10 COMPETENCIES FOR ENTREPRENEURIAL SUCCESS:
1. Integrity - the entrepreneur has a clear sense of values and beliefs that underpin the creative and business decisions that they make; and that influence the actions they take, particularly when in difficult or challenging circumstances
2. Conceptual Thinking - the entrepreneur is prepared to use fresh approaches; comes up with crazy ideas that may just work, leading to radical change or significant improvements; and takes time to listen to new ideas without pre-judgement
3. Risk taking - the entrepreneur understands that risk taking means trying something new, and possibly better, in the sense of stretching beyond what has been done in the past; and that the constant challenge is to learn how to assess choices responsibly, weighing the possible outcomes against his/her values and responsibilities
4. Networking - the entrepreneur understands that networking is a key business activity which can provide access to information, expertise, collaboration and sales; and that careful planning and preparation helps achieve desired results
5. Strategic Thinking - the entrepreneur understands and values the planning process, thinking and planning over a significant timescale; recognises external trends and opportunities; and is able to think through any complex implications for the business
6. Commercial Aptitude - the entrepreneur keeps up to date with developments in the sector; seeks out best practice; and identifies and seizes opportunities that are not obvious to others
7. Decisiveness - the entrepreneur resolves issues as they arise; does not get bogged down in analysis during decision making; and responds flexibly to deal with changing priorities
8. Optimism - the entrepreneur persists in pursuing goals despite obstacles and setbacks; operates from hope of success rather than from fear of failure; and sees setbacks as due to manageable circumstance rather than a personal flaw
9. Customer Sensitivity - the entrepreneur builds trust and long term relationships with customers; generates an expectation of high level of customer service; and regularly exceeds customer expectation
10. People Focus - the entrepreneur creates common purpose with colleagues through shared vision and values; walks the talk; sees and values the best in others; builds the total capability of the immediate and wider team; and always considers the principles of inclusiveness in planning and dealing with others
11. Persistence - taking repeated actions to overcome the obstacles.

3.2 ENTREPRENEURIAL COMPETENCIES
As noted in the introduction, every career draws on the competencies of an individual. Some of these competencies may be general and some peculiar to the chosen career. You may understand competencies to mean abilities and skills. However, we would desist from calling these as personality traits as such a conceptualization only reinforces the mistaken belief that entrepreneurs are born rather than made. We believe that recognition of these competencies as abilities and skills makes entrepreneurship as a teachable and learnable behaviour. In this section we orient you towards a set of entrepreneurial competencies developed by the Entrepreneurship Development Institute of India (EDI) Ahmedabad. These competencies were identified by a thorough research procedure based on critical analysis of the case studies of the successful entrepreneurs. We also annex a questionnaire that you can use to evaluate your score on each of these competencies. We would also suggest how you might improve on your scores.

3.2.1 ENTREPRENEURIAL COMPETENCIES IDENTIFIED BY THE EDI
(i) Initiative- acting out of choice rather than compulsion, taking the lead rather than waiting for others to start.
3
(ii) Sees and Acts on Opportunities- A mindset where one is trained to look for business opportunities from everyday experiences. Recall 'oranges' example.
(iii) Persistence- A ‘never say die’ attitude, not giving up easily, striving for success continuously until success is achieved.
(iv) Knowing- Knowing who knows, consulting experts, reading relevant material and an overall openness to ideas and information.
(v) Concern for High Quality of Work- Attention to details and observance of established standards and norms.
(vi) Commitment to Work Contract- Taking personal pains to complete a task as scheduled.
(vii) Efficiency Orientation- Concern for conservation of time, money and effort.
(viii) Systematic Planning- Breaking up the complex whole into parts, close examination of the parts and inferring about the whole; e.g. simultaneously attending to production, marketing and financial aspects (parts) of the overall business strategy (the whole).
(ix) Problem solving- Observing the symptoms, diagnosing and curing.
(x) Self-confidence- Not being afraid of the risks associated with business and relying on one’s capabilities to successfully manage these.
(xi) Assertiveness- Conveying emphatically one’s vision and convincing others of its value.
(xii) Persuasion- Eliciting support of others in the venture.
(xiii) Use of Influence Strategies- Providing leadership.
(xiv) Monitoring- Ensuring the progress of the venture as planned.
(xv) Concern for Employee Welfare- Believing in employee well being as the key to competitiveness and success and initiating programmes of employee welfare.

The self-administered questionnaire in the annexure to this chapter would help you measure where you stand on these competencies. Given that these competencies matter in entrepreneurial success. EDI estimates that development of these competencies can substantially (as much as 33%) bring down incidence of business failures/industrial sickness.

3.2.2 DEVELOPING COMPETENCIES

‘Awareness,’ they say, is the first step towards ‘improvement’ and ‘success.’
Now that you are aware of the critical competencies for entrepreneurial success and also have a measure of your scores on these, it is appropriate that you also think in terms of how to improve your scores. Suppose, you find yourself lacking in the competency- ‘opportunity spotting,’ you may start practicing to think like an entrepreneur (See Box entitled ‘Thinking like an Entrepreneur’). With just a little change in perspective, the world changes for you. Similarly you may work on the other competencies as well.

4) Thinking Like an Entrepreneur

On a trip down south, at Nagpur you marvel at the size of the oranges and the price at which they are available. You buy in dozens and consume these merrily en route. This is consumer’s mindset.

On the contrary, an entrepreneurially thinking individual, he may buy and enjoy the oranges as well, would also start thinking what if I arrange for their transportation and sale at my place... if volume-weight factor and perishability is the constraint how about packaged orange juice... where would the technology come from, Italy? Would Indians like to consume packaged juices when by the roadside they can get fresh juice? ... Exports? Which are the countries that could serve as the potential market? What would be their quality expectations? ...
The role of Prior Work Experience
Project work, summer training as well as prior work experience hone the entrepreneurial competencies. Whichever area you might decide upon to start a venture be it a school, restaurant, garments, courier service, interior decoration etc. along with the educational qualifications, if any, you need to acquire practical experience in that field. For it is while you get on the job training/experience that you familiarise yourself with all aspects of the venture. You can learn as to how to handle customers, suppliers, and government officials, financiers. You will also be able to acquaint yourself with the nitty-gritty's of the production process, bottlenecks like power disruptions, delay or non-availability of raw materials and a host of other things. Day to day dealings of the various facets of business will equip you to handle your own venture deftly, with confidence and with minimal of costly mistakes.

Key words
Competencies- educational qualifications [MBA, MBBS, B.ED, MCA etc] experience, communication skills, self-confidence, patience, social skills, eye for colour and detail, artistic ability, cookery expertise

Entrepreneurial competencies
A competence is an underlying characteristic of persons, which results in effective and/or superior performance in a job. A job competence is an underlying characteristic of a person, in that it may be motive, traits, skills, aspect of one's self-image, a body of knowledge, a set of skills and cluster of appropriate motives/traits that an individual possess to perform a given task.

The knowledge of entrepreneurial competence has been sharpened over the last 3 decades. The following is a list of major competencies that contribute towards top performance.

1. INITIATIVE: Takes action that goes beyond job requirements or the of the situation.
   Does things before being asked or forced to by events.
   Acts to extend the business into new areas, products, or service.

2. SEES AND ACTS ON OPPORTUNITIES:
   Looks for and action on opportunities.
   Sees and acts on opportunities (business, educational or personal growth).
   Seizes unusual opportunities to obtain financing equipment, land, work space. Or assistance.

3. PERSISTENCE:
   Takes repeated action to overcome obstacles that get in the way of reaching goals.
   Takes repeated or different action to overcome obstacle.
   Takes action in the face of a significant obstacle.

4. INFORMATION SEEKING:
   Takes action on own to get information to help reach objectives or clarify problems.
   Does personal research on how to provide a product or service.
   Consults experts for business or technical advice.

5. CONCERN FOR QUALITY OF WORKS: acts to do things that meet or beat existing standards of excellence.
   States a desire to produce work of high quality.
   Compares own work or own company's work favorably to that of others.

6. COMMITMENT TO WORK CONTRACT: acts to do things that place the highest priority on getting a job completed.
   Accepts full responsibility for problems in completing a job for others.
   Pitchess in with workers or works in their place to get the job done.
   Expresses a concern for satisfying the customer.
7. **EFFICIENCY ORIENTATION**: finds ways to do things faster or with fewer resources or at a lower cost.
   - Looks for or finds ways to do things faster or at less cost.
   - Uses information or business tools to improve efficiency.
   - Expresses concern about costs vs. benefits of some improvements, change, or course of action.

8. **SYSTEMATIC PLANNING**: develops and uses logical, step-by-step plans to reach goals.
   - Plans by breaking a large task down into sub-tasks.
   - Develops plans that anticipate obstacles.
   - Evaluates alternatives.
   - Takes a logical and systematic approach to activities.

9. **PROBLEM SOLVING**: identifies new and potentially ideas to reach goals.
   - Switches to an alternative strategy to reach a goal.
   - Generates new ideas or innovative solutions.

10. **SELF-CONFIDENCE**:
    - Has a strong belief in self and own abilities.
    - Expresses confidence in own ability to complete a task or meet a challenge.
    - Sticks to own judgment in the face of opposition or rarely lack of success.
    - Does something that he says is risky.

11. **ASSERTIVENESS**: confronts problems and issues with others directly.
    - Tells others what they have to do.
    - Reprimands or disciplines those failing to perform as expected.

12. **USE OF INFLUENCE STRATEGIES**: uses a variety of strategies to influence others.
    - Acts to develop business contacts.
    - Uses influential people as agents to accomplish own objectives.
    - Selectively limits the information given to others.

14. **MONITORING**:
    - Develops or uses procedures to ensure that work is completed or that work gets standards or quality.
    - Personally supervises all aspects of a project.

15. **CONCERN FOR EMPLOYEE WELFARE**:
    - Takes action to improve the welfare of employees.
    - Takes positive action in response to employee’s personal concerns.
    - Express concern about the welfare of employees.

Developing Entrepreneurial competencies:
Entrepreneurial competencies can be developed by understanding what a particular competence when someone else exhibits the same.
Having understood a given competence and having been able to recognize the same when someone else exhibits, the next step is to find out where one stands with respects to a given competency.

SELF RATING QUESTIONNAIRE
May be used to understand one’s level of competencies and those that are not a part of one’s personality but one would like to acquire those competencies and strengthen others. Any new behavior one acquires would basis in various activities.
Having understood a competence and having practiced the same in a given situation, one needs to introspect to find out how one’s “new behavior” or act of exhibiting a competence has been rewarding. Greater the benefit, more will be one’s determination to continue exhibiting the competence in a variety of situations.
FACTORS AFFECTING ENTREPRENEURIAL GROWTH

1. ECONOMIC FACTORS
   a) Lack of adequate overhead facilities:
      Profitable innovations require basic facilities like transportation, communication power supply etc. They reduce cost of production and increase profit.
   b) Non availability of capital
      Inventions are capital oriented. In less developed countries most capital equipment have to be imported which involves foreign exchange which acts as a difficult problem.
   c) Great risk
      Risk is high in case of less developed countries as there is lack of reliable information, markets for goods and services is small etc.
   d) Non availability of labor and skills
      Though there is abundant labor supply there is generally scarcity of skills at all levels.

2. SOCIAL FACTORS
   A society that is rational in decision making would be favorable for decision making. Education, research and training is given less importance in less developed countries therefore there is very little vertical mobility of labor.

3. CULTURAL FACTORS
   Religious, social and cultural factors also influence the individual taking up an entrepreneurial career, in some countries there is religious and cultural belief that high profit is unethical. This type of belief inhibits growth of entrepreneurship.

4. PERSONALITY FACTORS
   In less developed countries the entrepreneur is looked upon with suspicion. Public opinion in the less developed nations sees in the entrepreneur only a profit maker and exploited.

5. MOTIVATION
   Motivation is the act of stimulating someone or oneself to get a desired course of action, to push the right button to get the desired results.

MOTIVATING FACTORS
   1. Education background
   2. Occupational experience
   3. Family background
   4. Desire to work independently in manufacturing line
   5. Assistance from financial institution
   6. Availability of technology
   7. Other factors

FACTORS INFLUENCING ENTERPRENURESHIP
   The emergence of entrepreneurs in a society depends upon closely interlinked social, religious, cultural, psychological, and political and economic factors.

FAMILY TRADITION:
   Individuals who for some reason, initiate, establish maintain and expand new enterprises generate entrepreneurship in
society. It is observed that entrepreneurs grow in the tradition of their families and society and accept certain values and norms from these sources.

**RELIGIOUS, SOCIAL AND CULTURAL FACTORS:**
Religious, social and cultural factors also influence the individual taking up an entrepreneurial career, in some countries there is religious and cultural belief that high profit is unethical. This type of belief inhibits growth of entrepreneurship.

**PSYCHOLOGICAL FACTORS:**
The psychological factors like high need for achievement, determination of unique accomplishment, self confidence, creativity, vision, leadership etc, promote entrepreneurship among individuals. On the other hand psychological factors like security, conformity and compliance, need for affiliation etc restrict promotion of entrepreneurship.

**POLITICAL FACTORS:**
The political and also the political stability of country influence the growth of entrepreneurship. The political system, which promotes free market, individual freedom and private enterprise, will promote entrepreneurship.

**ECONOMIC POLICIES:**
The economic policies of the government and other financial institutions and the opportunities available in a society as a result of such policies play a crucial role in exerting direct influence on entrepreneurship.

In view of the haphazard development of economic zones, Government is encouraging the entrepreneurs to establish their business in backward and tribal areas. This is primarily to arrest the migration of people from the villages to cities and to create employment opportunities locally. Government is promoting such development by giving incentives like tax holidays (both sales and income), subsidized power tariff, raw materials, transportation cost etc

**CAUSES OF SLOW GROWTH OF ENTREPRENEURSHIP IN INDIA**
Entrepreneurship developed only in the beginning of the 19th century and though the base for industrialization had been laid a century ago. The following be the main reasons, which could be responsible for lack of initiative and entrepreneurial spirit among the Indians.

1. **Caste System:**
This decided occupation for members from each caste. The altitudes were restrictive and therefore there were no changes of accumulating wealth and promoting production.

2. **Agriculture:**
Agriculture was the main occupation. Farmers and cultivators were always in the clutches of the money lenders. The zamindars, nawabs and rajahs exploited the laborers. They spent money on enjoyment and luxury and never risked money in industry. Banking and commercial system was also absent so even if there were savings, they could not be utilized for productive use.

3. **Educational System:**
- Talented young men were prepared to take white collared jobs or join government or professional services. Many were attracted towards politics. The result was that very few young men got attracted towards becoming efficient, industrialists, technicians, managers etc.
4. Colonial Rules:
The British rulers adopted discriminatory policy. Rich Indian businessmen had special connections with foreign rulers and both satisfied their self-interests. Even the few insurance and banking services catered to the needs of some rich Indian businessman, Britishers in India did not encourage Industrialization.

5. Managing Agents:
There were just a handful of people who were known to have managerial skills. On common basis, these agents would lend their skills to some top industries. Industrialists could not manage their own units. They were always at the mercy of the managing agents who filled their pockets with big chunks of the companies' profits and took full advantage of Indian industrialists till the managing agency system was abolished in 1970.

6. Joint Family System:
Younger members of the family always depended on the Head who never gave any kind of independence or encouraged units other than family business ones. A number of young men were discouraged from diversifying from family business and doing something new and different.

7. Religious attitude:
Indians were very religious-minded. They gave more time to religion than to earning material wealth. Religion got priority over business. Some religions even condemned excess earnings and indulgence in comforts. Industrial activity was, therefore, given secondary consideration by the religious Indians.

8. Mindset:
The mindset of the average Indian was never entrepreneurial. Our religious literature and epics told us to have patience and to keep on working without expecting the fruits of labor. This also killed the drive and desire to get into entrepreneurial activities.

9. Recognition by the society:
In earlier days, the heroes India were the social reformers and the politicians. Now it is the era of sportsmen, models and film stars. It is sad that successful or the struggling entrepreneurs have never been recognized as heroes. Entrepreneurial activity did not get due importance in the India society.

10. Family Background:
Empirical studies have shown that a good number of entrepreneurs come from families with industrial backgrounds. Unfortunately, only a few entrepreneurial communities in India made entrepreneurial contribution. These communities could also not make headway in the entrepreneurial field on account of the colonial rule, lack of infrastructure and other facilities. Entrepreneurship development could only take place after independence in India.