Micro, Small & Medium Enterprises

Government Initiatives for Enhancing MSME Competitiveness

Implemented by office of
Development Commissioner (MSME)
Ministry of Micro, Small and Medium Enterprises
Government of India
New Delhi

In India, Micro, Small & Medium Enterprises (MSME)

- Number about 26 million MSMEs
- Employ more than 60 million People
- Give 45% share in Manufacturing
- Account for about 40% of Exports ^^
- Contribute more than 8% to GDP

Indian MSME Sector

Challenges faced

- Access to Technology
- I.P.R. related issues,
- Design as market driver
- Wasteful usage of resources / manpower
- Energy in-efficiency and associated high cost
- Low ICT usage
- Low Market penetration
- Quality Assurance / certification.

Key Initiatives for Enhancing MSME competitiveness

- National Manufacturing Competitiveness Programme (NMCP)
- Cluster Development Programme (MSE-CDP),
- Credit Linked Capital Subsidy Scheme (CLCSS)
- Performance and Credit Rating scheme
- Marketing Development / Assistance
- Encourage ISO 9000 / 18000 etc. certification

National Manufacturing Competitiveness Programme (NMCP) for MSME Sector

Key interventions envisaged

- Application of Lean manufacturing techniques
- Implementation of QMS/QTT in MSMEs
- Design interventions to develop new products
- Encourage MSMEs to adopt ICT in business
- Awareness on IPR tools
- Technology upgradation for energy efficiency
- Setting up of mini tool rooms

National Manufacturing Competitiveness Programme (NMCP) for MSME Sector

Background

- NMCC conceived this initiative during 2006-2007
- Key concepts finalised for intervention after extensive discussions with industry / stakeholders
- Compared actions of Large industries and suggested similar initiatives for MSMEs
- Professional bodies QCI, NID, NPC involved for implementation
- **Aim is to create early champions**

NMCP for MSME Sector

Objectives

- Focus on increasing competitiveness of MSME sector
- Key initiative for survival of MSMEs in domestic / international markets
- A catalyst approach / create role models
- Implementation with Public Private Partnership

Challenges for implementation

- Essentially a Supply side initiative
- Fear of MSMEs in disclosing data.
- MSMEs are hesitant in investing their contribution.

National Manufacturing Competitiveness Programme (NMCP) Summary of costs

(Rs. crore)

S. No.	Name of the Scheme	Scheme GOI Contr.	Total cost
1.	Marketing Support / Assistance to SMEs (Bar Coding)	1.50	1.50
2.	Enabling Implementation of Quality Management Standards and Quality Technology Tools (QMS/QTT) for SMEs	41.10	50.00
3.	Entrepreneurial & Management development of SMEs through Incubators	66.50	79.45
4.	National Campaign for awareness in Intellectual Property Rights	50.00	55.00
5.	Setting up Mini-Tool Rooms on PPP Mode	135.00	210.00
6.	Application of Lean Manufacturing	25.87	30.57
7.	Design Clinic Scheme	49.08	73.58
8.	Technology & Quality Up gradation support for MSMEs	65.73	140.98
9.	Marketing Assistance & Technology Upgradation for MSMEs	18.61	23.00
10.	Promotion of ICT in Manufacturing sector	47.70	105.00
	Total	**501.09**	**769.08**

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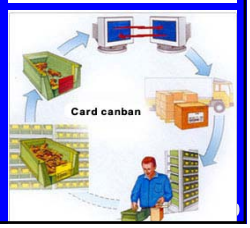
1. Lean Manufacturing Scheme

Objective:

- Lean Manufacturing (LM) is Better Productivity by
  - Eliminating Non-value Added Activities / Wastes
  - Helping to Produce More with Same Resources

Scheme is under implementation on pilot basis for 100 mini clusters



Lean case studies

(Kochar Agro, Faridabad)

IMPROVEMENT THEMES

- 5-S
- Prevention of Defect escaping to Customer
- Prevention of Defect Occurrence in Process
- Cost Benefits

5-S: 1-S IMPLEMENTATION

- BEFORE
- AFTER

5-S: 2-S IMPLEMENTATION

- BEFORE
- AFTER

Improvement of scrap yard (5 S)

Date-07/04/2010 Before **Date-10/07/2010 After**

Removed the scrap in yard. & created space for die storage

Packing & dispatch area

Date-09/04/2010 Before **Date-09/07/2010 After**

Packing & dispatch area – unwanted material removed

Example for Shadow Board

Date- 02/11/10 Before **Date-17/11/10 After**

2. Design Clinics Scheme

- **Objective:**
- To Bring industrial design fraternity close to the MSME sector
- Increase competitiveness of local products through design
- Develop an institutional base for the industry's design requirement
- Major activities :
  - ✓ Awareness seminars and workshops – 200 Clusters.
  - ✓ Design projects for individual MSME or a group of MSMEs
  - ✓ Orientation Programme for Designers

NID to work as a nodal agency

Design Clinics Scheme – New Products developed by MSMEs

(1) Visitor Management System,
(2) Improved light weight pump
(3) Bottle vision equipment

Design Clinics Scheme – New Products

(1) Portable Hydraulic
(2) ENT multi scope
(3) Syringe (precision type)

3. Technology and Quality Upgradation Support (TEQUP)

Objective:

- Focuses on Energy Conservation, CDM & Product Certification

- Activities :
  1) Capacity Building of 30 Clusters in Energy Efficient Technology
  2) Credit Linked subsidy for EET Projects (upto 25 %)
  3) Encourage MSMEs through subsidy to acquire National as well as International Certification of Products

ENERGY EFFICIENT TECHNOLOGY FOR MSME SECTOR

Roller kiln - Morbi ceramic cluster

Boiler - Plywood unit, Ernakulum

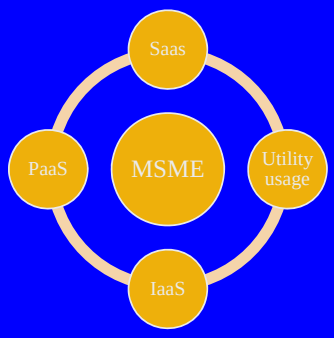
Re-cupeater – pot furnace Firozabad

4. Promotion of ICT in MSME sector

- **Objectives:**
- Demonstrative Programme for 100 clusters,

- Main focus on MSMEs for:
  - ICT Awareness, through IT Cos.
  - Encourage to use CLOUD computing
  - E-Marketing – through E-Catalogues / cluster websites
  - Skill Development of Workforce on IT application for MSMEs
  - Setting up national portal and Cluster websites

ICT SCHEME – USE OF CLOUD COMPUTING
A New Approach for ICT adoption



5. Marketing Assistance and Technology Upgradation Scheme for MSMEs

Objectives:

- To assist MSMEs in expanding their market base in national / global markets

- Major activities:
  - Technology upgradation in packaging
  - Skill upgradation /development for Modern marketing techniques
  - Marketing hubs for B2B meets
  - Reimbursement to ISO 18000/22000/27000 certification

6. I P R Campaign

Objectives:

- IPR Tools :
  - Ω Patents Ω Trademark Ω Indl. Design
  - Ω Copyrights Ω G.I. Ω Trade Secret

- Most MSMEs are unaware of IPR Benefits / Norms

- Focused Activities
  1) Awareness & Sensitization Programmes
  2) Pilot Study
  3) Short / Long Term Training
  4) IP Facilitation Centre
  5) Assistance for Grant on Patent / GI Registration

7. Quality Mgt. Systems/Tools (QMS/QTT)

Objectives:

- Scheme to support implementation of Quality Tools in MSME sector
  - Conforming to International Standards, 5S, S-sigma, TQM, TPM
  - ISO 9000, ISO 14000, ISO18000, ISO 22000 etc.
- Major activities :
  1) Courses for Govt . ITIs / Polytechnics
  2) Awareness Programmes in Clusters on QMS / QTT topics
  3) Implement Quality Mgt Techniques among MSMEs
  4) Special Studies for Threatened Products
  5) Assist International Study Missions for SME groups

8. Mini Tool Rooms on PPP Mode

- Objectives:
- Scheme to Develop 15 new Mini Tool Rooms
  - For Technological Support to MSMEs
  - For skill development of young manpower for MSMEs
  - By Creating Capacities in the Private Sector

'Mini Tool Rooms' can be set up as per the need of Local Industry, at a cost upto Rs. 25 cr.

9. Bar Code

Objectives:

- Bar Coding assist in popularizing MSME Products, especially for Exports & Retail
- Bar Coding an effective Tool to improve marketability
- Reimbursement allowed :
  - 75% of Annual Fee for first 3 years (Bar Code Certificate)

NMCP WEB APPLICATIONS

- Bar Code
- Marketing Assistance
- Product Certification
- Incubator
- Design Clinic

Developed by National Informatics Centre (NIC) & DC-MSME

Thank You

Users, Work Flow & Alerts

- Preparing to Apply – Applicant Pre Registration
- Actual form Filling by Applicant with Annex
- Actions by MSME-DI on applications
- Status check by Applicant
- Actions / Monitoring by DC-MSME
- Other Users (Incubators, Design Inst., etc)
- Email Alerts on various Actions during work flow

Screen Shot of Pre-Registraion

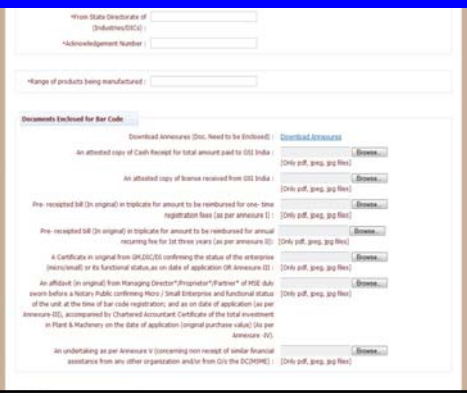
Actual form Filling by Applicant

- Data as per Published form are filled
  - Bar Code
  - Marketing Assistance
  - Product Certification
  - Incubator
- Annexures uploaded
- Saving Final Data

Bar Code Work Flow

1. On Line Application Form Entry by Applicant

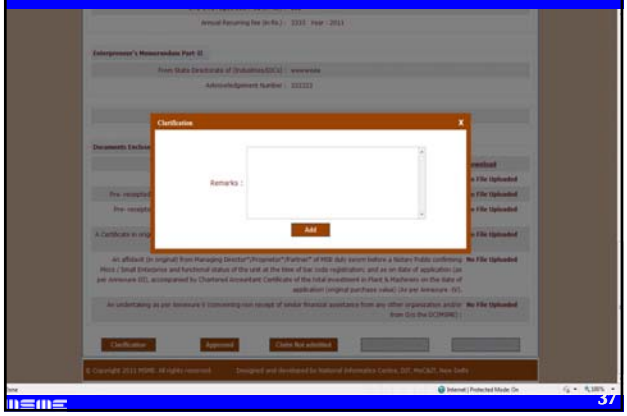
1. On Line Application Form Entry Contd…



2. Status for MSME-DI for Applications Received

3. Individual Applicant Can see the status of its Application

4. Action by MSME-DI – Asking Clarification from Applicant



5. Status Check by Applicant based on action by MSME-DI

6. MSME-DI approves amount for Applicant

6. Individual Applicant Can see the status of its Reimbursed Amount

Actions by MSME-DI on applications

- Checking Application and Start Scrutiny
- Approve / Disapprove/ Clarification seeking
- Claim admitted / Claim Not Admitted
- Bill Under Process
- Amount Disbursed

Web Address

- http://dcmsme.gov.im
- http://nmcp.dcmsme.gov.in (To be launched soon)