

PAPER CONVERSION - A WAY FOR ENTREPRENEURSHIP AND POLLUTION FREE ENVIRONMENT

A Project Report submitted in partial fulfilment for the requirement of obtaining an
award in the study of diploma in printing technology

By

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Under the guidance of
Mr. John Fredrick M.Sc., B.Ed., M.Phil.

March 2012



SIGA POLYTECHNIC COLLEGE

49, Taylors Road, Kilpauk, Chennai – 600 010.

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CERTIFICATE

This is certify that the report entitled “ **Paper Conversion – A Way For Entrepreneurship And Pollution Free Environment** ” is the bonafide of the following students of diploma in printing technology, SIGA Polytechnic College, Chennai – 10, who carried out the project work under my guidance and supervision.

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Certified further that to the best of my knowledge the work reported here does not form part any thesis or dissertation on the basis of which a degree/diploma or award was conferred.

Mr. John Fredrick M.Sc., B.Ed., M.Phil.

Project guide

Mr. John Fredrick

Project Coordinator

Fr. PT Joseph BE.

Principal

Examiners

Internal Examiner

External Examiner

Preface

We have great satisfaction in introducing this project evaluation study in paper conversion. As we pride in this work of ours, we deeply overcome with emotions at the thought of all those wonderful people who have made our dream reality I am grateful to the project team for this report presenting an assessment of the achievements for the project.

Paper converting can be described as a process by which paper is used to fabricate another paper product. For example, paper conversion can be used to produce such products as envelopes, paper bags, boxes, containers, and a full range of similar items. Operations involved in paper converting may include treating, slitting, sheeting, grooving, punching, and folding. Some operations may also call for perforating, blocking, binding, gluing, and laminating as well.

As an entrepreneur we have taken this paper product as our business. We have gone through all the process it gives us to act as knowledgeable entrepreneur. This paper products sector gives many opportunities in the field.

This project work taught us a good lesson on paper products; this project report will help each and every one who is all willing to do the business on paper products we hope you will learn to be entrepreneurs through this book in future.

Acknowledgement

Apart from the efforts of us, the success of any project depends largely on the encouragement and guidelines of many others. We take this opportunity to express our gratitude to the people who have been instrumental in the successful completion of this project.

The guidance and support received from all the members who contributed and who are contributing to this project, was vital for the success of the project. We are grateful for their constant support and help.

SIGA polytechnic college has been the cradle of learning in the field of printing technology. We thank the college and all the managing staff for their selfless sacrifice of time and energy in training us during this past three years and especially for the help and support given to us in completing my project work.

We are grateful to the following persons, company and departments who have directly and indirectly helped us in completing our project work.

- ❖ Fr.P.T.Joseph (Principal , SIGA)
- ❖ Fr.Mani Lazar (Vice-Principal & Dean)
- ❖ Mr.John Fredrick – Project Guide , Perkey Eco Products , Mangadu.
- ❖ S.Karthikeyan, S.Somu , Sai Paper Products , Vanagaram.

Along with these people and companies that are mentioned we express our gratitude to all those have helped us in their own way to make our project success. We sincerely thank them for their support, patient and instructions.

Dedication

We dedicate this project work to

**SIGA polytechnic college, our beloved teachers and friends and
all those companies and people and all those companies and people who
have played a vital role for our overall development in the printing
Field**

PROJECT SYNOPSIS

Paper converting can be described as a process by which paper is used to fabricate another paper product. For example, paper conversion can be used to produce such products as envelopes, paper bags, boxes, containers, and a full range of similar items. Operations involved in paper converting may include treating, slitting, sheeting, grooving, punching, and folding. Some operations may also call for perforating, blocking, binding, gluing, and laminating as well.

The aim of this project work is to improve our entrepreneurship in paper conversion and to practice the possibilities of waste paper (printed and unprinted) reuse for the pollution free environment. The detail study and analysis of paper conversion sector, business opportunities, product costing and estimation, design, die making, punching and finishing operations will help to convert the paper into a product.

This project will give the ample feasibility of paper conversion process for pollution free environment. As well to be a successful entrepreneur in paper products sector. The preparation of manual on “Steps of Entrepreneurship” will supplement the work.

Table of Content

I. Entrepreneur/Entrepreneurship

□ Entrepreneur-Definitions.....	1
□ Entrepreneurship.....	2
□ Entrepreneurial qualities.....	2
□ Entrepreneurial characteristics.....	4

II. Steps Involved In To Start A Enterprise For An Entrepreneur

□ Step1: Decision to be self-employed.....	7
□ Step2: Selection of the product and process technologies.....	8
□ Step 3: Choosing a location for your business.....	9
□ Step 4: Choosing a form of business organization.....	11
□ Step 5: Preparation of project report.....	15
□ Step 6: Registration/ statutory licences/ clearance.....	17
□ Step 7: Finance.....	18
□ Step 8: Land and building.....	20
□ Step 9: Procurement of machinery.....	21
□ Step 10: Recruitment of personnel.....	22
□ Step 11: Installation of machinery.....	24
□ Step 12: Power connection/water supply.....	25
□ Step 13: Procurement of raw materials.....	26
□ Step 14: Production.....	27
□ Step 15: Marketing.....	28
□ Step 16: Pricing policy.....	29
□ Step 17: Repayment of loans.....	31
□ Step 18: Profit generation.....	31
□ Step19: Avoiding sickness.....	32
□ Step 20: Modernisation and technology up gradation.....	33

III. Paper Products

□ Introduction to paper industry.....	36
□ Market potential.....	37
□ Manufacture method of paper cups.....	38
□ Costing & estimation method.....	41
□ Introduction to paper bags.....	42
□ Manufacturing process of bags.....	42
□ Costing & Estimation.....	44
□ Applications of paper bags.....	45
□ Introduction to paper plates.....	46
□ Manufacturing process for paper plates.....	47
□ Costing & Estimation.....	48
□ Applications of paper plates & cups.....	49
□ Business opportunities.....	50
□ Pollution Free Environment.....	50
□ Strategy report.....	51
□ Project budget.....	52

IV. Conclusion	53
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ENTREPRENEUR/ENTREPRENEURSHIP

Entrepreneur-Definitions:

The question or 'who is an entrepreneur?' has no one definition of answer. The term 'entrepreneur' is used in various ways and various views. In common parlance, being an entrepreneur is associated with starting a business.

The widely accepted definitions of "entrepreneur" are

1. "An entrepreneur is an individual who bears the risk of operating a business in the face of uncertainty about future conditions".
2. "Entrepreneurs as people who have the ability to see and evaluate business opportunities: to gather the necessary resources to take advantage of them and to initiate appropriate action to ensure success".
3. "Entrepreneur can also be defined as a person who tries to create something new, organizes production, undertakes risks. And handles economic uncertainty involved in enterprise. Entrepreneur is someone who engages in entrepreneurship".
4. "An entrepreneur is a person who has possession of an enterprise, or venture, and assumes significant accountability for the inherent risks and the outcome. He/she is a leader who combines land, labour, and capital to create and market new goods or services".
5. "An entrepreneur as one, who always searches for change, responds to it and exploits it as an opportunity; innovation is the specific tool of entrepreneurs, the means by which the exploit change as an opportunity for a different business or services".
6. "An entrepreneur is the one who organizes, manages and assumes risks of a business of enterprise".

The commonly accepted definition of entrepreneur is: An entrepreneur is a person who takes risk setting up his own business venture for perceived rewards. He is person who initiates the idea, formulates a plan, organizes resource and puts the plan in to action to achieve his/her goal.

Basic characteristics of an entrepreneur are a hard working, desire for high achievement, highly optimistic, independent, foresight, good organizer and an innovator.

ENTREPRENEURSHIP

Entrepreneurship is the process of planning, organizing, operating, and assuming the risk of a business venture. Entrepreneurship is the act of being an entrepreneur. Entrepreneurship is a process involving various actions to be undertaken to establish an enterprise. Innovation and risk bearing is regarded as the two basic element involved in entrepreneurship. Individual performing these functions are the entrepreneurs and their enterprising ability skill is known as entrepreneurship. Entrepreneurship is widely regarded as an integral as an integral player in the business culture and particularly as an engine for job creation and economic growth.

“Entrepreneurship is the attempt to create value through recognition of business opportunity, the management of risk taking appropriate to the opportunity, and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to fruition”. It is argued that the entrepreneurial function primarily involves risk measurement and risk taking

The key elements with their-relationship based on the features and characteristics are innovation, Risk taking, visions, ethics and organizing skills. These elements are interrelated with each other and form a continuous process in business. Character, value and ethics act as inner force: operational is the output of the interaction between these elements.

ENTERPRENEURIAL QUALITIES

Having known who the entrepreneur is, you may need to understand qualities that must be present or need to be developed to undertake entrepreneurial functions successfully.

Creativity and innovation:

The anchor of an entrepreneur’s career is creativity and innovation. Innovation is the process of applying “new knowledge” to practical use. It does not necessarily mean trying new ideas for the first time but it also means applying the same or similar idea at different places or new settings. As an entrepreneur you may have to develop the quality of picking up new ideas and adopting them faster than others.

Risk taking:

Many of us have new ideas, knowledge and resources. But we do not start an enterprise because we lack the quality to take risk involved in it. As an entrepreneur you have to develop the faith that no venture is possible without certain amount of risk and favours taking calculated moderate risk.

Initiative and Drive:

An entrepreneur is not merely a dreamer; he has the important quality to take initiative to translate idea in to action. Since he acts on his own initiative, he is full of energy and drive to work hand.

Persistence:

Often you may not achieve success in the first attempt. But there is no successful entrepreneur who has not met failure earlier. Entrepreneur who succeed are not overwhelmed with success. They also do not give up due to initial obstacle and failure, but take repeated and different actions to overcome obstacles. This characteristic “Persistence” and must be imbibed as an important entrepreneurial quality.

Opportunity Seeking:

Common people just wait for opportunities to come along. Majority do not even recognize opportunities until these become obvious. An entrepreneur actively looks for, creates, seeks or recognizes business opportunities even under crisis.

Information seeking:

Seeking relevant and precise information is important of success. It enables you to take risk, helps improving the quality of decision that you make and provides basis sources and considers expenses for seeking information as an investment.

Being high achiever, an entrepreneur has quality for seeking and using feedback about his performance. Based on the feedback, he mends his ways. Often many (profit or loss) is an indicator of his performance.

Concern for standard/Quality of work:

Concern for excellence is the key quality of an entrepreneur. By attaining certain standard of excellence in his work, he proves his worth that gives him satisfaction. Sub-standard performance is not acceptable to him. The standard of work performance is not limited to product and services, but extends to efficiency, to do thing better, faster with fewer resources.

Self-confidence:

Successful entrepreneurs display high level of self confidence. They tend to believe strongly in themselves and their abilities o achieve the goals the set. They also believe that events in their lives are mainly set by them. They have a major influence on their destinies and fate has just the catalytic role.

Problem solving Orientation:

One of the important entrepreneurial qualities is the problem solving orientation. While pursuing any business goal, an entrepreneur makes the basic assumption that the problems are bound to be there. As a matter of fact, he believes that the real pleasure comes in solving these problems. Accordingly entrepreneurs develop a lifestyle of solving problems.

Goal setting:

Successful entrepreneurs invariably start out on one common quality-definiteness of purpose. They have clear vision of what is to be achieved at the end. These goals for entrepreneurs tend to be not only challenging but realistic and attainable.

Faith in planning:

To be successful entrepreneur you need to develop skill in planning and a firm faith that planning is a much for successful completion of any task. You develop and use logical step by-step plans to reach your goal. Through planning an entrepreneur prevents the wastage of scarce resources, ensures success by anticipation possible hurdle, locate new source of help and resorts to alternate activities to reach the goal.

Persuasive and influencing quality:

One of you important functions is to influence environment comprising individuals and institutions for mobilizing resources, procuring information, organizing production/services and marketing your products and service, for all these you need to develop skills and attitude for persuasion, convincing and influencing others.

Long term commitment:

This is one of those characteristics which distinguish you as an entrepreneur, as the creator and builder of an enterprise from the promoters of quick money. He makes a commitment to a long-term entrepreneurial goal which may be quite distant in future.

ENTREPRENEURIAL CHARACTERISTICS

- ❖ Entrepreneur should be good physical
- ❖ Mental and emotional health to handle the pressures of business.
- ❖ Tolerance of uncertainty
- ❖ Skill to seed and use feed back
- ❖ Genuine enjoyment of challenge of authority
- ❖ Understanding and accepting personal responsibility
- ❖ Strong but realistic belief in the individual self
- ❖ Flexibility
- ❖ Desire for independence
- ❖ Sense of purpose
- ❖ Achievement oriented

- ❖ Technical and industrial knowledge
- ❖ Access to financial resources
- ❖ Respect for money and learning how to deal with the business wisely
- ❖ Selling ability to communicate effectively with the investors and other institutions
- ❖ Courage, commitment, consideration, cheerfulness, cooperation

Steps Involved In To Start A Enterprise For An Entrepreneur

STEP1: DECISION TO BE SELF-EMPLOYED

In a populous country like India, there is bound to be unemployment. To tackle this problem, encouragement to entrepreneurship is given importance. Motivational campaigns for self-employment

Are organized to create necessary awareness of the innumerable opportunities open entrepreneurship and growth and consequently he takes a decision to own a micro or small-scale enterprise. Instead of playing the role of an employee, he can enjoy sovereign status, controlling the affairs of his enterprise, creating at the same time jobs for others; the job seeker is transformed into a job-creator.

Such ownership, besides providing inner satisfaction, helps to achieve an image of prestige and status. The owner of the enterprise would be instrumental in making a worthwhile social contribution to society by turning out products/ services being constantly required by the people. Regardless of other goals or objectives, the foremost goal sought by owners of enterprises could be termed as substantial profits.

A poor self-image like “I cannot” or “I am a born loser” acts as a great hindrance to progress. A strong self-image and achievement always go hand-in-hand. Therefore for the new entrepreneur with true self-acceptance, setting realistic goals and pursuing them becomes a pleasurable activity, in addition, the ability to make your self-image work for you is a critical factor in realizing your success plan should be: confidence, enthusiasm and realistic goal setting.

Deciding to go into business:

This is the most crucial decision a youth has to take when shunning wage employment and opting for self-employment / entrepreneurship. The business enterprise to be set up can be a manufacturing venture, a trading firm or a service establishment. Having been motivated to become an entrepreneur, the next natural question one may now naturally ask is what next. The potential entrepreneur would become an entrepreneur only when he owns an enterprise. One who does not own an enterprise cannot be termed an entrepreneur.

Analyzing strengths / weaknesses:

Having decided to become an entrepreneur the person has to analyze his/her strengths/weaknesses. This enables him/her to know what type and size of business would be most suitable.

Training:

Quite possibly the above analysis may reveal glaring deficiencies which require to be made up through training. Such training could be for:

- 1) Developing skills for entrepreneurship.
- 2) Developing technical/trade skills for proposed product/project.

Environmental scanning:

It is essential to study and understand the environment in which you shall operate to ensure enterprise success. Get to know the business opportunities and threats in the environment. This will assist in proper project identification and selection.

STEP2: SELECTION OF THE PRODUCT AND PROCESS TECHNOLOGIES

The capital investment intended for setting up an industrial unit depends mainly upon the individual's capacity to invest in a specific product line. depending on his capacity to invest in a specific product line. depending on his capacity to raise resources, he can start a micro unit, a small-scale manufacturing of service enterprise, before profitability, percentage of profit on sales volume obtainable, as also profits o the total investment made by him. Ultimately, the investment he / she makes should turn out to be profitable and in fact should be a better proposition than other investment opportunities. once the firm has decided on the foremost issues of which product it wants to produce and the location of the industry, the next important step is to select appropriate technology to produce the same.

Making a product choice

After deciding to start an enterprise the next start up problem is the choice of the particular product of service to be manufactured by the firm. it is an important decision because, rest of the challenges of setting can be taken through a comparative analysis of the several products or services that the firm can provide. the analysis involves assessing the size and structure of the market for the products; determining the future demand pattern for each of them; comparing their competitive positions in the market; graphing the life cycle of each product; finding the shelf life of each product, the ease of availability of raw materials, technology for production as well as the manpower are other important determinants: government policies and regulations can also help the entrepreneur in taking the decision, central government and the state governments provide incentives for manufacture of certain products by small scale units. also, there are some agencies and organizations which provide entrepreneurs with the necessary information required in making a product choice. the commission rates/ directorates of industries of tamilnadu and entrepreneurs guidance bureaus set by the state govt. provide guidance to the entrepreneurs. an entrepreneur can also study the industry clusters of India to set an idea about the type of products best suited for production in particular areas.

There are various aspects relation to the decision on product choice:

Since making a choice of the right product is a difficult decision for an entrepreneur, there are many organizations and institutes existing at both the central and state level which can help him/her obtain an idea about the products and services that can be produced. list of some of the important organizations are:-

District industries centers (DICs)

These were set up with a view to provide all sorts of assistance to the entrepreneurs under the single roof for the healthy growth of industry sector. these are set up by different states.

Technical consultancy organizations:

All India financial institutions in collaboration with state level financial/development institutions and commercial banks established a network of technical consultancy organizations (TCOs) to cater to the consultancy needs of the small and medium industries and new entrepreneurs. Industrial & technical consultancy organizations o Tamil nadu Ltd. (ITCOT)

MSME development institutes (MSME-DIs)

The entrepreneurs are assisted in many areas: identification/selection of products of manufacture: section of appropriate technology; manufacturing process and technique; selection of suitable plant & machinery; market potential information. MSME development institute, Chennai

Khadi and village industries commission

The KVIC is charged with the planning, promotion, organization and implementation of programs for the development of khadi and other village industries in the rural areas in coordination with other agencies engaged in rural development wherever necessary. its functions also comprise building up of reserve of raw materials as semi-finished goods and provisions of facilities for marketing of KVI products apart from organization to training of artisans engaged in these industries and encouragement of co-operative efforts amongst them.

STEP 3: CHOOSING A LOCATION FOR YOUR BUSINESS

Where should you locate your business? One expert will tell you location is absolutely vital to your company's success; another will argue that it really doesn't matter where you are- and they're both right. How important location is for your new company depends on the type of business, the facilities and other resources you need, as well as where your customers are.

If you're in retailing or if you manufacture a product and distribution is a critical element of your overall operation, then geographical location is extremely important. If your

business is information- or service-related, the actual location takes a back seat to whether or not the facility itself can meet your needs.

Regardless of the nature of your business, before you start shopping for space, you need to have a clear picture of what you must have, what you'd like to have, what you absolutely won't tolerate and how much you're able to pay. Developing that picture can be a time-consuming process that is both exciting and tedious, but it's essential that you give it the attention it deserves. While many start-up mistakes can be corrected later on, a poor choice of location is difficult-and sometimes impossible-to repair.

Types of Location

The type of location you choose depends largely on the type of business you're in, but there are enough mixed-use areas and creative applications of space that you should give some thought to each type before making a final decision. For example, business parks and office buildings typically have retail space so they can attract the restaurants and stores that business tenants want nearby. Shopping centers are often home to an assortment of professional services-medical, legal, accounting, insurance, etc.-as well as retailers. It's entirely possible some version of nontraditional space will work for you, so use your imagination.

1. Homebased: This is perhaps the trendiest location for a business these days, and many entrepreneurs start at home, then move into commercial space as their business grows. Others start at home with no thought or intention of ever moving. You can run a homebased business from an office in a spare bedroom, the basement, the attic-even the kitchen table. On the plus side, you don't need to worry about negotiating leases, coming up with substantial deposits or commuting. On the downside, your room for physical growth is limited and you may find accommodating employees or meetings with clients a challenge.

2. Retail: Retail space comes in a variety of shapes and sizes and may be located in enclosed malls, strip shopping centers, free-standing buildings, downtown shopping districts or mixed-use facilities. You'll also find retail space in airports and other transportation facilities, hotel lobbies, sports stadiums, and a variety of temporary or special event venues.

3. Mobile: Whether you're selling to the general public or other businesses, if you have a product or service that you take to your customers, your ideal location may be a car, van or truck.

4. Commercial: Commercial space includes even more options than retail. Commercial office buildings and business parks offer traditional office space geared to businesses that do not require a significant amount of pedestrian or automobile traffic for sales. You'll find commercial office space in downtown business districts, business parks, and sometimes interspersed among suburban retail facilities. One office option to consider is an executive suite, where the landlord provides receptionist and secretarial services, faxing, photocopying, conference rooms and other support services as part of the space package. Executive suites help you project the image of a professional operation at a more affordable cost than a traditional office and can be found in most commercial office areas.

5. Industrial: If your business involves manufacturing or heavy distribution, you'll need a plant or warehouse facility. Light industrial parks typically attract smaller manufacturers in nonpolluting industries as well as companies that need showrooms in addition to manufacturing facilities. Heavy industrial areas tend to be older and poorly planned and usually offer rail and/or water port access. Though industrial parks are generally newer and often have better infrastructures, you may also want to consider any free-standing commercial building that meets your needs and is adequately zoned.

STEP 4: CHOOSING A FORM OF BUSINESS ORGANIZATION

A business enterprise can be owned and organized in several forms. Each form organization has its own merits and demerits. The ultimate choice of the form of business depends upon the balancing of the advantages and disadvantages of the various businesses. The right choice of the business of business is very crucial because it determines the power, control, risk and responsibility of the entrepreneur as well as the division of profits and losses. Being a long term commitment, the choice of the form of business should be made after considerable thought and deliberation.

There are various forms of business organizations:-

Sole proprietorship

A Sole proprietorship is the oldest and the most common form of business. It is a one-man organization where a single individual owns, manages and controls the business. Its main features are:-

- ❖ Ease of formation is its most important feature because it is not required to go through elaborate legal formalities. No agreement is to be made and registration of the firm is also not essential. However, the owner may be required to obtain a license specific to the line of business from the local administration.
- ❖ Owner has a complete control over all the aspects of his business and it is he who takes all the decisions though he may engage the services of a few others to carry out the day-to-day activities.
- ❖ Owner alone enjoys the benefits or profits of the business and he alone bears the losses.
- ❖ The firm has no legal existence separate from its owner.
- ❖ The liability of the proprietor is unlimited i.e. it extends beyond the capital invested in the firm i.e. the existence of a Sole proprietorship business is dependent on the life of the proprietor. The continuity of business operation is therefore uncertain.
- ❖ Lack of continuity

Advantages

- ❖ Ease of formation
- ❖ Maximum incentive for work
- ❖ Secrecy of business
- ❖ Quick decision and flexibility of operations

Disadvantages

- ❖ Limited capital
- ❖ Limited managerial ability
- ❖ Limited life
- ❖ Unlimited liability

Partnerships firm

A partnership is defined as a relation between two or more persons who have agreed to share the profits of a business carried on by all of them or any of them acting for all. The owners of a partnership business individually known as the “partners” and collectively as a “firm”. Its main features are:-

- ❖ A partnership is easy to form as no cumbersome legal formalities are involved. Its registration is also not essential. However, if the firm is not registered, it will be deprived of certain legal benefits. The registrar of firms is responsible for registering partnership firms.
- ❖ The minimum number of partners must be two, while the maximum number can be 10 in case of banking business and 20 in all other types of business.
- ❖ The firm has no separate legal existence of its own i.e., the firm and the partners are one and the same in the eyes of law.
- ❖ In the absence of any agreement to the contrary, all partners have a right to participate in the activities of the business.
- ❖ Ownership of property usually carries with it the right of management. Every partner, therefore, has a right to share in the management of the business firm.
- ❖ Liability of the partners is unlimited. Legally, the partners are said to be jointly and severally liable for the liabilities of the firm. This means that if the assets and property of the firm is insufficient to meet the debts of the firm, the creditors can recover their loans from the personal property of the individual partners.
- ❖ Restrictions are there on the transfer of interests.
- ❖ The firm has a limited span of life.
- ❖ When the written agreement is duly stamped and registered, it is known as “Partnership Deed”.

Advantages

- ❖ Ease of formation
- ❖ Greater capital and credit resources
- ❖ Better judgment and more managerial abilities

Disadvantages

- ❖ Absence of ultimate authority
- ❖ Liability for the action of other partners
- ❖ Limited life
- ❖ Unlimited liability

Professional firms like chartered accountants, doctors' clinic, and attorney or law firms etc.

Public limited company

A public limited company is a voluntary association of members

- ❖ Its formation, working and its winding up, in fact, all its activities are strictly governed by laws, rules and regulations.
- ❖ The company collects its capital by the sale of its shares and those who buy the shares are called the members.
- ❖ The amount so collected is called the share capital.
- ❖ The liability of a member of a company is limited to the face value of the shares he owns.

Advantages

- ❖ Continuity of existence
- ❖ Larger amount of capital
- ❖ Unity of direction
- ❖ Efficient management
- ❖ limited liability

Disadvantages

- ❖ Scope for promotional frauds
- ❖ Undemocratic control
- ❖ Scope for directors for personal profit
- ❖ Subjected to strict regulations

Private limited company

- ❖ Private limited company is a voluntary association of not less two and not more than fifty members, whose liability is limited, the transfer of whose shares is limited to its members and who is not allowed to invite the general public to subscribe to its shares or debentures.

Advantages

- ❖ Continuity of existence
- ❖ limited liability
- ❖ less legal restrictions

Disadvantages

- ❖ Shares are not freely transferable
- ❖ Not allowed to invite public to subscribe to its shares
- ❖ Scope for promotional frauds
- ❖ Undemocratic control

Joint Hindu Family Business

Joint Hindu Family Business is a distinct type of organisation which is unique to India. Even within India its existence is restricted to only certain parts of the country. In this form of business ownership, all members of a Hindu undivided family do business jointly under the control of the head of the family who is known as the 'Karta'. The members of the family are known as 'Co-parceners'. Thus, the Joint Hindu Family firm is a business owned by co-parceners of a Hindu undivided estate. Its main features are :-

- ❖ It comes into existence by the operation of Hindu law and not out of contract. The rights and liabilities of co-parceners are determined by the general rules of the Hindu law.
- ❖ The membership of this form of business is the result of status arising from the birth in the family and its legality is not affected by the minority. Originally, only three successive generations in the male line (grandfather, father and son) constituted the membership of this organisation. By the Hindu Succession Act, a female relative of a deceased member or a male relative of such a female member was made eligible for a share in the interest of the related member (called co-parcener) at the time of his death. There is no legal limit to the maximum number of members.
- ❖ Registration is unnecessary, but the rights of its members to sue third parties for claims of debt remains unaffected.
- ❖ It is managed generally by the Karta. He has the authority to obtain loans against the family property or in other ways. Other members have no right of management nor to contract loans binding on the joint-family property.
- ❖ The manager or the Karta has the last word in the formulation of all policies and in their execution. He has unquestioned authority in the conduct of the family business.
- ❖ The Karta has unlimited liability while the liability of the other members is limited to the value of their individual interests in the joint family.
- ❖ The firm enjoys continuity of operations as its existence is not subject to the death or insolvency of a co-parcener or even of the Karta himself. Thus, it has a perpetual life like the public limited company.
- ❖ **Advantages**
- ❖ Ease of formation
- ❖ Continuity of operations

Disadvantages

- ❖ Confined to Joint Hindu families
- ❖ Relatively limited capital
- ❖ Limited managerial talents

STEP 5: PREPARATION OF PROJECT REPORT

An entrepreneur possessing the keen aptitude for setting up a small industrial unit should, at the outset, formulate a comprehensive business plan giving a total visualization of the firm before commencement of operations. The project report being compiled by the entrepreneur should accomplish the vital task of providing a 'bird's eye view' of the entire spectrum of activity.

i. Technical feasibility:

This would encompass factors such as description of the product specifications to be adopted, raw material availability as per requirements, outline of manufacturing process inclusive of a flow-process chart, quality control measures, power supply, and availability of water, transport facilities and communication network.

ii. Economic viability:

This essentially involves compilation of demand for domestic and export markets, most appropriately installed capacity requirements in regard to capital asset, evaluation of the production cost, capturing a substantial share of market sales, revenue expected, suitable price structure, and so on.

iii. Financial implications:

Project cost covering nonrecurring expenses such as land and building. Plant and machinery, pre-operative expenses and so on and recurring expenses such as working capital needs, raw material needs, wages for personnel, etc. will have to be worked out in detail. The probable cost of production over a period of five years is to be assessed and expenses such as fixed and variable expense and 'break-even' analysis should be presented. Besides profit per month, percentage of profit on total investment and percentage of profit on expected sales should also be computed and furnished.

iv. Managerial competence:

The new entrepreneur manager entering the small-scale sector should devote his full attention to the new venture and should consider the product line chosen as a 'major economic activity'. He should develop keen desire to adopt modern management practices for ensuring its successful growth. He should endeavor to put on the market a product in his own style in an innovation spirit without blindly imitation other brands.

He should maintain up-to-date records pertaining to actual production, sales effected every month, in addition to gathering useful data on potential customers, new market segments, changes in fashion, usage, design, style, etc. the new enterprise must emerge itself as a customer satisfying and customer-producing organism.

Creating a business plan

Every new venture should have a business plan. A business plan is the formal written expression of the entrepreneurial vision, describing the strategy and operations of the proposed venture. The business plan also goes by other names, depending on its intended audience. Presented to a banker, it may be called a "loan proposal." A venture capital group might call it the "venture plan" or "investment prospectus"

The benefits of business planning

The business plan can personally benefit the entrepreneurial team. Founding a new business can be enormously fulfilling and exhilarating, but it is also an anxiety-ridden and tense experience. Usually a great deal of money is at stake, and the consequences of poor decisions can affect any people for a long time. In developing and writing business plan, the entrepreneurial team reduces these anxieties and tensions by confronting them in advance. By projecting the risks of the new venture into the future, the team comes to grips with potential negative outcomes and the possibility of failure. The knowledge that comes from this experience can reduce the fear of being taken by surprise by problems that could have been foreseen and provided for at the very outset.

Every business plan must have:

- ❖ Cover page
- ❖ Table of contents
- ❖ Executive summary

The summary should include:

- ❖ Kind of business- a brief description of the industry your firm is focusing on.
- ❖ Profile of the company's management-listing the names of top executives and their qualifications and industry experience.
- ❖ Financial requirements-briefly state how much finance is required. Also make sure you indicate the degree of flexibility you are willing to show in case the investor suggests any changes in your plan. This will allow the investor to consider your plan with few changes rather than rejecting your plan outright due to rigidity on your part.
- ❖ Budget allocations- the financial section of the business plan should be able to explain how you will be using the finance.
- ❖ Objectives- the business plan should present in a well defined format the short term and long term objectives of the new business venture.
- ❖

The objective can be broadly divided into quantitative and qualitative objectives.

- ❖ Market analysis
- ❖ Environmental influences
- ❖ Resource requirement
- ❖ Quality
- ❖ Marketing
- ❖ Sales forecast
- ❖ Financial plans
- ❖ Human resources
- ❖ Form of business
- ❖ Critical risks
- ❖ Conclusion

STEP 6: REGISTRATION/ STATUTORY LICENCES/ CLEARANCE

If the entrepreneur has decided upon a suitable product line and is actively considering the establishment of an industrial unit, he would be initially issued a entrepreneur Memorandum part I registration certificate. The EM filing can be done 'Online'

Entrepreneur memorandum- part -i

Entitles the new entrepreneur to (i) apply for a shed or shed plot in an industrial estate or a developed area; (ii) apply for corporation/ Municipality for other licenses; (iii) apply for power/water connection; (iv) apply for financial assistance from banks and other institutions; (v) apply to the national small Industries corps'/state small scale industries corps./ other institutions for procuring machinery on hire-purchase basis; (vi) obtain sales tax, excise registration, etc. wherever required; (vii) take other steps/ approvals that may be necessary to establish the industrial units including import licence for capital goods/ raw materials

Entrepreneur memorandum- part –ii

(i) Factory building is ready, (ii) all requisite machinery, testing equipment and pollution control equipments (if necessary) required, (iii) power connection is obtained, application for permanent registration can be made. The new entrepreneur has to approach the same government departments enumerated above for this purpose.

Regulatory Requirements

Once an entrepreneur has taken all the important decisions relating to starting a business, he/she has to take in to account the basic regulatory requirements which are to be followed for setting up the organization. the most important regulation is the Companies Act 1956, which regulates all the affairs of a company. It contains provisions relating to the formation of a company. Powers and responsibilities of the directors and managers, raising of capital. Holding company, meetings, maintenance and audit of company accounts, powers of inspection and investigation of company affairs, reconstruction and amalgamation of a company and even winding up of a company.

Environmental regulations

(i)regulating and ensuring environment protection; (ii) formulating the environmental policy framework in the country; (iii) undertaking conservation & survey of flora, fauna, forests and wildlife (iv) planning, promotion, co- ordination and overseeing the implementation of environmental and forestry programmes.

Product-line/ Activity/ Service	Licensing Authority
Manufacture of druge and cosmetics.	State Drug 'Controoller/ Drug Control Administrion
Manufacture of fruit and vegetable-based products – License under Fruit products order.	Deputy director, food and vegetable preservation, ministry of agriculture, govt. of India, located in the state.
Industries using water and involving effluent disposal, waste, etc.	To get clearance from: (i)the District health officer of the particular district. (ii)Director of the public Health of the State govt.

STEP 7: FINANCE

Financing a Start-up Business

One need money to make money. Finance is the lifeline of business. A business firm requires finance to commence its operations, to continus its operation and for its expansion and growth. There must be continuous flow of funds in and out of business. Sound plans, efficiend production and marketing are all dependent on smooth flow of finance. Hence a plan needs to be prepared, which indicates the requirements of finance,sources for raising the finance and the application of funds. financial planning for starting a business begins with estimating the total amount of capital required by the firm for the various need of the business.

The financial plans of an enterprise should be formulated by taking into consideration the following factors:-

1. The financial objectives of the company
2. Nature and size of the business
3. The image and cretit-worthiness of the enterprise
4. Growth and expansion plans
5. Capital market trends
6. Government regulations

Types of Financial Needs

Financial Needs of a business may be classified into two on an the basis of the extent of permanence:-

Fixed Capital

- ❖ The funds required to purchase fixed or durable assets are known as fixed capital or long term capital.
- ❖ The fixed or durable assets include land, building, machinery, equipment, furniture etc.
- ❖ The nature size of the business generally determines the amount of fixed capital needed.
- ❖ For e.g. manufacturing activities require investment in such assets.
- ❖ These assets continue to generate in come and profile over an extended period of time.
- ❖ Also, funds which are once invested in fixed assets cannot be withdrawn and put to some other use.

Working Capital

- ❖ Money invested in short term assets is known as working capital.
- ❖ It includes purchase of raw materials, payment of wages and salaries, rent, fuel, electricity and water, repairs and maintenance of machinery, advertising, etc.
- ❖ Besides, sale of goods on credit leads to the holding of debtors balance and bills receivable, which may also be regarded as current assets.
- ❖ The requirement of finance for all these purposes arises at short intervals.
- ❖ Working capital is also known as circulating capital or Revolving capital because funds invested in such assets are continuously recovered through realization of cash again reinvested in current assets.
- ❖ For e.g. trading companies require more working capital than manufacturing companies.

Methods of Raising Capital

- ❖ A company may raise funds for different purposes on the periods ranging from very short to fairly long duration.
- ❖ The scope of raising funds depends on the sources from which funds may be available.
- ❖ Investment of own saving
- ❖ Raising loans from friends and relatives
- ❖ Arranging advances from commercial banks
- ❖ Borrowing from finance companies

Loans from Financial Institutions

- ❖ Long-term and medium-term loans can be secured by companies from financial institutions like the Industrial Finance Corporation of India, Industrial Credit and Investment Corporation of India (ICICI), State level Industrial Development Corporation of great loans for a maximum period of 25 years against approved schemes or projects.

Loans from Commercial Banks

- ❖ Medium-term loans can be raised by companies from commercial banks against the security of properties and assets.
- ❖ This method of financing does not require any formality except that of creating a mortgage on the assets.

‘Sources of Finance’ Sub-Section would contain more details.

Reinvestment of Profits

- ❖ Profitable companies do not generally distribute the whole amount of profit as dividend but, transfer certain proportion to reserves. As these retained profits actually belong to the shareholders of the company, these are treated as a part of ownership capital.

The reserves built up over the year by ploughing back of profits may be utilized by the company for the following purposes:-

- ❖ Expansion of the undertaking
- ❖ Replacement of obsolete or assets and modernization.
- ❖ Meeting permanent or special working capital requirement.
- ❖ Redemption of old debts.

The benefits of this source of finance to the company are:-

- ❖ It reduces the dependence on external sources of finances.
- ❖ It increases the credit worthiness of the company.
- ❖ It enables the company to withstand difficult situations.
- ❖ It enables the company to adopt a stable dividend policy.

STEP 8: LAND AND BUILDING

The construction of work-shed should be given priority attention by the prospective entrepreneur. Before commencing construction activities, the entrepreneur should obtain necessary license from the local authorities and should also ensure that the plan of the building conforms to the norms stipulated by the Inspector of Factories

Industrial estates with pre-build factory sheds / developed plots have been set up in different parts of the country for co-ordinated, intensified and integrated development of small-scale industries. Developed sites have been set up for small-entrepreneurs to build their own factory building by state government or special area development authorities set up for this purpose. These have been located after proper techno-economic surveys in developed areas as well as promising growth areas in rural and backward areas. These industrial estates / areas provide at one place all necessary facilities for starting small scale units such as water, electricity, transport, banks, post offices, canteens, first-aid, effluent disposal facilities, communication facilities etc. Besides, these estates bring together different industrial units

and facilitate common facility services, introduction of modern techniques and collective purchase of raw materials and sale of finished goods

The state Government provide a lot of facilities at these estates like subsidy on rent for factory accommodation , allotment of sheds on hire-purchase basis, outright sale of sheds, reasonable charges for water and electricity, exemption of sales tax on certain categories of industries for a given period of time, loans for shifting from nonconforming areas to conformed areas. Detail regarding availability of sheds and schemes for setting up cooperative industrial estates can be obtained from the concerned State Directorate of Industries / **TSNSIDCO/SIPCOT**

Land and Construction of Building

Once the location for the setting up of the industry is finalized, the entrepreneur shall approach the concerned authority (Municipality, Public Works Department) for acquisition of the plot of land

Before construction of the factory or industry, whether small, medium or large, approval of plant layout and machinery drawings has to be obtained from the concerned authorities. It is only once these approvals are obtained that the structures may be raised according to the plan

Once a suitable industrial plot for the unit is secured, the next task is construction of the building. It involves

- ❖ Architectural design of the building : that of finding a suitable architect to design the outlay of area and factory
- ❖ Design of factory building has to be in consonance with the type of industry
- ❖ Have an appropriate plant layout. If you are setting business at home, plan the area, which is to be used as your production centre or office, judiciously, you may like to take to help of a professional to ensure that the area is utilized optimally.
- ❖ An architect's estimate of building construction is essential for applications. Further, architect's certificate for money spent on building is needed for disbursement of loans.
- ❖ Appointment of engineers and contractors
- ❖ Supervision of the engineers and construction work

The State Government offers incentives like land and building tax concession to new and existing entrepreneurs

STEP 9: PROCUREMENT OF MACHINERY

The important step is choosing and ordering of right machinery and equipments. The machinery and equipments required may be domestically available or imported from abroad. Many entrepreneurs buy second hand machines and equipments. But this leads to the problem of prevalence of outdated production and management methods hindering the efficient operation of business units. The advice of MEME-DI can also be sought.

The main objective of NATIONAL SMALL INDUSTRIES CORPORATION (NSIC) is to provide machinery and equipment to small industrial units offering them long repayment period with moderate rate of interest. NSIC supplies indigenous and imported machinery to small-scale units on hire-purchase basis. The rate of earnest money to be paid varies from 15 to 30 per cent: service charges may vary from 2 to 5 per cent depending on the value of machinery.

It has been found that small industrialists are unable to install modern machinery and equipment due to lack of investable funds. Hence many schemes and incentives are available to assist them. Now, small scale firms can acquire industrial machinery, office equipment, vehicles, etc. without making full payment through hire purchase. With the help of assets acquired through hire purchase, they can produce and sell. From the earning of production, they can make payments in installment. Ultimately the ownership of assets can be acquired.

STEP 10: RECRUITMENT OF PERSONEL

After making realistic assessment of the actual manpower requirements of an enterprise, suitable arrangements should be made for recruitment of personnel. On the basis of the manpower requirements contemplated in the project report for the smooth and effective functioning of the unit, decisions to recruit the stipulated number of persons may be implemented.

Besides, the technical personnel in an industrial unit should possess certain basic skills such as

- ❖ Technical knowledge relating to the job:
- ❖ Experience- relevant and adequate:
- ❖ Academic knowledge:
- ❖ Ability to express ideas.

Hiring human resource

Human resource is also an important determinant of business location and functioning. Factors such as the availability of labour of different skill levels, productivity and cost of labour, attitude and behaviour patterns of labour, nature of trade unionism etc. are important to a business. The whole process begins with the task of hiring manpower for starting a business for filling the present and prospective vacancies in the company.

OBJECTIVE

The objective of hiring manpower is to procure the right number of employees, with the required qualifications to do the right type of jobs. The hiring process involves four main steps.

(i.e.)

- ❖ manpower planning
- ❖ recruitment
- ❖ Selection and placement.

Manpower planning

Manpower planning may be defined as a process by which the management ensures that the right number and the right kind of people are at the right place and time and are doing the right things (for which are best suited) for achievement of organizational objectives. It is the process of developing and determining objectives, policies of procurement in relation to manpower. It involves anticipating the present and future requirements of the number and quality of work force in the organization. It has two main aspects:-

- ❖ Quantitative aspect
- ❖ Qualitative aspect

Quantitative aspect:

It involves determination of the number of personnel required by the company. The number of employees is determined on the basis of work-load analysis and word-force analysis

- ❖ Work-load analysis is based on production and sales budgets, time study and work scheduling.
- ❖ Work-force analysis is an analysis of the present manpower and its future potential.

Qualitative aspect:-

It is concerned with the determination of the type of manpower required. The quality of manpower depends upon the requirements of the job, which in turn can be determined with the help of job analysis.

Recruitment

Once the number and type of required personnel has been estimated, the process of recruitment can be started. Recruitment is defined as the process of searching for prospective employees and stimulating them to apply for the jobs in the company. its purpose is

- ❖ To seek
- ❖ To explore
- ❖ To evaluate
- ❖ To induce
- ❖ To obtain commitment from the prospective employees so as to fill up positions required for the successful operation of an enterprise.

SELECTION

Selection involves screening or evaluation of applicants to identify those who are best suited to perform the jobs, under it, the qualifications and experience of every candidate are compared with job requirements and with those of the other candidates. The basic purpose of selection is to choose the right type of candidates to fill up various positions or vacancies in the organization.

PLACEMENT

The selected candidates are put on or posted in appropriate jobs. This is known as placement. Every new employee is given a particular job to perform on the basis of his abilities, aptitude. Skills, etc. generally, the candidates are not appointed on a permanent basis because it is considered better to try them for a few months during the probation period for out the job.

STEP 11: INSTALLATION OF MACHINERY

The entrepreneur should have clear ideas on the different types of machinery and equipment required for making quality products. He should get in touch with the leading dealers/suppliers of machinery and equipment who would be in a position to provide the latest models to suit the requirements. Before placing orders, he should bear in mind certain important factors such as

- ❖ The capacity of proposed unit
- ❖ Quality
- ❖ Minimum economic scale of production
- ❖ Performance standards expected
- ❖ Productivity
- ❖ Minimizing of wastage and availability of spare parts for the new machinery.

Before arriving at the decision, the new entrepreneur may seek the advice of a well-qualified friend or consultant who would provide the correct guidance in selection the machinery most suited to his project. He may also consult the MSME development institute; Chennai of the district industries centres for this purpose.

The new entrepreneur should formulate a suitable layout, which would facilitate production operations in the best possible manner. If the enterprise is so planned as to produce several products, it is known as a multi-product firm and in this case the entrepreneur should endeavour to formulate a judicious 'product-mix' in order to attain optimum results.

Another basic important aspect is the plant layout. The check here is to ensure that the machinery planned for can be installed in the given area of the premises proposed. Free flow of men and machinery should be ensured.

Too heavy an investment on plant and machinery may jeopardize the economic viability of the project in which case possibilities of outside jobbing of certain processes can be explored. Too heavy an investment on fixed assets increases gestation period necessitating longer moratorium on installment payment as also heavier debt servicing commitment. For new units it is advisable to minimize investment in fixed assets. One possible way is starting the project in rented premises rather than owning it.

STEP 12: POWER CONNECION/WATER SUPPLY

Power:

There are two categories of power

- i. Low tension (LT)
- ii. High tension(HT)

A consumer can avail LT supply only if the connected load is 75 HP and below. In respect of cases where the connected load is between 75 HP and 130 HP, the consumer has the option either to avail LT supply or HT supply. If the connected load exceeds 130HP, the unit is classified as HT consumer. Most of the small-scale units fall under the LT category.

For power connection, the load applicable to the new unit would be decided by the EB and sanctioned. In these days of power shortage, power cuts are common and frequent, especially in summer months. If the product were such that it requires continuous power supply, the new entrepreneur would have to install a stand-by generating set of an appropriate size so that power supply remains uninterrupted. This, however, depends on his capacity and need. Power cuts for long duration in critical times can affect the production process and affect the profitability of the unit.

Power supply:-

- ❖ Find out the power supply requirement of the industry.
- ❖ Locate the nearest substation from where you will get power supply. Also find out the power tariff rate and the duration for which required supply will be available. Power connections are generally of either LT (low tension) or HT (High tension) type.
- ❖ A formal application needs to be made in a specific form to the concerned state electricity boards. An electrical inspector is deputed for evaluation of application to factory site, which the load is sanctioned. In areas of power shortage, it is advisable to augment the power supply with a captive generating set
- ❖ After obtaining the power feasibility and sanction certificate, The power will be given to the industry.

WATER SUPPLY

For water, he should apply to the water department of the municipality or corporation or make his own arrangement by installing a tube well.

- ❖ Find out the water requirement of the industry.
- ❖ Check out what is the best possible source of the required water supply.
- ❖ Check the quality of water (PH, hardness) and does it meet you specific requirements.
- ❖ Rate/water charges applicable as well as the common storage facility.

The govt. of tamilnadu offers a number of incentives and concessions like water tariff, power subsidy, subsidy on generating sets, etc. to new entrepreneurs.

STEP 13: PROCUREMENT OF RAW MATERIALS

The new entrepreneur will have to ensure timely flow of raw materials in anticipation of actual requirement before launching his new product into the market. He has to keep more sources of supply of the required raw materials, instead of depending on a single source of supply.

Raw material procurement

Raw material procurement and planning are critical to success of a start-up unit. The raw materials required may be:-

- ❖ Domestically available (within the country). As we know that our country is a resource rich country with abundance of specific raw materials in different states. Accordingly appropriate supplier's of raw materials have to be selected.
- ❖ Imported from abroad. The imports are regulated by the foreign trade shall advise central government in formulating export and import policy and implementing the policy.

Whatever be the source of raw materials it must be bought from reputed dealers/agencies only. Before ordering, compare the prices from at least 3-4 places and also check whether price is inclusive or exclusive of transportation costs. While receiving the delivery, check the quality and quantity of the materials.

Proper planning is essential because non-availability of the required raw material may result in production hold-ups, idle machinery and manpower. On the other hand if too much is ordered too soon considerable amount of working capital gets locked up. All this will lead increased production costs. But proper inventory management can lead to manageable cash flow situations. For imported raw material whose lead time are large, proper planning is all the more essential.

STEP 14: PRODUCTION

The prospective entrepreneur should formulate a blue print covering the actual layout of the factory and segregate the areas allocate for carrying out different operations in a systematic manner.

The total installed capacity of the unity (as per plant size) would be the total quantity of the product, which could be produced in 300 working days on a single shift basis with the existing manpower.

In the initial stages, small industrialists fail to realize the importance of planning. In due course, when they gain experience, they discover that inadequate planning invariably involves obstructions to the smooth flow of production. Besides, inordinate delays step up the cost of production to considerable extent, and ultimately wipe out profits.

It is, therefore, necessary to have well-coordinated services of functions according to a well-formulated plan which will economically utilize the plant facilities and regulate the orderly movement of goods through their entire manufacturing cycle from the procurement of raw material to the transportation of finished products. Such a plan is a must for increasing productivity and profits.

Production of quality products and elimination of defects/rejects are the foremost responsibilities of the entrepreneur and he should be fully conversant with, the methods of testing.

Various aspects covered under production management involve the following:

1. product modification and design
2. equipment needed for production
3. maintaining and controlling the required of the product
4. raw materials storage, handling and use
5. inventory needs
6. possible production and delivery schedules
7. costs of tooling of production
8. product service and maintenance
9. production control and increasing productivity
10. Product and process modification and innovation.

Following activities need to be planned/ undertaken to manage production

1. forecasting the requirements: technical, manpower and financial
2. designing the total production facility
3. planning and testing output levels
4. planning and maintaining desired inventory level

STEP 15: MARKETING

Marketing is essentially an entrepreneurial function. Every entrepreneur should know that he should know that he should be able to sell what he produces. Those who want to augment their sales volume should take cognizance of (i) established demand; and (ii) potential demand (newly created).

Established demand relates to the particular volume of sales, which emanates without conscious promotion. By contrast, potential demand is the volume of sales, which could be attained as a result of the promotional activities of the enterprise. Promotional activities comprise (i) direct promotion techniques; and (ii) indirect, promotion techniques.

Small-scale enterprises could successfully adopt with advantage some of the following techniques of sales promotion.

Direct promotion techniques:

- a) Displays and models.
- b) Advertising.
- c) Publicity.
- d) Sales connected with special events.
- e) Personal selling tactics.

Indirect promotion techniques:

- a) Customer services.
- b) Public relations.
- c) Cordial customer relations.
- d) Appropriate product design/style/packaging,
- e) Goodwill of the community.

The new entrepreneur should make every Endeavour to win the support of his wholesalers and retailers. Wholesalers could be encouraged to handle his product by offering financial incentives and substantial concessions. Besides, the manufacturer should actively participate in marketing by maintaining a systematic check on the effectiveness of his distribution channels. He should also find new markets for his products and should be able to compete with his fellow-producers.

What should a new entrepreneur know?

- ❖ Entrepreneur should know how to market the product
- ❖ They should know how to popularize the new product
- ❖ They should know about the specialized agencies which offer marketing assistance
- ❖ They should know how to exhibit their product
- ❖ They should know the benefits for exports

STEP 16: PRICING POLICY

Right price for the product can be determined through pricing research and by adopting test marketing techniques. The various pricing methods are:-

❖ **Perceived value pricing;-**

Perceived value is made up of several elements like buyer's image of the product performance, warranty, trustworthiness, esteem, etc. each customer gives different weight age to these elements. Some may be price buyers, others may be value buyers and still others may be loyal buyers. If either the price is higher than the value perceived or the price is lower than the value perceived, the company will not be able to make potential profits.

❖ **Value pricing;-**

In which companies develop brand loyalty for their product by charging a fairly low price for a high quality offering.

❖ **Going rat pricing;-** is followed if it is difficult to ascertain the exact costs involved and the competitive response. Hence, firms base their price on competitor's price by charging the same, more or less than the major or less than the major competitor.

❖ **Introducing a product at a premium price;-** when a product is innovative and competition is low or non-existent, this policy can be applied. Thus profits are optimized. But when competition arises prices are lowered.

❖ **Ethical pricing;-** price is fixed keeping the welfare of the society in mind. For many life saving drugs, this particular policy is used. The product is sold at the lowest possible price with either a very reasonable margin or no profit at all. Profit may be earned from other products.

❖ **Full line pricing;-** if you are selling a range of particular product for example pickles, then you price the product in a particular range, this way you may earn more profit in one flavour and less on the other. But, you cannot sell only the one that gives you maximum profit, or else a customer may switch over to another brand where he would be able to exercise an option for other flavours.

Pricing your product

Fixing the right price for a product is the most difficult task as it affects the volume of sales of the product of the firm as well as the profits of the firm. Although non-price factors have become more important in recent decades, price remains one of the important elements in determining the market share and profitability. Prices are set by a firm by taking into consideration factors like costs, profit targets, competition and perceived value of products. Taking into account the various factors, the steps generally followed in setting the price of a product are:-

Setting the pricing objective of the firm

It is the most important step as it varies from firm to firm. Setting a lower price may attract more customers and thus fetch a larger market share for the firm's product. But charging a higher price might reflect a high quality and prestige product.

Determining the demand for the product

Demand for the product sets a ceiling price. Penetration pricing is used when the product has a highly elastic demand and there is strong competition in the market. Under this policy, prices are fixed below the competitive level in order to obtain a larger share of the market. Once your product is in demand or is accepted in the market, the price is more inelastic, higher prices are charged for the product. This policy is generally followed during the initial stages of introduction of the new product.

Estimating the costs and profits

Costs set a floor price. Amount spent and return expected is the key factor in deciding the price. The various costs involved in producing the product must be covered in pricing the product. On a long term basis also the price must take into consideration the costs of doing business. This also includes sales forecast and profit margin.

Determining the competition for the product

Competitor's prices and the price of substitutes provide an orientation point. The number of competitors for the product in the market as well as the policy followed by them is also an important factor. Competitive pricing is used if the market is highly competitive and the product is not differentiated from that of the competitor's.

Considering the governmental regulations

Government policies and incentives are also taken into account. Prices are also affected by various tax liabilities which a company and the product is subjected to. It includes, excise duty, sales tax and local taxes like octroi.

Sales tax is levied on the sale of moveable goods in India at the rates which vary depending upon the type and nature of goods and the state in which sale has taken place. The central and state governments are both empowered to impose sales tax. The central sales tax deals with transactions in the nature of inter-state sales. While the state sales tax deals with intra-state sales.

STEP 17: REPAYMENT OF LOANS

The new entrepreneur should endeavour to infuse confidence in the minds of bankers and financiers by his noble qualities of creditworthiness, sincerity, and business ethics and by meticulously adhering to the prescribed schedule of repayments. This would in due course enhance his public image and social status.

Make yourself credit worthy

Credit information bureau (India) Ltd. Known as CIBIL is an independent organization, rather a storage house of credit information of individuals and commercial establishments. Banks and other lenders are obtaining credit history of loan applicants from CIBIL and are considering credit facilities, only if the credit report is found satisfactory. The CIR (credit information report) of consumers circulated CIBIL will henceforth be one of the important factors to consider a loan application.

Repayment patterns

Once an individual consumer avails any credit facility from any bank, the bank will forward the details of the borrower to CIBIL. Similarly all member organizations will supply credit information to CIBIL. The members will also update the CIBIL at regular intervals, on fresh credit facilities availed if any, repayment patterns, delinquencies, write offs, legal action initiated etc. pertaining to their consumers.

CIBIL will pool such credit information of particular consumer from all member organizations, analyze the credit worthiness and prepare a report called CIR (credit information report). The member banks/lending institutions will seek CIR from CIBIL, when a consumer approaches them for any credit facility.

STEP 18: PROFIT GENERATION

Regardless of other motivations such as family pride, satisfying nature of work, status in the community, successful ownership of a firm and so on, financial reward provide the best satisfying and profitable experience. The new entrepreneur should possess accurate data in regard to the cost of production in order to keep a strict control on costs. This would also facilitate concrete decision-making.

The entrepreneur should work out the project cost covering non-recurring expenses such as land and building, plant and equipment, co-operative expenses, etc. as well as recurring expenses such as working capital –needs, raw materials, wages for personnel etc.

As a rule, cost would be inter-related to the actual volume of production. If the volume of production is abnormally low, the fixed costs will have to be spread over a small volume, thereby becoming unduly high. At the “break even point”, income from sale of products equals the cost of production.

A successful entrepreneur should ever be vigilant about his cost of production and profit generation. If profit are not generated,

He should find out the reason therefore and try to minimize wastes. He should also be prepared to have contingency plans. If for any unforeseen reasons, he is not able to make profits at a reasonable level of production, he should immediately take step to remedy the situation.

The firm should do a careful cost and benefit analysis before going ahead with the process of placing the order to minimize the production costs and hence increasing the profit margins. Various sources of capital should be explored and the cost of capital should be analyzed cautiously.

STEP: 19 AVOIDING SICKNESS

If the entrepreneur s not able to make profits and is not getting a fair return on his investment, he should find out the reasons for such a state of affairs. If he is not able to make profits and is not able to pay his installments of principal and interest to his

Financiers, he is in for trouble. The reasons could be many such as high cost of production, high levels of inventory, lack of marketing techniques, low quality of his products, competition from his rivals, wasteful expenditure in the production process, change in government policies, etc. sickness in industry causes frustration in the entrepreneur and dampens his enthusiasm and effort. He should not be upset over temporary setbacks and losses. Rather, he should ever be ready to take effective steps to counter tendency to sickness by probing into its causes and take effective measure.

Entrepreneur should not be shy of informing their banks and financial institutions, which have lent money to them for starting business when such a situation is about to emerge. The normal tendency of entrepreneurs is to hide facts. They are generally shy of approaching their bankers for fear of the latter stopping credit to them. It is better to take the banks the banks and financial institution into confidence and explain to them the reasons for incipient sickness and seek their advice and expertise in overcoming it. The banker would be prepared to reschedule his loans and installment payments. The entrepreneur should maintain excellent business relations with his bankers and financial institutions and should not try to hide any important information causing sickness to the venture.

The entrepreneur should also be prepared to change his product line, adopt modern cost control techniques, diversify his production, maintain his plant and machinery in good condition and be prepared to cut down his staff and personnel if production volume does not justify the number. He should also motivate his workers and keep excellent and cordial relation with them in the interest of overall healthy growth of his business. He should share his profit with workers and persuade the worker to cooperate with him in hours of difficulty and crisis.

Hundreds of new entrepreneur every year commit certain types of blunders which result in either total failure of the enterprise or in its moribund existence. What causes early failures?

- ❖ Lack of all round managerial experience
- ❖ Lack of understanding in the particular line of production
- ❖ Poor assessment of market potential for the products/ services
- ❖ Lack of adequate accounting system
- ❖ Inadequate estimate of cash requirements or faulty capital planning
- ❖ Inadequate knowledge of tax related matters
- ❖ Too much capital going into fixed assets
- ❖ Scarcity of raw materials
- ❖ Inventory mismanagement

Understanding the causes and symptoms of sickness alone can help entrepreneurs to take preventive and corrective actions.

STEP 20: MODERNISATION AND TECHNOLOGY UPGRADATION

As business expands, entrepreneur finds that he can earn more profits by modernising his obsolete plant and machinery by installing new ones so that production increase per employee and per unit of investment. By constant usage, machinery becomes old and unserviceable. New techniques and new models of machinery come in the market, but the old entrepreneur would still be using his worn-out machinery. After a certain life period of the machinery is over, he should replace them by up-to-date machinery and improved version or model of the same. Fashions and consumer preference change so fast the production has to be adjusted to the changed situations. The entrepreneur should not feel that by installing new machinery, he would have to incur higher costs and therefore it is not profitable. In the long run, he is sure to benefit from modernization and would be able to generate higher profits. As the business improves, entrepreneur should set apart a part of his profits for modernization, a part from the normal depreciation provided for plant and machinery. He should adopt latest management techniques and try to introduce professionalism in his business.

Technology is changing fast especially in the fields of electronics, communication equipment, engineering and chemicals. New products and processes are being developed. The entrepreneur should be able to keep a watch on these developments and see whether these developments affect his business or not. Sometimes, he can sell his products with his existing techniques and machinery. In that case he has a local market and regular customer and he should not be in a hurry to adopt the new technology. Ultimately, he should see whether he could make better profits by his rivals. He should be able to switch over to new techniques of production and new products by retaining part of his old plant or one, which needs complete replacement. This would depend on changes on fashion, consumer preference and changed market conditions.

As entrepreneur increase his profits, he should try to expand is business and diversify into new areas. His experience in the existing business would stand him in good stead and

enable him to expand easily and better than a new entrepreneur. In order to make the venture a dynamic and growing organism, the new entrepreneur should combine dedicated work without too much dependence on other and should organize an effective feedback system to keep management apprised of the ongoing activities. he must endeavour to stay ahead technologically in products as well as services with a penchant for quality and ultimately he will become a benefactor to the society at large.

Paper Products

INDRODUCTION TO PAPER INDUSTRY

The paper industry has an important social role to play for the country. Use of paper is considered as an index of cultural growth. The paper industry is also contributing towards fulfillment of various requirements of the industry as a whole like information dissemination, publicity etc. which in turn stimulate industrial growth of the country. The paper industry has, thus, a catalytic role to play not only for the overall growth of the industry but also for the living standards of the people.

The primary products sector include manufacturing pulps from wood and other cellulose fibers, and from rags, and the manufacture of paper and paperboard into converted products, such as paper coated off the paper machine , paper bags , paper boxes ,and envelopes and other commodity grades of wood pulp, printing and writing paper s, sanitary tissue industrial- type papers, containerboard, and boxboard. In the last few years, India's paper industry has grown by 6 per cent annually.

In the coming years, this growth rate will go up to 10 per cent because of huge spurt in demand for writing and printing paper. T he domestic demand for paper is set to far surpass supply, with the growing emphasis on education and alternative uses of paper. The demand for upstream market of paper products, tissue paper, tea bags, filter paper, light weight online coated paper, medical grade coated paper, etc., is growing up. These developments are expected to give fillip to the industry. Improvement of key ports, roads and railways and communication facilities will help the entire industrial sector including pulp & paper.

India's paper industry us worth Rs 225 billion. It accounts for about 1.6 per cent of the world's production of paper is set to far surpass supply and is expected to reach the level of 110 lacks tones by 1015 from 72 lacks tones in 2007.It is said that if the gross domestic product {GDP} grows at 10 per cent, paper demand will grow at 8 per cent. The per capita consumption of paper in India is barely 8 kg. Paper consumption is poised for a big leap forward in sync with the economic growth.

About 38 per cent of the total demand comes from culture paper {cream wave}, while 58 per cent arises out of the industrial paper sector. The rest 4 per cent comes from specialty paper including coated paper, tissues, posters, one-time carbon {OTC}, cheques, drafts, etc.

The country's paper industry, with an existing production capacity of 90 lacks tones, requires an additional \$2 billion of investment to meet the rising demand. The capacity is likely to increase to 112 lacks tones per annum by 2010. The share of wood as raw materials has declined from 84 per cent t 36 per cent since 1970. On the other hand, the share of agro and waste paper has increased from 9 and 29 and 35 per cent, respectively. Of course, the share of recycled paper would go up in the future. The government is drawing up a new scheme for technological up gradation and modernization of paper mills.

The major suppliers of paper rolls for manufacturer of cups are ITC, JK industries however some of unbranded industries are also available in the local traders.

MARKET POTENTIAL

Paper cups market demand

The paper-cup manufacturing sector is expected to expand in a big way in the coming years following the growing awareness of the ill effects of using non-food and bio-degradable containers for serving beverages. According to an internal assessment, the market for disposable paper cups in India is about Rs 1,000 crore annually.

According to a study conducted by the Calcutta paper Traders Association {CPTA}, There will be an overall growth of 7 per cent in the paper-cup segment, the plastic cup market being pretty stagnant.

Give the steady growth in the ice cream market and the fact that Indians are “voracious” tea and coffee consumers, there is a good growth potential for the paper cup industry.

This apart, some policy changes, effected by the various state Governments, have also contributed to the change in the market. Thus, there has been a sudden spurt in the demand for paper cups in Tamil Nadu following the State government banning the use of disposable plastic cups.

It is also to be noted that the Indian Railways has recently passed an order banning the use plastic cups at railway stations and on trains.

A total of 150 million cups is consumed by the Indian Railways and its associates every year.

The CPTA has urged the state governments, paper manufactures, traders, environmentalists and NGOs to initiate a joint move propagating the use paper cups. manufactures are betting Indian consumers will pay more for convenience, hygiene and fun. The Indian paper manufactures association estimates that the rapidly increasing consumption of paper cups and paper carry bags could lead to a 10% by 2011.

In Chennai only 15 to 20 units are manufacturing these products. And near about 80,000 tea stalls and 2,500 restaurants are there in Chennai alone. On conservative basis approximately per day 40 lacks nos of cups are required and all the demands are meet out from the unite located at southern parts of Tamilnadu as well as other states. And more than 150 IT industries located in and around Chennai and entire IT parks restaurants are using only disposable cups where about 1.5 lacks cups are required per day. Therefore demands of products are well shine.

MANUFACTURE METHOD OF PAPER CUPS

Cups are manufactured by using automatic machine, paper rolls are cut in to different sizes for making 110ml, 150ml, 220 and 225 ml cups and feed in the machine to get the same sizes.

Sizes of a Paper cups:

Plain/ Printed Paper Cups



40 ml

Printed Paper Cups made of 185 gsm Food Grade Raw Material, moulded for the comfort of Consumers of Ice Creams of volume 80ml.



90/ 100 ml

Plain/ Printed Paper Cups made of 165-185 gsm Food Grade Raw Material, perfectly shaped and sized to fit into the fingers of the consumers, highly suitable for serving Hot Coffee/ Tea /Milk of quantity 80 ml.



110 ml

Plain/ Printed Paper Cups made of 185 gsm Food Grade Raw Material, designed for a professional serving of Hot or Cold beverages of quantity 100 ml.

**150 ml**

Plain / Printed Paper Cups made of 185 gsm Food Grade Raw Material, highly suitable for corporate/hotel usage for serving Hot Drinks.

**170 ml**

Paper Cups made using 185 gsm Food Grade Raw Material, printed with IRCTC Logo, customized usage at Railway Stations & Trains

**210 ml**

Plain/ Printed Paper Cups made of 195 gsm Food Grade Raw Material, widely used for serving Water/ Cold Beverages in all Party occasions



250 ml

Colorfully Printed Paper Cups made of 195 gsm Raw Material, best known for its popular usage as Juice Cups



330 ml

Colorfully Printed Paper Cups made of 195-220 gsm Raw Material, commonly used to serve Juice/Cold Beverages

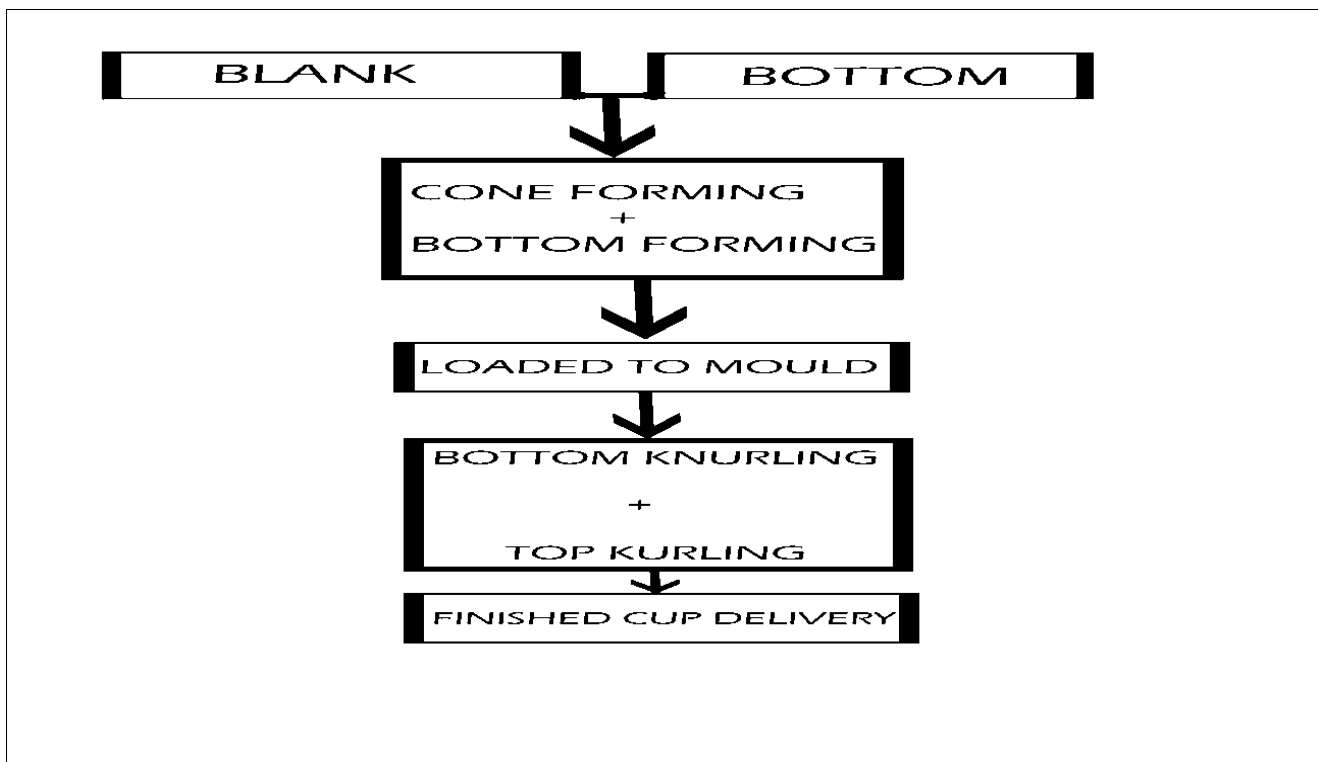
Paper Cups Manufacturing Unit

Model	: SONY ZB-D
Cup Size Range	: 3oz to 9oz (100ml To 270ml)
Production Capacity	: 40 - 50 Cups per Minute
Sealing Type	: 6 x Heater Type Sealing
Paper Used	: Single Side per Coated Paper
Paper Thickness	: 170gsm to 230gsm
Electrical Requirements	: 3phase, 380 volt/50hz
Power Consumption	: 4.5kw
One Machine	: Three Moulds
Machine Dimension	: 2500mm X 1200mm X 1400mm
Machine Weight	: 1500kg
Price	: 5.75 Lakhs



Eco-friendly paper products costing method:

- ❖ Material Cost
- ❖ Printing Cost and Cutting Cost
- ❖ Manufacturing Cost and Labor Cost
- ❖ Packaging and Transportation Cost
- ❖ Indirect Cost
- ❖ Total Cost

**Costing & Estimation method****GSM for paper cups:**

From 165 gsm up to 300 gsm used.

Raw materials:

Single coated or double coated PE(poly ethylene) virgin board

Raw material cost

Single per cup paper	Rs 72000-00 / ton(ipc)
Single colour printing	Rs 2000/ton
Punching charges	Rs2000 /ton
Transport charges	Rs1000 /ton
Total raw material cost	Rs 77000 / ton (ipc)

One month production capacity

Production speed : 48cups / minute
 2880cups per hour, 2shifts / 16hours / day : 46000cups

One month production
 46000cups x 24days = 1100000cups

CUP SIZE	BLANK COSTING	FIXED COST	PRODUCTION COST	SELLING PRICE	PROFIT
100 ML	15.6 PAISA	10 PAISA	25.6 PAISA	30 PAISA	42 PAISA
150 ML	20 PAISA	10 PAISA	30 PAISA	33 PAISA	3 PAISA
210 ML	25.8 PAISA	10 PAISA	35.8 PAISA	42 PAISA	6.2 PAISA

AVERAGE PROFIT = 4.5PAISA / CUP

MONTHLY PROFIT = 1100000 CUPS X 4.5PAISA = Rs.49500/-

Introduction to paper bags

The increased awareness of biologically non-disposable nature of the plastics bags, the plastic carry bags are being banned in many cities. The disposal and recycling of plastic bags have created havoc and a threat to the environment. Suitable solution to come out of this difficulty is to replace, wherever possible, plastic bags with other bio-degradable materials such as paper bags, cotton bags, jute bags etc., Considering the necessity to solve this problem there is an immediate demand for paper carry bags, which can be made in different sizes and thicknesses.

GSM for paper bags:

52 to 140 gsm.

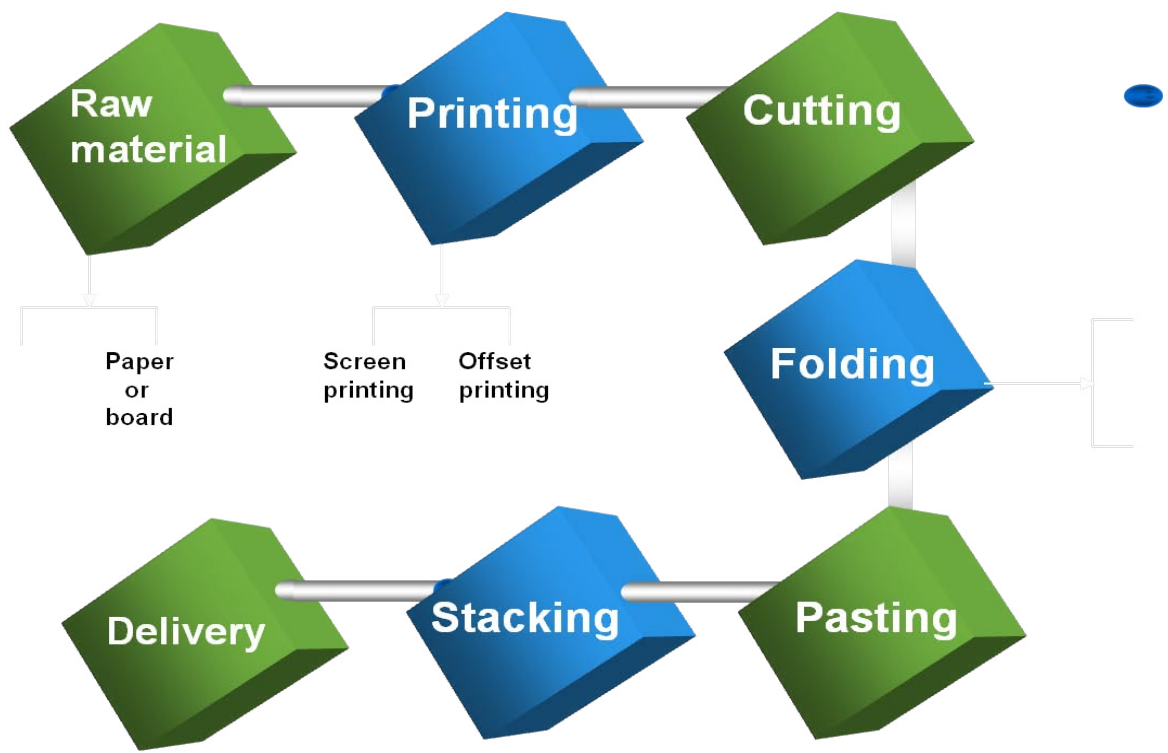
Raw materials

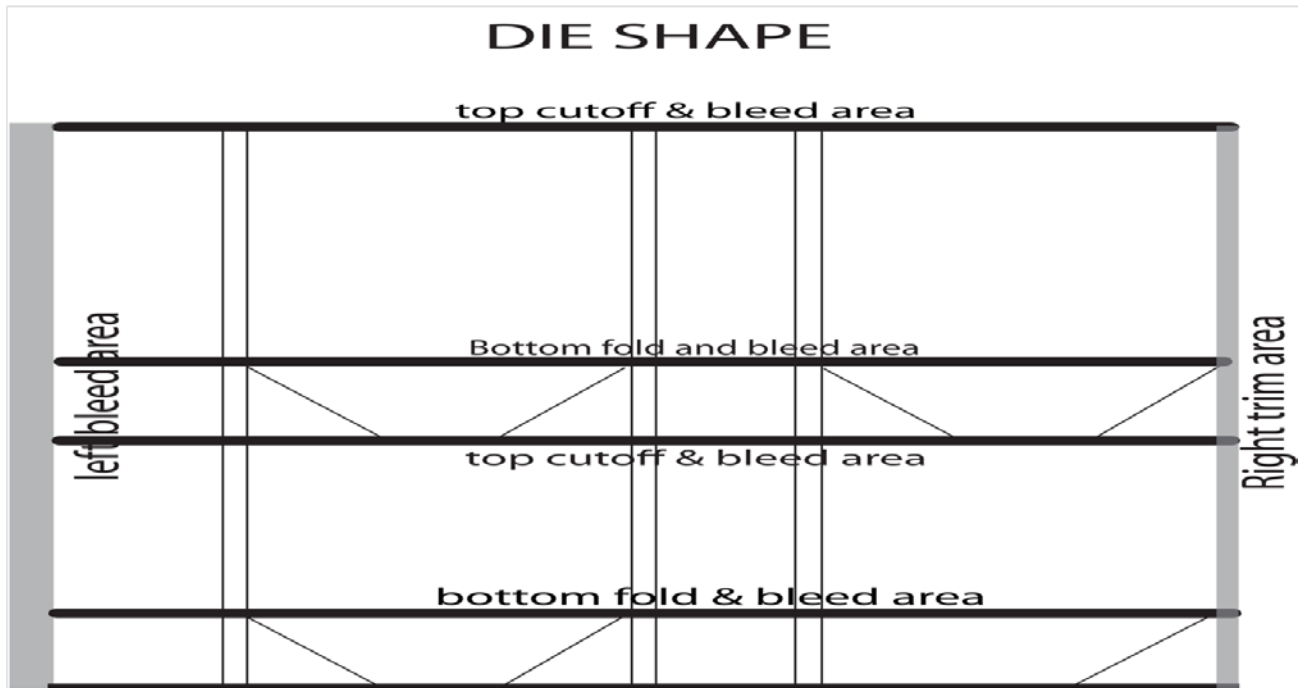
Virgin paper & board, duplex board, coated board, handmade board, art paper, Kraft paper, rope.

Manufacturing process of bags

The whole process involved in the manufacture of paper bags is automatic, starting with printing and ending with stacking up of finished bags. The paper roll is initially cut into proper width and they are fed into the printing unit first. After the printing is done the roll goes into the bag making section where it is folded, pasted,

sheared and stacked. The bags will be plain bags or sachetted bags with folds in the middle.





Costing & Estimation:

❖ Raw material cost

- Hand made board - Rs.20-50(size:16X36 inch)
- Duplex board - Rs.3.5-4

❖ Screen printing cost

- Mesh - Rs.20-30
- Mesh exposing Rs.80-100
- Single color per impression 0.30-0.50 paisa

❖ Rope cost:

Per kg-50-300

❖ Die :

Die making-1200-400

1000 bags – 150Rs.

❖ Maintenance – Rs.1000

- ❖ Rent – 3000
- ❖ Power – 1000- 1500
- ❖ salary - 15000

Costing & Estimation:

PAPER AND BOARD	SIZES (inch)	PRODUCTION Cost (Rs)	SELLING COST (Rs)	PROFIT (Rs)
Duplex	7X7	2.5	3-3.5	0.50-1
Duplex	10X12	6-7	9-12	3-5
Hand made	7X7	10-12	12-15	2-3
Hand made	10X12	32-35	35-37	3

Applications of paper bags

- ❖ Textile Shops
- ❖ Bakeries
- ❖ Grocery Shops
- ❖ Fancy Shops
- ❖ Book Shops
- ❖ Sweet Shops
- ❖ Meat / Fish Shops
- ❖ Vegetable Shops
- ❖ Stationery Shops
- ❖ Hardware Shops
- ❖ All departmental shops & consumer shops

Introduction to paper plates

❖ The required pace of efficiency and quality improvement will demand rapid development of capabilities of Paper Product like paper plate. And with Paper Product being a service oriented sector, skill development will emerge as a key capability.

○ It has various aspects of advantages. They are:

- ❖ Recycling
- ❖ “Chemistry-free”
- ❖ Process less
- ❖ Non-polluting raw material
- ❖ Eco-Friendlier
- ❖ Stronger
- ❖ More durable
- ❖ Can come in any thickness
- ❖ Can come in any colour
- ❖ Waterproof.

Various paper plate sizes:

- ❖ 6 inch
- ❖ 7 inch
- ❖ 8 inch
- ❖ 9 inch
- ❖ 10 inch
- ❖ 11 inch
- ❖ 12 inch
- ❖ 13 inch
- ❖ 14 inch

GSM for paper plates:

100 to 350 gsm

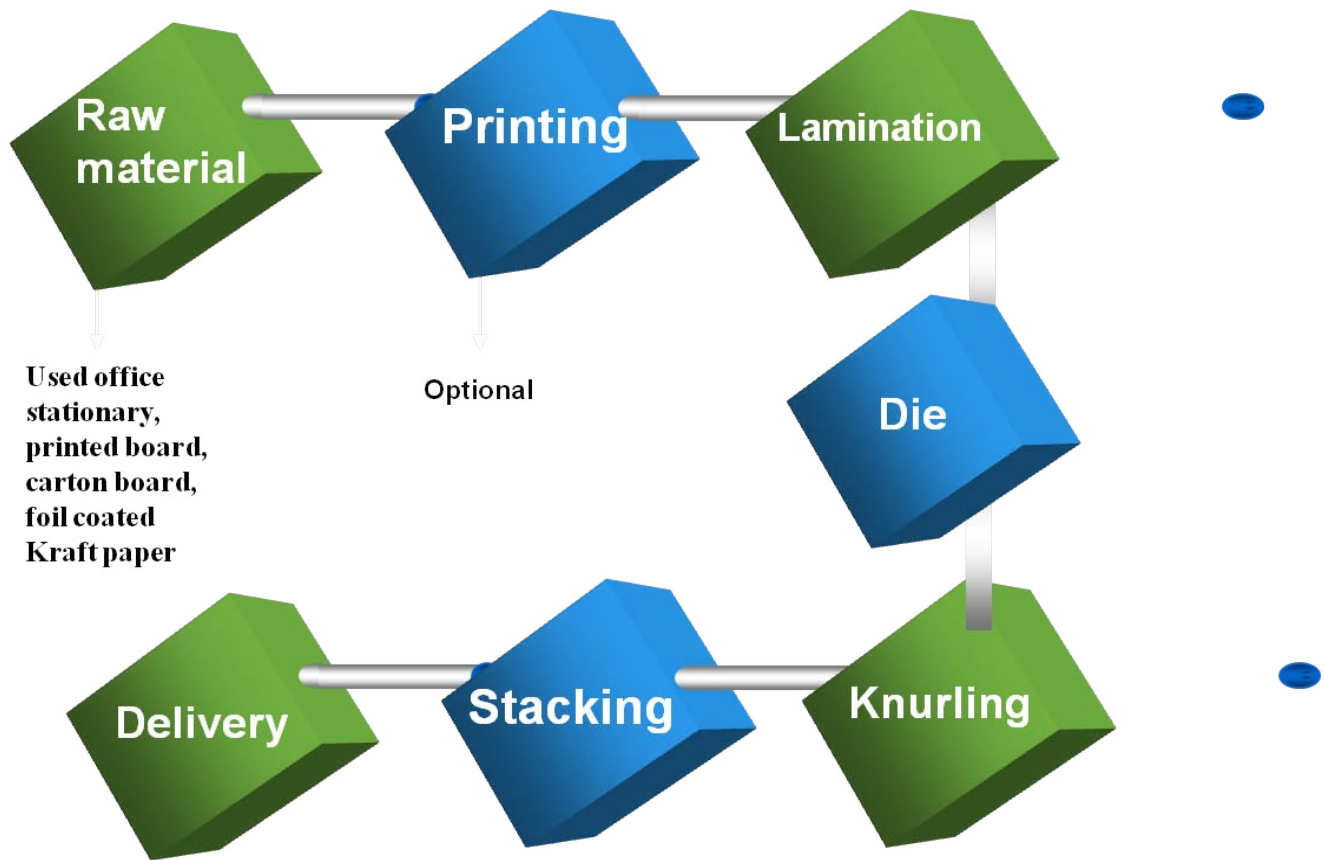
Raw materials:

- ❖ Used office stationary, printed board, carton board, foil coated Kraft paper.

Manufacturing process for paper plates

- ❖ Paper Plate body side sealing by heater
- ❖ Cutting & Lamination
- ❖ Dies from 4"inch to 14"inch
- ❖ Paper Plates bottom sealing by hot air station, fully automated.
- ❖ Easy change molds produce different plate(demand the plate with the same bottom diameter, the same coning)
- ❖ Easy operating by operator
- ❖ Easy maintenance with minimum cost.

These products with the advantages of waterproof , oilproof ,non-polluting raw material easily available reasonable price are best choice in environmental protection instead of plastic and foam .

Flow chart for manufacturing process of paper plates :**Costing & Estimation**

- ❖ Competition analysis (Sourcing of raw materials Ensuring quality of the product Pricing Policy Branding & marketing strategy Customer relationship management Financing Strategy)
- ❖ Manpower resource planning (Estimate the manpower in both the administrative and managerial role)
- ❖ Opportunity assessment and capacity planning
 - (The demand for paper plate, identify the major customer segments which need paper plates for their business or domestic consumption) Caterers (who are hired for catering food in wedding and parties)
- ❖ Location analysis
- ❖ Supply chain management (Identify the suppliers of these raw materials on the basis of specific criteria such as reputation, lead time in supplying the material, credit term extended etc)

- ❖ Supply chain management (Identify the suppliers of these raw materials on the basis of specific criteria such as reputation, lead time in supplying the material, credit term extended etc)
- ❖ Customer acquisition strategy (identify the target segment for your product. You should determine the attributes of your target segments)
- ❖ Quality assurance
- ❖ Financial Analysis

Applications of paper plates & cups

- ❖ IT companies,
- ❖ Educational Institutions Canteens
- ❖ Industrial Canteens
- ❖ Restaurants
- ❖ Fast Foods,
- ❖ Catering People
- ❖ Tea Shops
- ❖ who serve snacks in paper plates and use paper cups
- ❖ Restaurants
- ❖ Hawkers which sell food items on the roadside
- ❖ Manufacturers of decorative items which need paper plates
- ❖ Domestic usage
- ❖ Paper Product Dealers and Super Markets
- ❖ All departmental shops & consumer shops

Paper products

Business opportunities

- ❖ A wide range of paper cups are now produced and marketed in India. The paper cups are reckoned to be a high potential business for India.
- ❖ The paper-cup manufacturing sector is expected to expand in a big way in the coming years following the growing awareness of the ill effects of using non-food and bio-degradable containers for serving beverages. According to an internal assessment, the market for disposable paper cups in India is about Rs 1,000 core annually.
- ❖ Recycled handmade paper is in huge demand in export market.
- ❖ Minimize the waste thereby reducing its environmental effects.
- ❖ The opportunity cost of the recycled paper in terms of preserving the environment will be quite higher.

Pollution Free Environment

The technology adopted for making paper products is ecofriendly.

Entrepreneurs around the world increasingly are paying attention to lessening the environmental impact of their operations. All the evidence indicates an increased awareness of and concern with environmental considerations. The impetus comes from a variety of sources.

Paper products forming process is totally automatically done by the machine, only feeding and packaging involves manual work. Hence there is no chance of any pollution out of this industry.

Governments are focusing more on environmental compliance and reduction of emissions and waste.

Customers are demanding “green” policies and procedures. Simply put, waste of any type does not add value

Even aside from these societal pressures, there are still very good reasons for printers to focus on improving operations and reducing waste.

Reducing it means increasing efficiency, shortening turnaround time, and lowering costs.

Strategy report

- ❖ The present domestic market presents divergent scenario with persistent and sustained demand for quality products
- ❖ Our project group has made marketing survey and potential for our product and had very good responses.
- ❖ In future paper products will increase the capacity to meet the demand of paper product. So it will not be a difficult to find market for paper products in this growing paper product industry.
- ❖ The increasing demand is being vast, thrust for the development of paper products industry
- ❖ Export of handmade Paper has increased about 10 times in the last five years which has increased from 2000 tons (1999-2000) to 20900 tons (2005-06)
- ❖ A total of 150 million cups is consumed by the Indian Railways and its associates every year.
- ❖ In Chennai only 15 to 20 units are manufacturing these products. And near about 80,000 tea stalls and 2,500 restaurants are there in Chennai alone. On conservative basis approximately per day 40 lacks no's of cups are required and all the demands are meet out from the unite located at southern parts of Tamilnadu as well as other states. And more than 150 IT industries located in and around Chennai and entire IT parks restaurants are using only disposable cups where about 1.5 lacks cups are required per day. Therefore demands of products are well shine.

Project budget

Travel allowance	: 600/-
Internet browsing	: 600/-
Report printing	: 2000/-
Miscellaneous expenses	: 1200/-
Materials	: 300/-
Grand total	: 4700/-
Amount received from project members: 800/-	

Conclusion:

As we conclude our project report we are happy that we have learned many things not only about the topic we have chosen, but many things like working together as team, learning to approach the managers, collecting in formations from the persons etc.

It was a learning experience for each of us as an individual as well as group. This experience would make an impact in our studies as well as in the carrier we choose.

We are thankful to all the companies and persons who have helped us out of their way to make our project success. Though many of them were very busy with their own scheduled they were kind enough to extend their help towards our project.