

# The theory and practice of rearing businessmen

Colleges are discovering a great opportunity in educating entrepreneurs and incubating companies. Radhika P Nair and Peerzada Abrar find out more.

*straight out of*  
**CLASSROOM**

INSTITUTE	FIRMS IN BUSINESS
Tiruchirappalli Regional Engineering College (TREC)	180 firms
Sri Jayachamarajendra College of Engineering, Mysore	150 firms
PSG, Coimbatore	89 firms
Basaveshwar Engineering College, Bagalkot	29 firms
NITK, Surathkal	23 firms
JSS Academy of Technical Education, Noida	13 firms
Kongu Engineering College, Erode	12 firms
Krishna Institute of Engineering and Technology, Chazabad	11 firms
Shriram Institute for Industrial Research, Delhi	10 firms
Penyar Maniammai University, Thanjavur	7 firms
Vellore Institute of Technology, Vellore	5 firms
Thapar University, Patiala	4 firms
Amrita Vishwa Vidyapeetham University, Kollam	4 firms
Amity, Noida	3 firms

Science & Technology Entrepreneur's Park (STEP) and Technology Business Incubators set up in collaboration with the Government of India



**W**HEN it comes to educating future entrepreneurs, "catch them young" seems to be the reigning philosophy. While many of the top management and technology institutes in the country, like the IIMs and IITs, have set up incubation centres and introduced electives that cover aspects of entrepreneurship, tier-II and tier-III colleges are the ones who have turned to entrepreneurship education in a big way.

In fact, there is a move to inculcate entrepreneurship even in school children. The National Entrepreneurship Network (NeN), a non-profit organisation that helps develop entrepreneurship education system at academic institutions all over the country, conducts an annual Entrepreneurship Week, or E-week, across colleges in the country. This year, they brought it to schools as well and got school students to try the "₹50 exercise".

Originated at Stanford, this game involves teams of students coming up with an idea, forming a company on paper and investing a maximum of ₹50 (not real currency) in the company. At the end of the half-day exercise, they see what they have earned and learned.

Ahmedabad's Satyameva Jayate International School (SJIS) teaches entrepreneurship to even six-year-olds. Hina Shah, the founder and director of SJIS, said they use specially designed modules to teach the children.

However, can entrepreneurship actually be taught in a classroom? And, have these entrepreneurship courses produced entrepreneurs?

## FOCUS ON PRACTICAL TRAINING

Bangalore-based MS Ramaiah Institute of Technology (MSRIT) is one of the many institutes that have started focusing on entrepreneurship as a viable option for its students. "We give importance to practical aspects of enterprise as courses tend to focus only on theory," said K Rajanikanth, principal, MSRIT.

The institute has an entrepreneurship development cell, which provides training to interested students on a voluntary basis. The institute also has an incubation centre, which provides the entire infrastructure for the incubatee for two years. Rajanikanth said they are also planning to set up a seed fund soon.

One of the successful start-ups to come out of the

MSRIT incubator is Gumbi Software, an education solutions provider, set up by Harsha Mahabala, a 2006 Computer Science student of MSRIT. Mahabala always wanted to be an entrepreneur, but he was planning to study business administration before setting up his own venture. "Without the support and mentoring I received at my college, it would have taken much longer to start up on my own," said Mahabala. Today, Gumbi Software is a ₹13.5-crore company.

## CREATING ENTREPRENEURS

While Mahabala always knew he would become an entrepreneur, for Jia Jain it was chance and not choice that made him start a chain of fine-dining vegetarian restaurants, called 1947, in Bangalore. After passing out of Jain University's MATS Institute of Management and Entrepreneurship in 2005, Jain set up his first outlet in 2006. He said there was a constant focus on entrepreneurship at the Institute. This led him to think of entrepreneurship as a viable alternative to a corporate job.

He now has five restaurants and is eyeing a turnover of ₹8 crore this financial year. The Institute's Centre for Entrepreneurship provides office space and infrastructure, mentoring and also administers a seed fund. The Centre has incubated 23 companies so far.

## ENTREPRENEURS PARK

The entrepreneurial culture in non-metro locations is also pushing various institutes to build the eco-system. Coimbatore-based PSG College of Technology has set up an entrepreneurial park in association with the Department of Science & Technology and financial institutions to promote technology-based enterprise.

It has successfully graduated around 89 companies in the last 11 years out of which 60 are still in business. "The institute was a launch pad for me to not only develop the technology but take it to the market as well," said G Rammohan, who did his masters in material science and business administration from PSG.

Rammohan, who incubated his firm Vestige Technologies at PSG in 2007, provides biometric and electronic tagging technology solutions for tracking assets, jewellery and manpower. The 20-employee firm, which has bagged many contracts from govern-

ment agencies and the private sector, has reached a revenue of over ₹1 crore.

## ENTREPRENEURIAL MINDSET

This focus on creating entrepreneurs is far from new. The Entrepreneurship Development Institute (EDI) was set up in Ahmedabad in 1983, with sponsorship from financial institutions such as IDBI Bank, State Bank of India, ICICI Bank and IFCL. The sole aim was to create new entrepreneurs and providing additional training for businessmen who are already running businesses.

"Entrepreneurship can be successfully taught like any other discipline," said Dinesh Awasthi, director of EDI. He said EDI's curriculum focuses on imparting knowledge, skill development and building on inherent aptitude. Awasthi said a little over 69% of EDI's students are successfully managing their own businesses.

According to Awasthi, EDI has created "an ethical entrepreneurial mindset, coupled with entrepreneurial competencies". For providing further support to students, IDBI, in collaboration with SIDBI, is offering collateral-free loans up to ₹1 crore, especially for EDI students.

## MAKING, NOT RUNNING VENTURES

Career Launcher, an education service provider, has set up the Indus World School of Business (IWSB) in Noida in 2008 to bridge the gap in entrepreneurship education. While the Institute offers campus placements, the focus is on entrepreneurship and the institute has about a dozen start-ups incubating at its labs.

Ankita Gupta is one of the many IWSB students who are already running ventures. She is part of a project selling affordable sanitary napkins to women in more than 20 villages in Uttarakhand. Gupta has collaborated with a local innovator, who has developed a machine that can produce 2,000 sanitary napkins in a day.

Vipresh Sharma graduated from IWSB in 2010 and started an organic product venture, Bhagwati Herbal Agro Solutions. The venture earns around ₹25 lakh per annum in revenue. "Other B-schools mainly talk about how to run an organisation, but here I learnt how an organisation can be developed," said Sharma, who is the first member in his family of farmers who has studied beyond class seventh.

## ROLE OF THEORY

While experts, lecturers and students agree that practical training is important, most say that classroom-based theory also has its place in entrepreneurship education. Rohit Prasad, who heads the Centre For Entrepreneurship at Management Development Institute (MDI), is of the opinion that some basic aspects can be taught in the classroom.

"Subjects such as accounting, managing human resources and legal points to consider while setting up a company can be taught in the classroom," said Prasad. "Classroom courses give the basic knowledge on how to create an enterprise. Practical training adds to the theory," said Mahabala.

## NOT ONLY ABOUT ENTREPRENEURS

Almost all experts concede that such education might not create entrepreneurs immediately. "It takes time for an Institute to start creating entrepreneurs," said MDI's Prasad. "It is wrong to expect that start-ups will quickly be created by colleges that have a focus on entrepreneurship in their curricular and extra-curricular programmes," said Laura Parkin, CEO of NeN.

"The skills imparted in an entrepreneurship programme is useful in a regular corporate job as well," said Rishikesh T Krishnan, professor of corporate strategy and policy at IIM Bangalore. He added that the institute, which currently has an elective in entrepreneurship, is planning to make entrepreneurial thinking a compulsory module in its flagship MBA programme.

"Entrepreneurship education still has a long way to go. We have not yet started creating a large number of good entrepreneurs," said C Amarnath, professor-in-charge of IIT Bombay's Society for Innovation and Entrepreneurship (SINE). However, "those who want to become entrepreneurs will get there with or without specialised education," he said.

With focused classroom programmes, interesting practical experience and the right support system, entrepreneurship education can give students a clearer picture of how to become successful entrepreneurs.



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