E-FOREA

E - Times

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E-WEEK '08

On 2 February this year, NEN launched its second Entrepreneurship-Week. NEN is a non profit organization, working to inspire, educate and support the younger generation of entrepreneurs. E-week primarily showcases the opportunities available in today's India to accelerate economic growth and improve the atmosphere for entrepreneurship in the country. The ongoing E-week which will continue till 9 February is built on the resounding success of its predecessor, E-week 2007. It brings together 1,50,000 odd students, entrepreneurs, investors and faculty on a common platform to run a variety of events and activities which include presenting B-plans, and talks by well known professionals from various fields.

The theme of E-week is '**Connecting Industries and Academia**'. It aims at bringing the best of both to our country – exploring a synergy that will result in innovative ideas for young and budding entrepreneurs.

Eforea, the e-cell of NITK Surathkal, has been in close association with National Entrepreneurship Network since its formation.

As a part of the E-Week, E-Forea is organising a Brainstorming Session on Saturday, 9th February from 9:15 at Main Seminar Hall.

During the session, some of our distinguished alumni will be coming over and sharing their ideas on entrepreneurship.

The participants will be divided into teams and will come up with a B-Plan (Business plan) in Manufacturing, IT Services or Non IT Services sector. Each team will be mentored by a distinguished alumni, an ace in that sector. This would be followed by a Q&A session with other the teams.

This event shall help the participants to expand the horizon of their opportunities and also prepare them to take part in business plan and other competitions.

Registrations are open till Friday and there is absolutely no registration fees.

For registrations, contact Sumit: Room 49 (9900406331) or Shalini: Room No 205, GB

Book Summary

Billions of Entrepreneurs: How China and India Are Reshaping Their Futures and Yours

Authored by: Tarun Khanna (Professor, Howard Business School)

"One can see China clearly when juxtaposed against India, a neighbor that, like China, is a large, populous, and ancient country that chose a different path. The difference is stark. The same is true when we look at India with China as a backdrop."

Entrepreneurship in both China and India is rising dramatically and thriving under quite different conditions. In the book *Billions of Entrepreneurs: How China and India Are Reshaping Their Futures and Yours,* the Howard Business School professor Tarun Khanna analyses the economies and conditions of India and China.

This book is based on a comparative study of Indian and Chinese conditons and the entrepreneurial environment in both.

In China and India, much of entrepreneurship is

in response to constraints—societal, political, or other. A lot of entrepreneurial activity in the two countries is in the exercise of getting things done more efficiently and creatively in response to constraints that people find themselves immersed in.

Also, the business landscapes of China and India differ in 2 main respects: their degree of openness to outside influence, and the extent and type of government involvement.

While foreign direct investment pours into China, India has embraced foreign direct investment much less, for good and bad reasons. But Traditionally, India has been more open to ideas than has China.

for more on this log on to
http://hbswk.hbs.edu/item/5766.html

Top Ten Myths of Entrepreneurship

Many entrepreneurs believe a bunch of myths about entrepreneurship, so here are ten of the most common and the ground realities that bust them:

It takes a lot of money to finance a new business. Not true. The typical start-up only requires about $25,000 to get going. The successful entrepreneurs who don't believe the myth design their businesses to work with little cash. They borrow instead of paying for things. They rent instead of buy. And they turn fixed costs into variable costs by, say, paying people commissions instead of salaries.

Venture capitalists are a good place to go for start-up money. Not unless you start a computer or biotech company. These two account for 81 percent of all venture capital dollars over the past fifteen years. VCs only fund about 3,000 companies per year and only about one quarter of those companies are in the seed or start-up stage.

Most business angels are rich. If rich means being an accredited investor –a person with a net worth of more than $1 million or an annual income of $200,000 per year if single and $300,000 if married – then the answer is "no." Almost three quarters of the people who provide capital to fund the start-ups of other people who are not friends, neighbors, co-workers, or family don't meet SEC accreditation requirements. In fact, thirty-two percent have a household income of $40,000 per year or less and seventeen percent have a negative net worth.

Start-ups can't be financed with debt. Actually, debt is more common than equity. According to the Federal Reserve's Survey of Small Business Finances, fifty-three percent of the financing of companies that are two years old or younger comes from debt and only forty-seven percent comes from equity.

Banks don't lend money to start-ups. This is another myth. Again, the Federal Reserve data shows that banks account for sixteen percent of all the financing provided to companies that are two years old or younger. It is higher than trade creditors, friends and family, business angels, venture capitalists, strategic investors, and government agencies.

Most entrepreneurs start businesses in attractive industries. Sadly, the opposite is true. Most entrepreneurs head right for the worst industries for start-ups.

The growth of a start-up depends more on an entrepreneur's talent than on the business he chooses. Sorry to deflate some egos here, but the industry you choose to start your company has a huge effect on the odds that it will grow.

Most entrepreneurs are successful financially. Sorry, this is another myth. Entrepreneurship creates a lot of wealth, but it is very unevenly distributed. The typical profit of an owner-managed business is $39,000 per year. Only the top ten percent of entrepreneurs earn more money than employees.

Many start-ups achieve the sales growth projections that equity investors are looking for. Not even close. Of the 590,000 or so new businesses with at least one employee founded in USA, only about 9,500 companies reach $5 million in sales in that amount of time.

Starting a business is easy. Actually it isn't, and most people who begin the process of starting a company fail to get one up and running.

This is a guest post by Scott Shane on Guy Kawasaki's blog: blog.guykawasaki.com

Colleges should provide diploma in entrepreneurship: Kalam

excerpt from Chennai Online news

Entrepreneurial environment in India has been plagued with the lack of a supportive education system and proper mindset amongst students. While the current education system focuses on bringing out employable job seekers which most of the times add to a large pool of educated unemployed beings in India, little has been done to inculcate the culture of entrepreneurship and breed a generation of job creators.

Speaking at the Loyola College, Dr. Kalam said, "six months of the three year UG courses could be used for this purpose, as a diploma would serve as a gateway for a student to start business. All the nearly four million students, passing out every year could not get a Government job." Holding a degree as well as a diploma would help a student to come up in life, he added.

He called for more creative leaders in entrepreneurship and said, "**we need leaders who can exercise a vision to change traditions that will develop the country**."

Talking on PURA (Providing Urban amenities in Rural Areas) he said entrepreneurs could adopt villages under it. It would be a thriving business enterprise and not just a social responsibility.

IIT Alumni turn mentors at IIM

excerpt from Times of India, 28 January, 2008

Dreams of 40 young entrepreneurs took a giant leap forward with mentors — all IIT alumni — coaching them on ways to realise their aspirations.

This was part of an initiative where the IIT alumni played mentors for aspiring entrepreneurs and guide them. The event took place in 16 cities across the country where 1020 participants were counselled. It was supported by The Times of India, The IndUS Entrepreneurs (TiE) and National Entrepreneurship Network (NEN).
In Ahmedabad the event was held at the incubator of entrepreneurship - Centre for Innovation, Incubation and Entrepreneurship (CIIE) at IIM-A. Vishnu Varshney, managing director of Gujarat Venture Finance Limited and one of the eight mentors, said, "**Entrepreneurship does not always mean going out on your own but could even be done in an on-going job. It simply means to create something new**". Varshney addressed the participants on "Entrepreneurial Ecosystem".
It proved to be a life turning event for most of the participants. Jayesh Kothari, 22, an MBA student at Nirma University and a businessman, said, "I want to move from the wholesale market to retail market in my existing paper business. I met Govind Gupta and he gave me an insight into the market scenario and showed possibilities of diversification. I immediately called my father and held a second round of discussions".

Coming B Plan Competitions:

Srijan '08:

http://www.srijan2008.com./srijan.html

Rice University Business Plan Competion:
http://alliance.rice.edu/alliance/RBPC.asp