

Explore...

METALAB: Common Testing Laboratory in Jamnagar

In the last issue, details about the common testing lab set up by the Jamnagar Factory Owner's Association (JFOA) was shared with the readers. The project support has helped to set up this facility in a record time of about 6 months. The facility tests the metal compositions of the samples to check the quality of the final product.

The lab, with the name of METALAB, was inaugurated on Nov 17, 2008 by Shri R. M. Malla, CMD, SIDBI. The inauguration was attended by 250 people. METALAB is the first Common Testing Lab in Jamnagar district which also facilitates reliable quality certification after testing. The cluster is expected to benefit extensively through this facility in the times to come.



Forthcoming Events

Events	Organized by	When & Where
Creating an enabling environment for small enterprise development	International Training Centre, ILO	26 January to 6 February 2009 Turin, Italy
Training of Hunter Artisan – II Phase, III Phase, IV Phase	IL&FS CDI and Shramik Bharti	January, February 2009, Kanpur, India
Seminar on Automation	Apex Cluster, Chordia Food Park and automation Association of India	January 9-10, 2009 Pune, India
Saddlery Training at Industrial Units	IL&FS CDI and Shramik Bharti	January, Feb, March 2009 Kanpur, India
Workshop on Intellectual Property Rights	Alappuzha BDS Project jointly with ACCDS	January 17, 2009 Alappuzha, India
BMO Capacity Building Seminar	Alappuzha Project & All Association of Alappuzha	March 14, 2009

We invite articles on the following themes: 1) Cluster Financing 2) Market Access 3) Use of ICT in cluster development. The articles should be of about 300 words. We will try to include them or cover the issues suitably in subsequent publications.

E-mail us your contributions at pmd_ndho@sidbi.in / manojmittal@sidbi.in

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Business Development Services (BDS) - an array of services critical to the comprehensive development of MSMEs especially with respect to their market access, productivity improvement, strengthening of competitive ability, adopting best practices etc. thereby ensuring sustainable growth.

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Forthcoming Events



Dear Readers,

It gives me immense pleasure to launch the 4th issue of MSME BuDS. I am sure you have read the earlier editions with great interest and found the bulletin a useful

platform for providing deeper insight about the activities undertaken at various manufacturing clusters under the aegis of SMEFDP.

The project and its associated initiatives aim at empowering MSMEs. BuDS is one of the effective media to reach out to the MSMEs for enabling them to take advantage of the various initiatives under the project. Access to timely information, which BuDS is endeavouring to ensure, is extremely crucial for the sustainable growth of MSME sector, particularly at a time when the world is passing through severe economic recession and MSMEs are often the first affected in such situations.

The last issue of the bulletin highlighted the positive impact of the project on the lives of some of its beneficiaries.

It also enumerated the evolving role of ICT (Information & Communication Technology)

in the development of three clusters viz. Alleppey, Kanpur and Pune. The focus, however, was the manner in which developmental activities aimed at empowering women were taken forward in the clusters.

The current issue brings to you the recent developments and success stories from the aforesaid three clusters with special emphasis on 'Innovation', the key to maintain competitiveness of the MSMEs. You will be glad to notice that the success stories of the first three clusters have prompted us in extending BDS services to fifteen additional clusters and the process of engaging facilitating agencies for implementation of such services is underway. We will be sharing more on that in the forthcoming issues.

I strongly believe that SIDBI's active role in implementing the project will contribute immensely to the cluster based growth of MSMEs in India, ensuring their sustained competitive advantage.

Wishing you a very productive 2009.



N K Maini
Executive Director



(Shri R M Malla, CMD, SIDBI inaugurating METALAB in Jamnagar)



Energy Efficiency Booklet release programme in Pune

Spark KANPUR



Bringing Innovation to Assist Women Artisans

The last issue highlighted the skill up-gradation of women artisans in the Kanpur leather cluster who are engaged in making “Hunter” products. Improved skills acquired by them through the project interventions have enabled these women to earn more for better livelihood. In continuation to the endeavour of empowering these women further, the project rolled out the first phase of training conducted by an expert during November 3-7, 2008 in Kanpur.

The focus of this training was on the innovative use of scrap (rejected low quality) leather which, otherwise, would normally be a waste product. During the course of training, women were trained to develop their skills in functions like dori making, string braiding, weaving on mini loom etc. In total 29 women were trained through the training program. The project covered the raw material, training material and cost of the expert.

On the last day, the trainees were divided into five groups and a Group Leader was identified for each group. They were assigned certain task to complete before the commencement of next phase of training. These trainings were aimed at development of new products while using / improvising the existing skill sets of women. Certain products developed by a leading Delhi based designer by fusion of the above products with other products like bamboo have been test marketed and a good response has been received. The challenge in the next phase would be to create sufficient supply of these products by training about 1000 women and linking them up with prospective buyers.

Wages increase due to Skill Development Programme

In Kanpur, skill upgradation is the key thrust area and the project is focusing extensively on this in its effort to help enhance the income generating options among the poor. The project has been undertaking various skill development programmes and a program for shoe stitches is being run successfully through a private sector initiative.

A baseline survey of the participants of the training program, has indicated that all the participants belonged to Below Poverty Line (BPL) families. The program has been focusing on young candidates with average age of about 22 years, with 91% of the candidates being below 30 years.

It was also observed that 73% of the candidates were unemployed at the time of enrolling for the program and balance were not gainfully employed. About 94% of the candidates were non graduates and 83% of the candidates had education up to higher secondary level only. With this kind of profile, it would have been difficult for the participants to be gainfully employed.

The baseline indicated that 95 % of the trainees have been satisfactorily employed. The employers have been satisfied with the performance of the participants and based on their feedback, the course is being restructured from time to time to make the candidates more employable. The units are also providing incentives to better performing candidates and there is also an increase in the wages of the participants.

So far, the project has trained 294 participants out of which 252 participants have been placed in 15 industrial units.

Cluster Name : KANPUR LEATHER CLUSTER
Agency Name : IL&FS CDI
Website : www.kanpurbds.com

REACH Program

Under the project, a workshop on Registration, Evaluation, and Authorization of Chemicals (REACH) was organized by Kanpur BDS project in association with Leather Industries Association of Uttar Pradesh on 15th November, 2008. The workshop was attended by about 65 delegates representing various sections of the industry like leather and leather goods, footwear accessories, textiles etc. as well as service providers like leather technologists, chemical providers, tanners etc. REACH is a new European Community Regulation on chemicals and their safe use. Under the regulation, certain obligations have also been defined for suppliers of “Article” (Product) where chemicals are used. Eleven industries including leather come under the purview of REACH. Compliance with the norms under REACH would be mandatory for the units to export to European markets.

The main purpose of the program was to make participants aware of certain obligations that have been defined for “Article” (Product) suppliers in the region where chemicals are use

Experts to look at Productivity Enhancement

In the Kanpur Leather Cluster, productivity of labour is low in comparison to similar clusters in progressive countries, such as China. The entire cluster will require about 2000 stitching personnel over the next 4 years. This is a matter of great concern for all the leather units in Kanpur. The project has, therefore, recognized the need to focus on enhancing the productivity of the labour in the cluster.

To facilitate this, a steering group consisting of Kanpur Productivity Council (KPC), a team of external productivity experts and 4 engineering graduates (prospective BDS providers) has been formed.

The group has decided to carry out the programme in 2 phases. In the 1st phase, a 3 day diagnostic study is planned with the objective to discover key problematic areas. This study will cover 20 industrial units. The productivity of the industrial units would be measured using the indicators like line wise rework %, Rate of Production, Production /Line Imbalances, WIP Rate, Critical machine utilization, etc.

Based on the findings, the team would suggest a plan of action for further improvement. In the second phase, implementation of the plan would be carried out after obtaining consent of management of units in the cluster.

As a part of financial linkages, 3 saddlery units have shown their interest in availing the services for training their existing workforced.



Training and exposure on 'Double Needle Hand Stitching'

Double needle manual stitching is required in preparation of saddles for injecting strength in certain key components of the product. Unfortunately, sufficient skilled workers for carrying out such operations are not available in Kanpur. Hence, industry had a demand for training of trainers in this particular area who could in turn, train workforce at saddlery units. Hence, four master trainers, two from International Institute of Saddlery Technology and Export Management (IISTEM) and two independent service providers, were sent to Sports Goods Foundation of India, Jalandhar, Punjab for training.

This particular skill is available in Jalandhar as the same is used for stitching football. It was a five days training program and Jalandhar based trainers imparted inputs on critical aspects of double needle stitching. The trainees also practiced the skill under the guidance of experts. In addition, they also visited the football making units for understanding the associated facilities and ambience required for such kind of stitching.

Now, these trainers would train the workforce in saddlery units at Kanpur. The units would provide space, raw material and equipments for training. BDS project would share half of the cost of trainers. Imparting of such training for the workers of three saddlery units is almost at the stage of finalization. In total, 10 saddlery Units would be targeted for this program in the current financial year.

Spark PUNE

Release of BDS Directory

Lack of awareness is one of the key challenges that BDS encounters across the country, including Pune cluster. The project has been looking at various avenues to popularize BDS in Pune for successfully meeting the challenge. One of the steps taken in this direction is the introduction of a directory through which the key stakeholders are informed about the various BDS providers available in the cluster.



Left to right, Mr. Mohan Dharia, former Union Minister, Ms. Vicki Treadell, Deputy High Commissioner of UK, Mr. Rakesh Rewari, DMD, SIDBI, Mr. Mukesh Malhotra, Managing Director, Weikfield Products Co. (I) P. Ltd. Pune

Hence, a directory titled "**Fruits and Vegetables Cluster in Pune: Study and Directory of Business Development Service Providers**", has been published and released jointly with Maharashtra Chamber of Commerce, Industries and Agriculture (MCCIA). The publication carries a detailed status report on the service providers to the processed food industry such as names and addresses of laboratories, cold storages, equipment manufacturers, etc. The Directory contains a list of such 300 service providers with necessary details.

The directory was released by Ms. Vicki Treadell, Deputy High Commissioner of UK in the presence of Shri Rakesh Rewari, DMD at the Annual General Meeting of MICCA held on 3rd October, 2008.

WTO Agreements and Business Decisions: CEOs Meet.

The event in Pune was organized in association with MCCIA to make MSMEs aware of the effect of WTO agreements on export business in the cluster. CEOs of various food processing industries also came together to share their experiences with the industrialists.

Experts on issues relating to World Trade Organization (WTO) and Trade policy, from Indian Institute of Foreign Trade (IIFT) made participants aware of the implications of WTO agreements affecting business decisions for exports of processed foods.

The opportunity was also utilized for creating awareness on several other issues like financial assistance schemes, SMERA credit rating services, collateral force lending through Credit Guarantee Fund for Micro & small enterprises etc.



Cluster Name : PUNE FRUIT & VEGETABLE PROCESSING CLUSTER
 Agency name : APEX Cluster Development Services Pvt. Ltd.
 Website : www.punebds.com

SUCCESS STORY

Success story: Woman Entrepreneur propagates 'Healthy Habits'

Mrs. Leena Gokhale, a Computer Engineer by education, decided to set up her own company 'Healthy Habits' which specializes in Herbal Teas. These teas have been developed through her own research and development.



The first flavour Ms Gokhale intended to launch was "Amla Herbal Tea". Initially, she got in touch with the cluster project through the cluster portal www.punebds.com and later approached the project in January, 2008.

The project assisted her with the following information:



- 1) References of consultants capable of preparing project report, financial projections, etc.
- 2) Contacts for factory set up;
- 3) Testing of product,
- 4) Packaging material and machinery to make pouch packs of herbal tea,
- 5) Names of Consultants for carrying out market survey.

With references from the project team, she approached NAFARI, and got her products tested. The Pune Cluster office also facilitated her tie up with M/S Synergy Research, for conducting test market survey. Rounds of meetings between consultant of M/S Synergy Research and Ms. Leena Gokhale and successful mediation of the Pune Cluster Office saw the deal through with the Project support. The assignment has already been completed and M/S Healthy Habits have also got a sales lead from one of the top retail outlets of Pune during the study phase itself.

These herbal teas are available in three favors

- Amla
- Citrus mint
- Lemon grass.

Visit of World Bank Team to Pune

As known, World Bank has provided a line of credit of USD 120 million under SMEFDP. The facility has been utilized by SIDBI much ahead of the schedule and World Bank has given an excellent rating to the project. The existing line of credit of USD 120 million has been able to establish that long term credit is mutually beneficial for Banks as well as for MSME's.

The World Bank has decided to upscale the line of credit by another USD 400 million and a senior review mission comprising senior officials from World Bank, Washington visited Pune Cluster to have one to one discussions with the beneficiaries of the line of credit, interact with Industry Associations and also to meet stake holders of Pune Fruit and Vegetable Processing Cluster.



Maharatta Chamber of Commerce Industries and Agriculture (MCCIA) made a detailed presentation to the delegation about Pune and its industrial activities.

Spark ALLEPPEY

Cluster Name : ALLEPPEY COIR CLUSTER
Agency name : Cluster Pulse
Website : www.alappuzhabds.com

Innovative Approach to Address Air Pollution



We have discussed in earlier issues that coir sector has been facing tremendous challenge from products made of other fibres and there has been a reduction in average price realisation. The project

has thought of product diversification alongwith testing new markets, as a solution to this problem. Now, Coir has been finding increasing acceptance for use as Geo Textiles as the story below explains further :-

Rourkela, in the state of Orissa is a steel manufacturing city. Most of the industrial units in this city are producing sponge iron. When these units produce sponge iron, almost 1/5th of the production consists of waste materials and emits following three categories of waste particles into the air.

- 1) Iron dust
- 2) Charcoal
- 3) Fly ash

Waste materials will some times be in the form of granules and research findings indicated high rate of air pollution occurred in Rourkela and surrounding areas due to the emission.

An enterprise in Alleppey, Devika Coir Works, has taken up the challenge to do something about this and has developed an innovative product to control air pollution in the city. The project has assisted Devika Coir Works in the development of this product. Devika Coir Works has developed a special mesh-matting of coir called 'Geo-Textile' which is exclusively developed to cover the waste materials formed during sponge iron production. The most important feature of this product is its bio-degradable character.

The demonstration of the product has been found satisfactory and one of units has already placed a trial order. Successful implementation of the initiative could pave the way for opening of new market opportunities for the coir sector.

Get trained Get an entry in BDS directory Get SME Consulting Opportunities

- 2nd BDS Training in Alleppey

A need of training was assessed by the project for the BDS providers to make them aware of coir making developments and opportunities in the cluster.

The project has already conducted one such training during December 2007 where around 39 BDS providers had participated. Out of these, 7 are already engaged in consulting assignments with coir MSME's in the cluster.

Viewing this as a success, the project organized BDS training again during September 2008 with 30 participants. A field visit was organized on the 1st day of training to make the prospective BDS providers understand the value chain of the coir industry. The participants were also exposed to the spinning, weaving, and dyeing processes in the units. On the 2nd day, classroom training was organised where about 52 BDS providers participated. Here, issues like role of BDS in coir marketing, finance, coir production and organization were discussed.

The feedback indicated that the BDS providers found such trainings helpful and hence, the project shall organise some more trainings soon.

MSME - BDS Clinic

MSME - BDS clinic is an activity planned under the project to discuss the problems faced by the MSMEs and how these could be solved through BDS. The activity is organized on every Friday and till date five such MSME-BDS clinics have been organized. The participation of SMEs has increased from six in the first clinic to 14 in the third clinic and the numbers are expected to grow in future.

this activity has proven to be helpful for MSMEs to develop their entrepreneurial skills. At the same time, the project also gets a closer look at the challenges faced by the coir MSMEs in the cluster. This set up is also useful for the BDS providers, who find the initiative as a platform to share their services.



BDS on Wheels

Access to markets is one of the key challenges faced by the MSME sector. Not surprisingly, the project also comes across various MSMEs that produce quality products but do not have any access to the markets, be they domestic or international. Lack of knowledge about the front-end market, as well prohibitive cost of associated with marketing, debars MSMEs from direct marketing. In such an environment they have no other option but to sell their products to middlemen, mainly local traders based in Alleppey & Kochi which eventually erodes their margin considerably.

Consequently, the project felt the need to help these MSMEs for improving their market access as well as disseminating the latest developments pertaining to production process & innovations (such as those developed by CCRI). As a first step to address these problems, the project has planned a programme titled "Coir Business Advice on Wheels", a van which is equipped with Laptop showing animation films & videos of coir production for consumer education. It is an "Info KIOSK" with useful information on the coir sector.

This initiative has two missions:

- Outgoing mission "to the market" – this is about introducing the MSMEs to the market; and
- Incoming mission "back to basic" – this is about bringing information back to the MSMEs.

The 'Outgoing Mission' started in Sept. 2008 in Bangalore where the BDS on wheels took the samples, prices and promotion materials of the MSMEs along with the owners and BDS providers to larger cities like Bangalore & Chennai. Besides, organising various road shows it also included:

- 1 Sharing consumer survey reports with the large chain stores to enable their purchase decision making;
- 2 Sharing of samples with the unorganized market traders & agents;
- 3 Exhibitions in the market.

The 'Incoming Mission' commenced in December 2008 in Cherthala, alleppey under partnership with the Central Coir Research Institute (CCRI), Alappuzha Coir Cluster Developments society (ACCDS), Self Help Groups (SHGs). Several initiatives for improving production practices such as spinning innovation etc. were videographed and an exhaustive education drive has been initiated in villages & towns having substantial coir production.

Different programs are designed for workers, middle and top level management. Some more programs with BDS on wheels were



conducting export clinics (services for enterprises related to export business in the cluster) where BDS providers delivered solutions, ISO sensitization talks and facilitated group discussions in villages. The van also acts as a mobile library and provides computer literacy to children of coir workers.

News

SIDBI has invited Expressions of Interest for an Agency to support the Project Management Division in monitoring, evaluating as well as providing strategic inputs for implementation of Business Development Services.

The deadline is 5th January, 2009

