



PM FORMALISATION OF MICRO FOOD PROCESSING ENTERPRISES SCHEME

MODULE-2

ESTABLISHING AN ENTERPRISE- HANDOUTS



National Institute of Food Technology and Entrepreneurship and Management
Ministry of Food Processing Industries Plot No. 97, Sector-56, HSIIDC, Industrial Estate, Kundli, Sonapat, Haryana-131028

Email: pmfmccl@niftem.ac.in Call: 0130-2281089

ESTABLISHING AN ENTERPRISE



KEY LEARNING OBJECTIVES

1. To understand entrepreneurship as a concept and entrepreneurial mindset.
2. To learn the key steps involved in setting up the enterprise.
3. To understand the problems and key challenges.
4. To be sensitized with the importance of Market Research and the steps involved in the conducting the effective market research.
5. To understand the importance of strategic ties and partnerships for a new venture.
6. To learn the strategies for effective business operations including procurement management, vendor management, HR management, accounts management and understanding available IT and ERP tools.

WHAT IS ENTREPRENEURSHIP

Building or launching an enterprise is time and resource-consuming and requires consistent focus and dedication. Entrepreneurship includes understanding the consumer's preferences, requirements, and behaviors and establishing the organization/company to meet consumer expectations.



ENTREPRENEURIAL MINDSET



- **The Right Attitude**
 - Take the initiative, self-motivate, drive, focus, and be determined to achieve the set targets.
 - Be consistent in learning new things or from mistakes
 - Have creative curiosity and an appetite to take risks.
- **A doer and not just a dreamer**
 - Effective and efficient implementation of the concept/idea
 - Put plans into action effectively.
 - Acquire Product/business/market knowledge, self-discipline, and commitment.
- **Going the Extra Mile**
 - Stay focused and determined
 - Survive the process with grace
 - Have resilience, persistence, and endurance.

STEPS INVOLVED IN SETTING UP THE ENTERPRIS

1. Identifying the market/customer requirements
2. Creating the organization structure
3. Self-employment and financial sustainability
4. Optimum Utilization of the resources
5. Application of innovative concepts/new technologies
6. Bridging/streamlining the different aspects of the business operations



PREPARATION OF A BUSINESS PLAN

It is an effective means of defining your goals and the steps needed to reach them.

- Prepare a good business plan, design, and create an organizational structure.
- Implement this plan to achieve realistic goals.
- A business plan is like the blueprint for how you will operate the business

Need and purpose of a business plan:

A business plan describes your vision, purpose, and means of operation. It also serves as the company's resume, explaining objectives to partners, investors, vendors and employees.

It serves the following purposes:

- 01 Maintaining Business Focus.
- 02 Understanding consumers and competitors.
- 03 Securing Outside Financing.
- 04 Assess the feasibility of your venture.
- 05 Fuelling Ambitions and Mapping Growth.

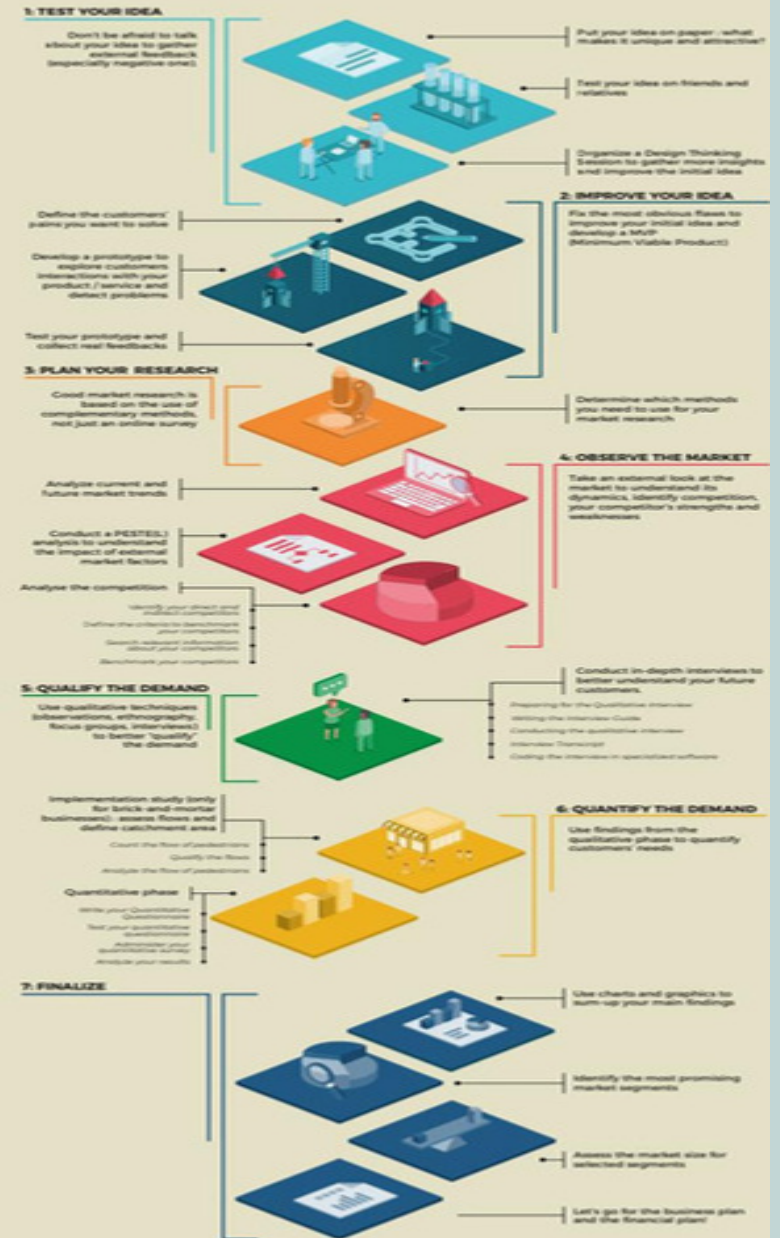
FINANCIAL PROJECTIONS:

- Reveal the financial goals and expectations according to your market research.
- Report your anticipated revenue in the first year and annual projected earnings for the following five years respectively.
- Include Startup projections, cash flow statements, balance sheets, income statements, and break-even analysis.



MARKET RESEARCH

A STEP-BY-STEP GUIDE TO MARKET RESEARCH



APPENDICES AND EXHIBITS:

- Include marketing studies, permits, photographs of your product, credit histories, marketing materials, and property rights such as resumes, a patent, contracts, or other legal agreements pertinent to your business.
- It will help in establishing the credibility of your business ideas

BUSINESS OPERATIONS

1. Setting up the Operations facility

- aLocation and Facility
- Operational / Production Equipment and Maintenance
- Employees
- Professional Assistance

2. Supply Chain Management tools

- Shipping Status Alerts and Updates
- Order Processing
- Lean Inventory
- Warehouse Management o Demand Forecasting
- Analytics and Reports
- Collaboration Portals

3. HR/Employees Management

- Developing policies relating to personnel management of the firm
- Defining recruitment and selection procedures for staffing needs
- Developing strategies for training and development of employees

Some popular HRM tools are listed below-

Kredily

GreyHR

SumHR

4. Business Accounting System

The three major financial forms that you should maintain are the following.

- Income Statement (also known as Profit and Loss Statement)
- Balance Sheet
- Cash Flow Statement



Best available Accounting software in India

- Tally.ERP9
- PROFIT BOOK
- SZOHO BOOKS
- XERO ACCOUNTING

5. ERP -Enterprise Resource Planning Systems : A centralized Data Repository

- Significantly save financial resources.
- Integrates, streamlines, and manages all production and distribution-based business features.
- Ensures the management of finances, human resources, procurement, distribution, and other business departments.
- Keeps track of monthly sales, number of new customers, level of profit,
- Keep track on number of website visits, e-commerce PPC clicks

Best ERP software's available

- SAP ERP
- Tally ERP
- Sage ERP
- Marg ERP
- Epicor ERP



LAUNCHING THE ENTERPRISE

Here an Entrepreneur have to fulfill legal formalities. Hunt for a suitable location, designs the premises and installs machinery

- Acquiring license.
- Approvals from banks and financial institutions.
- Permission from local authorities.
- Registration etc. After setting up the project, An Entrepreneur must try to achieve the target of a business plan.

Set up an appropriate business process with proper management. It would be best to have the foresight to anticipate changes to avail of opportunities and meet threats.



NIFTEM K - PMU, PMFME
Contact for further Quies

NIFTEM Kundli Campus
Ministry of Food Processing Industries Plot No. 97, Sector-56, HSIIDC, Industrial Estate, Kundli,
Sonapat, Haryana-131028
Email: pmfmece@niftem.ac.in Call: 0130-2281089