

MSME Training: Performance and Achievement

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Abstract: MSME-DIs organise a large number of training programmes for providing training to potential first generation entrepreneurs for dissemination of their techno/managerial knowledge and skills with the objective of encouraging more and more of them to take up entrepreneurial ventures besides, organizing training activities for the existing entrepreneurs aimed at improving/upgrading their knowledge and skill for effective management of their units. The Training Activities of MSME-DIs fall into the following categories:- ESDPs, EDPs, BSDPs, MDPs, IMCs and vocational education programmes. This article focus on the training activities of MSME – DIs and from the angle of enterprise technology innovation, put forward the enterprise training strategies which should be adopted in small and medium-sized enterprises.

Key words: MSME-DIs – Micro • Small & Medium Enterprises – Development Institute • ESDPs- Entrepreneurship and Skill Development programmes • EDPs- Entrepreneurship Development Programmes • BSDPs- Business skill Development Programmes • MDPs- Management Development Programmes • IMCs-Industrial Motivation Campaign

INTRODUCTION

Small and Medium Enterprises (SME's) in India constitute an important segment of Indian economy. The contribution of SME's alone has been greater than 7% to GDP and 45% to industrial production. It is also the second largest provider of employment after agriculture. SME's also contribute to 40% of total exports directly and a significant amount of exports indirectly through large trading houses or third parties.

As per the data of year 2010-2011 total number of MSME units in India were 311.52 lakh having fixed investment of Rs.7,73,487 crore and providing employment to 732.17 Lakh persons. The size of the registered MSMEs is estimated to be 15.64 Lakh. Of the total working enterprises., the proportion of Micro, Small and Medium Enterprises were 94.94%, 4.89% and 0.17% respectively. This comprises of 67.10% manufacturing enterprises and 32.90 services enterprises. About 45.23% of the enterprises were located in rural areas and the balance in urban areas.

MSME-DIs organise a large number of training programmes for providing training to potential first

generation entrepreneurs for dissemination of their techno/managerial knowledge and skills with the objective of encouraging more and more of them to take up entrepreneurial ventures besides, organizing training activities for the existing entrepreneurs aimed at improving/upgrading their knowledge and skill for effective management of their units.

It is very important to know the training needs of enterprise's past and present demand, training activities planning often starting to solve problems of the past and present. Based on technical innovation training, training analysis is ascending into the strategic level, standing in a new height. From the angle of enterprise technology innovation, put forward the enterprise training strategies which should be adopted in small and medium-sized enterprises.

Classification of MSMEs: Definitions of Micro, Small & Medium Enterprises

Micro, Small and Medium Enterprises Development (MSMED)

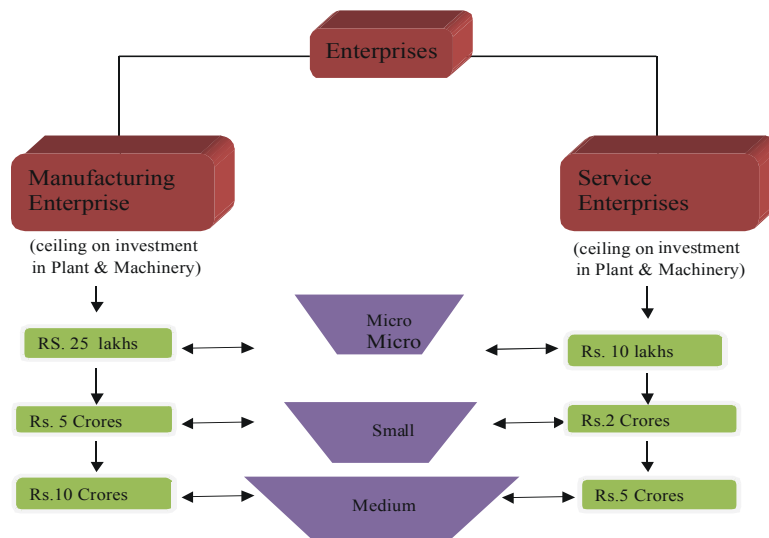
Act 2006

The Micro, Small and Medium Enterprises Development (MSMED) Act 2006 facilitate the development of the enterprises and enhance their competitiveness. The act provides legal framework for “enterprise” which includes the manufacturing and service entities.

In accordance with the provisions of Micro, Small & Medium Enterprises Development (MSMED) Act 2006, the Micro, Small & Medium Enterprises (MSME) are classified into manufacturing enterprises and service enterprises:

Manufacturing Enterprises: The enterprises engaged in the manufacture or production of goods. The manufacturing Enterprises are defined in terms of investment in Plant & Machinery.

Service Enterprises: The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment.



MSMEs categorized based on the number of employees:

| | No. of employees |
|--------|-------------------------|
| Micro | 1 - 9 employees |
| Small | 10 - 99 employees |
| Medium | 100 - 199 employees |
| Large | More than 200 employees |

Training Programme of MSME-DIs: Various types of training Programmes conducted by various MSME-DIs are provided in the table below:

Training Programme of MSME-DIs

Entrepreneurship Development Programme (EDPs):

Entrepreneurship Development Programmes are being organised as a regular training activity to cultivate the latent qualities of youth by enlightening them on various aspects that are necessary to be considered while setting up Micro, Small & Medium Enterprises. The course contents of such programmes are so designed as to provide in-depth knowledge to the participants about product/process design, manufacturing practices, testing and quality control, selection and usage of appropriate machinery and equipment, preparation of

project profile, marketing avenues/techniques, product/service pricing, export opportunities, infrastructure facilities available incentives, sources of finance and financial institutions etc. 20% of the total charges of EDPs are conducted exclusively for weaker sections of the society i.e. (SC/ST/women and PH) with a stipend of Rs.500/- per month per candidate under the promotional package for MSMEs. No fees charged from SC/ST participants and 50% fee is charged from women and physically handicapped participants. A stipend of Rs. 125/- per week is provided to SC/ST, women and physically handicapped participants under promotional package of the ministry. These EDPs are generally conducted in ITIs, Polytechnics and other technical institutions, where skill is available to motivate them towards self-employment.

| Sl. No. | Programme Name | Various Topics Covered |
|---------|--|---|
| 1 | Entrepreneurship Development Programmes (EDPs) | Computer Application, Computer Awareness, Beautician, Garment Manufacturing, Call centre(IT) industry, Catering, Industrial Accounting, Fruits and Vegetable Products, etc. |
| 2 | Entrepreneurship Skill Development Programmes (ESDP) | Computer Application, Computer Hardware Maintenance, DTP, Motor Winding, CNC Operation and Programming, Mobile Handset Repairing, Computer Accounting, Food Processing, Embroidery, Fashion Designing, Jewellery Designing, Soft Toys, Air Conditioning and Refrigeration, Consumer Chemical Products, etc. |
| 3 | Business Skill Development Programmes (BSDPs) | Product/process design, Manufacturing process involved Testing, Selection & Usage of appropriate machinery and equipment, Marketing avenues/techniques, Product/service pricing, Export opportunities, cash flow, Preparation of project profiles, Quality management Standard, Quality Management Tools, Creativity, Value Engineering and value analysis etc. |
| 4 | Management Development Programmes (MDPs) | Management of Small Enterprises, Retail Management, Computer Management, Export Procedure and Documentation, Financial Management and Accounting, E-marketing, Sales Promotion and Marketing, Quality Management, Human Resource Management, Web Security Management, etc. |
| 5 | Industrial Motivation Campaigns (IMCs) | Industrial Motivation Campaigns |
| 6 | Vocational and Education Training | Courses in Tools Engineering, Skill Enhancement Courses for Industry Personnel Customised training programmes for industries |

The training course contents of such Entrepreneurship Development Programmes are designed to provide useful information on product/process design, manufacturing practices involved, testing and quality control, selection and usage of appropriate machinery and equipments, project profile preparation, marketing avenues/techniques, product/service pricing, export opportunities, infrastructure facilities available, financial institutions, cash flow etc..

Training Programme conducted by MSME

| Training Programme | Duration | Minimum intake capacity | Training Fee (minimum) | Training Cost | Age | Qualification | Honorarium to guest speakers |
|--------------------|----------|-------------------------|---|---------------|-----------------|--|--|
| EDP | 2 weeks | 20 | 1) Rs.100/-for general candidates. (2) No fees for SC / ST and 50% fee from women and Physically Handicapped | Rs.20,000/- | 18years & above | As decided by the Director of institute. | Rs.500/- for a session of 1 hour and 30 minutes |

Entrepreneurship Skill Development Programme (ESDPs): Comprehensive training programmes are organised to update existing skills and to create new skills in workers and technicians of existing units and educated unemployed growth by organizing various technical training courses for them. The basic objective to provide training to unskilled/semi-skilled workers engaged in MSE sector and to equip them with better and improved techno-managerial skills of production. Emphasis is being placed to organise maximum programmes in rural areas particularly for weaker sections of the society.

Entrepreneurship Skill Development programmes organised included the herbal cosmetics, high fashion garment, hosiery, food and fruit processing industries, information technology, hardware maintenance, soap and detergents, leather products/novelties, servicing of household electrical appliances and electronic gadgets, gem cutting and polishing, engineering plastics, mobile repairing, beautician, CAD/CAM, etc, are organised for development of the skills. No fees is charged from SC/ST participants for the ESDPs programme. 20% of the target ESDPs are conducted as stipendiary programme for weaker sections.

Training Programme conducted by MSME

| Training Programme | Duration | Minimum intake capacity | Training Fee (minimum) | Training Cost | Age | Qualification | Honorarium to guest speakers |
|--------------------|----------|---------------------------|---|---------------|-----------------|--|---|
| ESDPs | 6 weeks | 20 nos. in each programme | 1) Rs.200/-for general candidates. (2) No fees for SC / ST and 50% fee from women and Physically Handicapped | Rs.60,000/- | 18years & above | As decided by the Director of institute. | Rs.500/- for a session of 1 hour and 30 minutes |

Management Development Programmes (MDPs): The Management Development Programmes being organised for imparting training in management subjects, aim at improving the decision-making capabilities resulting into higher productivity and profitability of the existing and potential entrepreneurs and assist in developing new enterprises.

The Management Development Programme covers a variety of topics about managerial functions with instruction by the experts, aiming at dissemination of knowledge of scientific/modern management trends/practices. The course on various functional areas of industrial management initiatives are also devised for owner-cum-manager and supervisory level personnel of MSMEs.

Training Programme conducted by MSME

| Training Programme | Duration | Minimum intake capacity | Training Fee (minimum) | Training Cost | Age | Qualification | Honorarium to guest speakers |
|--------------------|--|-------------------------|---|---------------|---------------|--|---|
| MDPs | One week for full time and 2 weeks for part time | 20 nos. | 1) Rs.400/- per participant for all places uniformly except for Andaman & Nicobar Islands, Lakshadweep, North Eastern States, J&K and Sikkim, where the fee is Rs.100/- per participant. No fee for Sc, St and 50% from women and physically handicapped candidates | Rs.20,000/- | 18yrs & above | As decided by the Director of institute. | Rs.700/- for a session of 1 hour and 30 minutes |

Industrial Motivation Campaign (IMCs): Industrial Motivation Campaign (duration of 1 day or 2 days) is organised to identify and motivate traditional/non-traditional entrepreneurs having potential for setting up MSMEs so as to lead them towards self employment. Emphasis is being given to organise the maximum number of programmes in rural/remote areas particularly for weaker sections of the society.

Training Programme conducted by MSME

| Training Programme | Duration | Minimum intake capacity | Training Fee (minimum) | Training Cost | Age | Qualification | Honorarium to guest speakers |
|--------------------|-----------------|-------------------------|------------------------|---------------|-----------------|--|--|
| IMCs | One or two days | No limit | No Fee | Rs.8000/- | 18years & above | As decided by the Director of institute. | Rs.500/- for a session of 1 hour and 0 minutes |

Business Skill Development Programme (BSDPs): In order to further motivate the educated youth to take up entrepreneurial tailor-made courses namely Business Skill Development Programmes (BSDPs) has been introduced for prospective entrepreneurs through select Business schools/Technical institutions etc,. The programme introduced to encourage educated unemployed youth, students basically from Business Schools/Technical institutions to start self-employment ventures of MSMEs.

Vocational and Education Programme: The Regional Testing Centres, Field Testing Stations and Autonomous bodies like Tool Rooms and Technology Development Centres(TDCs) of the ministry conduct long term, short term, trade/field-specific tailor-made courses as well as vocational training programmes. These include specialized programmes for Engineers, Diploma holders and it is so that their absorption by the industry is immediate. Some of the Tool Rooms are also conducting M.Tech. level programmes in collaboration with Universities/Technical Institutions. These Institutions have also recently designed and taken up special module of training for weaker sections of society for which sponsorship is being received from various State Government. The Institutes also have modules for women and physically handicapped persons. The training courses conducted by the Tool Rooms and Technology Development centres are as follows:

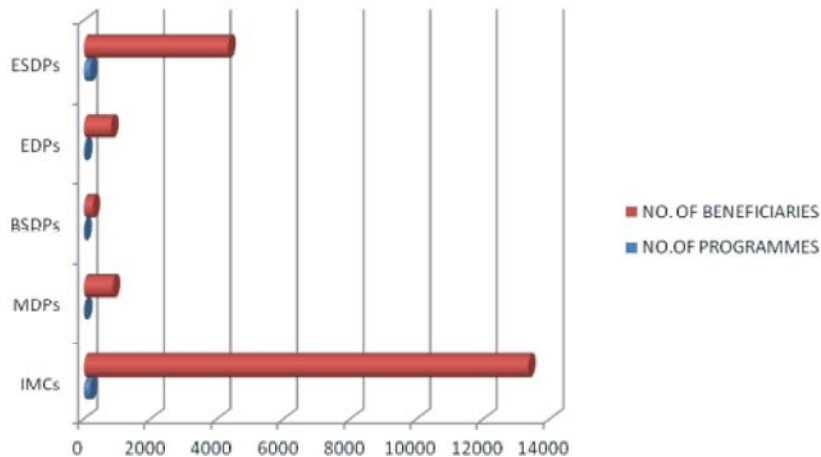
- Long Term Diploma & Certificate courses in tool engineering
- Specialized hi-tech courses in tool engineering for engineering graduates, Diploma & ITI Certificate holders and related discipline
- Skilled enhancement courses for industry personnel
- Up gradation courses for trainers in training Institutions and industries
- Customized training programmes for industries

Achievement of 2011-2012

No. of Trainees

| Sl. no | Name of the Programme | Sanctioned No. | Achievement No. | SC | ST | OBC | MIN | PH | Others | Total |
|--------|-----------------------|----------------|-----------------|------|-----|------|------|-----|--------|-------|
| 1 | ESDPs | 181 | 181 | 2442 | 438 | 804 | 144 | 116 | 338 | 4332 |
| 2 | EDPs | 032 | 032 | 280 | 28 | 203 | 68 | 2 | 26 | 817 |
| 3 | BSDPs | 010 | 010 | 70 | 4 | 92 | 3 | 0 | 94 | 263 |
| 4 | MDPs | 032 | 032 | 242 | 6 | 386 | 8 | 2 | 218 | 862 |
| 5 | ESDPs Bio_tech | 002 | 002 | 8 | 0 | 0 | 0 | 0 | 40 | 48 |
| 6 | IMCs | 182 | 182 | 4688 | 442 | 4920 | 835 | 187 | 2275 | 13347 |
| | Total | 445 | 445 | 7730 | 918 | 6405 | 1058 | 307 | 3251 | 19669 |

Overview of the Training Programme: Number of Beneficiaries and number of training programmes conducted by MSME



CONCLUSION

All out efforts are being taken to make the MSME training programmes especially to existing small and medium enterprises the institute as a favourable destination for the industrial fraternity and aspiring entrepreneurs to augment knowledge and core their skills. The Micro, Small & Medium Enterprises already emerged as one among the leading Institute. MSME-DI tireless journey to make it the number one position will continue till the aim is achieved.

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