

## ANNEXURE II- RUDSETI Model of Entrepreneurship Development

### About RUDSET Institute

Unemployment problem has been the biggest challenge in the country. The entry of automation and mechanization in every sphere of commerce and administration due to the advent of science and technology has further accentuated the problem. On the rural side, the employment potential in agricultural economy also appears to have reached a saturation level leading to large scale migration of manpower from rural areas to urban areas. Millions of unemployed youth, particularly from rural background, migrating towards the urban places in search of employment were driven to despair for not finding a job of their choice. The growing population of frustrated youth was a serious concern to the policy makers. Of late, it was observed that the distressed youth are attracted towards antisocial activities for their livelihood. This tremendous waste of human resources and mismatch of potentiality with productive deployment has baffled the planners and administrators.

To address the unemployment problem, a novel initiative was launched in the year 1982 under the visionary leadership of Dr. D Veerendra Heggade by Sri Dharmasthala Manjunatheshwara Educational Trust (SDME Trust), along with Syndicate Bank and Canara Bank as sponsors. These three organizations joined hands to set up a unique Organisation '**Rural Development and Self Employment Training Institute**' (RUDSETI) for Training and facilitating the rural youth for taking up Self Employment as an alternative career. The first unit of RUDSETI was set up in the village Ujire near Dharmasthala in Dakshina Kannada district of Karnataka State.

RUDSETI focused on developing the skills and motivation through short duration residential Training programmes. The experiment has proved successful in building the confidence of rural unemployed youth to take up self-employment in/ near their place. The RUDSET Institute through experimentation and innovation, adopted a unique model of identifying, motivating, training and facilitating the unemployed youth to take up self employment. The RUDSETI model envisages empowerment through skill and attitude development, in the process transforming the unemployed youth as a productive asset. Realizing the result oriented and cost efficient approach of RUDSETI in mitigating the unemployment problem, Government of India, State Governments, SIDBI & NABARD supported establishing of RUDSET Institutes across the country and nurturing the concept.

Considering the great demand for the successful model, RUDSETI has expanded its operations and established units at 27 centers across the country. On an average, 70% of the RUDSETI trained candidates have been able to successfully establish self-employment ventures/Micro Enterprises and thereby providing employment to many others, besides gaining a good image and identity for themselves in the community. Many of the enterprises established by these trained candidates are growing and flourishing.

In the present scenario of economic liberalization also, developing the right attitude and skills among the large chunk of youths to enable them to derive the fruits of economic growth has again emerged as a challenge. This has reinforced the need for developing entrepreneurship

among the rural youth, who are not able to access higher technical / professional education, to join the mainstream of skilled/knowledgeable human resources.

### **Objectives of RUDSETI:**

- Identify, Orient, Motivate, Train and Assist the rural youth to take up self employment ventures as an alternative career.
- To train unemployed youth to take up wage employment as a source of livelihood
- To take up research and development activities in Entrepreneurship and Rural Development etc.
- To train Rural Development Workers.

### **Services of RUDSETI:**

Providing end to end solutions to the unemployed youth & women aspiring to take up self employment, sets RUDSETI apart among training/Entrepreneurship Development institutes. The following services are provided in an innovative, effective and cost effective manner, with a spirit of service:

- Creating awareness on self employment/entrepreneurship.
- Developing motivation and positive attitude.
- Training to acquire hard skills & soft skills.
- Handholding for establishment and successful running of enterprise.
- Linkages with Banks for financial assistance.

### **Organisational set up and Management:**

RUDSETI is registered under Karnataka Societies Registration Act 1960. The name and style "RUDSETI" with its logo is registered under Trade Act.

The Board of Governors consisting of Chairman & Managing Directors of sponsor banks and the top executives of sponsor organizations with Dr. D. Veerendra Heggade as the President, is the apex body to frame the policies for the organisation and evolve the strategies.

The Governing Council consisting of top executives from the sponsor organizations under the Presidentship of Dr. D. Veerendra Heggade is the next level body to monitor the implementation of policies and progress of all the units and guide the Institutes.

The Executive Director, a deputed officer from the sponsor bank, facilitates implementation of policy and programmes and monitor the day to day functioning of all the units and acts as a link between the President, the sponsors and the Units.

Each RUDSETI is managed by a deputed officer either from SyndicateBank or Canara Bank and assisted by faculty members and other supporting staff. 'Local Advisory Committee' (LAC), an advisory body, with the representatives from Sponsors, Development Organisations, Lead District Bank Officials, Government officials and eminent personalities - periodically reviews and monitors the progress of individual RUDSETI unit.

## RUDSETI Model of Entrepreneurship Development

### The profile of unemployed youth in India:

The unemployed youth in India, based on empirical evidence, may be broadly classified as under:

**Upper Group:** It constitutes Graduates/Post Graduates who tend to look for salaried employment. They are mostly urban centric. Most of them endeavour to secure employment in the organized sector out of their educational knowledge or technical/ employable skills. Those of upper class entrepreneurial family back ground, tend to become entrepreneurs with huge capital investments. Their needs are promoted and catered by State/Central Government agencies aiming at promotion of Industries/Enterprises. The dynamics of their development is well documented.

**Middle Group:** It constitutes School/College dropouts. They are mostly from lower middle class or rural background. They do not possess any employable skills. The group is the largest among the unemployed youth and ever increasing with the spread of literacy. Though they look for employment in the organized sector, it is practically not possible to enter this, except a few in the lower level unskilled jobs. There is an intense competition for this opportunity also.

**Lower Group:** They constitute the neo literate and illiterates. They mostly thrive on seasonal wage employment in the unorganized sector. Bulk of welfare measures of the government & development agencies to this group is limited to providing a few incentives for livelihood support, but difficult for ensuring sustainable livelihood.

Unemployment is more pronounced in the middle and lower groups. These youth are finding it difficult to get secured employment and generally not oriented towards taking up self employment as an alternate career due to following reasons:

- Fear of failure for taking up any entrepreneurial activity
- Inferiority complex due to lack of proper education, knowledge and employable skills.
- Lack of self confidence to come out of the shell
- Desire to be on their own but discouraged by environment
- Lacking in motivation to take risks
- Need information on good business opportunities and on establishing and managing an enterprise
- Developed Negative attitude out of frustration and lack of guidance.

### RUDSETI belief:

The RUDSETI model of Training and facilitating the trained candidates for successfully taking up Self Employment is based on the following beliefs:

Every human being has some potential and latent talent. It is possible to kindle the latent talent through effective interventions. Hence, everybody could be made as useful assets.

Entrepreneurs are not born, but can be nurtured by Training, motivation and practice.

It is possible to develop skills through short duration intensive Training in a conducive environment and involvement of the trainee.

Shaping the mindset of the Training participant is crucial for motivation and confidence building. Through proper Training and motivation, confidence can be developed.

### **RUDESETI Vision:**

Channelising youth power in wealth creation and Empowering youth to share economic progress equitably.

### **Philosophy**

Transformation of rural youth to acquire productive identity through short duration interventions.

RUDESETI approach to develop entrepreneurship is on the following stages:

**Pre Training:** Orient the youth towards Self Employment by creating awareness among them through structured and unstructured activities.

**Training:** Train the selected candidates to develop positive attitude, equip them with certain skills (technical and managerial), boost their confidence and motivate them to start a venture in the vocation in which they have been trained.

**Post Training:** Extend post Training hand-holding support to guide/counsel them and enable them to sustain their motivation, overcome difficulties, launch and manage the enterprise confidently.

### **Training on Entrepreneurship Development:**

#### **Objectives:**

The selected candidates are to be trained with following objectives-

- Stimulate them towards developing interest and involvement in learning
- Develop positive attitude through structured exercises
- Orient them towards acquiring knowledge and skill through practice
- Awareness on acquiring the required Entrepreneurial competencies (Skill as well as attitude) through conscious efforts.
- Knowing about identifying the business opportunities, selection of an entrepreneurial activity, launching of the venture and skills for managing a micro Enterprise, to start with.
- Develop a mindset and urge to put the acquired knowledge & skill into action.
- Build confidence in one's own abilities

The skill development/entrepreneurship development can take place in short duration intervention. It does not begin from “Zero” level. Generally, young people have gained some experience in life. This experience serves as a launching pad for accelerated learning. It is therefore possible to train young people in a short period of 1 to 4 weeks to enhance and enlarge behavioral dimensions such as increased awareness, understanding, knowledge, skill and formation of positive attitude. The training can be effective if it is residential. Campus approach helps the participants to shape their attitude and personalities. The duration of learning is stretched beyond structured hours in this approach.

### **Types of Entrepreneurship Development Training Programmes:**

While there are various approaches followed by different organizations, RUDSETI, out of its experience, has consciously followed the approach to train the candidates to take up viable activities suitable to the specific region. The RUDSETI’s Entrepreneurship Development Training Programmes (EDP) are broadly classified under the following 4 categories:

#### **General EDPs:**

The environment in India offers a lot of business opportunities for establishing Enterprises. A person with or without technical skill in any specific field can be trained to choose an appropriate activity and manage it. General EDP covers various aspects of Entrepreneurship Development including identifying business opportunities, selection of activity, launching and managing an enterprise. No specific technical/hard skill development inputs are included in the course module of this training. The candidates selected under various livelihood promotion schemes like PMEGP, SGSY, etc. can be trained in general EDPs. Depending upon the specific requirements, the duration of the training could be decided.

#### **Agricultural EDPs:**

India, basically being agrarian, offers a lot of opportunities to undertake agri-enterprises. Combining skills of farming with entrepreneurship can be a viable option for the youth. Thus youth can be trained in agricultural based EDPs like agriculture and allied activities, horticulture, dairy, sericulture, poultry, animal husbandry, organic farming, fishery, vermi-compost, Bee keeping etc.

#### **Process EDPs:**

With increased industrialization, urbanisation and economic development, there is tremendous increase in the service activities. This offers good opportunity for service activities like servicing and repair of consumer durables, electrical & electronic equipments, personal care, hospitality, transport and other services. It is possible for the youth with little education and with out significant level of skills to acquire the technology and take up service activities. The added attraction in such ventures is low investment required for launching them. The RUDSETI has developed many EDPs like Radio and TV repair, pump set repair, motor winding, photography, Videography, repair of domestic electrical appliances, Computer Hardware etc.

### **Product EDPs:**

It is possible to produce certain goods by using locally available resources and acquiring production skills through training. Training programmes in food processing, Leaf plate/cup making, Cane furniture making, Rexin bag making, Garment manufacturing, Bakery, Agarbathi, Handicrafts, soft toys, Embroidery work etc. fall under this category.

### **Course Module for EDPs:**

The EDPs of RUDSETI endeavor to enable a person become a successful entrepreneur. The whole process envisages developing the candidate's skills and Competencies. By the end of the programme, the trainee shall be in a position to develop a vision for his future and to translate his vision into action by launching a Micro Enterprise and manage the enterprise with competence. Suitable and dynamic course modules are developed for various training programmes. The course modules are updated periodically taking in to consideration the changes taking place in the business model and technology. Generally, a typical ED Training programme of RUDSETI consists of the following modules:

- Behavioural aspects
- Information and Enterprise Launching aspects
- Technical/Hard Skills in the chosen field
- Enterprise Management aspects.

### **Behavioural aspects**

The most significant aspect in an EDP is the motivation and developing Entrepreneurial competencies. The behavioral aspects provide experiential learning situation to the potential entrepreneurs, enable them to examine their own strengths and attitude and help practice newly learnt behavior required to develop Entrepreneurial Competencies.

This phase generates a sense of learning among the candidates. Their desire to know further, their plans and decisions to crystallize their ambition into action is attained in this phase. The candidate's receptivity of learning increases commitment to himself and his goal. This attitudinal change leads to his learning at a much faster pace.

### **Technical /Skills related to chosen activity:**

The process of demystifying the technology is the hall mark of this phase. Utilizing the services of skilled and experienced practitioners in the respective field, skill development aspects are covered systematically. Care is taken to provide adequate "hands on" experience during the training, guided by the trainer. This will be later followed by "on the job" training with experienced entrepreneurs if required.

### **Information and Enterprise Launching aspects:**

This module covers the following aspects:

- a) Information reg. Entrepreneurial activities, scope in the region, support system, mobilizing resources etc.

- b) Business opportunity identification
- c) Product Selection
- d) Preparation of business plan
- e) Launching the Enterprise.

The inputs help candidates to learn the procedure and skills of conducting market survey, selecting specific business opportunity, preparation of business plan, approaching various support institutions like DIC, Banks, etc.

### **Enterprise Management Skills:**

Enterprise Management aspects including customer management, costing, pricing, inventory, finance, accounts, etc. are dealt in this module.

### **Post Training Handholding**

Post training handholding is one of the important aspects for developing first generation Entrepreneurs. Ever changing economic scenario and intense competition in every field makes any enterprise vulnerable. To promote and nurture the enterprises by sustaining the motivation of the trainees, it is necessary to provide escort services. RUDSETI has given lot of importance to this aspect and provide the following services to the trainees for a period of two years. The services include:

- Business Counseling
- Networking for technology transfer and business promotion
- Guidance for raw material/technology/machinery procurement
- Acquiring specific skills
- Credit linkage
- Business plan preparation

Follow ups are made through regular correspondence, individual contacts, meetings at village, taluk and district levels. Sponsor Bank branches play host, wherever required, to these meetings. Alumni of the Institutes, officials from the Bank and Government departments are also invited to such meetings in case of need. Such interaction ensures the trainees to cross procedural hurdles and ground their project besides sustaining their motivation level.

### **Unique Features of RUDSETI Model:**

#### **a) Commitment of the Promoters:**

The sponsors of RUDSETI, viz., Sri Dharmasthala Manjunatheshwara Educational Trust, Syndicate Bank and Canara Bank have taken this initiative out of their concern towards providing sustainable employment to unemployed youth and involving them in the economic development of the country. They carry forward the mission with conviction and commitment.

#### **b) Resource Persons:**

The officers deputed from sponsor banks as Directors of the RUDSETI centres possess rich

experience in Rural Development. These officers supported by in-house faculty will handle EDP inputs such as behavioural inputs, managerial inputs, banking, launching formalities etc. Besides this, the expert practitioners i.e., Guest Faculties in the respective field, who provide their services out of social concern, impart skill training. Most of these experts / Guest Faculties are RUDSETI trained entrepreneurs.

**c) Course Modules:**

Training modules of RUDSETI are so designed that the Entrepreneurship Development is achieved through Human Resource Development. The course modules structured out of practical experience, research and experiment facilitate development of the necessary skills in a systematic manner in a short period. The training modules of RUDSETI have been accepted as standard modules by SIDBI, NABARD, Department of Industries and Commerce, KSWDC etc. RUDSETI reviews these course modules on an ongoing basis and revise and update them.

**d) Training Methodology:**

The widely acclaimed effectiveness of RUDSET Institute's training is attributed to its unique training methodology. Through structured psychological exercises, the participants are stimulated to shed inhibitions and develop interest in learning. Besides lecture sessions, behaviour simulation games, exercises, field visits, hands on experience, interface with supporting system, group discussions, case study etc. are effectively used in the training. Most importantly, all the training sessions are conducted in vernacular languages only.

**e) Committed staff and training atmosphere:**

The committed workforce of the Institute successfully maintains a conducive atmosphere for learning. Cordial trainer-trainee relationship, discipline, guidance for personality development and socialisation with fellow trainees offer excellent scope for effective learning.

**f) Infrastructure:**

Each unit of RUDSETI has well-developed campus consisting of the administrative office, classrooms, work shed, dormitories to trainees and guesthouses to guest faculties and mess facilities. Library, recreational facilities and audio-visual aids which facilitates quick learning, are also provided.

**6. Training Programmes:**

RUDSETI offers more than 60 types of EDPs (Entrepreneurship Development Programmes) in various avenues. All the programmes are of short duration intervention ranging from one to six weeks. RUDSETI, out of more than 25 years of experience and research, has adopted a very effective training methodology which includes:

- ❖ Identification & selection of right candidate for the right course.
- ❖ Campus and practical approach to training.
- ❖ Use of adult learning techniques like simulation exercises, group discussions, role play etc. to maximize appropriate learning.
- ❖ Field visits & experience sharing with role models.



- ❖ Interactions with Bankers /Govt. Officials.

### **Selection of candidates for training programmes:**

Any unemployed youth in the age group of 18-45 years, irrespective of caste, creed, religion, gender and economic status, having aptitude to take up self employment or wage employment and having some basic knowledge in the related field can undergo training.

### **Escort Services:**

The cutting edge of RUDSETI training is the post training follow up for sustained motivation among the trainees. The effort to make them rise on to pinnacle includes:

- Two years follow up – Through regular correspondence, Individual contacts, Unit visit, Village / Taluk / District / Branch level meeting etc.
- Facilitating credit linkage with the banks for setting up of micro enterprises.

### **What sets RUDSETI apart:**

- Visionary leadership provided by Dr. D. Veerendra Heggade supported by two leading nationalized Banks.
- Free training with free food and accommodation.
- Campus approach with unique training methodology
- Short term training with long term follow up / Escort services for a period of 2 years.
- Excellent facilities for hands on training
- Variety of training programmes to suit the local needs
- Practical orientation, rigorous training and extended hours of learning
- Past trainees becoming trainers and imparting training.
- High settlement rate of 70 % of trained youth.
- The trained youth who have started Micro Enterprises are able to grow in the enterprise.
- Employment generation by settled entrepreneurs.

RUDSETI model has stood the test of time and immensely contributed for building human capital of the country. This success has been achieved due to the visionary leadership provided by Dr. D. Veerendra Heggade, a social entrepreneur with commitment and steady support of sponsoring Banks. The President of RUDSETI Institute has been providing continuous motivation, direction and guidance to the functionaries of RUDSETI including the Directors deputed from the sponsor Banks, for managing the affairs of the institute. His vision, commitment, motivation, risk taking and encouragement to innovations & creativity has enabled the enthusiastic officers of the Sponsoring Banks to translate the organisation's vision into action. The concern of the sponsoring organisations towards the underprivileged youth has enabled RUDSETI to evolve as a simple, yet very efficient model for promoting rural entrepreneurship.

## **Emergence of Rural Self Employment Training Institutes (RSETIs)**

Based on the success of the RUDSETI model, other Government and Private Banks started establishing similar Institutions. On 7<sup>th</sup> January 2009, the Ministry of Rural Development (MoRD), Government of India has launched an initiative to scale up the RUDSETI model to all parts of the country. The Ministry advised all Banks to set up one Rural Self Employment Training Institute (RSETI) in each district of the country, and this Institute will be owned and managed by the Lead Bank operating in the respective district. Hence, the RSETIs will be Bank owned and managed Institutions supported by MoRD, other Ministries and agencies of the Central and State Government. These Institutes are established / being established on the same lines as that of RUDSETI, and share the same philosophy, objectives and approach to developing Entrepreneurship.

