

**Issue 2**

**28th October, 2013**



# **Avance**

*Taking a leap forward*

**Inside this issue:**

<i>Social Entrepreneurs in Energy sector</i>	2
<i>Reasons to embrace entrepreneurship</i>	3
<i>Startup Analysis: Essmart</i>	4
<i>Registration of a business demystified : Series 2</i>	5
<i>Social entrepreneurship : new models of sustainable social change</i>	6
<i>Meru cabs: how you package it</i>	7
<i>From the diary of an entrepreneur</i>	7



**Entrepreneurship,  
Entrepreneurship,  
Entrepreneurship.**

**It drives everything: Job creation, poverty alleviation and Innovation**

**Elliott Bisnow**

## Social Entrepreneurs in energy sector— Kumar Kaushal



Mr. Harish Hande

Energy deficit India, especially the countryside, is in dire need of entrepreneurs who could provide sustainable, affordable and clean solutions to meet the increasing demand of energy. This neglected side of demand is met by a rare breed of entrepreneurs like Mr. Harish Hande and Mr. Gyanesh Pandey, who have developed novel ideas of generating electricity.

**Mr. Harish Hande**, an IIT Kharagpur alumnus, found-

ed SELCO (Solar Electric Light Company) in 1995 in Bangalore. It is a *for-profit social enterprise* providing energy solutions and services to under served households and businesses. SELCO has played significant role in improving living standards of rural Karnataka by providing solutions based on solar energy. He aims to dispel the myths that poor people can't afford and maintain sustainable technologies and that social ventures cannot be run as profit

earning entities. He strongly believes that solar energy solutions are cheap and affordable. For its tremendous efforts, SELCO was awarded the **Ashden Awards** in 2005 and 2007. Mr. Harish Hande, a winner of the prestigious **Ramon Mag-saysay Award** in 2011, challenges traditional management theories whose applicability in rural areas, he emphasized, need to be tweaked to suit the rural market.



Mr. Gyanesh Pandey

**Mr. Gyanesh Pandey**, an electrical engineer from IIT BHU, left his job in the U.S. to serve his poor countrymen; only to face numerous challenges and failures. Undaunted, he founded **Husk Power System(HPS)** in Bihar, where electricity is generated using husk of rice. HPS provides end to end renewable energy solutions to rural areas of Bihar.

Interestingly, HPS has found the solution to electricity deficit by including villagers in the solution. Villagers are employed by HPS in electricity generation.

As of 2011, HPS served 150,000 people of Bihar, Tamil Nadu and West Bengal, using "mini power-

plants" each generating 35 to 100 kilowatts of power. Both these social entrepreneurs have set a precedent which should be followed by youth to solve energy problems of our country.



Electricity production in HPS plant

## *Reasons to embrace entrepreneurship -Aditya Rajadhyax*

Entrepreneurship has always been a dream for many. Everyone wants it but few are bold enough to take this adventure-ride. Seeing the risks and challenges involved versus the peace of a secure job, most choose the latter. But for those who decide to take on the journey of entrepreneurship, life becomes extremely rewarding. So, here are some reasons why entrepreneurship is truly awesome:

**Living your passion:** Entrepreneurship instills a unique confidence to follow your dreams and live an inspired life. Everyone wishes to do what one really loves but most overlook the hidden opportunity that entrepreneurship provides to do so. When you are an entrepreneur living your passion, each day and each hour is filled with enthusiasm and a sense of purpose.

**Leaving the rat race:** With the current competitive environment, life starts to become a rat race right from an early age. Starting from school, trying to consistently excel in academics to competing with others to attain the most glamorous jobs, this race never ends. Entrepreneurship is a way to get out of the herd mentality, get real about what you really want in life and pursue it wholeheartedly.

**Be your own boss:** The strict hierarchical structure followed in the large organizations severely restricts our opportunities. Entrepreneurship lets you become the CEO of our firm from day one providing ample scope to express your talents and abilities.

**Creative Freedom:** Entrepreneurship allows you to escape the daily grind that comes along with a job.

The variety present in managing the various aspects of the business makes each day full of excitement and adventures.

**Maximize your potential:** Entrepreneurship is full of challenges but the challenges itself are highly rewarding. These blessings in disguise enable you to strengthen yourself and evolve in many ways.

**Dealing with failures:** Failure is always a part of life. When you choose to reach for the stars you may fail several times. But fighting for your dreams is what makes life meaningful. Entrepreneurship teaches you that the secret to life is to fall ten times but get up eleven times. Bring your ideas to life: Entrepreneurs are visionaries. They are artists of the modern world who have the courage to dream as well as bring their ideas to life.

**Leave a strong legacy:** Most of us wish to create an impact in society and leave a lasting legacy after us. Entrepreneurship provides just the right opportunity to do so. Steve Jobs and Dhirubhai Ambani among others managed to achieve it with their accomplishments. I would like to conclude with the words of Steve Jobs that reflects the mindset of entrepreneurs "Your work is going to fill a large part of your life, and the only way to be truly satisfied is to do what you believe is great work. And the only way to do great work is to love what you do. If you haven't found it yet, keep looking. Don't settle."



## *Startup Analysis: Essmart—world's essential technology in every local shop* -Arun P

Entrepreneurship and innovation are critical for the growth of any economy, in an increasingly competitive world. The Industrial Revolution, the rise of the US to its preeminent state, the recovery of Germany post-World War, and more recently, Israel's status of a developed economy have all been driven by entrepreneurship and innovation. They become even more critical for India as its demographic dividend can only be realized with rapid creation of employment and income generation opportunities. According to Kauffman Foundation, a well-regarded research body in the US, "On an average, existing firms are net job destroyers. By contrast, new, less than one year old firms add on an average 3 times more jobs than the existing firms in the US". Hence it is time to move towards developing and nurturing entrepreneurship ideologies among the Indian youth.

### **Essmart: The technology**

#### **Distribution company**

Many Organizations design life-improving technologies for the world's low income households. Technology can bring a lot of benefits to the humanity, especially to the people who do not have access to the basic needs, people who do not have access to lighting, who do not have access to clean water or a safe cooking environment. There are existing technologies, things like LED solar lanterns, affordable water purifiers and cooking stoves that reduce indoor air

pollution. However we find that these technologies do not benefit people at a large scale. Jackie Stenson of Cambridge and Diana Jue of MIT felt that these technologies should reach the people whom they were really meant for. They studied the rural markets in Africa and in India for more than three years and framed the concept of Essmart. Essmart bridges the gap between the technology manufacturers and the households that need their products by creating a marketplace for these products in local retail shops. They do this by placing a catalogue of products at the community level, distribute to local retail shops, and facilitate manufacturers' warranties. They are combining what has worked in every market economy with pre-existing trust based buying relationships. They help these local retail shops to grow their business and also enable technology access for their customers.

This concept received the global Dell Social Innovation Award for 2012. With the help of the funding that they received from the award, Jackie and Diana started their operation in August 2012. Essmart was launched in the town of Pollachi in the state of Tamil Nadu, India.

Essmart has a network of 70 stores today and their catalogue has more than ten different types of life improving technologies in it. They have made more than a thousand product sales in a period of one year. The impact of Essmart is better measured by the improvement that these technologies bring about in the lives of its customers and small business owners

looking at their numbers.



Sundar, who owns a barber shop in pusaripatti is making use of Essmart-distributed Solar lantern at night. This demonstrates how Essmart-distributed essential technologies can immediately improve small businesses by enabling commerce at night.

Essmart connects the global supply chain by creating an essential technology marketplace in local retail shops, allowing shop owners to give their customers like Amala access to essential technologies. Essmart pledges to address social needs by creating sustainable business solutions. It is time for the Indian youth to support and indulge in similar initiatives as it promises a sustainable and inclusive growth.

*Jobs are created by Entrepreneurs. Wealth is created by Entrepreneurial actions.*

## *Registration of a business demystified : Series 2 – Adish Jain*

In the previous article, which obviously you have read, I mentioned about the various entities under which a business can be registered. The shape, one gives to its business during registration depends on number of factors, a few of which I have listed in my earlier article. This article will be devoted completely to the process of incorporation of a partnership firm, the mode through which most of the organizations start working and later change to a private or public listed company.

The registration and all legal intricacies of the business done under partnership firm are guided by Indian Partnership Act of 1932. The act doesn't mandate every firm to get registration in India. However, there are certain advantages that a registered firm enjoys over unregistered one which is discussed later in this article. A firm can be counted as an unregistered firm by executing a partnership deed on a stamp paper, duly signed by all the partners. The firm is then eligible to apply for a PAN card and can even open a current account on the name of this firm.

However, there are various benefits that a registered firm enjoys over unregistered one:-

1. In an unregistered firm, a partner cannot enjoy the benefits of Partnership act and thereby a suit can't be filed by him in any court against the firm or other partners for the enforcement of any right arising from a contract which is possible in case of firm is registered.

2. No suits to enforce a right arising from a contract shall be instituted in any Court by or on behalf of a firm against any third party unless the firm is registered and the persons suing are or have been shown in the Register of Firms as partners in the firm.

3. An unregistered firm or any of its partners cannot claim a set off (i.e. mutual adjustment of debts owned by the disputant parties to one another) or other proceedings in a dispute with a third party.

4. Financially too, registered firm enjoys certain benefits over unregistered one. In case of unregistered firm, payment of salary, commission, interest on borrowings or drawings are not considered as allowable expenses for determination of total income for payment of tax, thereby, increasing tax liability of the firm.

### **Registration of a Firm**

The above mentioned points are just some illustrations that a registered firm can enjoy. The procedure to register a firm is covered under section 58 of the partnership act which says that a firm may be registered at any time (and not merely at the time of its formation but subsequently also) by filing an application with the Registrar of Firms of the area in which any place of business of the firm is situated or proposed to be situated.

The application that needs to be filed must contain following things: -

- Name of the firm
- Place or principal place of business
- Names of any other places where the firm carries on business.

- Date on which each partner joined the firm
- Name in full and permanent address of partners.
- Duration of the firm

Along with this, the application shall be signed and verified by all the partners or by the agents authorized by them. The application shall be accompanied by prescribed fee along with the prescribed documents mandated by the act as mentioned below:-

- Prescribed Registration Form for Incorporation of a Company (Form No. 1 and Specimen of Affidavit)
- Certified true copy of the Partnership deed entered into.
- Ownership proof of the principal place of business

While giving the name of the firm, one should note that it shall not contain any words which may express or imply the approval or patronage of the government except where the government has given its written consent for the use of such words as part of the firm's name. When the Registrar of Firms is satisfied that the due procedure has been followed in compliance with provisions of section 58, the registrar, using his power conferred by Section 59 of the Act, shall record an entry of the statement, in the Register of Firms and issue a Certificate of Registration. Congratulations!!! Your firm has been registered.

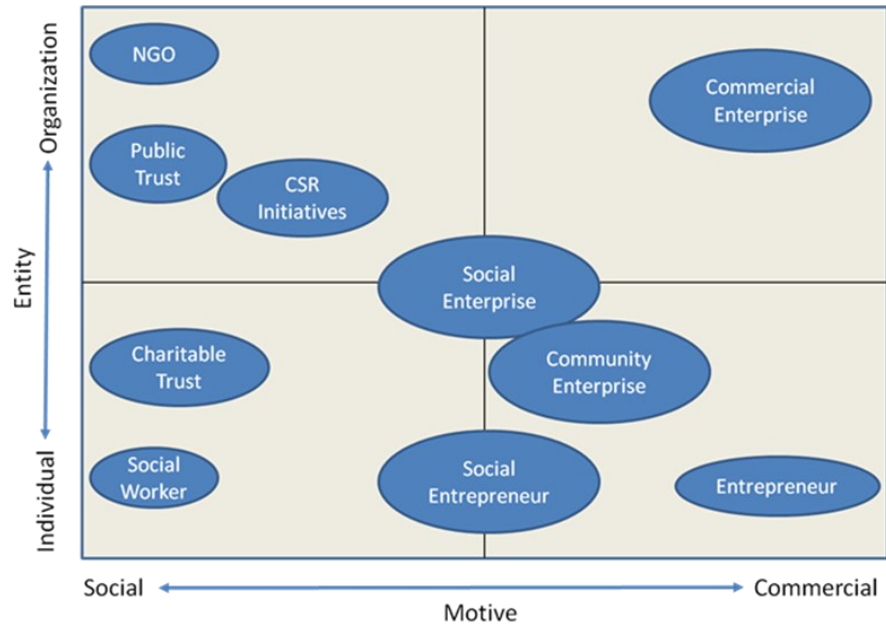
## *Social entrepreneurship: new models of sustainable social change*

*- Kumar Kaushal*

Bill Drayton says “Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry.”

Social entrepreneurship is a novel concept gathering importance in circles of education, corporate and government. Mostly, it is misinterpreted as social work or charity. But, Social entrepreneurs make sustainable business models that identify a social issue, set up a venture to solve it and evolve them self-sustainable. They don't try to just tweak the system to solve the problem but try to develop a whole new model which can eliminate the problem. Social Entrepreneurs are change makers who act as catalyst to drive positive outcomes. Most important trait for a social entrepreneur is empathy for the needy sections of the society who seldom receive the benefits of economic growth.

Social entrepreneurs are playing a vital role in filling the existing gap between demand and supply of essential services like education and electricity. They are not dependent on charity to fund their day-to-day operations but instead build an efficient business model to take care of their financial needs.



Above figure speaks about the intention of the social entrepreneurs which involves both social and commercial value and has functioning similar to many organizations. Noteworthy is the intention of NGO which is entirely social.

Names like Verghese Kurien of Amul, Sanjit Roy of Barefoot College and Vikram Akula of SKS Microfinance are big names in field of social entrepreneurship who have set examples to be followed. Ideal situation for a social entrepreneur is the development of the venture as a for-profit, for-difference organization which is competent and sustainable.

Organizations such as Ashoka, the

Skoll Foundation, the Schwab Foundation for Social Entrepreneurship and Echoing Green among others, try to help social entrepreneurs around the world.



## *Meru Cabs: How you package it— Rutvi Solanki*

Meru cabs are 60% costlier than normal taxi's, still people prefer them. The basic motto of a short-route travel is reaching from point A to point B and comfort comes into picture only in case of long journeys. Whenever one has to travel by private transport, one is at mercy of taxi drivers and their willingness to go a destination. One has to make several attempts to get the taxi to the desired destination. If you are travelling for a longer distance, God help you. What Meru has done is, they gave the consumer the sense of reliability that they

will get a cab to any destination within the city.

Neeraj Gupta, Meru Cabs' MD, was inspired by similar services in London and Singapore, where he would often travel with his wife. His entrepreneurial skills has made Meru cabs, a single largest radio cab service in India with fleet size more than 5000 cabs operating in Mumbai, Delhi, Bangalore and Hyderabad.

He packaged a simple taxi ride and transformed into a world-class journey with driver's fluent in English, lost and found-GPS based tracking system, clean water bottles and stock of clean tissue papers and a panic button which enables the driver to connect to

the control centre in case of emergency and mishap.

Meru cabs had the first mover advantage. It is surprising consumers would be willing to pay the extra price for the service. Bottom line: any simple product offering with some distinguishing features would sell in market at premium price.

## *From the diary of an entrepreneur— Riya Agarwal*

The freedom to pursue the kind of work you want and the will and thrill of creating something of your own is the driving factor for an entrepreneur. An entrepreneur is guided by intuition and what makes an entrepreneur different from others is the quality most essential for success that is "courage" to follow your intuition because courage is the quality that guarantees all others. Business like life is so complicated so when you want to find out about something you can't just afford to sit back but you have to plunge straight in to know about something. Like in "The alchemist" it is rightly said that in life you have to take risks, you have to follow certain paths and abandon others. There were people who followed certain paths only to prove in the end that they weren't the right ones but that was not as bad as choosing a certain

path and then just wondering the rest of your life whether you have made the right choice. A true entrepreneur doesn't blame the circumstances for what he is instead he gets up and looks for the circumstances he wants and if he can't find them he makes them

There is no secret ingredient to success; it's just "you". All power is within you and you can do anything and everything, you just have to believe in that. To be truly satisfied in life is to do what you believe is great work and should do it well. Money will always follow if your heart and mind are there in what you do. To reach a port you must sail sometimes with the wind and sometimes against it but you must not drift or lie at the anchor because as long as you put your mind to something you can do it and affect the world. Failure is a part of life but you shouldn't let fear deter you from

pursuing your aim. If success wants you to walk that extra mile do walk because along that extra mile there is no traffic jam. Just remember to keep faith in yourself as Michael Jackson once said "the power is in believing", so give yourself a chance because you can climb the highest mountain and swim the deepest sea. All you need is the will to want it.

In life nothing is lost until you say "I quit". The life for an entrepreneur is a continuous learning and his world ends the day he stops being passionate about learning

**“Have the courage  
to follow your  
heart and intuition.  
They somehow  
know what you  
truly want to become.”**

**- Steve Jobs**

