



## PRIME MINISTER'S ROZGAR YOJANA (PMRY)

# TRAINING MANUAL

**For**  
*Total Development of Rural and Urban Youth through  
Entrepreneurship Development*



PMRY Division  
Ministry of Agro & Rural Industries  
Government of India  
Nirman Bhavan, New Delhi - 110011

**In Collaboration with**

### **RUDSET Institute**

(Rural Development & Self Employment Training Institute)  
Central Secretariat, Ujire – 574 240, Karnataka State



**SyndicateBank**  
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## **FOREWORD**

Various survey reports have been repeatedly pointing out that the job generating capacity of the economy has either been static or has declined during the last few years. The National Sample Survey data shows that the annual compound growth rate of employment in jobs has declined from 2.06 per cent during 1983-1994 to 1.02 per cent during 1994-2000. Keeping in view the rising problems of unemployment in the country, the Government's desire to lay special emphasis on creation of self-employment opportunities at the micro level has grown stronger. In this backdrop, micro enterprises and enterprises in the non-farm sector are emerging as a very important source of self-employment for the millions of employment seeking educated rural and urban youths.

Realizing that there would be gap between the available job opportunities and demand for jobs, the Government has initiated several programmes and schemes for providing self-employment opportunities in the micro enterprises and non-farm sector. The Prime Minister's Rozgar Yojana (PMRY) launched on October 2, 1993 is one amongst them. Besides providing financial assistance, it compulsorily incorporates short-term Entrepreneurship Development Programme (EDP) training module for comprehensively guiding the beneficiaries in launching and managing their micro enterprises. Today, PMRY is the most important self-employment programme of the Government and a household name in every corner of the country.

The purpose of training is not only passing information but much more than that. Its real purpose is to instill a sense of confidence among the trainees, change their attitude of dependence, and form the habit of thinking positively. The training envisaged under the PMRY is different from the education imparted in schools and colleges. Training under PMRY is mainly based on learning by doing, and not only learning by listening. This short-term training enables the beneficiaries to set up and manage their own enterprises successfully.

The easy style of the book would hold the attention of the Trainers who are new to such a task and shall find the Training Manual extremely useful as it illustrates why the session, session objectives, duration, training aids, method of delivery, tips to the trainer, process of handling the sessions, handout for the trainer, simulation games, case studies, role plays, illustrative cases and exercises.

Rural Development and Self Employment Training (RUDSET) Institute's model is being accepted by most organizations, governments and others as a 'what works model' due to its unique combination of grass root level presence and professional efficiency. RUDSET Institute was identified as an appropriate Institute to undertake the revision of the earlier "Instructor's Manual" and "Trainer's Manual" and the present "**PMRY Training Manual**" is the culmination of the process.

Our aim is to make this Manual a valuable resource for the trainer. It is hoped that trainers, experienced and new, shall tap the potential and harness the energies of the vast reservoir of our talented and educated young men and women. The feedback and suggestions on the usefulness of the revised Training Manual from its users will be helpful for further improvement. It is our earnest endeavour to make PMRY a success by channelising the talent and enterprise of the youth which will naturally contribute to the Nation's GDP.

**S/d-**  
**A.P. PADHI**  
**JOINT**  
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## **PREFACE**

The unique initiative of Rural Development and Self Employment Training Institute (RUDSETI) in identifying, motivating training and facilitating unemployed youth to take up self-employment as an alternative career has been yielding good results for the last over two decades. Continuous experimentation has enabled RUDSETI to evolve a versatile training module combining the result oriented practices of RUDSETI and the best aspects of entrepreneurship development modules practiced in India in the backdrop of researches made by social scientists and management experts.

When the Ministry of Agro and Rural Industries (ARI), Government of India recognized the impact and results of RUDSET Institute's training on the beneficiaries of PMRY and assigned the task of redesigning the training curricula and methodology of training for PMRY beneficiaries, it was a challenging assignment. We had to put together, the cream of our best practices, collect feedback and suggestions from various stake holders in the scheme. The pooled information was to be analyzed, consolidated and debated to workout a training module that substantially addresses various aspects of developing a first generation entrepreneur. All along we kept in mind and visualized the main stakeholders of the scheme i.e. the typical unemployed youth, coming from an ordinary rural and semi urban background aspiring to become an entrepreneur, but a bundle of confusions and full of inhibitions. It was natural for us to keep this person as the central theme as we deal with such people day in and out in our profession.

The present work, by and large follows the currently practiced approach of competency model of entrepreneurship development training by RUDSETI. The training curricula developed now is based on our experience and the extensive feedback received from different segments of entrepreneurs, trainers, bankers and industrial promotion officers. The methodologies suggested here are being practiced in RUDSETI. Efforts are made to provide some significant information on the contents of each session. However, in the ever-changing economic scenario and information explosion, it is inevitable for the trainer to build upon the material, update, give value addition and use effectively to achieve the objectives.

The success of the scheme lies not only in effective training but also in a combination of pre-training orientation and post-training facilitation. The training should definitely make a permanent impact on the participants so that the participants should consciously try to change their thoughts and behaviour patterns. The case studies of successful PMRY beneficiaries has revealed that making small changes in their behaviour pattern/ activities/practices like punctuality, courtesy to customers, honesty, innovation, communication etc. after the training, have made a big positive difference in their life and the enterprise.

The success rate and results of the committed work has encouraged us to prepare the present module to cover various aspects within the time frame provided. The dedicated implementation and the results that follow will give us the real satisfaction.

**S/d-**

**S.N. YALIGAR**

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## **ACKNOWLEDGEMENTS**

The guiding force, which inspired us to take this initiative, accept the assignment and motivated us to work on the project, is none other than Dr. D. Veerendra Heggade, revered President of RUDSET Institute. But for his encouragement and blessings, this task would not have been accomplished.

The encouragement received from the Ministry of Agro and Rural Industries, from all the officers from the Secretary downwards has prompted us to finish the assignment on time. They have ably guided us from start to finish of this assignment.

All the members of Board of Governors and Governing Council of RUDSET Institute and Sri R. Prabha, General Manager, Canara Bank have encouraged and guided us to execute the assignment with a commitment.

Our sincere thanks to Sri H. Somashekar, Ex-Executive Director of RUDSETI for taking up this challenging assignment and translating RUDSETI experience into this resourceful Manual. We are indebted to Sri Vivekanand N. Salimath, Managing Trustee of Initiatives for Development Foundation, Bangalore for his constant guidance and involvement in preparing this Manual.

The RUDSETI team of Directors, Joint Directors and Faculty collected the field information and contributed for developing the module. Bankers, Entrepreneurship Development Trainers, DIC officials and the entrepreneurs responded to our request and provided the feedback and the basic material for developing the module.

We express our sincere gratitude to all the above personalities and others who have contributed directly and indirectly to complete this assignment.

Special thanks to Sri B. Jagadish, Faculty, RUDSETI, Central secretariat for his design, layout and editing support and Sri Shailesh, Ujire for his attractive sketches. Sri Krishnappa P and Sri Abraham James P.V. of RUDSETI, Central Secretariat deserves a special mention for their assistance in DTP work.

It is the practice of RUDSETI professionals to use the Entrepreneurship Development training manuals of ILO, ICFC, EDII (Trainers' Training) and NIESBUD (PMRY Scheme) as reference material, among other literature. Hence, in this exercise of restructuring the curricula of PMRY training, the team has extensively referred to these Manuals. Some of the contents of recent publications of ILO, Geneva viz, "Improve Your

Business” and “Know Your Business” are adopted in the training manual. We gratefully acknowledge the contribution of all these organizations.

## **ROAD MAP TO THE TRAINER**

The training module is designed for motivating orienting and training youth and women having an average secondary level education and rural /semi urban background, who have no or very little exposure to entrepreneurial activities, but have a desire and some potential to become entrepreneurs. Hence the emphasis is laid on choosing the topics of relevance in the present context for a first generation entrepreneur.

While designing the training module, the following RUDSETI's model of training is adapted:

- 1<sup>st</sup> Stage - Orienting the person to the training
- 2<sup>nd</sup> Stage - Developing motivation
- 3<sup>rd</sup> Stage - Giving information and exposure for selection, preparation and launching of the project
- 4<sup>th</sup> Stage - Managing the enterprise

However, the curriculum is designed taking into consideration the feedback received from various segments including ED trainers and entrepreneurs.

### **THE TRAINING MODULE**

The Entrepreneurship Development (PMRY) training programme has been divided in to 5 modules as under:

#### **Module I – Programme orientation**

Setting tone for learning by shedding inhibitions, generating a sense of pride, building a vision and understanding the significance of PMRY in building a productive identity to the unemployed youth.

#### **Module II – The Entrepreneur**

Developing achievement motivation through understanding and assessment of entrepreneurial competencies. Experiential learning of the risk taking and self confidence aspects through human resources development approach.

#### **Module III – Establishing the Enterprise.**

Opportunity seeking, generation and evaluation of business ideas, feasibility study of the project, preparation of business plan and organizing the resources.

#### **Module IV – Managing an Enterprise**

Managing various aspects of the enterprise including material, manpower, finance, production, quality, marketing and customers. Statutory aspects like payment of various taxes and insurance for safeguarding the interest and investments of the firm following the laws of the land.

#### **Module V – Sustenance and Growth**

The crucial aspects having a bearing on the sustenance and growth of the enterprise on the face of stiff competition in the ever-changing economic environment.

The total training module is divided into 60 sessions of 90 minutes duration each. The whole module may be covered within 15 days at the rate of 4 sessions per day.

The module suggested for different categories of beneficiaries based on their activities is as under:

Business and Service	10 days	- 40 sessions
Industry	15 days	- 60 sessions

As indicated in the index of modules and sessions in case of training to business and service, the trainer can exclude the topic marked (\*) and reduce the duration of the session for the topics marked (\* \*). The trainer may also choose the topics, make changes like increasing or reducing the duration, clubbing the topics or including or excluding the topic on the basis of training needs of a particular batch of trainees.

In view of the vast topics to be covered, which are essential in the context, the provision for field visit to the "Industry" batch is not made in the training module. However, the trainees may be assigned with the task of visiting a few industrial units similar to one he/she has proposed to establish and collect comprehensive information in a structured format (designed by the trainer). This assignment may be given after completion of module IV and before taking up module V

The extent and scope of content of each session has to be determined by the trainer based upon the need assessment of the particular batch of trainees.

The modules are to be covered in the same order. Topics within the modules may be sequenced according to the convenience of the trainer, without disturbing the systematic flow of the ideas, the linkages, the inter topic relationship and the order in which the topics are related to the entrepreneurs functions. In case of module III, it is suggested that the topics are to be covered in the same order i.e. generation and evaluation of business idea followed by evaluation and selection of projects and preparation of business plan.

The topics of problem solving and creativity, communication, leadership and internalizing entrepreneurship competencies may also be covered during the later part of the training i.e. along with managing the enterprise or sustenance and growth.

**Handout** provided for each topic is the reference paper to the trainers on the contents of the topic. Here only important information is given in brief to enable the trainer to know what are the significant points to be covered in the session. However this should not be treated as complete and authentic. The trainer has to necessarily update the details, collect complete information, prepare well with updated information to make the training effective and purposeful.

The **Behaviour Simulation Games** referred in the module are given in the version as practiced by RUDSETI. Most of them are the standard games used by ED/Management trainers but adopted and practiced to suit the target group and the session objective. The trainers are advised to refer to the comprehensive material available in respect of these games (furnished in the appendix) for better understanding. The trainer can bring in modifications based on his experience. However, the objective has to be achieved by effectively reinforcing the learning points.

## **Method of Delivery**

Keeping the target groups in mind, participatory training methodology is used in the module. As the participants are expected to learn by experience and consciously modify their own behaviour, adult learning techniques are adopted. The method includes lectures and discussions but also simulation games, case study, group exercises, role play etc. Other experiential learning tools such as field visits, group presentations, practice sessions, games and others are included to enhance the impact of learning. Brief description of such methods is given below:

### **Lecture**

A common method of teaching and training involving transfer of information from the trainer to the participants. It is an effective approach to introduce new concepts or information to the learners and also to build upon the existing knowledge. The listener is expected to reflect on the subject and seek clarifications on the doubts.

### **Group Discussions**

It is a sort of brain storming in which all the members in a group expresses their ideas, views and opinion on a given topic, It is a free flow and exchange of knowledge among the participants and the trainer. The discussion is carried out by the group on the basis of their own experience, perceptions and values. This will facilitate acquiring new knowledge. When everybody is expected to participate in the group discussion, even the introvert persons will also get stimulated and try to articulate their feelings.

The ideas emerged in the discussions should be noted down and presentations are to be made by the groups. Sometimes consensus needs to be arrived on a given topic. Group discussions are to be held under the moderation of a leader guided by the trainer. Group discussion technique, triggers thinking process, encourages interactions and enhances communication skills.

### **Role Play**

This is a common and very effective method of bringing into the classroom real life situations, which may not otherwise be possible. Participants are made to enact a particular role so as to give a real feel of the roles they may be called upon to play. This enables participants to understand the behaviour of others as well as their own emotions and feelings. The instructor must brief the role players on what is expected of them. The role player may either be given a ready-made script, which they can memorize and enact, or they may be required to develop their own scripts around a given situation, thus making the role play more extemporaneous. This technique is extremely useful in understanding creative selling techniques and human relations. It can be entertaining and energizing and it helps the reserved and less literate to express their feelings.

### **Simulation Games**

When trainees need to become aware of something that they have not been conscious of, simulations can be a useful mechanism. Simulation games are a method based on "here and now" experience shared by all the participants. The games focus on the participation of the trainees and

their willingness to share their ideas with others. Here, a "near real life" situation is created providing an opportunity to which they apply themselves by adopting certain behaviour.

They then experience the impact of their behaviour on the situation. It is carried out to generate responses and reactions based on the real feelings of the participants, which are subsequently analyzed by the trainer. While use of simulation games can result in very effective learning, it needs considerable trainer competence to analyse the situations.

### **Individual /Group Exercise**

Exercises are often introduced to find out how much the participant has assimilated. This method involves imparting instructions to participants on a particular subject through use of written exercises. In the group exercises, the entire class is divided into small groups, and members are asked to collaborate to arrive at a consensus or solution to a problem.

### **Case Study**

This is a training method, which enables the trainer and the participant to experience a real life situation. It may be on account of events in the past or situations in the present, in which there may be one or more problems to be solved and decisions to be taken. The basic objective of a case study is to help participants diagnose, analyse and/or solve particular problem and to make them to internalize the critical inputs delivered in the training. Questions are generally given at the end of the case study to direct the participants and to stimulate their thinking towards possible solutions. Studies may be presented in written or verbal form.

### **Field Visit**

This involves a carefully planned visit or tour to a place of learning or interest. The idea is to give first-hand knowledge by personal observation of field situations, and to relate theory with practice. The emphasis is on observing, exploring, asking questions and understanding. The trainer should remember to brief the participants about what they should observe, and about the customs and norms that need to be respected.

### **Group Presentation**

The participants are asked to work in groups and produce the results and findings of their group work to the members of other sub group. By this method participants get a good picture of each other's views perceptions on the topic and they are able to compare them with their own point of view. The pooling and sharing of findings enriches the discussion and learning process.

### **Practice Session**

This method is of paramount importance for skill training. Participants are provided with an opportunity to practice, in controlled situation what they have learnt (that which they may have acquired through methods). It could be real life or through make-believe situation.

### **Games**

This is a group process and includes those methods that involve usually fun-based activity, aimed at conveying feelings and experiences, which are everyday in nature, and applying them within the game being played.

This has set rules and regulations, and may or may not include a competitive element. After the game is played, it is essential that the participants be debriefed and their lessons and experiences consolidated by the trainer.

## **ADAPTING THE MATERIAL**

All trainers need to get familiarized with the training materials used in the sessions. For that they have to first go through the session guides and decide how they can be appropriate for a particular target group

At times modifications can be made to the sessions according to the needs of the target group, in particular with the exercises, handouts and case studies. Think of locally familiar examples to illustrate the points given in the sessions, and make a note of them in the margin of the session guide. Remember that the best examples, exercises and case-studies come from participants' own business experiences. Be ready to replace the case studies and examples given in the guidelines with examples drawn from the participants themselves.

The manual should not be considered as a source book but as a resource, wherein observations and comments are to be written. To use or not to use is left to the trainer but it is always better if it is made one's own by writing in it, adding to it, and eventually discarding it.

## **PREPARATION OF THE TRAINER**

The participative method, which is the basis of this manual, expects the trainer to be prepared for any possible response from the participants, as every participant may have a different view. The task of the trainer is to elicit and guide participants' contributions, and help them share their views and experiences. To be specific, the trainer has to make the following preparation before starting a session:

### **Do's for Trainer:**

- Have a thorough understanding of the concept of the sessions
- Make arrangements for training materials, such as a blackboard, flip charts, transparencies etc
- Keep handouts suitably modified, typed and duplicated
- Contact the resource persons required as guest speakers for the session, and brief them about the requirements of the participants
- Arrange field visits where necessary
- Have a clear idea of the conclusion to which the session will lead.

### **Don'ts for Trainer**

- Avoid complicated language while teaching and don't finish off the session without clarifying the doubts of participants

- Avoid grouping more than 3-4 participants together for counselling
- Avoid giving insufficient time to the participants to reflect upon what they learnt during the session.

#### Important Note:

- Allocate a fixed time to conduct each session and allow for queries, discussion and feedback of participants
- Involve every participant in group work
- Counsel and assist every participant to get involved in group exercises.

The trainer is advised to become fully aware of all these aspects before organising an entrepreneurship development training programme. The purpose of the manual is to provide an in-depth understanding of enterprise creation through a range of formal and informal situations.

## Synopsis of the redesigned Module

Duration:	a) Industry	- 15 days	- 60 Sessions
	b) Business and Service	- 10 days	- 40 Sessions

#### Modules and Topics:

	Modules	10 days 40 sessions	15 days 60 session
<b>I</b>	Programme Orientation and Rapport Building	4	4
<b>II</b>	The Entrepreneur	10	14
<b>III</b>	Establishing the Enterprise	10	12
<b>IV</b>	Managing the Enterprise		
	1. Production	2	6
	2. Finance	4	7
	3. Marketing	6	8
	4. Statutory	2	4
<b>V</b>	Sustenance and Growth	1	4
<b>VI</b>	Inauguration, Feedback & Valedictory	1	1
	<b>Total</b>	<b>40</b>	<b>60</b>

#### Delivery Methods:

Participatory adult learning techniques viz: lectures, discussions, simulation games, group exercises, interactions, interface, role play, case study, field visit, group presentation, practice (home assignment).

## MODULES, SESSIONS & TOPICS

### Module – I Programme Orientation

Sl. No.	Topics	No. of Sessions
1.1	Ice breaking and Rapport Building (Micro Lab)	2
1.2	Self employment, Entrepreneurship & PMRY scheme	2
<b>Total</b>		<b>4</b>

### Module – II The Entrepreneur

Sl. No.	Topics	No. of Sessions
2.1	Achievement Motivation and Attitude Building	1
2.2	Characteristics of Entrepreneurs / Entrepreneurial Competencies	2
2.3	Internalising of Entrepreneurial Competencies	1*
2.4	Goal Setting and Risk Taking	2
2.5	Problem Solving & Creativity	1
2.6	Systematic Planning & Efficiency Orientation	2
2.7	Developing Self-confidence	2
2.8	Communication	1*
2.9	Negotiation Skills/ Convincing Ability	1*
2.10	Leadership	1*
<b>Total</b>		<b>14</b>

### Module – III Establishing the Enterprise

Sl. No.	Topics	No. of Sessions
3.1	Assessment of Chosen Activity	2**
3.2.1	Importance of Market Survey	4
3.2.2	Venture Analysis	
3.2.3	Venture Analysis – Group Discussion	
3.3	Business Plan Assessment	2**
3.4	Resource Mobilization and Support Systems	1
3.5	Banking	3
<b>Total</b>		<b>12</b>

### Module – IV Managing the Enterprise

#### 4.1. Production:

Sl. No.	Topics	No. of Sessions
4.1.1	Purchasing Techniques	1**
4.1.2	Inventory / Material Management	1**
4.1.3	Quality Management	1
4.1.4	Manpower Management	1*
4.1.5	Packaging	1*
4.1.6	Housekeeping, Maintenance & Industrial safety	1*
<b>Total</b>		<b>6</b>

#### 4.2. Finance:

Sl. No.	Topics	No. of Session
4.2.1	Financial Planning	1**
4.2.2	Working Capital: Assessment & Management	1**
4.2.3	Costing, Pricing & Profit Assessment	2**
4.2.4	Record Keeping & Accounting	2**
4.2.5	Credit Sales	1
	<b>Total</b>	<b>7</b>

#### 4.3. Marketing:

Sl. No.	Topics	No., of Session
4.3.1	Selling & Salesmanship	1
4.3.2	Understanding the market & Marketing Strategy	4
4.3.3	Customer Management	2**
4.3.4	Time Management	1
	<b>Total</b>	<b>8</b>

#### 4.4. Statutory:

Sl. No.	Topics	No., of Session
4.4.1	Business Laws	1**
4.4.2	Industrial Laws	1**
4.4.3	Taxation and Related Laws	1**
4.4.4	Insurance	1**
	<b>Total</b>	<b>4</b>

#### Module – V Sustenance and Growth

Sl. No.	Topics	No., of Session
5.1	Sustenance and Growth of an enterprise	1*
5.2	IT in Business	1*
5.3	Common Crisis in Business (Pit falls)	1
5.4	Entrepreneur's Social Responsibility	1*
	<b>Total</b>	<b>4</b>

#### NOTE:

1. Out of 60 sessions in the whole training module:

One session is earmarked for Registration and inauguration and

One session for evaluation and valedictory

2. In case of Training for Business and Service activities:

- The topics marked \* may be excluded.
- The duration of the topics marked \*\* may be reduced to adjust the overall module to 40 sessions.

**CONTENT DEVELOPMENT TEAM**

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