central workshop, prototype development business facilitation, computing data bank, library and documentation, communication, seminar hall / conference room, common facilities such as phone, telex, fax, photocopying.

They also provide services like testing and calibration, consultancy, training, technical support service, business facilitation services, data base and documentation services, quality assurance service, and common utility services.

Facilities

- * Nursery sheds
- * Testing & calibration
- * precision tool room
- * central workshop
- * prototype development
- * Business facilitation
- * computing data bank
- * library & documental.

Service

- * testing & calibration
- * consultancy
- * training
- * technical support service
- * Business facilitation services
- * data base & documentation
- * quality assurance

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UNIT - 2

Business plan:-

A written document that outlines the future activity for an existing or proposed business venture.

- It is the formal written experience of the entrepreneur vision, describing the strategy and operation of the propose venture.
- A business plan is a document that brings together the key element of a business that include details about the products and services the cost sales and expected profits.

Purpose of a business plans:-

- alignment of team (s)
- operating plan
- communication across company division department, Business partners.
- Investment capital.
- Expansion capital
- Merge / acquisition process.

Business Plan Drivers

- ↳ Clear vision of purpose
- ↳ Satisfy Real customers needs & serve Real customers
- ↳ Differentiate from competitors
- ↳ Resource focus, Organization & commitment to satisfy customer needs.
- ↳ The direction the business venture wants to achieve.
- ↳ A long term view
- ↳ Exceptional customer service that results in the loyalty of customers repeat purchases by them and greater customer retention.
- ↳ Positioning unique differentiating factors.
- ↳ continuously making improvements to sustain a leadership position
- ↳ Resources should be optimally utilized to ensure that maximum possible value gets added to satisfy customer needs.

Creating your company's strategy:-

- Building a strategy is harder work than building your product.
- Think about
 - what do you want your business to be when it grows up.
 - looking back from 5 years in future.
 - perspectives of all stakeholders.
 - Anything that could go wrong.
- Hope is not a strategy.

Sustainable Competitive advantages:-

- Create barriers to entry.
- Continually add value for your customers (and your investors)
- Anticipate competition and make plans for dealing with it.
- Better widget price erosion market share, different business model.
- Avoid the trap of believing that your main competitor is your exit strategy.

Nature of small scale Industries :-

- The business is organised by individuals in the private sector.
- The use of family labour and locally available talent is made.
- Simple equipments are used.

- Capital investment is small generally restricted to one crore.
- The use of indigenous technology.
- Business can be classified on the basis of size into small, medium & large scale business.
- Small business has its own problems and they need some special help from Government to survive in the market.

Small Scale Industries meaning :-

- While defining small industries one can use many parameters like number of employees in the organization, volume of output produced capital investment in fixed assets etc.
- All these parameters have their own limitations which parameter should be used depends on the needed?
- Indian government defines small scale industry on the basis of investment in plant and machinery.
- Moreover, Government has defined only small & tiny units and no definition has been given for medium and large scale enterprises.
- A unit which is not tiny or small can be medium or large scale unit.

Role of Small Business in India :-

- It provides employment opportunities to people in rural India & thereby prevent disguised and seasonal unemployment.
- It prevents migration of rural people to urban areas in search of jobs.
- It improves their economic condition.
- Promotion of small scale industries and rural industrialization has been a powerful instrument in attaining twin goal of accelerated industrial growth and creating additional creative employment potential in rural and backward areas.
- It helps in overall rural development.

Basis of difference	Ancillary industrial units	Tiny units
Definition	Industrial units that have to supply a minimum of 50% of their production to their parent industries are termed ancillary industrial units.	Industries that have a maximum investment of Rs 25 lakh in their plant and machinery, are regarded as tiny industrial units.
Investment Limit	The maximum level of investment is Rs. 1 crore.	The maximum level of investment is Rs - 25 lakh.

Obligation	Such units have to supply at least 50% of their production to their Parents industries.	No such obligation
Examples	Industries engaged in the production of machine parts, tools and other intermediate product	Business units such as small shops, boutiques STD (subscriber trunk dialing) booths, and photocopy centers.

The service sector:-

The service sector is the main channel through which the primary and secondary sectors of the economy operate.

Before the rebasing of the economy the sector was categorised into six different sub-sectors.

- Transport, storage and communication
- Wholesale, retail trade, restaurants & hotels
- Finance, insurance, real estates & business service
- Govt. services
- Community, social & personal services
- Private non-profit services.

Importance:-

This sector is an important link between the other two sectors which would not develop in the absence of this sector.

Ex:- Transportation, banking, communication, teaching.

Assessment of demand and supply in the potential area of growth (sales forecasting):-

Entrepreneur is required to know the demand of product likely to be manufactured. He must know the estimate of sale of the industry in the future. All manufacturing unit are based on sales forecast. The forecast helps the management in determining as to how much will be the turn over, how much manufacture and what shall be the requirements of men, m/c and at equipment.

Importance of assessment of demand and supply:-

- It helps to determine production volume considering availability of facilities like equipment, capital, man power.
- It helps in taking decisions about plant expansion and changes in the production schedule.
- It facilitates in deciding the extend of advertising.
- Sale forecast helps in preparing production & purchasing schedule.

Factor for sales forecasting

Competition:-

To process demand is the main factor to know about the existing and new competitor. Quality of their products and sales of their products.

Change of technology:- With the advancement of technology new products are coming in market the linking of customers are changing with advancement of technology so this factor must be considered.

Govt. policy:- Depending upon Govt. policies and rules the sale of product affected demand of product also depends upon the factor whether the Govt is buyer of that production.

Factor related concern itself:- These factors are related to change in price due to change in expenditure methods used for forecasting the demand.

Method Used for forecasting the demand:-

Customers views:- This is the most direct method for casting for short time in which customers asked but they are thinking to buy a product in future. In this method every thing depends upon customers view.

Sales man opinion:- The forecasting depends on sales man estimation for their respective area. As the salesman are closest to customers they can estimate more properly about the customer reaction about the product and their future requirement.

Projection in past:- In this method some data are collected from past & on the basis of this data sales of future prediction

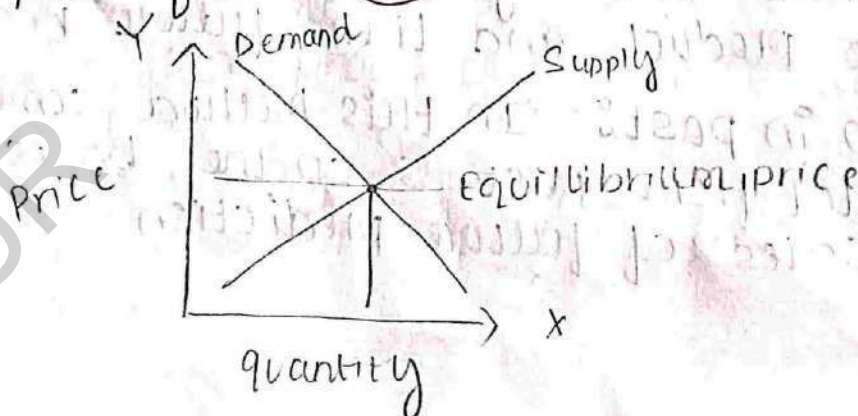
Understanding the opportunity of the business-

The entrepreneur has to collect necessary resources to convert the opportunity into a successful project. An entrepreneur is expected to be an expert in searching and analysing Business opportunity.

When someone starts a new business activity he needs guidelines on the various points. He has to contact various persons and collect a lot of information. He has to meet entrepreneurs in different lines of business to know their project and activities. Entrepreneur has to ensure two things:-

- i) There must be good demand for the product he is going to design. He should analyse the gap between the demand supply of production.
- ii) There must be good return on the investment. The rate of return must be higher in comparison to the alternative.

If the rate of return on the investment is not attractive. The entrepreneur should not go ahead to explore the opportunity even if there is good scope of products. The return should be good so that entrepreneur will be able to recover entire part of the product.



Concentration in product selection:-

- Product is such that for which there is already more demand than the existing supply in the market.
 - The product is such that which can successfully compete with existing similar product in the market due to its improved design.
 - Product should satisfy a presently unserved need.
- Following factors must be considered in product selection.

Present market:-

The size of presently available market is a main factor in the product selection estimates of the number of customers and their expected capacity to consume gives the sales estimated of the product.

Cost:-

Cost of production and distribution must permit a acceptable profit when the product is competitive.

Risk:-

The possible risks are the technological risk, competition, market stability, quality & reliability risks toward the product the risks should be analysed.

Availability of main production factors:-

Production factors, such as raw material, water, fuel should be examined to ensure their solubility.

Data collecting for setting up:-

During the starting stage of the project planning a new entrepreneur needs a lot of information on the various aspects of a proposed project.

The data to be collected for setting a new business activity may be classified into following ways:-

i) Raw material data:-

- Name of the major suppliers of the raw material
- Material to be imported.
- prices and availability of raw material
- Is there any alternative raw material which can be used.

ii) Machinery and equipment data:-

- who are the manufacturers or suppliers of the machinery needed for project.
- what are the specifications in different branches of machineries available in the market.

- whether the spare parts of machinery are easily available:
- what is the normal maintenance and repair cost.
- whether special type of transport and handling will be required.

iii) Market data:- collect the data from the existing manufactures or the competitor of the proposed products regards the following aspects.

- a) Range of data
- b) prices of the product
- c) their plan for expansion

Collect the following data from the suppliers from the proposed product.

- a) Existing suppliers of the proposed product.
- b) their terms of business and commission.
- c) Are they dealing in the other product also.
- d) Market area and the annual turn over of the suppliers.

Collect the following data regarding the consumers.

- a) what are the present sources of supply.
- b) whether the customer is satisfied with the present product.
- c) what are the preference of customers in case of your product.

iv) Financial data:-

- a- Approximate financial requirements of the proposed unit.
- b- Effective or current rate of interest on the loan and the capital offered by different financial institution.

v) Personal data:-

- a- Total man power needed for proposed unit.
- b- category wise requirements of the man power & their qualifications and skills required.
- c- what are the current wages and salary rate.

vi) General data:-

- a- If there a possibility of getting or shed all rent in the industrial rate- what are the current rates in industrial rates.
- b- Possibility of getting an industrial plot in the identified for the project and the cost of same.
- c- Electric power supply position in the area identified for the proposed project.

Time Schedule Plan

Your time frame represents how far out into the future you want to plan for your business.

You want your business to grow successfully for years and years into the future, but that goal doesn't mean your current business plan goes all the way to forever. Each business plan covers a unique planning period.

Some are designed to get a company to a defined sales level, a funding objective, or the achievement of some other growth goal. A good business plan covers a time frame that has a realistic start and finish, with a number of measurable checkpoints in between.

Define Milestones:-

Setting goals and establishment measurable objectives is a critical part of business planning. But knowing your goals and objectives isn't enough you can't just say you'll get around to achieving them, you need to establish and hold yourself accountable to a schedule that includes specific milestones along the way.

- ⇒ Month 1:- Complete business plan.
- ⇒ Month 2:- Secure business ~~plan~~ loans
- ⇒ Month 3:- Begin search for retail space
- ⇒ Month 5:- Lease and develop retail space; begin hiring
- ⇒ Month 7:- Open shops; run holiday ads
- ⇒ Month 8:- Holiday shopping season begins
- ⇒ Month 12:- New stores become profitable.

Project Implementation:-

Process where by "project inputs are converted to project outputs" may be looked at as:-

- Putting in action the activities of the project
- Putting into practice what was proposed in the project document (i.e. transforming the project proposal into the actual project)
- Management of the project or executing the project intentions.

★ Implementation usually done by implementing agency (organization) that prepared the project and received funding for it.

* Other organizations that participate in the implementation of the project.

- by way of collaboration. say by according good working relationship, extending technical advice or seconding their staff to the project are referred to as co-operating agencies.

Project implementation plan includes:-

a- The project implementation schedule:-

- This is concerned with:
 - what activities can produce expected project outputs?
 - what is the sequence of these activities?
 - what is the time frame for these activities?
 - who will be responsible for carrying out each activity?

b- The role of the implementing agency:-

The specific responsibilities of the key staff during project implementation and monitoring are outlined.

c. Beneficiary participation:-

The involvement of the beneficiaries in planning and implementation & what is expected of them is spelt out.

d- Organizational structure and staffing:-

Here the following are sought:-

- project structure for purposes of management.
- Qualifications and skills for the staff
- Job descriptions and specifications for the staff
- Technical assistance if needed.

e- Financial management:-

1) The involvement of the
This looks at funds management, accounting period, financial reports and statements and how often they will be made.

f- Reporting System:- This looks at who will be reporting to whom and how often there is need to design standard reporting format.

g. Sustainability:- The concept of sustainability is

CHAPTER-3

PROJECT REPORT PREPARATION

Preliminary Project Report (PPR):-

PPR is a formal document that describes specific activities, events, occurrences or subjects of a project to explain progress of the project upto a certain point in time (but not later than completion time).

- This document is presented and communicated at project status meeting to explain what goals, deliverables and results are produced and what activities are still in progress.
- The document serves as the basis for developing the final project report.

• A PPR highlights the following data:-

* Problem / need:-

clear description of the problem / need the project aims to handle.

* Proposed solution:-

Brief description of how to address the problem / need.

* Work effort:-

An analysis summary of work relevant to project.

* Status:-

Current state of project.

* Evaluation:- An analysis and assessment of the project work.

- * Schedule:- A time line with specific milestones and events related to project work.

DETAILED PROJECT REPORT:-

A detailed project report is a written document which provides detailed information on the overall picture of the proposed business.

- It contains data on the basis of which the project has been appraised and found feasible.
- It consists of information on economic, technical, financial, managerial & production aspects.
- It enables the entrepreneurs to know the inputs and helps him to obtain loans from banks or financial institution.

* Contents of project Report:-

1. General information
2. Executive summary (methods through which business can attain success).
3. Organization summary
↳ Organization structure and pattern proposed for the unit.
4. Project description
5. Marketing plan.

6. Capital Structure & Operating Cost
 - L> Total Capital req of Project
 - L> Sources of finance
7. Management & Plan (team & individual)
8. Financial aspect (Profit, Loss statement balance sheet)
9. Technical aspect
10. Project implementation (time table for project)
11. Social Responsibility (draw input from society)

TECHNO ECONOMIC FEASIBILITY (TEF)

Feasibility Study:- It is an assessment of the practicality of a proposed project / system.

- TEF refers to the estimation of project demand potential & choice of optimal technology.
- TEF is an analysis on the existing market & technology.
- The choice of technology itself will be based on the demand potential in project design.
- It analysis the project on individual criteria & set the stage for detailed design development.

Contents of TEF:-

- Objective & Scope of the report
- Product characteristics
- Market position and trends
- Raw material required prices, sources and properties of raw material.
- Manufacturing process selection of process, production schedule and techniques.
- Plant & machinery
- Required of land area, building construction schedule
- Financial implications.
- Marketing channels, their trending practices & marketing strategies.
- Requirement of personal labour & expenses on wage system.

Factors be considered while preparing report:-

- Technical Consideration
- Economic Consideration
- Financial Consideration
- Managerial Consideration
- Implementation Schedule

Advantages in TEF :- A record to verify that the running facts of the project are analyzed just before implementation.

- To make sure the suggested project is a effective venture

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- To make sure the suggested project is a effective venture

- Provide Guide Line which will help the management in easy monitoring & controlling project implementation & production activity.
- helps you to convince bankers, partners & Govt. to avail necessary help.

PROJECT VIABILITY

There are mainly two broad elements for project assessments:-

- Project Feasibility
- Project Viability

The project can be tested for feasibility across several dimensions:-

- Technical Feasibility
- Legal Feasibility
- Environment & Social Sustainability

PROJECT VIABILITY:-

Economic viability analysis is taken to decide whether a proposed project is a good use of public resources.

- A project is economically viable if the economic benefits of the project exceeds its economic cost when analyzed for society as whole.
- Economic viability analysis can also include a cost effective analysis to determine whether the project is lowest cost alternative to achieve the identified benefits.

Examples:-

- 1- Benefits from improved transportation for drivers can far exceed tolls paid on highway. faster connection, reduce vehicle maintenance, low accident rates etc.
- In addition to that the project may enhance regional economic activity & quantity of life of people living in the vicinity of the project.
- 2- The value of education at high school should be measured by the enhancement in the lives and prospects of the children who attend the school, even if no school fee is charged.

CHAPTER - 4

MANAGEMENT PRINCIPLES

DEFINITION OF MANAGEMENT:-

It is defined as the process of administering & controlling the affairs of organization irrespective of its nature type structure & size.

- Management acts as a guide to group of people working in the organization & co-ordinating their efforts towards the attainment of the common objective.

- In other words, it is concerned with the optimally using 5M's to reach desired result.

Men

Machine

Material

Money

Methods

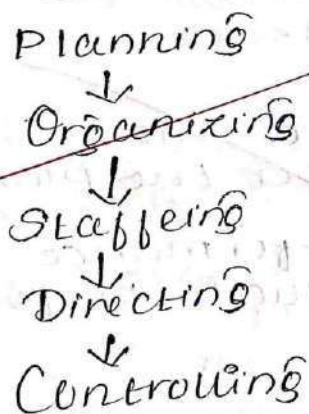
PRINCIPLE OF MANAGEMENT:-

There are mainly 14 management principles:-

- 1- Division of work.
- 2- Balancing authority & responsibility.
- 3- Discipline.
- 4- Unity of Command
- 5- Unity of direction

- 6- Subordination of individual interests to general interest.
- 7- Remuneration.
- 8- Centralization (authority concentrated only in few hands).
- 9- Scalar chain (chain of command)
- 10- Order (every thing is right place)
- 11- Equity.
- 12- Stability of tenure of personal (job security)
- 13- Initiative
- 14- ESpirit De corps / Team spirit.

FUNCTION OF MANAGEMENT:-



PLANNING:-

- First & Foremost functions of management.
- Formulating policies, establishing targets & scheduling actions & so forth.

ORGANIZING:-

- Once the plans are formulated, the next step is to organise the activities & resources.

STAFFING:-

- Hiring personnel for carrying out various activities of the organization.

DIRECTING:-

- It is the task of the manager to guide, supervise, lead & motivate the subordinates to ensure that the work is in the right direction.

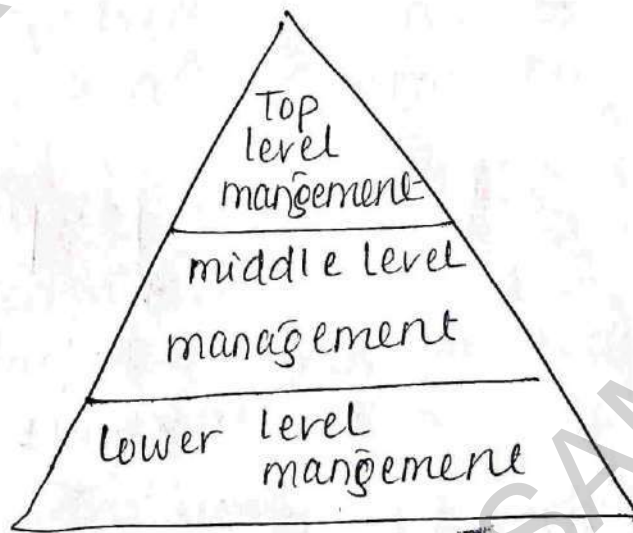
CONTROLLING:-

- No. of steps taken to ensure that the performance of the employees is as per the plans.
- It involves establishing performance standards & comparing them with actual performance.

CO-ORDINATION:-

- Integration of the activities, processes & operations of the organization & synchronisation of efforts to ensure that every element of organization contributes to its success.

Level of management in an organization:-



Top level management:-

Highest level in organization at hierarchy.

- Responsible for defining the objectives, formulating plans, strategies & policies.

Middle level management:-

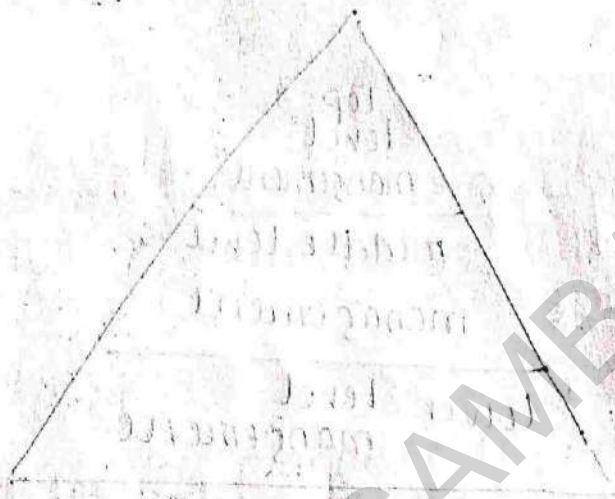
It create links between top & lower level management.

- Responsible for implementing & controlling plans & strategies which formulated for top executive.

lower level managements-

As it directly interacts with the workers, it plays a crucial role in the organization because it helps in reducing wastage & idle time of workers, improving the quality & quantity of output.

21/10/2022



FUNCTIONAL AREAS OF MANAGEMENT

PRODUCTION MANAGEMENT:-

Every organization has management principles and the application of that principle to production function is termed as production management."

- This management concept involves planning scheduling supervising & control of activities that concern the production of goods to meet the need of consumers & also generate profit for the business.

FUNCTIONS:-

- Production Control.
(if any durations, the production manager has to take the right steps to correct them).
- Scheduling
(planning when actual production would begin & ends).
- Cost & quality control
- maintenance of machines.

Activities:-

- procurement of material & input resources such as land, labour, equipment & capital.
- Product design & development to determine the manufacturing process for changing input factors in the output of goods & services.

- Supervision & control of the transformation process for the efficient production of goods & services.

Quality Control:-

Quality control is an important task that a production manager must perform if involves a no. of checks made on the product to ensure quality remains intact.

- Defective units must be repaired / rejected & required service repeated at no cost until customer is satisfied if too many unit failures / instances of poor service occurs. a plan must be devised to improve the production / service process, then that plan must be put into action.

Quality Control (QC):-

QC is a process / no. of actions projected to make sure that a man-made product / performed service adheres to a distinct set of quality standards / fulfills the need of the client / customer.

- Main aim of (QC) is to check whether the product meet the specifications and requirement of the customer if an issue is identified it needs to be fixed before delivery to the customer.
- QC also evaluates people on their Quality level skills sets and impart training & certifications. This evaluation is required for the service based organization & provide 'perfect' service to the organization.

Steps in QCs-

- Set the quality standards
- Decide which quality standards to focus on.
- Create operation process to deliver quality.
- Review your results
- Get feedback
- make improvement.

Production planning & control:-

Production planning involves the accurate tracking of:-

- Team members
- Raw materials
- Work stations
- processes
- Supplies

Good production planning involves:-

- Producing goods
- Thinking ahead (high demand, short lead)
- Identifying (inefficient spots)
- Finding optimal way to complete orders)

Key factors to be considered while scheduling production.

raw material $\longrightarrow$ quality goods.

- Crew management
(As people are valuable asset)

Strength

Weakness

(Ensure they perform their task given to them)

3/10/2022

- Running at capacity
(always make sure that the maximum output is little higher than what is being done now)
- so if larger order is received no issue is there.

- Raw material

Required raw materials available at all times so production is not pushed back due shortage of raw material.

Workshop logistics:-

Many production line has come grinding to a halt as one weak link has been placed on wrong stage.

- so logistical flow of each part in the manufacturing process require consideration.

Problem Solving:-

Over Ordering & over producing is a band aid solution, as this leads to extra costs/staff burnout.

- So effective software is needed to track the flow & find production scheduling issues.

Know your manufacturing process:-

Track & manage everything effectively & everything should work like clockwork.

- Understanding production scheduling principle allows you to methodically supervise your manufacturing. Effective production scheduling make it easier to do everything by book.

Inventory Management:-

Act of keeping track of company's stocked goods & monitoring these w/ dimension, amount of location.

- Inventory management is a systematic approach to sourcing, storing & selling inventory both raw materials & finished products.
- It means the high stock, at the right levels, in the right place, at the right time and at the right cost as well as price.

Need of Inventory Management:-

It is needed to ensure a business either if can result in a business enough stock on hand to meet customer demand.

- If inventory management is not handled properly it can result in a business either losing money or potential sales that can't be filled, or wasting money for stocking too much inventory.
- avoid spoilage (near expiring products)
- avoid dead stock
- save on storage
- improves cash flow

Inventory Management Techniques:-

- Set par levels
(minimum amount of product that must be on hand at all time)
- First in first out
(oldest stocks get sold first)
- manage relationships with suppliers.
- Contingency planning
(figure out the risks & prepare a contingency plan)
- Regular auditing
(Facts should match)
- Physical inventory
(Practice in counting all inventory at once)

- Spot checking.

(Doing physical inventory if problem occurs
we can go for spot checking)

Introduction to Motivational Leadership :-

Motivational leadership is defined by positivity and vision. Motivational leaders make decisions, set clear goals and provide their teams with the empowerment and tools to achieve success. Motivational leaders evoke and see the best in their employees, inspiring them to work toward a common goal.

Qualities of a motivated leader :-

Motivated leaders are defined by certain qualities that drive the way they lead :-

1. Inspires others
2. Recognizes success
3. Demonstrates integrity
4. Communicates decisively
5. Share the vision.

1. Inspire others :-

A motivational leader inspires their team with enthusiasm and passion. They make people feel valued by investing time and learning about their priorities, strengths and needs. A motivated leader recognizes the value of hard work and encourages their employees' potential through meaningful challenges and goals.

People want to listen to them, feel energized in their presence and want to learn from them.

While motivational leaders may be highly skilled in their professions, their impact on others is what makes them uniquely effective.

2. Recognizes Success:-

A motivational leader is positive and recognizes the achievements of their team. Motivational leaders know how to develop and effectively use their employees' talents and skills. Employees feel invested in their work, appreciated and empowered, ultimately leading to higher productivity and engagement.

3. Demonstrates Integrity:-

A motivational leader works and lives their values. They are respected for being consistent, ethical and genuine. Because they model impeccable behaviours, employees trust them and are inspired to follow their lead. Motivated leaders often expect more of themselves than their teams. They take ownership and pride in their work and those principles are communicated to their employees through their actions.

4. Communicates decisively:-

Motivational leaders make decisions when a leader is a confident decision-maker, they grab opportunities and ~~even~~ even the respect of their team. A motivated leader communicates concisely, tactfully and clearly. They set

clear goals and deadlines, and inspires and energize their staff to achieve them.

5. Shares the vision:-

Motivational leaders see the future and they know how to get there. They articulate their vision passionately and clearly. Employees not only understand how they can contribute but how important they are to a team's success.

Manager	Leader
1) He talks per procedures, roles & responsibility.	1) He talks to individuals in terms of aspirations and needs.
2) He is an official authority.	2) He acts as an authoritative individual.
3) He circulates clear targets numericals.	3) He spread his vision of the business and the strategy.
4) He seeks for control of people and supervision.	4) He builds trust and confidence.
5) He is interested in the achievements of his resources.	5) He builds tru
6)	
7) He provides directives & instructions.	7) He present challenges & estimate participates

8) Team members do what they are required to do and may feel themselves demotivated.

8) Team members feel pride to work in the team and tend to exceed in their performance.

9) He communicates without passion, he is professional and aloof.

9) He is passionate about what he does and tends to dramatic ideas and expression to be effective in the communication.

Importance of leadership:-

- 1) Helps in achieving organisational goal.
- 2) Create confidence among the employees.
- 3) Helps in introducing required changes.
- 4) Handles conflict effectively.
- 5) Improve productivity.

3 style of leadership:-

What is leadership:-

Leadership in business is the capacity of a company's management to set and achieve challenging goals, take

Motivations:-

- * Motivation means incitement or inducement to act or move.
- * In business context, it means the process of making subordinates to act in a desired manner to achieve certain organizational goals.
- * According to Fred Luthans "Motivation is a process which begins with a physiological or psychological need or deficiency which triggers behaviour or a drive that is aimed at a goal or incentive."
- * While discussing about motivation, we need to understand three inter related terms - motive, motivation and motivators.
- Motive:- A motive is an inner state that energizes, activates or moves and directs behavior towards goals. Motives arise out of the needs of individuals.
- Motivation:- Motivation is the process of stimulating people to action to accomplish desired goals. Motivation depends upon satisfying needs of people.
- Motivators:- Motivator is the technique used to motivate people in an organization. Managers use diverse motivators like pay, bonus, promotion, recognition, praise, responsibility etc. in the organization to influence people to continue their best.

Features of Motivation:-

- * Motivation is an internal feeling
- * Motivation produces goal directed behavior
- * Motivation can be either positive or negative
- * Motivation is a complex process

Importance of Motivation:-

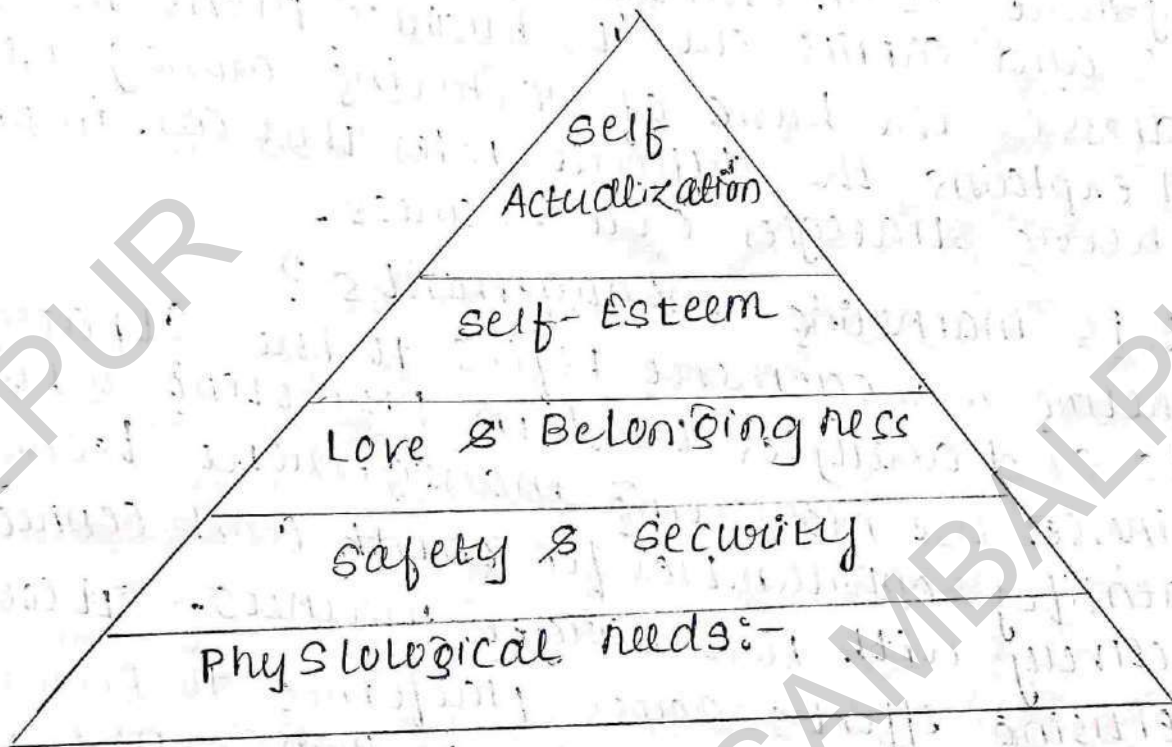
- Motivation helps to improve performance levels of employees.
- Motivation helps to change negative or indifferent attitudes of employee to positive attitude.
- Motivation helps to reduce employee turnover and thereby saves the cost of new recruitment and training.
- Motivation helps to reduce absenteeism in the organization.
- Motivation helps managers to introduce changes smoothly without much resistance from people.

Maslow's Hierarchy of needs theory:-

- Abraham Maslow, a well known psychologist in a classic paper published in 1943 outlined the elements of an overall theory of motivation.
- Maslow's Need Hierarchy Theory is considered fundamental to understanding of motivation.

His theory was based on human needs. He felt that within every human being, there exists a hierarchy of five needs.

These are :-



What is Marketing Management? An Intro.

Having a plan for informing the public about your products and services can help your company develop its identity and build a consumer base. Marketing management is an essential part of how a company grows and carries out its business plan. This guide addresses the basic of marketing management and explains the different roles that can improve marketing strategies at a business.

What is marketing management?

Marketing management refers to the strategies, tools and analyses used in promoting a business. Businesses use marketing management techniques to identify opportunities for growth and connect effectively with new target markets. It coordinates advertising efforts across platforms to promote a brand's image and capture as many potential customers as possible.

Marketing management also involves reflecting on the impact of past marketing campaigns and customer outreach efforts, using customers' feedback and sales trends to adjust a company's overall marketing plan. It seeks to streamline the way a business builds relationship with customers and connects their products and services with people who could benefit from them.

Elements of marketing management:-

i) Goal - Setting

The basis of marketing management is setting achievable goals and creating a timeline to meet benchmarks towards success. Managing marketing at your business involves understanding the different factors that influence customers in your ideal market to make a purchase, then making goals based on targeting those factors. When setting goals to facilitate marketing management, include sales goals, budgeting expectations and brand development plans.

ii) Coordination:-

Carrying out marketing campaigns requires collaboration between company leaders, creative teams and front-facing staff. A strong marketing channels such managements plan aligns company messaging across different marketing channels such as digital marketing, social media marketing and print advertising. To effectively coordinate marketing efforts, business owners develop a central vision for their brand to guide how marketing materials look and how brand ambassadors interact with their audience.

iii) Market research:-

Marketing management is based on thorough market research. Gather customer data and assess economic patterns to see trends in what consumers want to buy and why they make those purchases. Market research identifies areas where your business could succeed.

and highlights potential challenges that your business needs to address. Use market research to develop a marketing plan centered on the consumer experience.

Relationship - building -

Effective marketing management's strategy brings in new customers and builds sustained relationship with old customers to encourage repeat purchases and word of mouth marketing. When the public is aware of your product, engaging with them through digital content, social media and professional networking can make them feel invested in your company. Marketing management guides a company's values to align with consumers, providing shared goals to strengthen their relationship with a base of dedicated customers.

Idea generation -

Great marketing is agile and can adapt to changing market trends. Ongoing market research and analysis helps businesses generate ideas to stay relevant to their audience or re-brand their business to reach a new niche. Once you understand why your company appeals to consumers, you can focus on creating new products and services that build on that appeal.

Definition of Marketing Mix :-

The marketing mix is defined by the use of a marketing tool that combines a number of components in order to become harder and solidify a product's brand and to help in selling the products or service. Product based companies have to come up with strategies to sell their products and coming up with a marketing mix is one of them.

What is Marketing Mix ?

Marketing Mix is a set of marketing tool or tactics used to promote a product or services in the market and sell it. It is about positioning a product and deciding it to sell in the right place, at the right price and right time. The product will then be sold according to marketing and promotional strategy. The components of the marketing mix consist of 4Ps Product, Price, place, & Promotion. In the business sectors, the marketing managers plan a marketing strategy taking into considerations all the 4Ps. However, nowadays, the marketing mix increasingly includes several other Ps for vital development.

What is 4P of Marketing :-

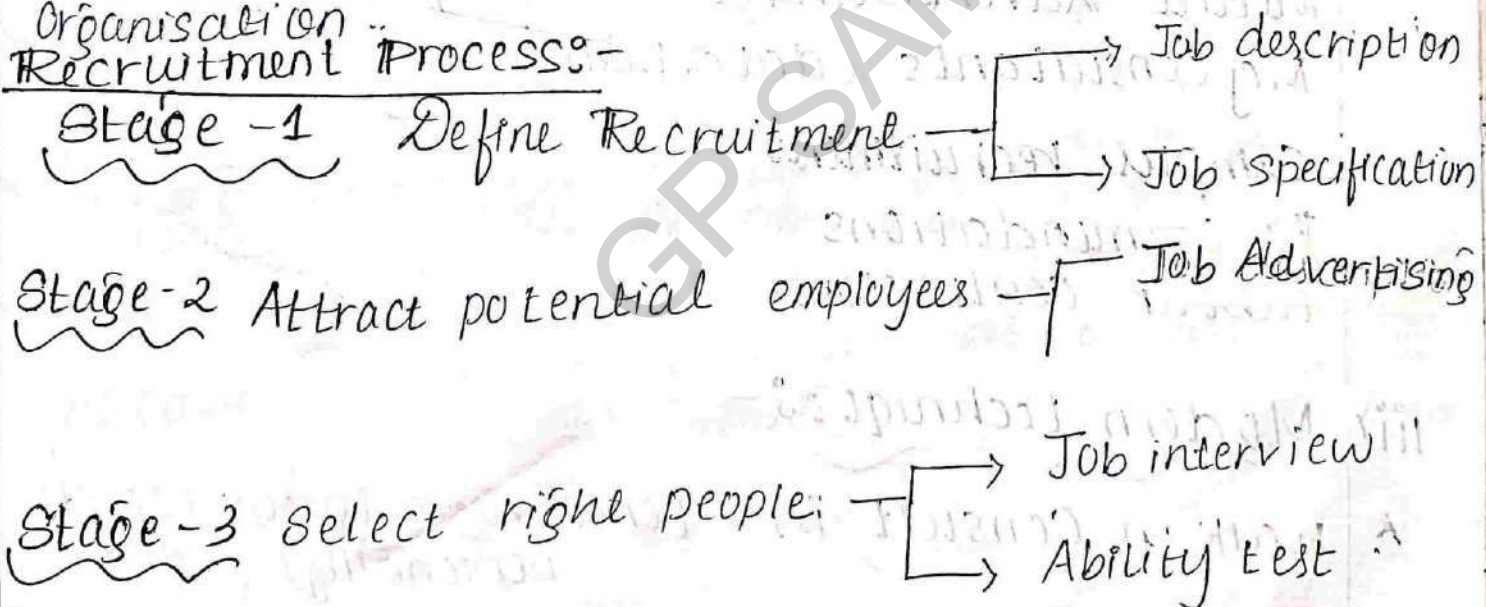
MAN POWER PLANNING:-

- i) Analyse Objective
- ii) Inventory current human resources.
- iii) Forecast the demand & the supply of employees
- iv) Estimate gaps
- v) Formulate plan
- vi) Implement plan
- vii) Monitor, control, feedback

Recruitment:-

The process of searching for prospective employees & stimulating them to apply for jobs in the Organisation

Recruitment Process:-



SOURCES OF RECRUITMENT:-

i) Internal Source:-

- ★ Transfer:- Job rotation shifting from one job to another.
- ★ Promotion:- Shifting an employee to higher position.
- ★ Employee referrals:- Recommendation from current employees.

ii) External Sources:-

- ★ Direct recruitments:- (factory gate)
- ★ Unsolicited application.
- Media Advertisement - Employment Exchange
- Mg Consultants (data bank)
- campus recruitment
- Recommendations
- labour contractors.

iii) Modern Techniques:-

- ★ walk in Consult in - (encourage to approach personally)
- ★ Head Hunting - (Professional org search senior executives and advise co. to fill the position).
- ★ Body Shopping - training institution develop pool of H.R.

- * Business Alliances - acquisition, mergers, share HR.
- * Tele recruitment.

SELECTION - choose

- Selection is the process of picking individuals who have relevant qualifications to fill jobs in an organization.
- The basic purpose is to choose the individual who can most successfully perform the job, from the pool (collection) of qualified candidates.

SELECTION STEPS :-

- Reception - (a co create favorable impression from stage of reception)
- Screening interview - (Preliminary interview cuts the cost, allow only eligible candidates to go through further stages.
- Application Blank - (brief history sheet of employees background).
- Selection Tests -
 1. Intelligent
 2. Aptitude
 3. Personality
 4. Achievement Test
 5. ~~SB~~ Simulation Test
 6. Assessment Centre
 7. Graphology test
 8. Polygraph (lie detector)
 9. Integrity test

- Selection Interview - Oral examination.
- Medical Examination - reveals physical fitness.
- Reference checks - personnel department check applicants previous job performance through references given.
- Hiring Decision - final decision whether to select or reject a candidate.

SELECTION TEST:-

- 1) Intelligent test [mental ability] - numerical ability.
- 2) Aptitude test [potential to learn skills] - mathematical.
- 3) Personality tests -
 - (a) Projective tests [interpret problem],
 - (b) Interest tests [idea to know peoples area of interest]
 - (c) Preference test [people differ in preference for achievement]
- 4) Achievement Tests [proficiency know-how test] - Short hand.
- 5) Simulation test [assess potential of employees by making them solve problem]
- 6) Assessment Centre [in a separate room employees are assessed through multiple assessors]
 - (a) The in-basket [candidates are asked to act in limited periods with the files & notes given].
 - (b) Leaderless group discussion [to examine interaction as a group]

Assignment

- (c) Business game [how to advertise, market, write down the difference between wage & salary, Penetrate market]
- (d) Individual presentation [plan, organize on assigned topic].
- (e) Structured interview [series of questions aimed at participants].

- 7) Graphology test [to examine lines, trend, curves understanding ability, flourishes person's handwriting and emotional make-up]
- 8) Polygraph (Lie detector) - [rubber tube around chest, arms, fingers to examine physical changes, blood pressure etc. This establishes truth about applicants behavior].
- 9) Integrity test - measure employees honesty. By asking more "Yes" or "No" questions.

KINDS OF INTERVIEW

- 1) Preliminary interview - screening of applicants, this afford him freedom to decide whether the job will suit him.
- 2) The non-directive interview - recruiter ask questions that comes to mind. This allow applicant to talk freely.
- 3) The directive or structured interview - recruiters use predetermined set of questions & comparisons are made among applicants.

- 4) The situational interview - Applicant is given a hypothetical (imaginary) incident and asked to respond to it.
- 5) The behavioral interview - focuses on actual work incidents. The applicant must reveal what he/she did in given situation.
- 6) Stress interview - Interviewer attempts to find out how applicant respond to aggressive, embarrassing, rude & insulting questions.
- 7) Panel interview - the applicant meet 3-5 interviewers who takes turns in asking questions. The panel members can ask new & incisive (penetrating) question based on their expertise & experience and elicit (draw out) deeper & meaningful responses from candidates.

Training Methods

