

**MANAGEMENT PROGRAMME**

**Term-End Examination**

**June, 2012**

**MS-93 : MANAGEMENT OF NEW  
AND SMALL ENTERPRISES**

*Time : 3 hours*

*Maximum Marks : 100*

*(Weightage 70%)*

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- Note :** (i) *Attempt any three questions from Section-A.*  
(ii) *Section - B is compulsory.*  
(iii) *All questions carry equal marks.*
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**SECTION-A**

1. (a) Discuss the salient features of a Small Scale Enterprise.  
(b) Discuss the role of Entrepreneurship in SSE and Economic Development of a country ?
2. (a) What is the process of identification of an opportunity ?  
(b) Briefly discuss the role of SIDBI.
3. Prepare an exclusive summary of a Business plan.

4. What considerations are involved in product selection ,development and design issues ? Discuss.
  
5. What do you mean by family business ? Discuss the issues and problems in managing family business in Indian context.

## SECTION - B

6. Read carefully the case given below and answer the questions given at the end of the case :

In 2005 , Future Kids School ( FKS ) ,Hyderabad, had 560 students , 65 teachers and 55 support staff . It focused positively on “ The Child ”. Shailaja Rao , teacher , Director and founder of FKS , received the Rotary Vocational Excellence Award in 2000 from the Rotary Club of Bhagyanagar for outstanding service and exemplary standards. The award recorded that she was a living example of courage, determination , conscious idealism and positive leadership.

### **FKS AFTER EIGHT YEARS**

FKS was started on 8 February 1997 with a seed capital of Rs. 8 lakh , which included a bank loan, personal savings and loans from the family. FKS, which started with 20 students on a 4,000 sq. ft. rented space with one teacher and five support staff, was in 2005 the proud owner of four dispersed 18,000 sq. ft. of leased buildings, a kitchen feeding 1,000 students daily, 3 - acre owned premises, an FKS franchise at Rajahmundry and 16 school buses. FKS gave the child an education as a “child would want it”, an education which fostered emotional balance,

and an education that instilled integrity. FKS withstood the onslaughts of neighbourhoods, bureaucratic delays, infrastructure lacuna, lack of skilled teachers and resource crunch.

Shailaja was a graduate in Home Science from the College of Home Science, Hyderabad, and a post-graduate in Child Development, Nagpur University. Her “passion for children and their point of view” distinguished her as a teacher, Director and entrepreneur. She was also a consultant to a start-up school “Little Woods” at Kakinada and a 20-year-old second generation run school “Happy Hours” at Bhubaneswar.

### **THE SIDELINED CHILD**

When asked what motivated her to start FKS, Shailaja responded that she had the “benefit of the worst teachers”. She was a disheartened and sidelined child at school. She was the victim of teacher discouragement and rebuke. Sometimes, her books were flung out of the class room. She often wondered why it was so difficult for her teachers to make a subject interesting for her, and why it was so difficult for teachers to touch her soul. This emotional scar stayed with her right through her college days and later prompted her to set up a school. All she wanted to do in her lifetime was to create a place of learning which

the child would cherish, a place of learning which the child would look forward to going to everyday, a place of learning where every child was understood for who she or he was. This was what Shailaja wanted to achieve by educating the parents of the need for moving away from conventional methods of teaching.

### **THE NASCENT ENTREPRENEUR**

Shailaja started her career in 1987 as a nursery school teacher at the Vizag Steel Plant, Visakhapatnam. In 1988, she joined St. Joseph's College for Women, Visakhapatnam, as a part - time lecturer in child development and psychology. In February 1989, she teamed up with a senior student from her school in launching Chip & Dale, a playgroup - cum - nursery School at Visakhapatnam. This novel and successful venture lasted for four years. Though the partners possessed complementary strengths in running Chip & Dale, their personality differences and private compulsions to move abroad did not allow them to continue the partnership. In 1993, they sold Chip & Dale.

Shailaja was the "Head Teacher" of a computer firm in the Gulf till she returned to India in December 1996. Her disenchantment with her job in the Gulf and her encounter there

with children, who were allowed more spontaneity in school, egged her on to set up FKS in February 1997.

### **THE ENTREPRENEURIAL SKILL**

Shailaja had a skill in finding real - time solutions to problems faced by people. Her childhood was spent as an uncared student. She concluded "If this is not what I want of a school, there must be others too who feel the same way as I do". The answer was FKS.

### **CHANGE AGENT**

The absence of "child centric" schools combined with stressed family lifestyle of working parents provided Shailaja the opportunity. In 1997, most schools in Hyderabad had rigid courses and set patterns of teaching. Teaching innovations was absent. Child customization was unheard of. Parental guilt of not giving desired attention to the child was prevalent. Shailaja's intent to set up the school of her dreams, therefore, matched with the latent needs of children and parents.

Shailaja understood the importance of bringing in evolutionary changes. One effort was the "Open House" that she periodically held for parents since 1997. In these sessions, Shailaja nurtured change among parents.

Within two months of starting FKS in 1997, summer set in. Shailaja again reacted to parental needs. Children of working mothers needed to spend their summer vacation enjoyably, fruitfully and safely. Shailaja held two summer camps in May and June. Both the camps were an immediate hit with children and parents. The camps drew in children from all age groups. Shailaja had an opportunity for the first time to think beyond the kindergarten group.

These two camps proved to be a trial period for young mothers too. They were able to assess FKS. The summer camps were an opportunity for Shailaja to showcase her objectives and dream for FKS as the ideal school for children.

“Saturday Kids Club” was another initiative during this period. It immediately drew the attention of parents.

Though, during 1999-2000 the emergence of schools like Oakridge seemed a little daunting, there was no looking back for Shailaja. The path was strewn with obstacles, personal trauma and delays, but it was one speckled by the loving support of family, colleagues, friends, spirituality and providence.

The hierarchy of teachers at FKS was trainee, assistant teacher, coordinator, group coordinator, principal and director. This structure was only for training and dissemination of work culture. The teachers had a simple no - frills work uniform.

### EXPERIMENTING OUTSOURCING

The FKS children came from all strata of society and cultures. Their food habits were different. During lunch children were fussy. There were comparisons of food. Shailaja wanted to discourage these differences between children. She convinced parents of the need to have a common kitchen for children. She initially outsourced food. Soon she realized that the critical function vital to the running of a service enterprise was best handled on her own. Shailaja's mother, Leela Rao, an administrator with 30 years of experience and an extremely talented lady with exceptional organizing skills, stepped in to personally supervise the kitchen with the help of 11 *didis* (sisters). She not only fed 560 children every day with nutritious breakfast, snacks and lunch but also all teachers and staff. Parents, who were hard - pressed for time in the morning, were happy to see their children appreciate the variety of food they got at FKS. Shailaja sometimes faced the anxiety of fastidious parents,

but within no time, they got around to see her point of view. Whenever Shailaja initiated a change in the system, she did it incrementally and always with the stakeholders (parents) involvement.

Routine functions like printing, binding and school uniform were outsourced. But Shailaja insisted that there was no routine task that could not be performed by her team if the need arose. In 1999, when she moved FKS into a new building, she painted the building herself.

### **FINANCIAL RESOURCES**

Interestingly, Shailaja never felt stifled or frightened by the lack of financial resources. She always believed that if one was sure of what ignited one's passion as well as the passions of the stakeholders, one could be reassured of financial or other support. Today, Shailaja has the support of bankers, parents, teachers and staff - all the stakeholders. The 3 - acre land that Shailaja had acquired, where she commenced operations in June 2005, was a testimony of her belief.

During the early phases of her school, Shailaja adopted cost - saving methods. To make copies, the teachers used and reused carbon

paper. They redesigned existing furniture to make worktables for children. They painted walls. Financial issues were transparent, and Shailaja's team empathized with her all through. She ploughed back whatever she gained into the development of the school.

### **LITTLE PEOPLE PRESENT**

FKS had been holding charity shows every year since 2001. The proceeds of the shows were given to orphanages identified by FKS - The child, Nellore, Anurag Human Resources, Tolichowki, and Child Aid Foundation. Shailaja, who incidentally was also a lyricist and singer, conceptualized all these shows. Her shows had multiple purposes. They inculcated in the children a sense of pride and value for a cause. They developed in them and the teachers an ability to organize. For the parents, these were events of "pure joy".

The "Little People" (the school children) presented all the charity shows. These shows revolved around a theme - Animal Dream. The Magic of Colours, Grandma's Treasury and the Human Dawn. FKS was probably the only school where every child participated on stage. This involvement, Shailaja felt, built a lot of confidence in every child.

## **FUTURE PLANS**

Shailaja Rao, the teacher-director-entrepreneur, was emphatic in stating that all her future investments would revolve around the “child”. She would one day produce music for children. She would also engage actively in educating the parents. For Shailaja, the biggest challenge had been convincing more and more parents of the need to be “child focused”.

### **Questions :**

1. How do you assess Ms. Shailaja Rao as an entrepreneur ?
  2. What Ms. Rao as teacher-director-entrepreneur has done to sustain the momentum of ‘FKS’ ?
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