

MSMEs for Self-Reliant India

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The call by Hon'ble Indian Prime Minister for making India 'AatmaNirbhar Bharat', is most appropriate and timely. The Prime Minister has emphasised on *AatmaNirbhar Bharat* or Self-Reliant India based on its concept of Make-in-India. To make it happen, India has to strengthen the capabilities further and to go ahead at a faster pace for creating various systems and mechanisms.

Five Pillars of Aatma Nirbhar Bharat

The 'five pillars' of *AatmaNirbhar Bharat* focus on: economy; infrastructure; system; vibrant demography; and demand. The interpretation of these five pillars needs to be understood as follows:

- 1. Economy:** Contemplates not on incremental change but a quantum change so that India can convert current adversity into advantage.
- 2. Infrastructure:** That can be an image of modern India or it can be the identity of India.
- 3. System:** Guided by 21st Century technology and that is not based on old rules.
- 4. Demography:** A vibrant demography that is the source of energy to make India self-reliant.
- 5. Demand:** Where the strength of our demand and supply chain is utilised intelligently.

The 'five phases' of *AatmaNirbhar Bharat* are: business including MSMEs; poor, including migrants and farmers; agriculture; new horizons of growth; and government reforms and enablers.

Role of MSMEs in Global Economy

If we look at how the western world has grown, one of the things we find is that a generation had worked on developing ideas, they loved to work upon. They generated a large numbers of ideas across various sectors. They further developed these ideas into solutions in consultation with the industry and

mastered the same. Realizing the power of innovation, this highly self-motivated group of innovators, called MSMEs, incomparable to any paid scientist or worker, the industry adopted them as the key intelligent suppliers. This partnership started a chain reaction of new products in every category and sector, with large numbers of new cost effective designs and solutions. The strong IPR system made it possible for them to be the owner of all such ideas, which further gave the incentive to keep innovating and create new products & designs. In the process they became leaders in many sectors.

Moving on the high growth trajectory through MSME route will require moving away from the traditional ancillary culture, where larger industries depend mainly on import of technologies, smaller units and their subsidiaries, without much intellectual contribution. In the present scenario, highly educated intellectuals are entering into businesses and here is an opportunity to use their intellect and capability to innovate. That will create an ecosystem based on our domestic capabilities of evolving designs in a cost effective manner and visualising supply chains at the same time.

Having realized that skill and innovation are the key components for building and remaining competitive as a whole, let us see what we need to do to make it happen. For innovation to become a culture it is necessary that small units with a critical mass of manpower join to undertake such work.

Technological infrastructure, industry academic cooperation and modern engineering practices need to be adopted. Lean manufacturing practices on a large scale basis across all sectors of industry will be important. It has been quoted that in December 2019 when officials of MSME visited Pune and enquired about following of lean practices, few hands rose. One gentleman said that after implementation of 'Lean', his mobile phone which used to keep ringing earlier has now stopped ringing. The implementation of 'Lean' streamlined all the processes including the chain of command in his factory. This made it possible for him to devote more time in exploring new

markets, new technological and financing solutions etc. This is one movement which we need to bring to all our work places to change the way we work. The Ministry of MSME supports lean manufacturing practices and provides up to 80% subsidy to MSMEs. This one single act can lead to reduction in costs up to 30%.

Technological Infrastructure

MSMEs have a problem of investment in developing technological infrastructure. By creating such facilities the government is motivating the MSME sector to move at a much faster pace. It has been realised that developing highly skilled manpower and to build capability to continuously innovate the youth needs a place where they can give shape to their ideas. The Ministry of MSME has planned for 120 more centres at the district level, in addition to 33 technology centres that already exist. These centres will provide industry with highly skilled manpower and along with the facilities to develop low cost solution to their current challenges. These centres will also work with the industry on new technologies like, AI, ML and Robotics.

MSMEs have to play an important role in capturing a bigger pie of the global market. It will be necessary for them to focus attention on new and emerging areas such as sustainability, green manufacturing, waste-to-wealth, re-manufacturing,

solutions for distributed living, development of smart villages, additive manufacturing, e- mobility, AI, Robotics, VR based solutions etc.

The industry leaders control a few out of five key components of manufacturing cycle, which will include demand assessment for a product, designing the same, financing the manufacturing, manufacturing the product, and finally marketing it. India will have to therefore work now in new and emerging areas to attain leadership in some of the five components in these new areas.

Skilled Manpower Requirement

The post COVID-19 economy will be working under a 'new normal'. Digitisation and digitalization will play an important role along with various other disruptive technologies. This will require up-skilling and re-skilling the manpower in all respects from corporate governance to operations. This is where the Institute of Directors has designed a capability module for micro, small and medium level entrepreneurs to learn the latest of corporate governance practices, marketing & communication skills and supply chain management systems. IOD is working closely with the MSME sector and has supported a large number of them to attain global prominence.

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