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)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the Scheme</th>
<th>Scheme Cost</th>
<th>Total Cost</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Marketing Support / Assistance to SMEs (Bar Coding)</td>
<td>1.50</td>
<td>1.50</td>
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<tr>
<td>2</td>
<td>Enabling implementation of Quality Management Standards and Quality Technology Tools (QMS/QTT) for SMEs</td>
<td>41.10</td>
<td>50.00</td>
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<td>3</td>
<td>Entrepreneurial &amp; Management development of SMEs through Incubators</td>
<td>66.50</td>
<td>79.45</td>
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<tr>
<td>4</td>
<td>National Campaign for awareness in Intellectual Property Rights</td>
<td>50.02</td>
<td>50.00</td>
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<tr>
<td>5</td>
<td>Setting up Mini-Tool Rooms on PPP Mode</td>
<td>135.00</td>
<td>210.00</td>
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<td>6</td>
<td>Application of Lean Manufacturing</td>
<td>25.87</td>
<td>30.57</td>
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<tr>
<td>7</td>
<td>Design Clinic Scheme</td>
<td>49.00</td>
<td>73.58</td>
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<td>8</td>
<td>Technology &amp; Quality Upgradation support for MSMEs</td>
<td>65.72</td>
<td>140.98</td>
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<td>Marketing Assistance &amp; Technology Upgradation for MSMEs</td>
<td>18.61</td>
<td>23.00</td>
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<td>10</td>
<td>Promotion of ICT in Manufacturing sector</td>
<td>47.72</td>
<td>105.00</td>
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<tr>
<td>Total</td>
<td></td>
<td>501.09</td>
<td>769.08</td>
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</tbody>
</table>

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
(Kochhar 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)

**Objectives:**
- 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, Ernakulam
- 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
- SaaS
- PaaS
- IaaS
- MSME
- Utility usage

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:
  - Patents
  - Trademark
  - Indl. Design
  - Copyrights
  - G.I.
  - 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

**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.


**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-Registration

Development Commissioner
National Manufacturing Competitiveness Programme

Registration Details:
- Name
- Address
- Phone
- Email
- PAN No.
- Date of Incorporation
- Industry
- Product

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

2. Status for MSME-DI for Applications Received

1. On Line Application Form Entry Contd...

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://d cmsme.gov.in](http://d cmsme.gov.in)
- [http://nmcp.d cmsme.gov.in](http://nmcp.d cmsme.gov.in) (To be launched soon)