

Entrepreneurship

Project submission presentation
and appraisal thereof by external
agencies, such as
financial/nonfinancial institutions

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Project Submission, Presentation and Appraisal by External Agencies in Entrepreneurship

In entrepreneurship, a project is a systematic plan prepared by an entrepreneur to convert a business idea into a viable enterprise. For the successful implementation of a project, it is essential not only to prepare and present it effectively but also to get it appraised by various external agencies. These agencies evaluate the feasibility, sustainability, and credibility of the project before extending financial or non-financial support.

Project Submission and Presentation

Project Submission

Project submission refers to the formal process of submitting a detailed project report (DPR) to concerned agencies such as banks, financial institutions, government bodies, incubators, or investors.

A project report generally includes:

- ▶ Executive summary
- ▶ Profile of the entrepreneur
- ▶ Description of the product or service
- ▶ Market analysis and demand forecast
- ▶ Technical feasibility
- ▶ Operational and organizational plan
- ▶ Financial projections (cost, revenue, profit, cash flow)
- ▶ Risk analysis and mitigation strategies
- ▶ Social, environmental, and economic impact.

Project Presentation

Project presentation is the oral and visual explanation of the project before external agencies. It helps in:

- ▶ Communicating the business idea effectively
- ▶ Demonstrating the entrepreneur's confidence and capability
- ▶ Clarifying doubts of evaluators
- ▶ Convincing stakeholders about the viability of the project
- ▶ An effective presentation uses charts, graphs, and concise explanations and highlights innovation, scalability, and sustainability.

Appraisal of Projects by External Agencies

Project appraisal is the systematic evaluation of a project to determine its feasibility and risk before approval. External agencies may be **financial** or **non-financial** in nature.

Appraisal by Financial Institutions

Financial institutions such as banks, NBFCs, venture capital firms, and development financial institutions focus mainly on financial viability and repayment capacity.

Key Areas of Financial Appraisal:

1. Technical Feasibility

- ▶ Suitability of technology
- ▶ Availability of raw materials
- ▶ Production capacity and efficiency

2. Market Feasibility

- Demand and supply analysis
- Target market and competition
- Pricing and marketing strategy

3. Financial Feasibility

- Project cost and means of finance
- Profitability projections
- Cash flow and break-even analysis
- Debt servicing capacity

4. Managerial Feasibility

- Experience and competence of the entrepreneur
- Organizational structure

5. Risk Assessment

- ▶ Credit risk
- ▶ Market and operational risks

If satisfied, financial institutions provide loans, credit facilities, or equity funding.

Appraisal by Non-Financial Institutions

Non-financial institutions include government agencies, MSME development bodies, incubators, NGOs, and regulatory authorities. Their appraisal focuses more on developmental and social aspects.

Key Areas of Non-Financial Appraisal:

- ▶ Employment generation
- ▶ Contribution to regional development
- ▶ Innovation and technology adoption
- ▶ Environmental sustainability
- ▶ Compliance with legal and regulatory norms
- ▶ Social impact and inclusiveness

Examples include support through:

- ▶ Training and skill development
- ▶ Mentorship and incubation
- ▶ Subsidies and incentives
- ▶ Infrastructure and networking support

Importance of External Appraisal

- Ensures efficient allocation of resources
- Reduces risk of project failure
- Improves project quality through expert evaluation
- Enhances credibility of the entrepreneur
- Facilitates access to finance and support services

Conclusion

In conclusion, project submission, presentation, and appraisal by external agencies play a crucial role in the success of entrepreneurial ventures. While financial institutions emphasize profitability and repayment capacity, non-financial institutions focus on social, economic, and developmental objectives. A well-prepared project and effective presentation significantly increase the chances of approval and long-term sustainability of the enterprise.