

# 10 Steps Or 100 Days To Become Entrepreneur In Tamil Nadu

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**Abstract:** Innovation and Entrepreneurship is an important area for Entrepreneurship Development and Economic Development in Tamil Nadu. The ITI, Polytechnic, Arts, Science and Engineering Students in Tamil Nadu have different ideas or innovation which is to be made commercialized. The objective is to develop a model for Innovation and Entrepreneurship for benefit of student entrepreneur, to find physical and financial performance of MSMEs in Tamil Nadu and to find correlation, regression and trend equation of MSMEs in Tamil Nadu. The methodology adopted by researcher is to develop a model namely “10 Steps or 100 days to become Entrepreneur in Tamil Nadu” and to analyses with Correlation, Regression and Trend Analysis. To conclude, the Economic Development of Tamil Nadu will be improved if self -employment is adopted by Students with the 10 steps model and there is increase in no. of units, employment, investment and production of MSMEs in Tamil Nadu.

**Key Words:** 10 steps; 100 days; Entrepreneur; Tamil Nadu.

## 1. INTRODUCTION:

Innovation and Entrepreneurship is an important area for Entrepreneurship and Economic Development in Tamil Nadu. The ITI, Polytechnic, Arts, Science and Engineering Students in Tamil Nadu have different ideas or innovation which is to be made commercialized by adopting various schemes and incentives given by Government of India and Tamil Nadu

## 2. LITERATURE SURVEY:

Various studies are undertaken on Innovation and Entrepreneurship. However there is no study made on steps or number of days needed to become entrepreneur in Tamil Nadu or India. Hence the researcher has developed a Model which will be a ready reckoner for budding or

student entrepreneur to start a Manufacturing upto Rs.10 crores, Service upto Rs.5 crore or Business Enterprises upto Rs.1 crore in Tamil Nadu. The study also made to find ethics in business and physical and financial performance of MSMEs in Tamil Nadu.

## Definition of MSMEs

The classification of Micro, Small and Medium Enterprises is defined under the MSME Act 2006. The enterprises are classified in Manufacturing and Service enterprises. Based on the investment in plant and equipment (excluding land and building) the classification of Micro, Small and Medium Enterprises are in below.

The Micro, Small and Medium Enterprises Development Act, 2006		
Classification	Manufacturing (Plant and Machinery)	Services (Equipment)
Micro Enterprises	Upto Rs.25 lakh	Upto Rs. 10 lakh
Small Enterprises	Rs.25 lakh to Rs.5 Crore	Rs. 10 lakh to Rs.2 Crore
Medium Enterprises	Rs. 5 Crore to Rs. 10 Crore	Rs.2 Crore to Rs. 5 Crore

Source: MSME Act, 2006

## 3. OBJECTIVE:

1. The objective is to develop a model for Innovation and Entrepreneurship for benefit of student or budding entrepreneur in Tamil Nadu or India. 2. To find physical and financial performance of MSMEs in Tamil Nadu and

3. To find correlation, regression and trend equation of MSMEs in Tamil Nadu.

**4. METHODOLOGY:**

The methodology adopted by researcher is to develop a model namely “10 Steps or 100 days to become Entrepreneur in Tamil Nadu” by collecting data from various Departments and Corporations of Government of Tamil Nadu. The methodology also adopted is to analyses with Correlation, Regression and Trend Analysis to find performance of MSMEs in Tamil Nadu.

**5. 10 STEPS TO BECOME ENTREPRENEUR MODEL:**

“10 Steps or 100 days to become Entrepreneur in Tamil Nadu” Model will be a ready reckoner for Entrepreneur to take 10 steps or 100 days to start Micro, Small or Medium Enterprises in Tamil Nadu. The 10 steps (or) 100 days and concern websites are given in the Table 1.

**Table 1: Ten Steps (or) 100 days to become Entrepreneur/ Technopreneur**

<b>100</b>	<b>Days / Steps</b>	<b>10</b>	<b>Planning and Organizing the Business, MSMI Policy 2008, Udyog Aadhaar Memorandum, <a href="http://udyogaadhaar.gov.in">http://udyogaadhaar.gov.in</a> , <a href="http://www.fieo.org">http://www.fieo.org</a> , <a href="http://www.msmedatabank.in">http://www.msmedatabank.in</a> , <a href="http://www.indiantradeportal.in">www.indiantradeportal.in</a>, <a href="http://www.zed.org.in">www.zed.org.in</a> <a href="http://www.msmedi.dcmsme.gov.in/award.aspx">www.msmedi.dcmsme.gov.in/award.aspx</a></b>
<b>90</b>		<b>9</b>	<b>Statutory Registration, IT,GST, ESI, EPF, EPS, IPR <a href="http://www.cbce.gov.in">www.cbce.gov.in</a>, <a href="http://www.ipindia.nic.in">www.ipindia.nic.in</a>, <a href="http://www.msmeshopping.com">http://www.msmeshopping.com</a> <a href="http://www.digitalmsme.gov.in">www.digitalmsme.gov.in</a> <a href="http://www.msmemart.com">http://www.msmemart.com</a>, <a href="http://www.umang.gov.in">www.umang.gov.in</a> <a href="https://www.naukri.com/msme-jobs">https://www.naukri.com/msme-jobs</a></b>
<b>85</b>		<b>8</b>	<b>Implementing Project, EDII- EDP Training, <a href="http://www.editn.in">www.editn.in</a></b>
<b>60</b>		<b>7</b>	<b>Financing and Incentives- Banks, SFCs/TIIC, NSIC, SIDBI <a href="http://www.mudra.org.in">http://www.mudra.org.in</a>, <a href="http://www.standupmitra.in">www.standupmitra.in</a>, <a href="http://www.tiic.co.in/">www.tiic.co.in/</a> <a href="http://www.msmeonline.tn.gov.in/needs/">http://www.msmeonline.tn.gov.in/needs/</a> CGTMSE <a href="http://www.msmeonline.tn.gov.in/uyegp">http://www.msmeonline.tn.gov.in/uyegp</a>, <a href="http://www.sidbi.in">www.sidbi.in</a> <a href="http://kviconline.gov.in/pmegportal/jsp/pmegponline.jsp">http://kviconline.gov.in/pmegportal/jsp/pmegponline.jsp</a> <a href="http://www.indcom.tn.gov.in/msme.html">http://www.indcom.tn.gov.in/msme.html</a></b>
<b>50</b>		<b>6</b>	<b>Apply for License and Permits with Local Authority <a href="http://www.indcom.tn.gov.in">www.indcom.tn.gov.in</a> , <a href="https://easybusiness.tn.gov.in/">https://easybusiness.tn.gov.in/</a></b>
<b>40</b>		<b>5</b>	<b>Go for RM &amp; Plant and Machinery – DIC, <a href="http://www.nsic.co.in">www.nsic.co.in</a>, <a href="https://gem.gov.in/">https://gem.gov.in/</a></b>
<b>30</b>		<b>4</b>	<b>Choosing Land and Building / right location for setting up the Enterprise Options, <a href="http://www.sidco.tn.gov.in">www.sidco.tn.gov.in</a> , <a href="http://www.sipcot.com">www.sipcot.com</a> , <a href="http://www.tidco.com">www.tidco.com</a></b>
<b>10</b>		<b>3</b>	<b>Deciding Form of Business, <a href="http://www.tngim.com">www.tngim.com</a>, <a href="https://easybusiness.tn.gov.in/">https://easybusiness.tn.gov.in/</a></b>
<b>5</b>		<b>2</b>	<b>Preparing Feasibility Study for Project- Quality Function Deployment (QFD) <a href="http://www.dcmsme.gov.in/publications/pmryprof/pjseries.html">http://www.dcmsme.gov.in/publications/pmryprof/pjseries.html</a> <a href="https://kviconline.gov.in/pmegp/pmegpweb/docs/jsp/newprojectReports.jsp">https://kviconline.gov.in/pmegp/pmegpweb/docs/jsp/newprojectReports.jsp</a></b>
<b>1</b>			<b>Conception of Project- DIC- MSME-DI, TCOs, SFCs, EDII, <a href="http://www.indcom.tn.gov.in">www.indcom.tn.gov.in</a> <a href="http://www.msmedi-chennai.gov.in">www.msmedi-chennai.gov.in</a> , <a href="http://www.nsdcindia.org">www.nsdcindia.org</a> , <a href="http://www.editn.in">www.editn.in</a> , <a href="http://startupidia.gov.in">http://startupidia.gov.in</a>, <a href="http://empretec.in/workshops.php">http://empretec.in/workshops.php</a> <a href="http://www.niesbud.nic.in">www.niesbud.nic.in</a>, <a href="http://www.nimsme.org">www.nimsme.org</a>, <a href="http://www.iie.nic.in">www.iie.nic.in</a>, <a href="http://www.dcmsme.gov.in">www.dcmsme.gov.in</a>, <a href="http://www.msme.gov.in">www.msme.gov.in</a></b>

Source: Developed by Researcher.

[1] The 1<sup>st</sup> step is conception of project which needs innovation from budding students or entrepreneurs. It will take maximum one day or if any Skill development training is required it may take maximum of 6 months as per the website given in table 1. Government of Tamil Nadu has released Tamil Nadu Startup and Innovation Policy (2018-2023) for benefit of startup entrepreneurs. It is also

created Innovation Voucher Programme (IVP) for benefit of startups where for Voucher A i.e., entry into research upto Rs. 2 lakhs are given and Voucher B entry into market up to Rs. 5 lakhs are given for startups.

[2] The 2<sup>nd</sup> step is preparing feasibility study for project using QFD Analysis which will take maximum of 5

days. The Project reports are available as per the website given in table 1.

- [3] The 3<sup>rd</sup> step is deciding form of business like Proprietor or Partnership or Private Limited or Public Limited or Cooperative which will take maximum of 5 days as per the website given in table 1.
- [4] The 4<sup>th</sup> step is choosing a Land and Building where organization likes SIDCO, SIPCOT or TIDCO which will take maximum of 10 days as per the website given in table 1.
- [5] The 5<sup>th</sup> step is to search for Raw Material and Plant and Machinery using Government E Market website which will take maximum of 10 days as per the website given in table 1.
- [6] The 6<sup>th</sup> step is to take various license and permits with local authority like Inspector of Factories, Town and Country Planning, Tamil Nadu Pollution Control Board, Fire Services and Health Department which will take maximum of 31 days according to Tamil Nadu Business Facilitation Act 2017 as per the website given in table 1.

- [7] The 7<sup>th</sup> step is to get finance from Banks by availing Credit Linked Capital Subsidy Schemes like Unemployed Youth Employment Generation Programme (UYEGP) upto Rs.10 lakhs, Prime Minister Employment Generation Programme (PMEGP) upto Rs.25 lakhs, New Entrepreneur Cum Enterprise Development Scheme (NEEDS) up to Rs.5 crore (or) non subsidy schemes like MUDRA upto Rs.10 lakhs or Standup India upto Rs.1 crore which will take maximum of 10 days as per the website given in table 1. The performance of UYEGP, PMEPG and NEEDS are given in figure 3, 4 and 5 respectively.

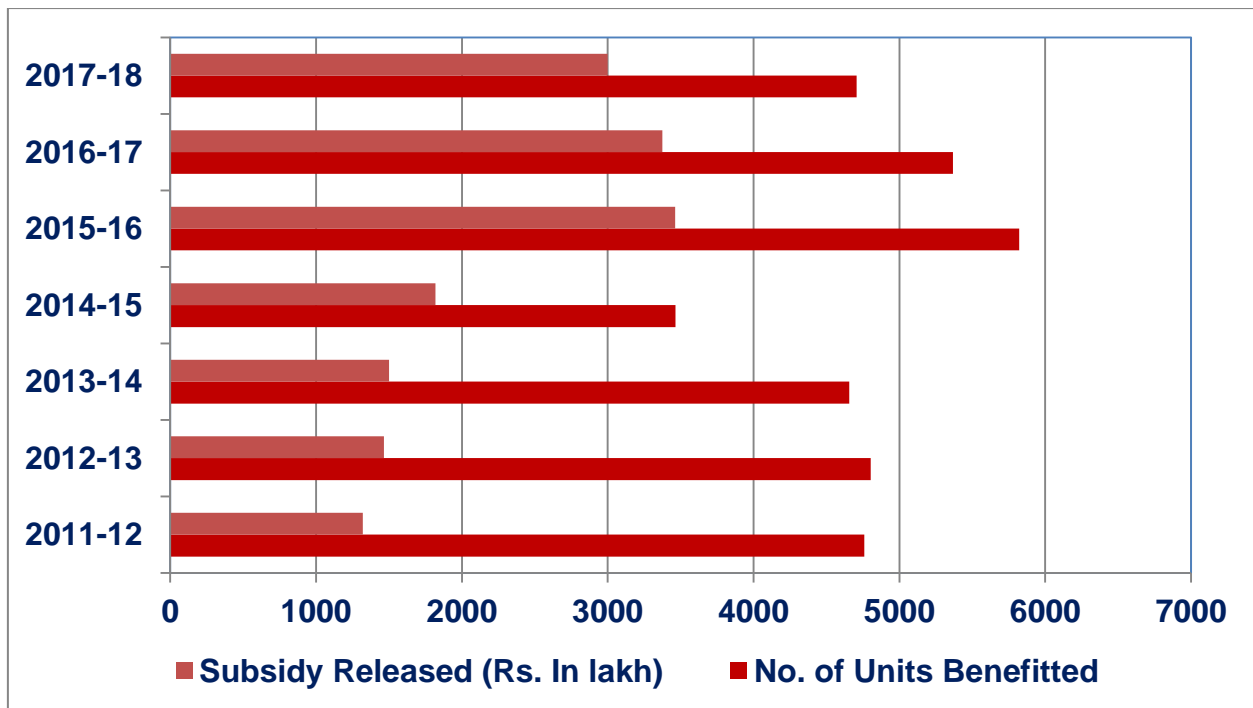


Figure 3 Unemployed Youth Employment Generation Programme (UYEGP)

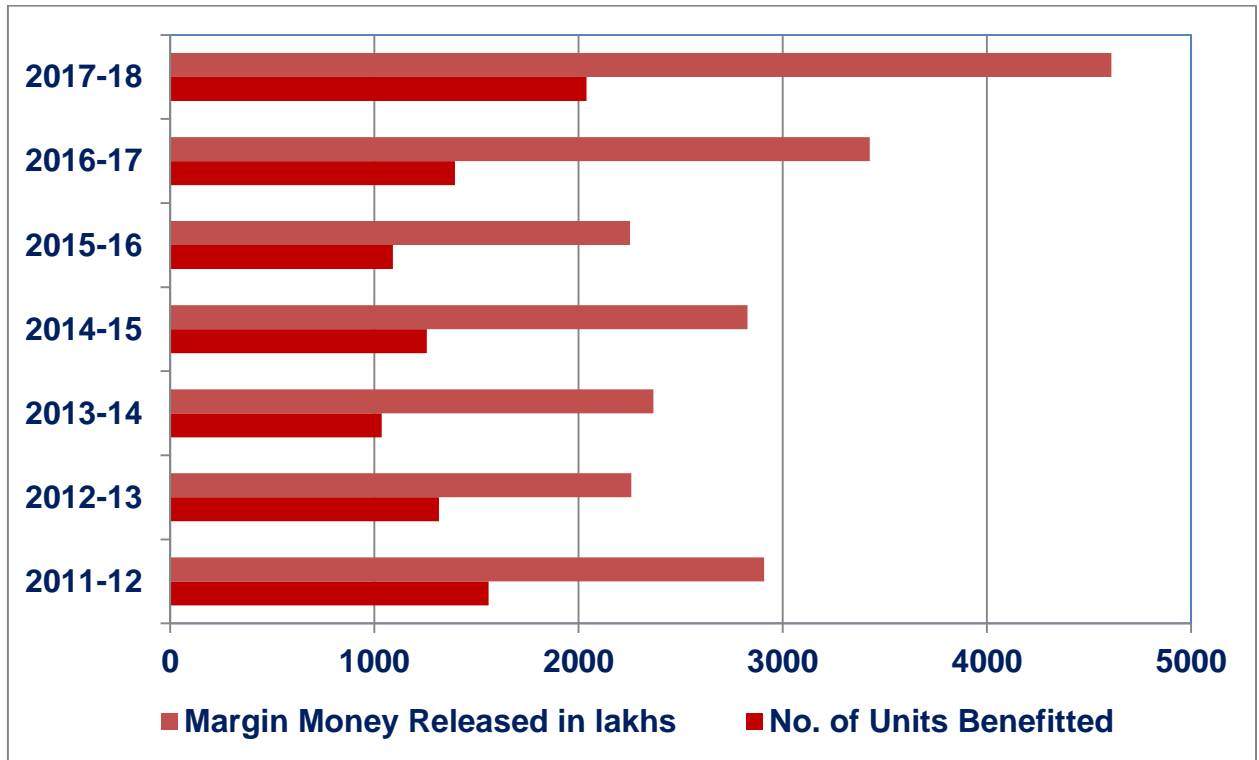


Figure 4: Prime Minister Employment Generation Programme

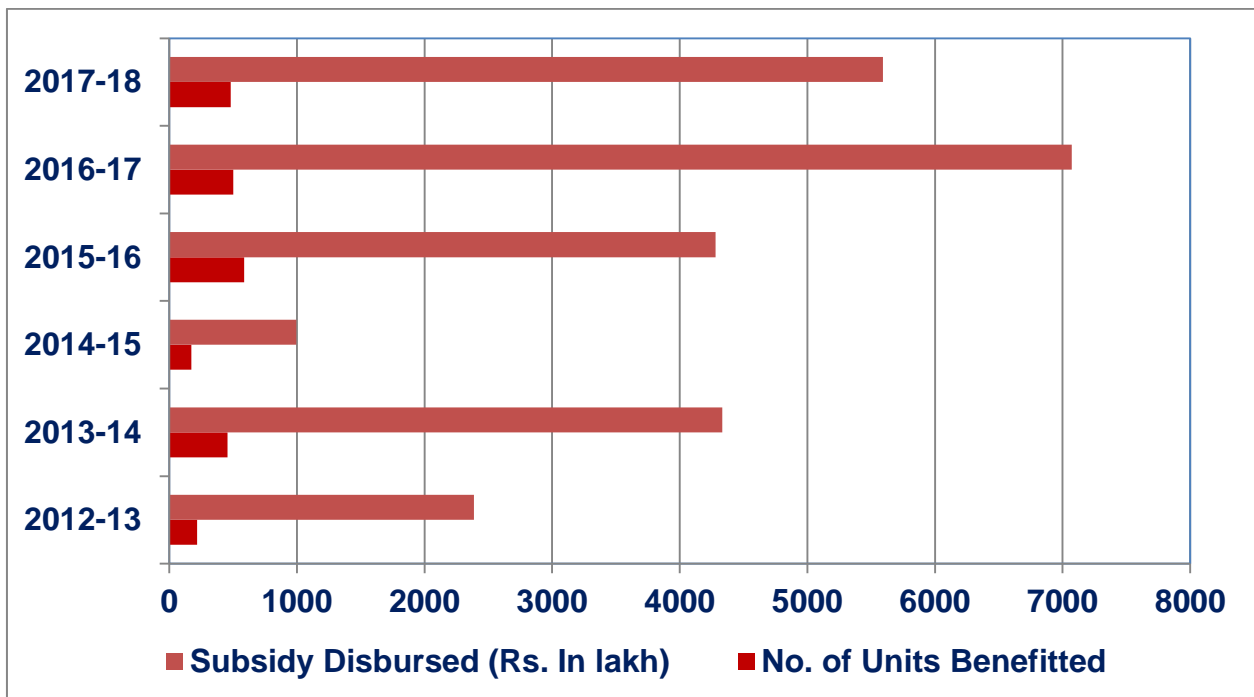


Figure 5: New Entrepreneur cum Enterprise Development Scheme (NEEDS)

- [8] The 8<sup>th</sup> step is to undergo EDP training at Entrepreneurship Development and Innovation Institute of Tamil Nadu (EDII-TN) which will take maximum of 15 days as per the website given in table 1.
- [9] The 9<sup>th</sup> step is get various statutory registration like IT, GST, ESI, EPF, EPS etc. which will take maximum of 5 days as per the website given in table 1.
- [10] The 10<sup>th</sup> step is to start a business by getting Udyog Aadhar Memorandum (UAM) from Government of Tamil Nadu which will take maximum 10 days. If the entrepreneur wants to export he can approach FIEO or India portal. Finally to get Government of India subsidies for patent, Zero Defect and Zero Effect (ZED), Digital MSME etc. and Government of Tamil Nadu incentives and subsidies like Capital Subsidy, LTPT, Generator, Patent, Trade Mark etc. the entrepreneur has to visit the concern website as per table 1. The Government of Tamil Nadu is giving various awards for outstanding entrepreneurs in the field of State Level Agro State Level Export and

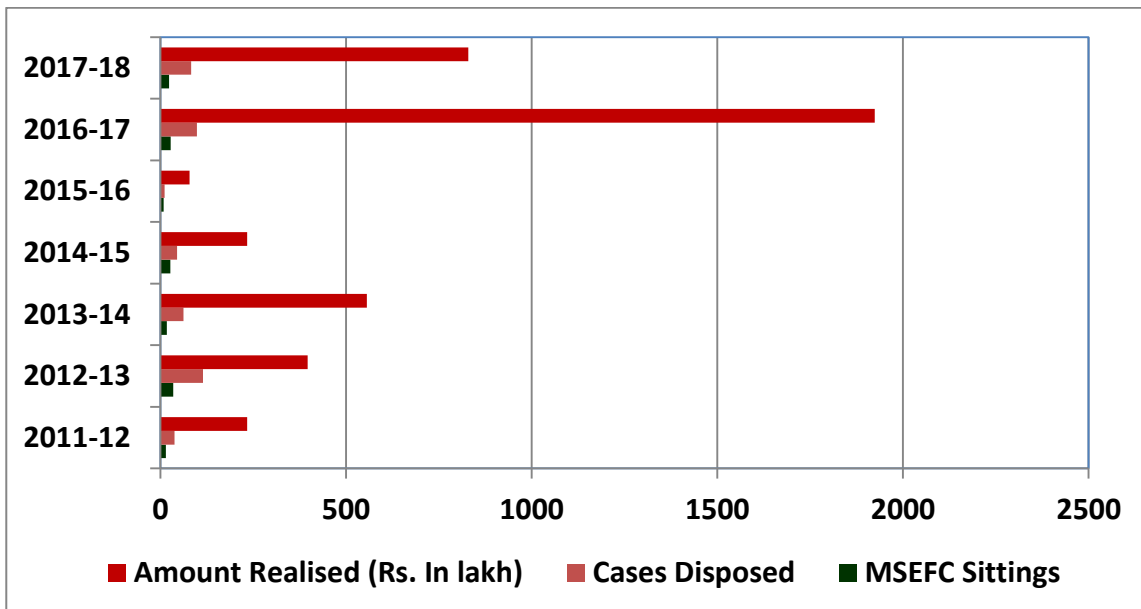
Quality Award, State Level Best Women Entrepreneur Award, State Level Best Entrepreneur Award and District Level Best Entrepreneur Award as per the website given in table 1.

**6. BUSINESS ETHICS**

**Micro and Small Enterprises Facilitation Councils**

In the MSMED Act 2006, one of the objectives of the act is to facilitate speedy settlement of the delayed payments to Micro and Small Enterprises on goods supplied to major organisations. Accordingly, the Government has constituted four Regional Micro and Small Enterprises Facilitation Councils at Chennai, Tiruchirappalli, Madurai and Coimbatore.

As per the Act, if the buyer fails to make payment to the supplier within the agreed date, he is liable to pay the principal amount with compound interest at 3 times the monthly interest notified by RBI. The performance is given in figure 6 where the business ethics of some Large and Medium Enterprises needs improvement so as to settle the amount within stipulated time.



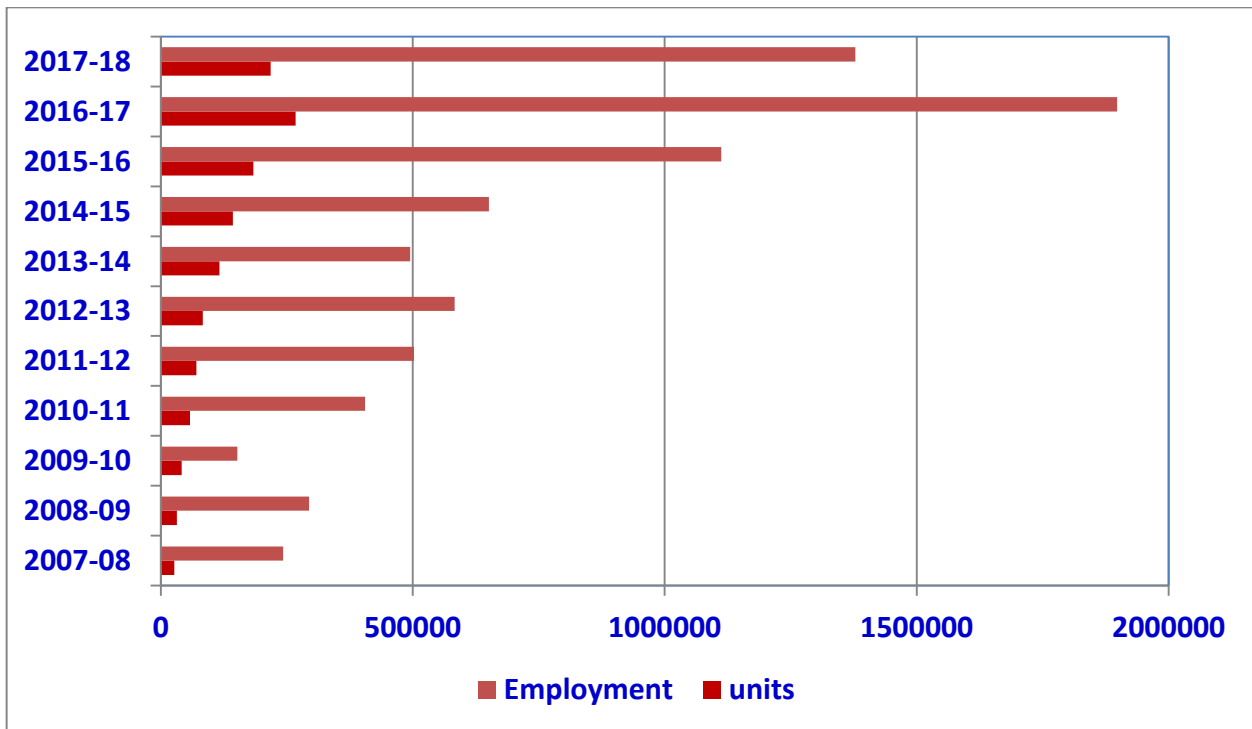
**Figure 6: Micro and Small Enterprises Facilitation Councils**

Under MSE-FC, in 156 sittings, an amount of Rs. 4253.67 Lakh has been settled for 454 cases from 2011-12 to 2017-18.  
<https://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEF>

**C\_Welcome.asp** is the website where Micro and Small Manufacturing / Service Enterprises can file delayed payment details against Medium and Large Manufacturing / Service Enterprises.

**7. PHYSICAL AND FINANCIAL PERFORMANCE OF MSMEs IN TAMIL NADU**

The Physical Performance of MSMEs in Tamil Nadu is given in figure 7.



**Figure 7: Physical Performance of MSMEs in Tamil Nadu**

The Financial Performance of MSMEs in Tamil Nadu is given in figure 8.

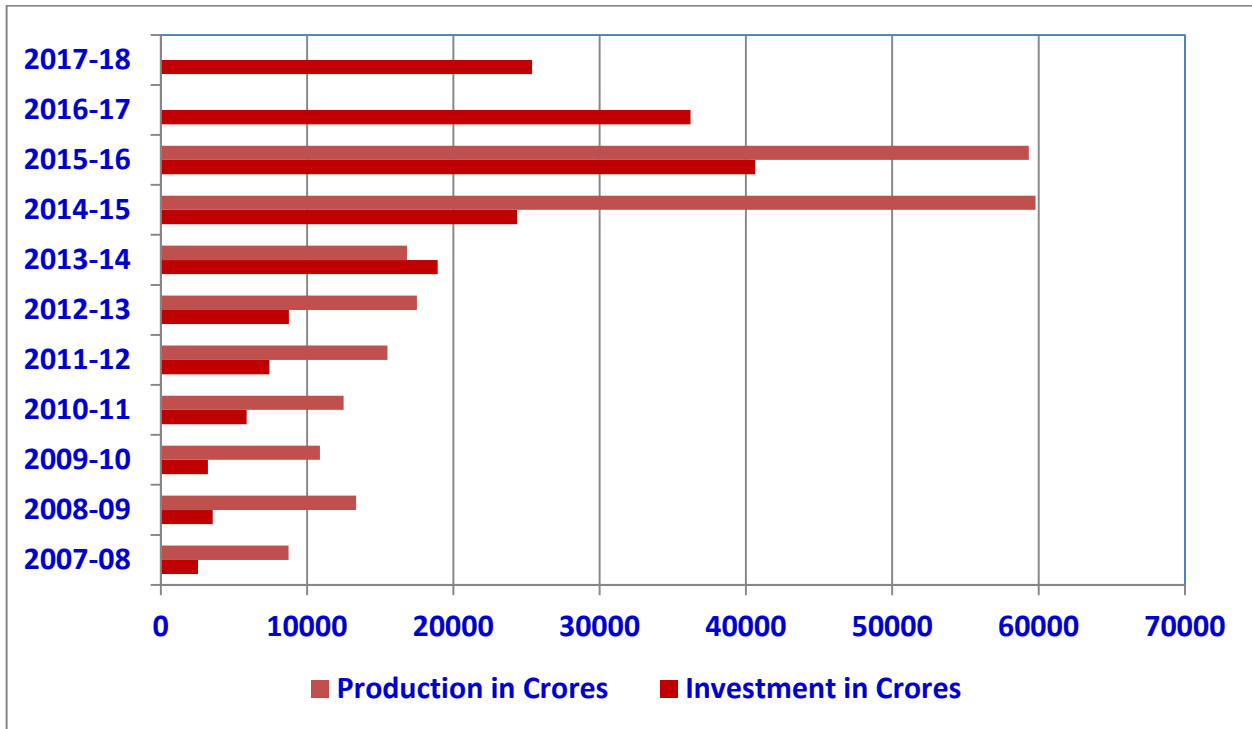


Figure 8: Financial Performance of MSMEs in Tamil Nadu

### 8. CORRELATION ANALYSIS

	Mean	Std. Deviation	N
No Of Units	112877.0000	80897.54848	11
Investment In Crores	16080.7055	13818.65506	11
Employment In Nos	701310.7273	5.40622E5	11

		No Of Units	Investment In Crores	Employment In Nos
No Of Units	Pearson Correlation	1	.923**	.965**
	Sig. (2-tailed)		.000	.000
	Sum of Squares and Cross-products	6.544E10	1.032E10	4.222E11
	Covariance	6.544E9	1.032E9	4.222E10
	N	11	11	11
Investment In Crores	Pearson Correlation	.923**	1	.849**
	Sig. (2-tailed)	.000		.001
	Sum of Squares and Cross-products	1.032E10	1.910E9	6.345E10

	Covariance	1.032E9	1.910E8	6.345E9
	N	11	11	11
Employment In Nos	Pearson Correlation	.965**	.849**	1
	Sig. (2-tailed)	.000	.001	
	Sum of Squares and Cross-products	4.222E11	6.345E10	2.923E12
	Covariance	4.222E10	6.345E9	2.923E11
	N	11	11	11

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Computed data

**Findings:** There is high degree of correlation between no. of units, investment and employment as per table 3.

### 9. Regression Analysis

**Model 1:**

$$E = -45646.484 + 8.177 U - 10.949, \quad R = 0.971$$

..... [1]

Where E = Employment in Nos, U = No of Units and I = Investment in Crores,

**Findings:** For one percent increase in no. of units there is 8% increase in employment.

### 5.6 Trend Analysis

**Model 2:**

$$U = -25500.891 + 23062.98 Y, \quad R = 0.95$$

..... [2]

Where Y = Year and U = No of Units.

**Findings:** The annual average increase in no. of units is 23063 units.

**Model 3:**

$$I = -6037.444 + 3686.358 Y, \quad R = 0.885$$

..... [3]

Where Y = Year and I = Investment in Crores.

**Findings:** The annual average increase in Investment is 3686 crores.

**Model 4:**

$$E = -141837.691 + 140524.736 Y, \quad R = 0.862$$

[4]

Where Y = Year and E = Employment in Nos.

**Findings:** The annual average increase in Employment is 140524 nos.

### 10. CONCLUSION:

To conclude the Innovation and Entrepreneurship Development is need of hour to eradicate unemployment and to become self-employment. The Economic Development of Tamil Nadu will be improved if self -employment is adopted by Students with the 10 steps model. The Business ethics should be followed by some Large and Medium corporates where the timely payment should be made to Micro and Small Manufacturing / Services Enterprises. To conclude there is increase in no. of units, employment, investment and production of MSMEs in Tamil Nadu.

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