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Grameen Bank

GRAMEEN™

Muhammad Yunus is often referred to as "**The world's banker to the poor**". He was awarded the **Nobel Peace Prize Winner** for year **2006**. He is the **Founder and Director of Grameen Bank**, is a founding and current board member of Grameen Foundation. His life's work has been to prove that the poor are credit-worthy. His Grameen Bank system has provided financial assistance to as many as 7 million poor people and has continued its reputation in doing so. The major beneficiaries of the system were Women. This Banking system is mostly concentrated in Bangladesh one of the poor nations of the world.

The idea of Grameen Banking system was first visualized by Muhammad Yunus in year 1976 while he was a Professor of Economics at Chittagong University. "Micro-Finance" was the key-driving point for this Banking System. He was the key conceptualizer of the "Micro-Finance" system and perfect Implementer. Even the poorest of the poor can get loans from this banking system even in the absence of the collateral to gurantee the loan. The main thrust of this Banking Systme is to eradicate poverty and improve the Standards of Living.

The important characteristics of this Business Model are firstly the high recovery rate of up to about 99%, secondly provision of loans even in the absence of collaterals but under the guarantee of group thirdly the requirement of the borrowers to save a part of income to help them from getting under the clutches of poverty and Money Lenders and finally the scaling of bank to the rural level which is a big hurdle to a typical urban-oriented bank

The success of the Grameen Banking System can be assessed by the number of branches which it has grown which is about 1000 and the number of borrowers which comes to about 6.5 million borrowers. This micro-credit Business Model is being followed in as many as 100 countries including the developed and the developing Economies. Due to the success atttributed by Leading Economists in the world to the micro-credit system, the leading developed countries have also adopted this concept.

According to Muhammad Yunus firstly Social Entrepreneurship happens to be key for eradicating poverty and providing Economic Development where in both the Entrepreneur and the society are benefitted, secondly Capitalism should be projected in a manner where in economic, social, Political dimensions are embodied in it, creation of Social Stock Market happens to be important feature for increasing the network among the Social Entrepreneurs of the world.

http://news.bbc.co.uk/2/hi/south_asia/6047234.stm

Incubators as catalyser for Entrepreneurship

Incubators play an important role in encouraging Entrepreneurial **Innovation**. Incubators catalyze the funding of the project that has the capability to sustain in this era of high risk of investment. In view of the greater role played by the incubators in spreading **Entrepreneurship spirit**, it has been established in major developed cities world-wide to act as a saviour to Entrepreneurs, and is being thought of to be established in the developing cities, in both the **developed Economy and also the developing Economy**.

In many of the Foreign countries Incubators are set up close to Universities of National and International Importance. This has helped both Incubators and Universities to exchange innovative ideas which help in greater degree of development of the outcome (product). Incubators play the role of providing space to bring innovative idea to production stage and acts as platform to develop "wet labs" for carrying their work. Incubators help in raising funds by bringing in **Venture Capitalist, Angel Investors** in contact with Entrepreneurs. They also bring in Legal advisors, leading technologists in the area concerned and other service providers who play leading role in maintaining the uniqueness, integrity of ideas through **Intellectual Property Rights**. **University Technology Transfer acts** as platform to demonstrate Entrepreneurs, cutting edge Technology that has developed over the years which can be utilized by them. A university also acts as a platform to showcase the Entrepreneurial innovative product and helps them in Marketing.

Incubators also facilitate Entrepreneurship by providing **basic business and marketing skills**. Incubators also bring specialists to deliver talks regarding business ethics, patenting and Management Skills. Incubators basically act as a medium of transfer of technological research from University to **Commercialization of ideas**. Incubators help bring the Researchers from Universities into the domain of Entrepreneurship by reducing the risks involved in start-ups by making them available the physical necessities such as space, wet laboratories and also provide them moral support. Incubators indirectly play the role of commercializing cutting edge technology products. Several Incubators has identified the need to imbibe the spirit of **Entrepreneurship among the Youth** and created centres specially aimed to involve youth.

Science Park as catalyser for Entrepreneurship

Science Parks acts as Centre for encouragement of the innovative ideas to bring the product into reality. Science parks acts as spring board for development of Entrepreneurship through constant mentoring and monitoring of the Innovative Ideas.

Science Parks lays great emphasis on new **innovative technology, practical skill** development and also to a greater extent on environmentally oriented workspace. Science Park has an important function of increasing the networking among Entrepreneurs at various levels such as state, national and International. Science Parks have also been involved in the development of regional education sector and community. They have also helped Universities formulate curriculum in field such as Entrepreneurship that help to develop future business. They have also influenced in setting up the **research agendas** for Universities.

http://www.businessandeconomics.wordpress.com

Starting a Business: Research before jumping in

The common reason why **start-ups die early** is because they **didn't do enough research**. Most of them straight away start working, form a company, and develop a product etc without doing proper **market research**. Doing ground work is a must before jump into forming a company and taking the next step.

By doing ground work you get a clearer picture of the market. You will get to know about:

- Demand in market for your product
- Competitive products in the market
- Market Size
- Helps you know more about your potential customers

Most importantly, you will know if there is a need for your product in the market.

Knowing the above parameters helps you minimize the risk and must be a part of your **"Should I, Should I not"** decision making process.

So next time you get an idea, instead of straight away jumping into forming a team, company, taking the next BIG step, do market research, and know more about what you are getting into.

Starting a Business: Do you have enough money?

Do not underestimate the cost involved in getting your new business up and running. There will be lots of unforeseen expenditure which might eat into your budget and cause problems in the run. Make an approximate of how much you need to get your company up and running.

Some of the common expenditures are:

- Man Power
- Equipment/Infrastructure
- Software's, Hosting
- Marketing and Sales expenditure
- Misc - Stationary, Food/Snacks

Above is just the list common expenditures. Depending on your type of business and how you operate you may have to add/remove to the above list.

Even if you think you have taken all expenditures into account, I must stress, there will be some unforeseen expenditure coming your way. It is always a better idea to add buffer money to your budget, so that you won't have to panic later on.

One mistake, we passionate entrepreneurs do, is to add small expenditures to our personal budget. "***Why not? Its our company anyway!***" - You might think. This is a very bad attitude and will eat up your savings before you even realise as most of the small expenditures are recurring.

Try to avoid projected sales revenue into the current budget. This is a very dangerous mistake and will prove fatal if the sale doesn't happen. Do not do this ever, unless you have drained all your other sources and have no other way to go.

Having an idea of how much you need, to get your company up and running must be an integral part of the decision making process. It makes you conscious of the monetary condition and prepares you for the times ahead.

http://www.arbitblog.com

"**Stay Hungry, Stay Foolish**" a book written by **IIM-A Alumni Rashmi Bansal**, was released during the Entrepreneurship meet at IIM-A organised by its **"Centre for Innovation Incubation Entrepreneurship"(CIIA)**. This book depicts the stories of 25 alumni from IIM's who achieved great success.

According to Ms. Bansal all of these Entrepreneurs had one important quality in them that is they believe in words "**Dare to Dream, Dream to Dare".** They believe in power of dreams. One success story is about R.Subramaniam from IIT-M and graduated from IIM-A in 1989. He went on to build the **country's largest grocery chain- Subhiksha**, which has over 1030 stores nationwide by quitting the job from Citigroup. Another success story is about Narendra Murkumbi an IIM-A graduate in 1994, who started a venture-manufacturing and refining sugar, which gained him the status of billionaire. This venture "Shree Renuka Sugars" now has a turnover of Rs. 1000 crore. Others featured are Deep Kalra, who graduated in 1992 and is chief initiator of **"makemytrip.com".** Sanjeev Bikchandani is another featured Alumni, whose **naukri.com** is a listed company now. Anand Halve another featured Alumni set up his own consulting firm Chlorophyll.

The following paragraph is about Siddarth Jaiswal who is a fresh IIM-A grad from PGP batch of 08. He has given up the big placement packages, high dignified positions to pursue Entrepreneurship as his career. He is second after Sarath Babu from the prestigious IIM's who has chosen to pursue his Entrepreneurial career in field directly relating to Human Consumption. He has decided to launch a series of **'Joos' bar** which offers 50 varieties of natural beverages and drinks. He is one among the eleven students from his batch who has given up the big packages offered and has decided to pursue Entrepreneurship as his career.

NEN Coolest Start-ups -- India's first ever community-chosen awards. The main reason for the introduction of these awards was to highlight the fact that Innovative Companies who try to provide market based solutions should be encouraged by all of us and happens to be an important step in building an Entrepreneurial Society. One of the other motive is to bring into forefront the leading start-ups and trying to involve them or make as a part of an Entrepreneurial Network. IIM Ahmadabad, IIM Bangalore, Microsoft, and NEN will provide business support to the Shortlisted Start-ups and Winners of NEN Coolest Start-ups.

Whether it's about having that old friend log on or a new one punch in a few words to gain access, having personal websites is mandatory, chorus these students. As for the expertise, "someone or the other in any given group is always computer-savvy," says Raghu Khanna of IIT Guwahati, who brought out an all-new commercial idea through **brandonwheels.com**. "We found a way to deal with increasing oil prices and are advertising it through our website," chirps Arshdeep Bahga, a PEC student and a partner in the site. They tell us as per their concept, the website will bring the advertisers and car owners together. "While car owners will get paid for putting advertisements on their cars, advertisers will take advantage of this unexplored medium of advertisement," friend Saurabh Bansal of Amity Business School explains about one of the innovative forms of outdoor methods of advertising.

http://www.nenonline.org/jsp/quoteprofile/cooleststartups.jsp
http://cashurdrive.com/#

COMPETITIONS:
The SEVEN Fund $50k VINE Project

Base of Pyramid Narrative Competition Cornell University, Centre for Sustainable Global Enterprise & USAID, prize worth $8500k and many more. http://www.letmeknow.wordpress.com