



MSME Umbrella Programme

Policies and Programmes

Volume I

MSME DIs: Strategic Assessment, Recommendations and Capacity Building

- **MSME DIs: Organizational Analysis Report**
- **MSME DIs: Strategic Recommendations Report**
- **MSME DIs: Note on MSME DI Recommendations**
- **Summary of Capacity Building Workshops for MSME DIs**

MSME UMBRELLA PROGRAMME



MSME Development Institute: Organizational Analysis Report

Deloitte.

Disclaimer

- This report has been prepared by Deloitte Touche Tohmatsu India Private Limited (DTTIPL) as part of the project on Organizational & Structural Review of MSME-DIs commissioned by the office of the DC, MSME in association with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
- For purposes of preparation of this report, Deloitte Touche Tohmatsu India Private Limited (DTTIPL) has used information obtained from respective MSME DIs and secondary information sources, which we believe to be reliable and our assessment is dependent on such information being complete and accurate in all material respects. We do not accept any responsibility or liability for any losses occasioned to any party as a result of our reliance on such information

Contents

Background	4
Existing mandate and activities of DIs	9
As Is analysis: Key mandate-related issues	16
As Is analysis: Key HR management issues	28
As Is analysis: Key process-related issues	32
Performance assessment of DIs viz. a viz. State MSME Activity Levels	42
Way Forward/ Next Steps	47
Annexure	49

Background

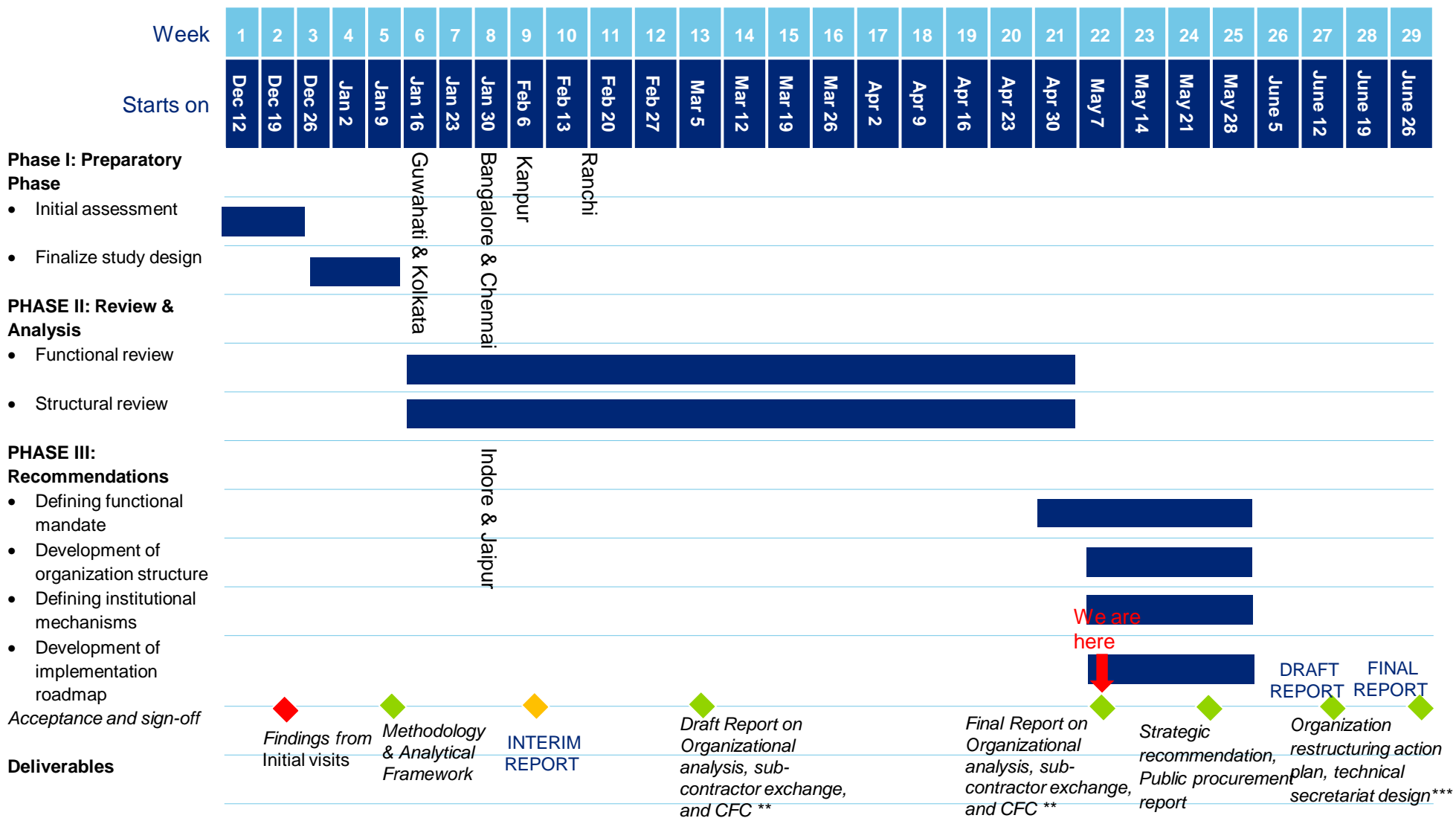
Scope revisited

Background

- Reassessing the functional mandate of MSME DIs in the light of the changed business environment and overall needs assessment given the mandate of the Ministry including
 - Functional analysis of sub contract exchanges and common facility center/ workshops
 - Potential role of DIs in implementation of the recently enacted Public Procurement Policy which requires 20% of all public procurement to be from MSMEs
- Review of the organization structure of DIs in line with their proposed mandate addressing the following:
 - Organization structure, governance mechanism and autonomy
 - Gaps in technical resources and training & capacity development opportunities
 - Performance appraisal and incentive structures
 - Potential for outsourcing non-core functions
- Design of a technical secretariat at the DC, MSME's office with specific reference to DI functioning
 - Nature of support and coordination activities
 - Framework for monitoring and evaluation
- Formulation of implementation route-map, based on recommendations on functional mandate, organization restructuring and design of technical secretariat

Proposed project plan

Background



** Approval of the same in time would ensure timely start of phase III of the assignment and adherence to planned project timelines

*** Final report to be submitted within 15 days of receipt of comments on the draft report

Quick status update

Background

- 1 day site visits to DIs at Delhi, Karnal, Agra and Kolkata to understand operations and formulate questionnaire > Initial report submitted to DC, MSME
- One on one meetings conducted with key officials at DC, MSME's office to (a) understand their role in the context of DI operations and (b) obtain insights on DI performance
- Questionnaire forwarded on key activities at DI level as well as individual questionnaires for the 8 DIs being visited
 - Information received on DI level questionnaire from 25 DIs
 - 140 individual responses received and analyzed
 - DI level inputs analyzed and findings presented in current report
- Site visits to 8 DIs viz. Guwahati, Kolkata, Chennai, Bangalore, Jaipur, Indore, Kanpur and Ranchi
 - One on one meetings with DI Director and other senior officials
 - Workshops with all DI officials including branch heads on mandate and key organizational issues
 - Meetings with industry associations, cluster SPVs and MSMEs to obtain inputs on their key requirements as well as services availed through DIs – administration of questionnaire followed by analysis of responses
 - Meetings with other key stakeholders like senior State Government officials, SIDBI, NSIC, etc.

As-Is Analysis – Proposed Framework

Background

Human resources management issues

- Individual role clarity
- Policies for recruitment, promotion, and transfer
- Performance appraisal and motivational practices
- Internal training and capacity building

Process-related issues

- Service delivery improvement issues
- Key financial and administrative processes including interface with DC-MSME office
- Efficacy of reporting and monitoring (by DC-MSME office) practices



Performance Assessment of DIs viz. a viz. State-level MSME activity levels

- Intensity and effectiveness of training services
- Level of performance in NMCP schemes (awareness programs, bar code and ISO reimbursement)
- Nature of technical support provided under other schemes like cluster development, credit linked capital subsidy etc.
- Intensity of economic investigation services in terms of number of reports prepared / updated
- Overall activity levels for the DI

Individual DI specific issues

- Mapping of technical resources in DI to MSME sectors in region
- Quality of human resources and leadership
- Key stakeholder relationships
- Quality of physical infrastructure
- MSME activity levels in region

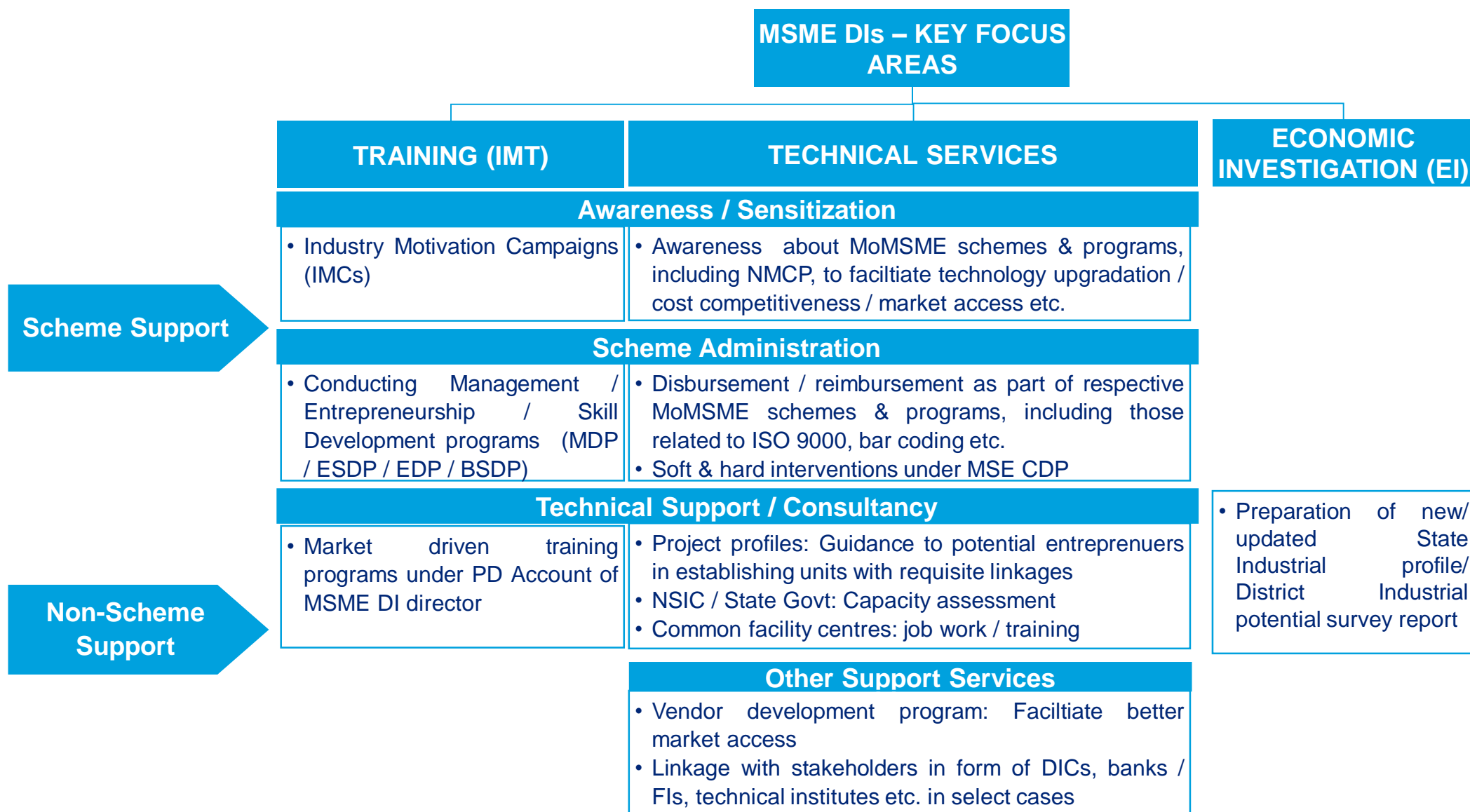
Mandate-related issues

- Clarity in current functional mandate of DIs in terms of training, implementation of NMCP / other schemes
- Demand for DI services from MSMEs and other key stakeholders

Existing mandate and activities of DIs

Key focus activities

Existing mandate and activities of DIs*

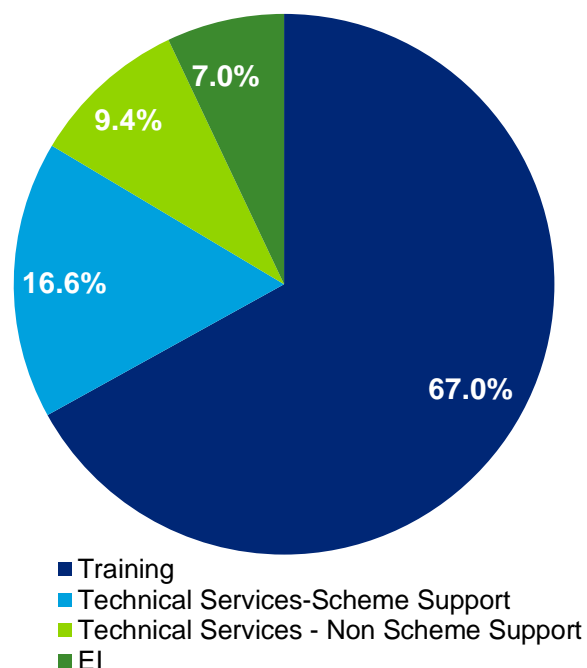


* As per the existing classification used by the MSME DIs, wherein select administrative work as part of scheme administration is included under Technical Services

Time involvement in key activities

Existing mandate and activities of DIs

Man-day deployment in key activities (average across DIs)



Key observations

Training accounts for around 67% of total man-day deployment

- Entrepreneurship Skill Development Programs (ESDP) contributes around 80% of total deployment in training programmes, followed by Industry Motivation Campaigns (IMCs) with 13.4%

Technical services, which includes scheme support and non-scheme support activities, account for around 26% of total man-day deployment

- Scheme support activities include services related to ISO reimbursement, NMCP awareness (bar coding, IPR) etc., which account for around 16.6% of total man-day deployment
 - Focus on scheme support activities varied across DIs visited, ranging from 1% of man-days in Indore to 31% in Chennai
- Non-scheme support activities include preparation of project profiles, conducting vendor development programs etc., which account for around 9.4% of total man-day deployment
 - Focus on non-scheme activities varied across DIs visited, ranging from 2% of man-days in Guwahati to 13% in Indore & Bangalore

Economic investigation activities primarily comprise update of reports on district potential, state profiles, status reports etc.

Monitoring by head office focuses primarily on training (input metrics), no. of project reports prepared, ISO awareness & reimbursement, NMCP-related awareness programs conducted, no. of district potential reports prepared etc.

*Source: Annual Reports for volume of activity levels in DIs and standard involvement per activity based on feedback captured through interactions

Man-day involvement analysis is based only on metrics currently monitored by the DC's office and there may be certain activities being undertaken by individual DIs which is not being monitored currently. The same has been computed as (total output volume for the respective activity during the year * standard man-day involvement per unit activity based on feedback from DI directors) / (total number of man-days in training, technical support and economic investigation activities)

Training related activities

Existing mandate and activities of DIs

Key
Activities

1. Plan training	2. Identify target participants	3. Deliver training	4. Post training follow-up
<ul style="list-style-type: none"> • Allocation of number, type of training and composition of trainees (SC / ST/ OBC etc.) by the Head Office to respective DIs • Allocation of training programs to the respective DI officers by the DI Director, with attempt to map allocation to trade specialization of respective DI officer to the extent possible • Determination of training location, primarily based on trainee composition/ profile as specified by the Head Office • Finalization of faculty/ institution for delivering the training program at the identified location • Customization of training content by the respective DI officers, in consultation with identified faculty 	<ul style="list-style-type: none"> • Preparation of advertisement by respective DI officers identified for conducting training programs • Release of advertisement in vernacular language in local / regional newspaper (as per the identified location) for the proposed training program one month in advance through IMT division • Screening & selection of the applied participants based on first come first serve basis / written test / interviews (in select DIs) • Submission of application to the Head office for release of program budget as advance 	<ul style="list-style-type: none"> • Co-ordinating with the identified faculty/ institution for conducting the training program • Inauguration of training program at the identified venue along with other relevant stakeholders like DICs, etc • Monitoring of the training activities by the respective DI officer during the training course • Issue of Certificates to the trainees on completion of the training programs followed by a valedictory note from the DI officer 	<ul style="list-style-type: none"> • Seek feedback from trainees, post training (in select DIs) • Preparation of bills by the DI officer in line with the approval from the Head office • Submission of bills to the PAO office along with supporting documents for reimbursement, with support from administrative staff • Release of payment to the faculty/ institution on receipt of the same from the PAO office, with support from administrative staff

Technical Support related activities...1

Existing mandate and activities of DIs

Key Activities	1. Outreach / Need identification / planning	2. Proposal preparation	3. Sanction / approval	4. Implementation
Awareness about public support programs	<ul style="list-style-type: none"> Target for conducting awareness programs on MoMSME schemes given by Head office to DIs 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> Sanction/ approval for conducting programs by the respective DIs 	<ul style="list-style-type: none"> DI officers organize awareness programs about various MoMSME schemes (including NMCP) – through collaboration with industry associations / DICs
Administration of public support programs	<ul style="list-style-type: none"> Applications received for disbursement for schemes like ISO 9000/ bar coding 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> Sanction/ approval of reimbursement by the respective DIs 	<ul style="list-style-type: none"> Amount disbursed for respective schemes to the applicants after validation
Cluster Development program	<ul style="list-style-type: none"> Economic assessment comprising collection of preliminary data to ascertain requisite interventions (hard/ soft) in the identified cluster 	<ul style="list-style-type: none"> Facilitate formation of an SPV Preparation of DSR for soft interventions followed by approval by the Steering committee Preparation of DPR for hard interventions, which is outsourced to specialists, followed by vetting by SIDBI 	<ul style="list-style-type: none"> Sanction/ approval of the DSR/ DPR by the Head office for the proposed soft/ hard interventions in the identified cluster 	<ul style="list-style-type: none"> Implement soft interventions in the identified cluster Facilitate financial support for hard interventions in cluster

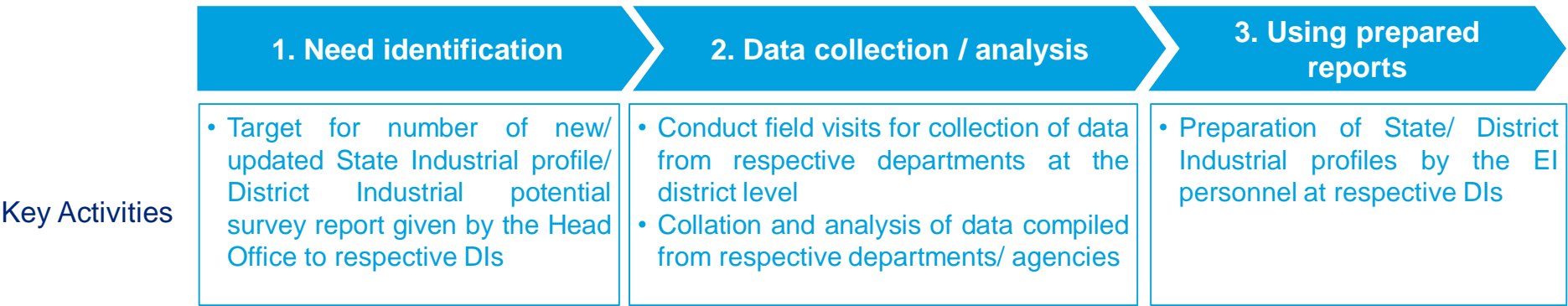
Technical Support related activities...2

Existing mandate and activities of DIs

Key Activities	1. Outreach / Need identification / planning	2. Proposal preparation	3. Sanction / approval	4. Implementation
Capacity Assessment	<ul style="list-style-type: none"> As part of vendor registration, NSIC forwards MSME to DIs for conducting capacity assessment 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> Visit to the premises of MSME by DI officer to ascertain its capacity in terms of production, etc.
Project Profiles	<ul style="list-style-type: none"> Target for number of new/ updated project report/ profiles given by the Head Office to respective DIs 	<ul style="list-style-type: none"> Preparation of new/ updated project reports by respective technical DI officers Typically involves i) review of existing information in case of updates, ii) interactions with suppliers & market players to secure requisite updated information (in select cases), and iii) secondary research to identify potential new suppliers, etc. 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> New/ Updated Project reports prepared are forwarded to the Head office
Vendor Development Programs	<ul style="list-style-type: none"> Target for vendor development programs given by the Head office to respective DIs 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> Sanction/ approval for conducting VDPs by the respective DIs 	<ul style="list-style-type: none"> Organize exhibitions / buyer-seller meets by inviting PSUs from identified sectors along with MSMEs

Economic Investigation related activities

Existing mandate and activities of DIs



As Is analysis: Key mandate-related issues

Stakeholder viewpoints on functional mandate of DIs

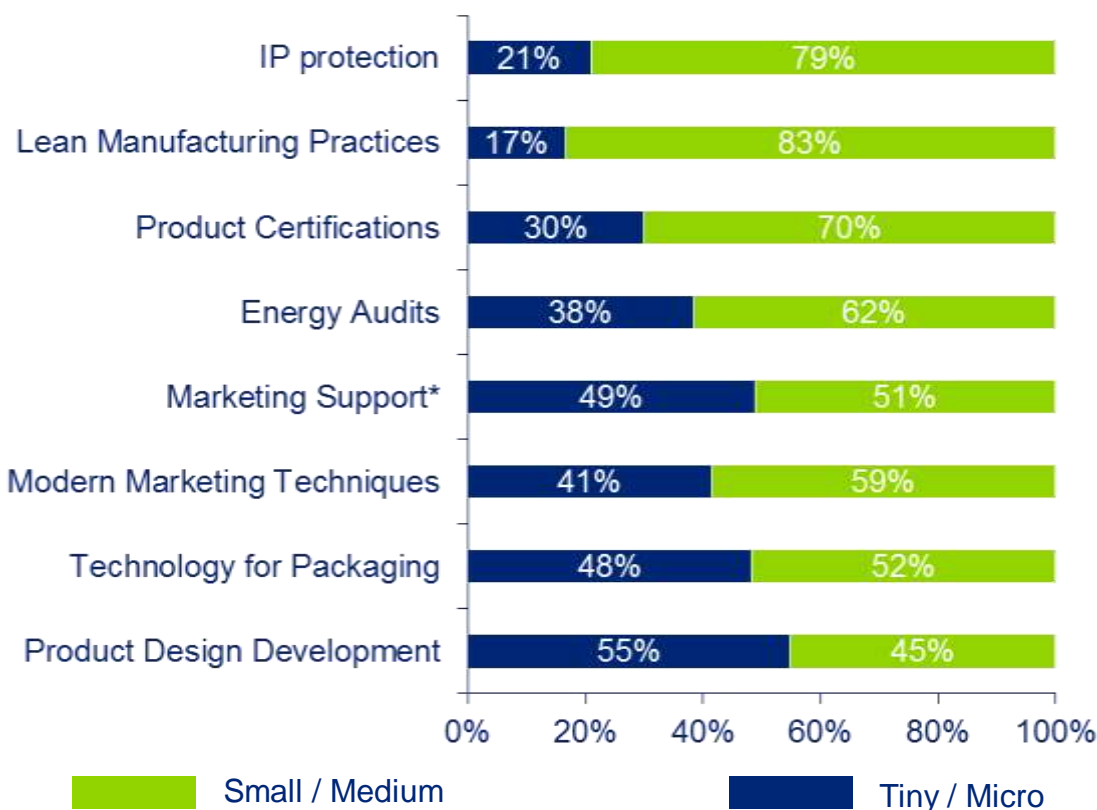
As-Is Analysis: Mandate-related issues

Ministry of MSME	<ul style="list-style-type: none">• Facilitate creation of new entrepreneurs and MSMEs• Effective support and handholding to existing MSMEs• Implementation and facilitation of (i) agenda articulated by PM's Task Force on Skill Building, (ii) National Manufacturing Competitiveness Program
Individual State Governments	<ul style="list-style-type: none">• Increased coordination with DICs for identifying i) specific training requirements in respective districts within the state and ii) potential clusters that can be established• Leverage the infrastructure / network of DICs to coordinate all MSME schemes/ programs > nominating an officer from DI as single point of contact in each district• Need to leverage EI personnel for guiding process for updating MSME database at the state level• Sharing of repository of project reports, district profiles etc. with State Government as well as current / potential entrepreneurs
DI staff	<ul style="list-style-type: none">• Need to focus more on technical support activities like cluster development; information dissemination on technology & sourcing of plant machinery equipments; handholding support to entrepreneurs through coordination with other agencies• Collaboration with external institutions and professional agencies is key to effective delivery of services as well as outreach• Well defined MIS and monitoring mechanism aligned to updated functional mandate is critical• Immediate need to augment technical capacity within the organization through focused technical training

MSME requirements: Need analysis

As-Is analysis: Mandate-related issues

Interest among MSMEs in availing respective DI services



* Organizing state / district level local exhibitions / buyer – seller meets

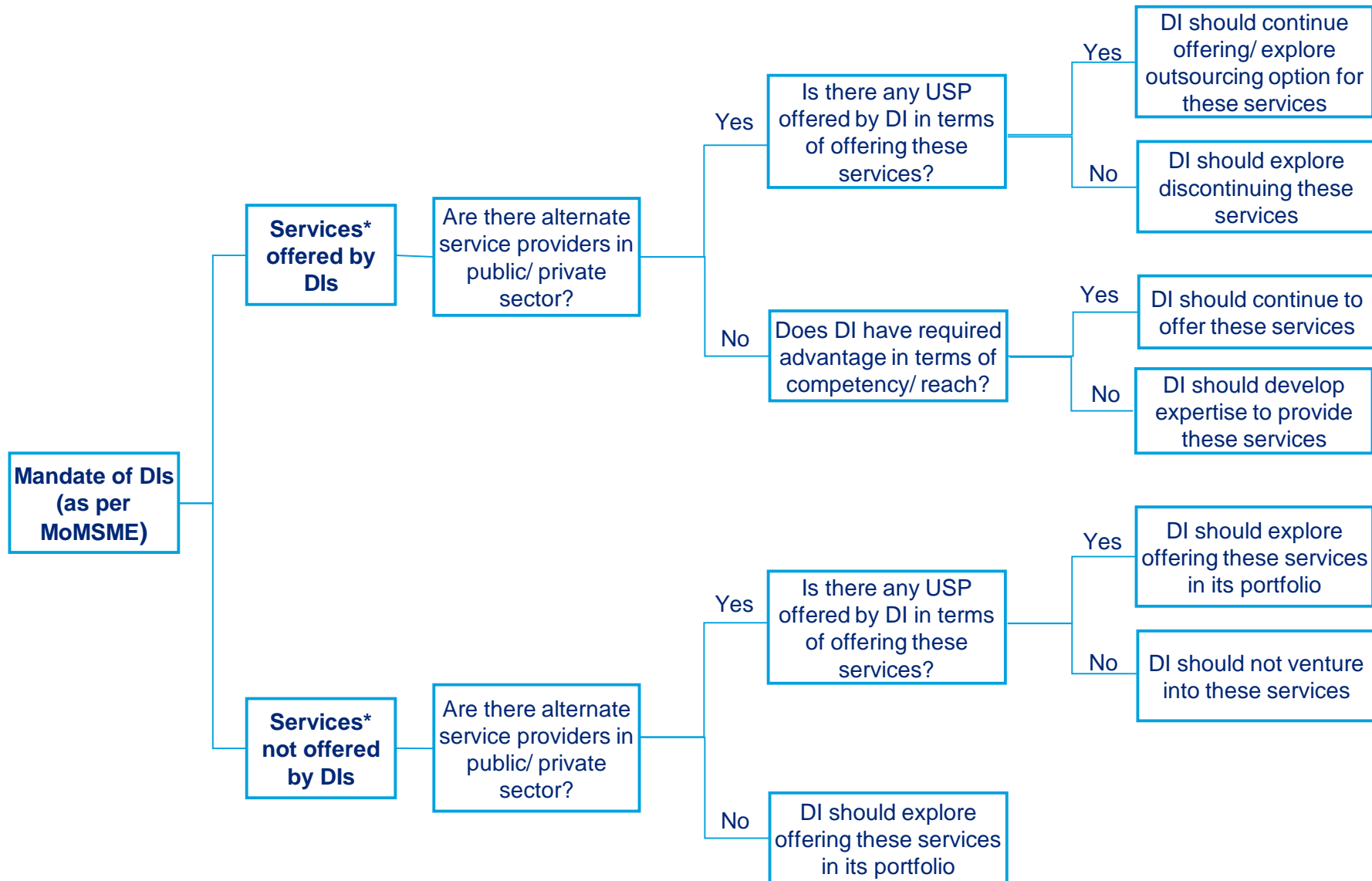
Source: Interactions with 81 MSMEs across 8 DIs

Key observations

- Over 50% of the sample MSMEs interacted were aware of the DI services
 - Awareness levels range from 30% in Guwahati to 60% in Chennai
- Awareness levels for NMCP schemes was limited
 - Reimbursement for ISO accreditation and adoption of bar coding were the only schemes for which there was an extent of awareness
- Demand for various NMCP schemes vary across Tiny/ Micro and Small / medium enterprises
 - Higher preference for marketing support and product designs by Tiny/ Micro enterprises
 - Small and Medium enterprises have indicated higher demand for product certifications, lean manufacturing, energy audits & modern marketing techniques

Framework for identifying optimum DI service portfolio

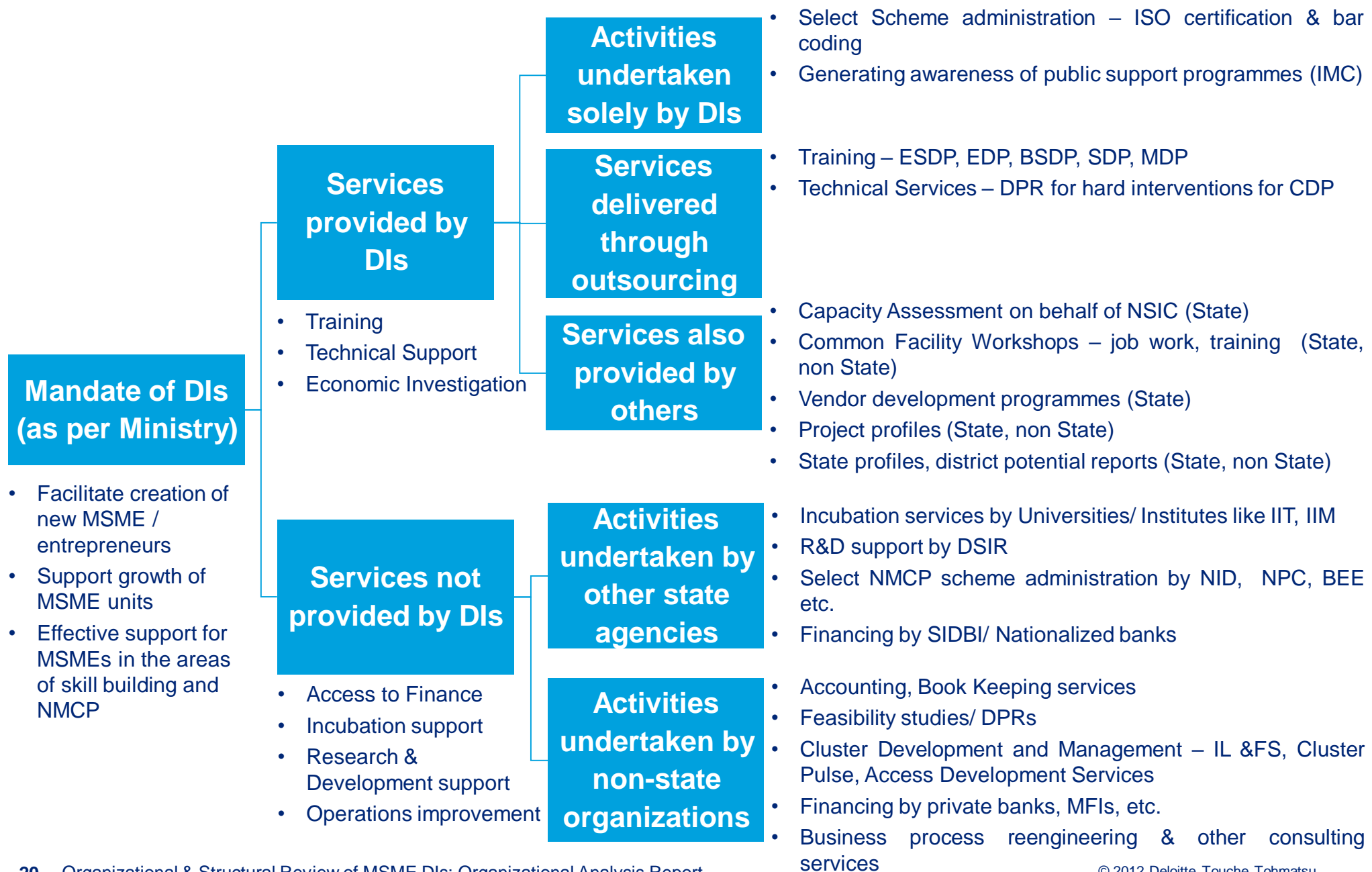
As-Is analysis: Mandate-related issues



* Note: The first stage in the analysis will involve identifying a list of critical services for MSME development

Applying the Framework to current DI activities

As-Is analysis: Mandate-related issues



Presence of Alternate Service Providers

As-Is Analysis: Mandate-related issues

	Central Govt departments / agencies	Public sector entities	State Govt / respective agencies / DICs	Technical Institutes	Industry Associations / Cluster agents	TCOs	Private sector consultancies
Technical Services							
Scheme support			✓	✓	✓	✓	
Non-scheme support		✓	✓		✓	✓	✓
Training	✓	✓	✓	✓			
Economic Investigation			✓			✓	✓

- Details of alternate service providers associated with respective mandates of DIs have been detailed in Annexure 1
 - Limited interaction with industry associations / cluster agents in geographic vicinity for training & technical services; only in select DIs, industry associations / cluster agents are being involved based on personal relationship of DI officials

Assessment of existing mandate: Training

As-Is Analysis: Mandate-related issues

Mandate as per the Ministry

- PM's National Council on Skill Development mandates that the coverage under the existing skill development programs need to be increased significantly in order to meet the target of 500 million skilled workforce by 2022
- Allocation of a target of 15 mn to Ministry of MSME - Results Framework Document (RFD) of Ministry of MSME (2010-11) had entrepreneurship and skill development of MSMEs as one of the key objectives with the annual target set at training of 3.5 lakhs person.
- Involvement of private sector is channelized mainly through NSDC, which has been assigned a **mutually exclusive target** of 150 mn skilled workforce

MSME DIs

- Dedicated cadre of resources focused on undertaking training / capacity development
- Significant field presence in form of 30 main offices and 28 branches
 - ✓Ensures outreach & networking with local players and facilitates coordination /monitoring of training programs
 - ✓One of the key reasons for allocation of training targets to MSME DIs in order to achieve targets for Ministry of MSME

Mutually exclusive targets for various entities engaged in undertaking training-related interventions to meet target level of 500 mn by 2022: Need for DIs to support MoMSME in achieving the target of 15 mn

Alternate service providers

- Well-established network of service providers focused on imparting training to MSMEs:
 - ✓Apex training institutes of MoMSME, viz. IIE, NIESBUD, NI-MSME, NSIC and Central tool room along with partner institutes
 - ✓DICs: Significant outreach due to district level presence
 - ✓PMEGP: KVIC with support of state-level agencies
 - ✓NSDC: Support to private sector entities offering training support

Assessment of existing mandate: Technical Services - Scheme Support

As-Is Analysis: Mandate-related issues

Mandate as per the Ministry

- Field representatives of Office of DC MSME associated with the following, with the objective of supporting potential / existing entrepreneurs:
 - ✓ Awareness creation about respective MoMSME schemes & programs
 - ✓ Reimbursements / disbursements for select schemes & programs of MoMSME

MSME DIs

- Personnel pool comprising engineers/technical resources equipped to offer technical services as part of scheme awareness & administration
- Significant field presence in form of 30 main offices and 28 branches
 - ✓ Ensures outreach & networking with DIC / local industry associations for purposes of identifying target beneficiaries for respective MoMSME schemes & programs
 - ✓ Also helps link with respective specialist agencies, on a need basis, for providing specific technical inputs

Need for continuation of service offerings as the field-level offices of office of DC, Ministry of MSME for scheme awareness & administration

Alternate service providers

- Absence of established alternate service providers with supporting role being played by stakeholders like industry associations in facilitating awareness creation / beneficiary mobilization
- Greater level of involvement of specialist agencies limited to specific schemes & programs like NMCP where they have been identified as nodal agencies, MSE CDP where DPR preparation is outsourced to them

Assessment of existing mandate: Technical Services - Non-Scheme Support

As-Is Analysis: Mandate-related issues

Mandate as per the Ministry

- Field representatives of Office of DC MSME associated with supporting the existing / potential entrepreneurs for the following key activities:
 - ✓ Consultancy / hand-holding support to potential entrepreneurs
 - ✓ Organization of buyer-seller meets for marketing linkage facilitation
 - ✓ Project profiles preparation in line with potential in the vicinity
 - ✓ Provision for common facility workshops for training / job work

MSME DIs

- Personnel pool comprising engineers/technical resources can be leveraged, subject to capacity development
- Significant field presence in form of 30 main offices and 28 branches
 - ✓ Ensures outreach & networking with stakeholders in form of local industry associations, PSUs sourcing from MSMEs etc.

Availability of technical pool, significant field-level presence & ability to offer subsidized services could be leveraged to continue offering / sub-contract non-scheme support

Alternate service providers

- TCOs, NSIC, technical & educational institutes, consultancy organizations like CDC, RITES etc. and various private consultancy organizations are involved in providing technical services to the MSMEs on a chargeable basis
- None of the above mentioned service providers have i) outreach to match that of DIs and ii) the human resource base in form of engineers / technical staff that is available with DIs

Assessment of existing mandate: Economic Investigation

As-Is Analysis: Mandate-related issues

Support offered to DC's office/ Ministry

- Limited impact on administration of public support programs / technical support to MSMEs, with services focused on addressing the following:
 - ✓Preparation / updation of reports related to district potential survey reports and state profiles
 - ✓Preparation of MIS reports for DC's office
 - ✓Assisting DC's office in undertaking MSME Census along with administering national awards for MSMEs etc.

MSME DIs

- Dedicated cadre comprising personnel from Indian Statistical and Economic Services
- Data required for the purpose of preparation of state / district profiles may not be readily available with DIs
 - ✓Dependence for information on DICs which are also associated with preparation of the same
 - ✓Limited field surveys being undertaken to source updated information impacts relevance of reports prepared

**Availability of
requisitely qualified
pool of resources to
continue supporting
DC's office for work
related to MSME
Census etc. while
sub-contracting
services related to
industrial profiles**

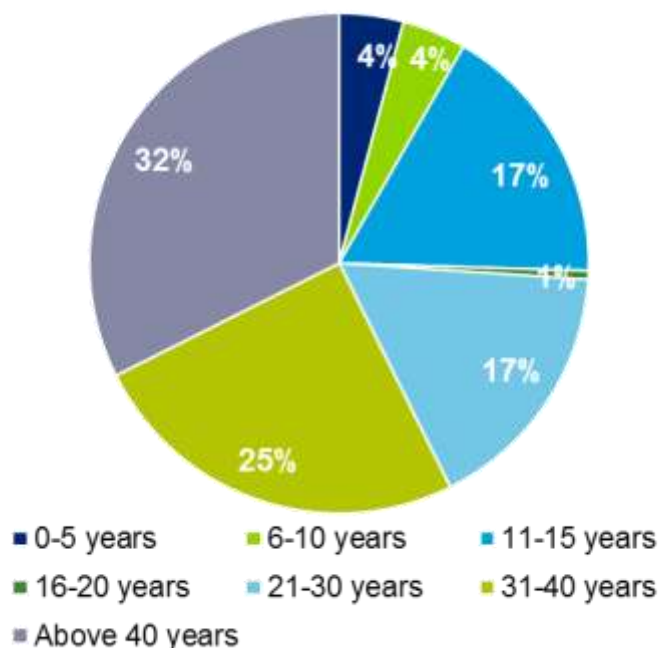
Alternate service providers

- TCOs, DICs & Industrial Development Corporations of respective states prepare district and state potential reports, in line with market requirements on a chargeable basis (except DICs)
- DICs presence at district level facilitate data collection for purposes of preparation of district and state potential reports

Common Facility Centre/ Workshop

As-Is Analysis: Mandate-related issues

Age Mix of machines at CFC/ Workshop across DIs



Key observations

- Most of the CFCs/ Workshops at DIs (including branch DIs) are equipped with conventional machines like Lathe, Grinding, Milling, Drilling, Welding, heat treatment machines
 - However, select DIs like Chennai, Delhi, Mumbai, Kolkata, Indore, Kanpur, Ludhiana, Thrissur are also equipped with CNC Lathe/ Wire Cut Electric Discharge Machine (EDM) machines
- Services offered by the CFCs/ workshops is limited to basic machining primarily catering to typical engineering/ fabrication units
 - Facilities primarily utilized for offering i) training and ii) job work - Chennai DI has given on hire 3 CNC machines on job work to engineering units in proximity; Bangalore DI primarily uses CNC machines for imparting training
 - Beneficiaries confined primarily to tiny/ micro units located within 5-10 Km from the DIs
- Low utilization levels of machines across most of the DIs; While conventional machines are primarily lying idle, utilization levels for CNC machines are relatively higher across DIs
 - Relative utilization levels for CNC machines are higher in locations like Kanpur (50%) vis-à-vis locations like Bangalore (15%) and Chennai (30%)
 - Most of the machines are obsolete > 75% of the total machines are above the age of 20 years
 - Significant share (around 23%) of the machines are non-operational
 - Presence of other service providers like reputed institutes / tool rooms in proximity to DI in select locations (like CIPET, Advanced Training Institute in Chennai)

Source: Response to questionnaires from DIs

Sub-Contract Exchange

As-Is Analysis: Mandate-related issues

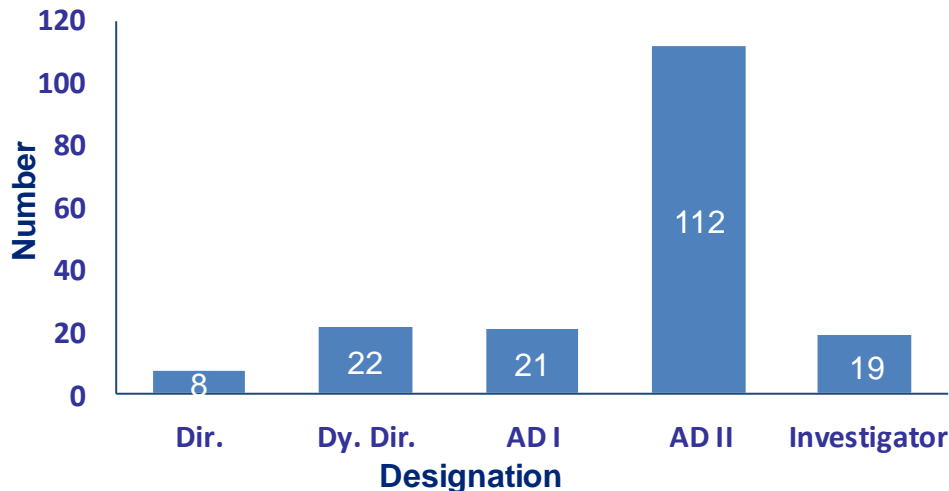
- Sub-contract exchange is inactive across all 8 DIs visited as part of the field study
 - Inherent cultural issue in terms of MSMEs not inclined to sharing information and working together for utilizing spare capacity available
- Absence of a formal IT enabled system for maintaining database on MSME production capacity
- However, institutionalization of a process for assessing and capturing information on capacity and technical capability of MSMEs may be useful in the context of Vendor Development as well as the newly enacted Public Procurement policy
 - Proposed to be explored further at the time of defining functional mandate of MSME-DIs

As Is analysis: Key HR management issues

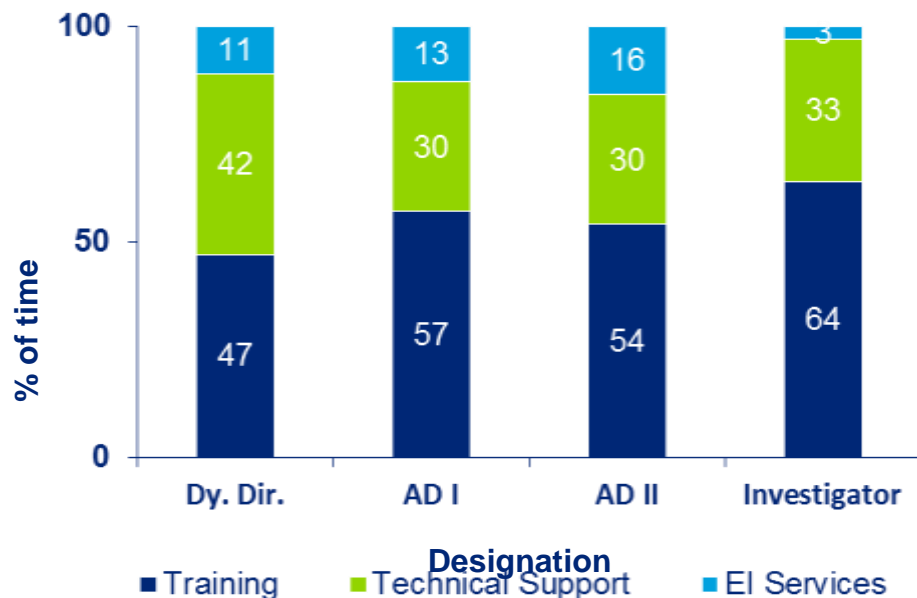
Organization structure-related

As Is analysis: Key HR management issues

No. of employees by Designation across 8 DIs



% Time spent on activities by designation across 8 DIs



Source: Information collected through questionnaires for Organization/individual technical officers for 8 DIs

Key observations

Limited career growth options beyond AD II

- Absence of a formal cadre with well-defined service rules

Average period for promotion is extremely high

- 8 years from Investigator to AD II; 11 years from AD II to AD I; 15 years from AD I to DD -> it should be noted that the same does not take into account the fact that many employees may have not received promotion after joining MSME-DI

Other than Economic Investigation services, there is no functional specialization within the organization although there exist distinct focus areas for MSME support like business development services, access to markets / finance, energy efficiency etc. which are across trades or sectors

- 12 trade specializations for technical support in manufacturing sector, which limits ability to target identified sunrise sectors in respective states (Refer Annexure 2)

Job content in some DIs appears to be the same across hierarchical levels, with no major difference in role

- For AD I & II, almost same amount of time is spent for training and technical support
- In most DIs, both AD I & II are reporting to the DD

Structure and HR policy related...1

As Is analysis: Key HR management issues

Key Issues

- No specific key result areas for officials below Director level leading to ad-hoc roles and absence of job differentiation across hierarchical levels
- Mismatch in i) trades vis-à-vis focus MSME sectors in certain DIs with limited resources in food processing sector and surplus resources in glass & ceramics (Refer Annexure 3) and ii) communication/linguistic skills of respective individuals vis-à-vis state/region requirements to which the concerned individual is transferred
- Sudden and ad-hoc transfers have impacted progress of key initiatives even in well performing DIs
 - DI Directors do not have direct involvement in transfers, including branches whose performance they are accountable for

Possible solution

- Need for a standard objective key result area (KRA) based job description for key officials, with metrics aligned to organizational objectives
- Adoption of a transparent rational transfer policy
 - Need to link transfers to organizational objectives, individual performance and succession planning along with linguistic compatibility with area of transfer
 - Involvement of key officials in the transfer process

Structure and HR policy related...2

As Is analysis: Key HR management issues

Key Issues

- Existing performance management system is not designed to acknowledge significant contributions
 - Modeled around ACR with no standard format or objective parameters
- Extremely limited career growth options > absence of a defined promotion policy due to lack of a formalized cadre-based service
- Training of officials primarily through internal institutions (NIMSMIET, NIESBUD) and on voluntary basis
 - Absence of specific focus on technical training

Possible solution

- Need to adopt an objective KRA based performance management system with suitable incentives within the existing organizational construct
- Transition to a cadre-based service with one time fitments to address existing anomalies > Streamlining organization structure may also provide career growth opportunities
- Developing an organization-wide training policy with focus on behavioral and technical training
 - One-time exercise for creating a role-based competency matrix and a training calendar

As-Is Analysis: Key process-related issues

MSME Viewpoints

As-Is analysis: Key process-related issues

Training

- “Training should be provided for skill development of workers in various sectors as per specific industry requirements”
- “Outcome of existing training programs need to be assessed to ascertain their effectiveness and focus on creation of new entrepreneurs”

Technical Services

- “Capacity assessment conducted by DIs for NSIC registration should also focus on quality and technology assessment to enable MSMEs to adhere to the procurement standards”
- “Project profiles prepared are mostly outdated and need to be made relevant with inclusion of updated details of machinery & raw material required along with their respective suppliers & rates”
- “Significant delays in implementation of cluster development initiatives on account of delays at DC office and in appraisal by SIDBI”
- “Vendor Development Programs are conducted but there are no follow ups”
- “Increase in frequency of VDPs with greater involvement of public sector organizations, including documentation of minimum eligibility criteria for suppliers to be empanelled”

Economic Investigation

- “Reports prepared are primarily based on existing secondary data and are not backed by detailed survey, thereby having limited relevance for target end-users”
- “Reports prepared are not uploaded on website which would help increase their accessibility among targeted beneficiaries “

Source: Interactions with select MSMEs across 8 DIs

Linkages with DI Support Network for service delivery

As-Is analysis: Key process-related issues

	Central Govt agencies	State Govt / respective agencies	Technical / R&D Institutes	NGOs / SHGs / Cluster agents	Banks / FIs
Technical Services					
Scheme support		✓			
Non-scheme support	✓	✓			✓
Training		✓	✓	✓	✓
Economic Investigation		✓			

- Details of support network in terms of linkages of support institutions / organizations with DIs and issues therein have been detailed in Annexure 4
 - Impact of the same on service delivery by DIs in areas related to training, technical support and economic investigation has been detailed in the subsequent slides

Training activities

As-Is Analysis: Key process-related issues

	1. Plan training	2. Identify target participants	3. Deliver training	4. Post training follow-up
Key observations	<ul style="list-style-type: none"> • Training content largely developed in-house; absence of standardization of the same across all DIs • Extensive focus on new entrepreneurs through programmes like ESDP • Training strategy in terms of trade focus not linked to MSME focus areas and activity levels in the State • Geographic coverage determined by trainee composition as specified by DC's office 	<ul style="list-style-type: none"> • Release of advertisement in newspaper is key source of participation • Absence of standard mechanism for coordinating with DICs / industry associations for identifying potential trainees • No linkage between programmes to enable proactive identification of trainees 	<ul style="list-style-type: none"> • Lack of standardization with respect to maintenance of database of faculty / identified partner organizations for conducting training programs • Need to streamline internal guidelines and practices like: <ul style="list-style-type: none"> • Release of only 35% of program budget as advance – limited to 5 programs at a time with settlement only after completion of all 5 programs • Uniform allowances on all programmes irrespective of nature of faculty requirements 	<ul style="list-style-type: none"> • Need for an institutional mechanism to seek feedback from trainees • Absence of formal mechanism for follow up with trainees in terms of whether (i) they have established units and (ii) any hand-holding support required • Inordinate time taken in reimbursement of training-related expenses to DI officers
Potential improvement opportunities	<ul style="list-style-type: none"> • Need to adopt a decentralized planning approach based on guidelines on trainee composition reflecting ground realities -> will ensure geographic outreach in line with local requirements / profile • Coordination with DICs / industry associations for identification of training needs based on local MSME profile • Standardization of "base" training curriculum (for example, entrepreneurship) across courses with expert consultation 	<ul style="list-style-type: none"> • Increased coordination with state / district level industry associations in identified clusters and DICs to target trainees • Institutionalize process of screening applicants for ensuring that candidates with higher needs are prioritized • Implement IT-enabled system for capturing programme-wise trainee details and encouraging cross-linkages between programmes 	<ul style="list-style-type: none"> • Leveraging ICT for knowledge management systems for sharing course curriculum and materials among the DIs • Need for empanelment and development of database of faculty, partner organizations and training institutes for respective programs in each State • Revise policy for enhancing per diem cap for involving specialist agencies in specialized program • Leveraging local NGOs/ training agencies for coordinating & arranging training programs especially in rural areas – will eliminate need of Dis in making cheque payments to individuals which may not be acceptable in rural areas. 	<ul style="list-style-type: none"> • Formalization of process for securing feedback from trainees (i) for identifying specific opportunities for providing information / technical support, (ii) training quality & effectiveness • Realigning DI performance metrics for assessing impact of trainings, trainees provided technical support

Technical Support Activities – key observations...1

As-Is Analysis: Key process-related issues

Key Activities	1. Outreach / Need identification / planning	2. Proposal preparation	3. Sanction / approval	4. Implementation
Awareness about public support programs	<ul style="list-style-type: none"> Absence of structured mechanism to coordinate with DICs/ industry associations for identifying potential beneficiaries - based on personal relationship of DI officials with these key facilitators 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> Delays in sanctioning along with fund release may impact interest among target participants 	<ul style="list-style-type: none"> Absence of defined mechanism for tracking profile of participants in such awareness / sensitization programs
Administration of public support programs	<ul style="list-style-type: none"> Absence of structured mechanism for coordinating with DICs, other government agencies and industry associations to identify areas of interventions required 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> Sanctioning authority for DIs limited to select schemes & programs – results in delays in approval from DC's Office 	<ul style="list-style-type: none"> Limited technical role of DIs in implementation, with lack of coordination with respective implementation agencies
Cluster Development program	<ul style="list-style-type: none"> Absence of structured coordination mechanism involving State Industry / MSME departments / agencies for identifying clusters requiring interventions 	<ul style="list-style-type: none"> Limited in-house ability to prepare DPRs for purposes of facilitating hard interventions 	<ul style="list-style-type: none"> Sanction / approval powers vest with DC's Office – results in delays in approval of interventions proposed in clusters 	<ul style="list-style-type: none"> Current role limited to supporting SPV in procuring equipment for CFC under MSE CDP

Technical Support Activities – key observations...2

As-Is Analysis: Key process-related issues

Key Activities	1. Outreach / Need identification / planning	2. Proposal preparation	3. Sanction / approval	4. Implementation
Capacity Assessment	<ul style="list-style-type: none"> Empanelment of alternate agencies like RITES, CDC etc. to provide the same services , in addition to DIs 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> Perception about longer time taken for processing by DIs vis-à-vis other empaneled agencies
Project Profiles	<ul style="list-style-type: none"> Project profiles prepared are usually based on specifications given by DC's office, rather than requirements of local entrepreneurs -> impacts relevance of the profiles 	<ul style="list-style-type: none"> Limited sharing of sector experience within the DIs, resulting in duplication of effort Lack of standardized process for information sourcing in terms of secondary research / primary interactions with market players / suppliers, etc for updation/ preparation of new reports 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> Circulation of updated project profiles among target beneficiaries is limited – project profiles available on website of Office of DC have not been updated since 2003; individual DI websites are not linked to the same
Vendor Development Programs	<ul style="list-style-type: none"> Absence of structured mechanism to coordinate with industry associations for identifying potential beneficiaries 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> Sanction / approval powers vest with DC's Office, with no power resting with the DI director 	<ul style="list-style-type: none"> No formal follow up mechanism for the inquiries generated during the VDPs

Technical Support Activities - potential improvement opportunities

As-Is Analysis: Key process-related issues

Key Activities	1. Outreach / Need identification / planning	2. Proposal preparation	3. Sanction / approval	4. Implementation
Awareness about public support programs	<ul style="list-style-type: none"> A combination of quick short-term assessments by DI staff backed by empanelled specialist service providers (in areas of technology, marketing support etc.) may be optimum for achieving results under respective MoMSME schemes, including NMCP 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> DI Director to be empowered to approve schemes like marketing assistance, VDPs in accordance with existing mechanism for ISO / bar coding reimbursements 	<ul style="list-style-type: none"> Develop metrics to assess output/ outcome of awareness campaigns and impact of public support programs on targeted beneficiaries
Administration of public support programs	<ul style="list-style-type: none"> Need to adopt a formal mechanism for cluster / industry interactions and workshops to proactively identify technical support requirements 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Institute mechanism for periodic monitoring of CFC Develop metrics to assess impact of interventions on cluster participants
Cluster Development program	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Need for empanelling specialist service providers for preparation of DPRs 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Development and tracking of metrics related to time taken for processing applications
Capacity Assessment	<ul style="list-style-type: none"> Creation of centres of excellence in select DIs – support for project profile preparation as per specific needs of the MSMEs in the geographic vicinity 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> Ensure easy access to project profiles through uploading of the same on the website
Project Profiles	<ul style="list-style-type: none"> Scope for leveraging VDPs in the role related to Public Procurement leveraging technical skills and reach 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> Introduce metrics to monitor orders secured from PSEs through the VDPs and subsequent follow-ups
Vendor Development Programs	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> DI Director to be empowered to approve VDPs 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None

Economic Investigation

As-Is Analysis: Key process-related issues

	1. Need identification	2. Data collection / analysis	3. Using prepared reports
Key observations	<ul style="list-style-type: none"> • Preparation of new/ updated district profiles/ reports is not demand driven • Updation of district industrial profile is after a period of 3-5 years 	<ul style="list-style-type: none"> • Need to strengthen coordination mechanisms with state DICs / industry associations for sourcing district / state level industry-related information • State/ District industrial profiles prepared are not easily accessible to the MSMEs • Absence of standard format for district/ state profile preparation 	<ul style="list-style-type: none"> • Need for standard process for sharing the reports prepared with DICs / industry associations / chambers of commerce
Potential improvement opportunities	<ul style="list-style-type: none"> • Need to examine scope for outsourcing this activity given availability of specialist service providers • Shift to decentralized planning involving DI Director based on mapping of key focal sectors / clusters in the state which should be targeted for development • Explore potential for introducing new services on proactive basis like technical support to State Governments for state-level MSME Census 	<ul style="list-style-type: none"> • Coordination with DIC from planning stage of district surveys conducted by DIC for ensuring collection and recording of relevant data • Standard format to be designed for district/ state profiles 	<ul style="list-style-type: none"> • Need for web-enabled project profile / district potential and other project repository with provision for direct download by registered MSMEs / State Government agencies / Industry Associations etc.

Best practices adopted by select DIs – should be replicated

As Is analysis: Key process-related issues

Training Services

- Designing skill building courses tailored to market requirements, e.g. Separate courses for mobile phone repair (**MSME DI Indore**); gold appraisal (**MSME DI Chennai**) in line with market demand
- Standardization of process for faculty / training centres empanelment and database development for sharing across the DI / other DIs (**MSME DI Indore**)
- Leveraging IMCs along with feedback from state DICs / industry associations to identify potential entrepreneurs who may be interested in attending ESDP (**MSME DI Indore, Chennai**)
- Screening applications for prioritization of trainees having immediate requirements / plans, with handholding for establishing unit being part of curriculum (**MSME DI Chennai**)
- Practical project-work for trainees through need to submit own project reports based on market research & application of training received – serves basis for issue of completion certificate (**MSME DI Indore**)

Technical Support

- Focused approach for clusters developed in terms of identifying specific technical requirements of MSMEs, disseminating information on potential equipment suppliers, technology providers, negotiating with providers, customization and post-implementation support (**MSME DI, Indore, Chennai**)
- Conducting need based vendor development programs based on discussions with large PSUs, understanding their product requirements & procedures for vendor enlistment and facilitating meetings between the identified vendors with requisite capability and the PSU (**MSME DI, Chennai**)

Economic Investigation

- Ensuring access to reports prepared for MSMEs through distribution to state DICs / industry associations / chambers of commerce (**MSME DI, Indore**)

Institutional / Organization

- Establishing linkages with institutes of repute like CSIR, CIPET, CLRI etc. for conducting training programs related to skill development and technical assistance services (**MSME DI, Chennai**)
- Development of Standard Operating Procedures for various key core and support activities like conducting training programs / NSIC registrations etc. (**MSME DI, Indore**)

Infrastructure and support processes...1

As Is analysis: Key process-related issues

Key Issues

- Absence of networking among the DIs in terms of sharing of information, knowledge and competencies
 - Small Enterprises Network (SENET) mainly involved with maintenance of website of respective DIs – information sharing through website only without presence of any intranet
 - Technology resource centres, aimed at facilitating technology adoption through information on latest technology trends across sectors, key suppliers, quality standards, list of consultants etc., are defunct currently
- Absence of standardization of websites of individual DIs with lack of linkages with website of Office of DC for purposes of service delivery (scheme administration)
- Absence of requisite office infrastructure
 - All technical officials do not have Personal computers
 - Internet facilities not available to all technical officials
 - Some technical officials do not have phones in their office
 - Absence of office vehicles impacts ability to ensure requisite outreach
 - Some DI offices like Guwahati do not have a regular power connection from State Electricity Board

Possible solution

- Need for development of IT-enabled intranet for DIs with information on technical resources available with respective DI, specific skills & competencies with individuals, database of project profiles, district potential survey reports etc.
- Standardization of content and display characteristics of all DI websites with linkage to website of Office of DC for ensuring consistent service delivery mechanism
- Upgradation of office infrastructure and IT connectivity to (a) support technical officers in discharging their duties more efficiently and (b) present a more customer-friendly face to MSMEs and other stakeholders

Infrastructure and support processes...2

As Is analysis: Key process-related issues

Key Issues

- Vacant space in most DIs remain unutilized
- No regular maintenance of DI office building in absence of budget sanction to CPWD; Inordinate delays by CPWD in executing maintenance work
- Interface with Headquarters, including MIS
 - Involves submission of different reports to multiple stakeholders at HQ level
 - Significant delays in release of funds for training programs, approval of infrastructure upgradation related requirements etc.
- Non-plan budget for travel includes payments made for purposes of relocation of DI officials transferred out from the respective DI – limits availability of funds for outstation travel of DI staff

Possible solution

- Scope for using available space to establish product display centres for MSMEs which can be used by industry on a cost sharing basis – could leverage assistance for proposed establishment of “Marketing Hub” in select DIs as part of NMCP scheme related to “Marketing assistance & technology upgradation”
- To review arrangement with CPWD and institute service level agreement for ensuring timely completion of work; Explore possibility of DI Director outsourcing minor repair works to local agencies based on guidelines provided by headquarters
- Interface with Headquarters should be on a “single window” basis for monitoring & supporting the respective DI in terms of helping them meet their respective requirements in case of any inordinate delays > The proposed Technical Secretariat could play a key role
- Separate budget head for meeting relocation-related expenses on account of inter-DI transfers

Performance Assessment of DIs viz. a viz. State level MSME activity

Methodology followed for analyzing performance

Performance assessment of DIs viz. a viz. State level MSME activity

- Step 1: Composite score computed for each DI for 2010-11 based on the following:
 - Revenue generated during the year per staff (Technical, IMT and EI) (40% weight)
 - No. of individuals trained during the year per staff (Technical, IMT and EI) (20% weight)
 - No. of activities/ programs conducted as part of technical services per technical staff (30% weight)
 - No. of economic intelligence reports updated / prepared per EI staff (10% weight)
- Step 2: Intensity of MSME activity levels in each State (based on 4th MSME Census) assessed in terms of:
 - No. of MSMEs¹ (30% weight)
 - MSME employment² levels (40% weight)
 - MSME output³ (30% weight)
- Step 3: Mapping of DI performance to State-level MSME activity levels

¹ Indicates No. of registered working MSMEs and unregistered MSMEs

² Indicates employment levels in registered and unregistered MSMEs

³ Indicates MSME output for registered MSMEs

Ranking of individual DIs

Performance assessment of DIs viz. a viz. State level MSME activity

Location of DI	Revenue	Training	Technical Support	EI	Overall*
Mumbai	393,425	961	36.7	0.0	74.51
Chennai	453,511	701	11.4	0.3	57.00
Ahmedabad	69,678	1147	26.2	2.0	43.25
Kanpur	206,966	1169	4.9	1.7	37.53
Ludhiana	88,284	1087	10.3	1.5	30.26
Muzaffarpur	90,746	1548	2.7	1.0	27.97
Cuttack	195,178	475	4.1	1.2	27.78
Karnal	40,255	820	6.1	5.0	26.93
Indore	97,322	989	3.2	2.3	25.93
Bangalore	126,385	318	10.0	1.3	25.24
Patna	49,244	1101	2.0	4.0	25.21
Agartala	35,100	1961	0.3	0.0	23.37
Delhi	68,484	423	2.5	5.0	22.44

Location of DI	Revenue	Training	Technical Support	EI	Overall*
Kolkata	81,637	739	7.7	0.5	22.06
Nagpur	44,902	911	4.8	2.0	21.17
Haldwani	63,247	396	13.7	0.0	20.80
Gangtok	20,050	659	10.0	2.0	20.67
Agra	43,589	893	4.6	1.0	18.75
Ranchi	52,613	815	3.3	1.3	18.31
Jaipur	89216	484	3.8	1.0	17.88
Thrissur	53,669	419	9.9	0.3	17.74
Solan	35,282	404	3.8	2.5	15.35
Guwahati	37969	703	0.9	0.2	11.57
Imphal	14,596	493	3.0	1.0	10.77
Allahabad	30,368	654	1.4	0.0	10.46

Source: Annual reports of 25 DIs received till date based on metrics being monitored by the DC's Office

* Overall score based on following weightages: 40 %*(Revenue per staff generated for the respective DI/ Maximum revenue generated per staff among 25 DIs who had responded) + 30 % *(No. of technical activities/ programs per technical staff for the respective DI/ Maximum no. of technical activities/ programs per staff among 25 DIs who had responded) + 20 %*(No. of entrepreneurs trained per staff for the respective DI/ Maximum no. of entrepreneurs trained per staff among 25 DIs who had responded) + 10 %* (No. of reports prepared per EI staff for the respective DI/ Maximum no. of reports prepared per EI staff among 25 DIs who had responded)

Revenue (Rs. per staff),
 Training (no. of beneficiaries per staff),
 Technical Support (no. of activities/ programs per technical staff),
 Economic Investigation (no. of reports per EI staff)

State-wise MSME activity levels

Performance assessment of DIs viz. a viz. State level MSME activity

State	No. of MSMEs	No. of people employed	MSME Output	Overall*
Maharashtra	2512627	6435079	111480.3	95.2
Uttar Pradesh	2995534	5798051	81688.2	88.0
Tamil Nadu	2505113	6214324	70546.4	82.7
West Bengal	2489596	5760791	29801.8	68.8
Andhra Pradesh	1981341	5769358	14817.6	59.7
Karnataka	1558267	3684626	44363.7	50.4
Gujarat	1038362	2991000	38452.0	39.3
Kerala	1411946	2994286	24462.8	39.3
Rajasthan	1247581	2429383	42797.6	39.1
Madhya Pradesh	1241587	2587899	28259.5	36.1
Punjab	775260	1760517	61565.1	35.3
Haryana	587440	1399330	45703.2	26.9
Orissa	1051654	1898944	14749.7	26.3

Source: Quick Results of 4th MSME Census, 2006-07

State	No. of MSMEs	No. of people employed	MSME Output	Overall*
Delhi	613550	2750894	8394.2	25.5
Bihar	979496	1672587	5898.2	21.8
Assam	590286	1233280	6805.6	15.4
Jammu & Kashmir	253544	426288	15756.1	9.4
Chhattisgarh	342355	700531	5571.6	9.3
Jharkhand	364577	694339	4412.8	9.2
Uttaranchal	214517	383804	11839.7	7.7
Himachal Pradesh	178040	289706	12040.7	6.8
Goa	46147	120641	8109.2	3.4
Tripura	107271	167823	575.1	2.3
Manipur	62087	113571	160.5	1.4
Sikkim	11016	21394	49.6	0.3

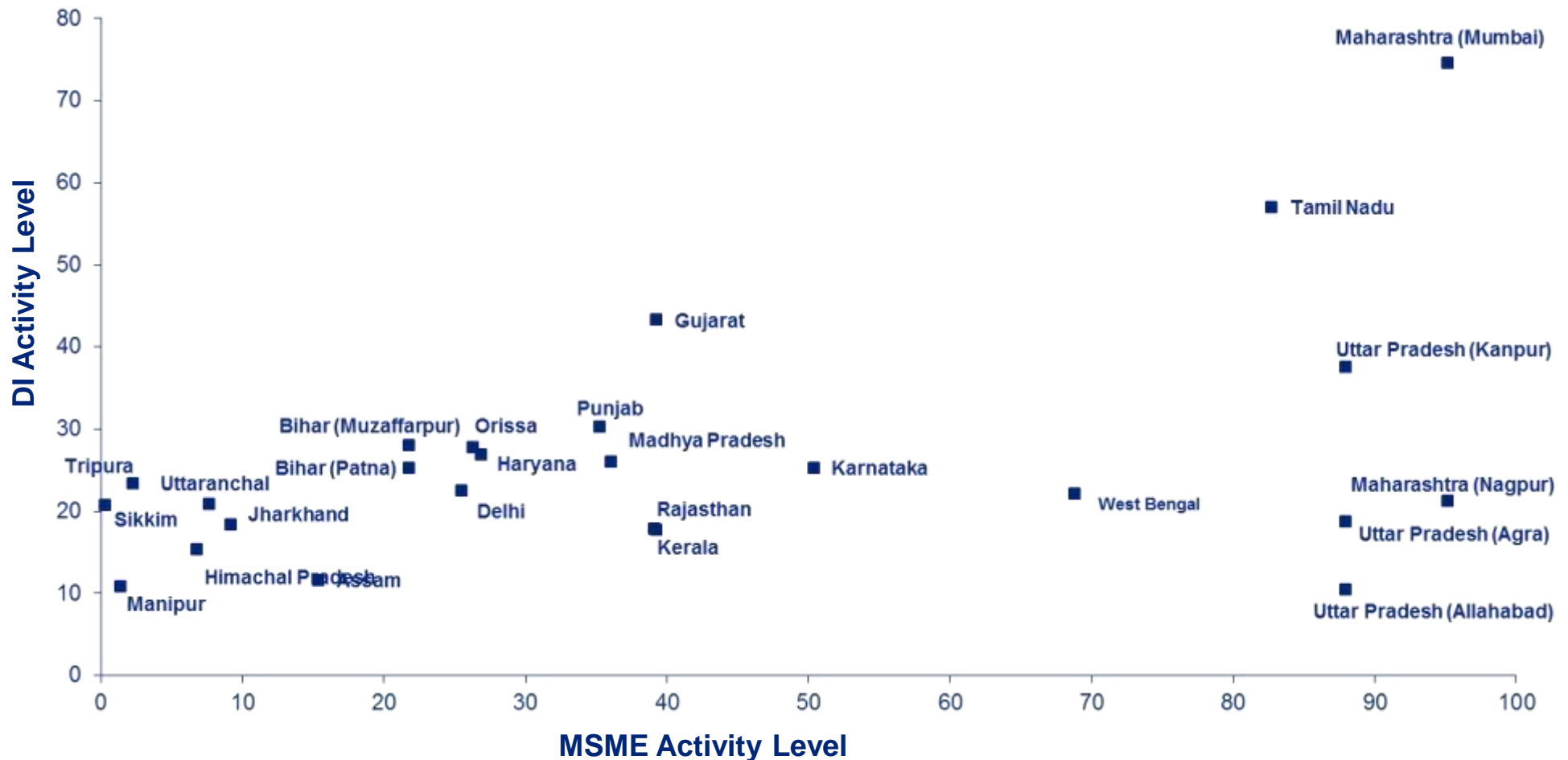
MSME Output (in Rs. Crores)

30 %(No. of MSMEs in the respective state/ Maximum no. of MSMEs in any state) + 40 % * (No. of people employed by MSMEs in a state/ Maximum no. of people employed by MSMEs in any state) + 30 %*(Value of output from MSMEs in the respective state/ Maximum value of output from MSMEs in any state)

Mapping of DI activity to State MSME activity levels

Performance assessment of DIs viz. a viz. State level MSME activity

- While there are variations in DI activity levels within the same State, the chart below clearly highlights that DI activity levels have a direct correlation with overall MSME activity levels in the State of operation



Source: Annual reports of DIs, 4th MSME Census, Deloitte Analysis

Way Forward / Next Steps

Way Forward / Next Steps

- Submitting the Strategic Recommendation Report (D6) outlining the proposed functional mandate of DIs: Around mid/ 3rd week of May, 2012
 - Recommendations on DI role in public procurement as well as future roadmap for common facility workshops to be included
 - Identified areas in which targeted technical support for MSMEs is required and could be provided by external agencies
- Draft Report on (a) organization restructuring plan (D7) highlighting the proposed new / revised organization structure for DIs and (b) design of a technical secretariat at the office of the DC, MSME (D8) highlighting key functional requirements with specific reference to MSME DI functioning
 - Tentative submission by mid June subject to receipt of comments on D6 by end May, 2012 i.e. around 15 days from the receipt of comments on D6
- Final Reports (D6-D8) to be submitted within 15 working days from receipt of comments on the above draft report

Annexure

Alternate service providers

Annexure 1 – Training...1

Services offered by DI	Details of Services	Other Public/ Private Service Providers
Training	Delivery of skill & entrepreneurship development programs such as EDP, ESDP, BSDP, MDP etc.	<ul style="list-style-type: none"> • Training related interventions for MSMEs are being facilitated by the following key public / private sector entities: <ol style="list-style-type: none"> 1. Ministry of MSME imparts training through the apex organizations, including the following (http://msmetraining.gov.in/ApexOrganisationHome.aspx): <ul style="list-style-type: none"> ✓ Indian Institute of Entrepreneurship (IIE), Guwahati ✓ National Institute of Entrepreneurship & Small Business Development (NIESBUD), Noida ✓ National Institute for Micro, Small and Medium Enterprises (NI-MSME), Hyderabad ✓ National Small Industries Corporation (NSIC), New Delhi and ✓ Central Tool Room, Ludhiana <p>In order to enhance the outreach, these apex organizations conduct training programs (ESDP, EDP and TOT (Training of Trainers)) by leveraging various partner institutions, including private sector entities*. A national MSME trainee database** has been developed with details of the trainees trained by these organizations.</p> 2. District Industries Centres (DICs) conduct skill & entrepreneurship development training programs with assistance of NGOs / technical institutes and state-level training institutes. They are also one of the implementing agencies for Prime Minister's Employment Generation Program (PMEGP) in urban areas which also focuses on skill / entrepreneurship development. DICs have an advantage of greater outreach due to their presence at the district level.

* List of the same is available at <http://www.msmetraining.gov.in/LinkImplementingAgency.aspx>

** Trainee database is available at <http://msmetraining.gov.in/JobSearch/JobSearch.aspx>

Alternate service providers

Annexure 1 – Training...2

Services offered by DI	Details of Services	Other Public/ Private Service Providers
Training	Delivery of skill & entrepreneurship development programs such as EDP, ESDP, BSDP, MDP etc.	<p>3. Prime Minister's Employment Generation Program: Khadi and Village Industries Commission (KVIC) is the nodal agency for implementation of PMEGP at national level which includes conducting 2-3 week entrepreneurship development program.</p> <ul style="list-style-type: none"> ✓ At state level, the scheme is being implemented through State Directorates of KVIC, State Khadi & Village Industries Board (KVIB) and DICs. ✓ KVIC and DICs also involve NSIC, Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), Panchayati Raj Institutions and other NGOs, SHGs & reputed autonomous institutions in identification of beneficiaries ✓ On ground implementation includes conducting these EDPs through i) KVIC, ii) KVIB Training Centers as well as Accredited Training Centers run by Central Government, iii) NSIC, iv) the three national level Entrepreneurship Development Institutes (EDIs) i.e. NIESBUD, NIMSME and IIE and their partner institutions, v) Rural Development and Self Employment Training Institutes (RUDSETI), vi) reputed NGOs etc. <p>4. National Skill Development Corporation (NSDC): First-of-its-kind Public-Private Partnership (PPP) in India that facilitates skill development with a large part of its efforts being directed at skill development programs in the unorganized sector. NSDC acts as a catalyst in skill development by providing funding to enterprises, companies and organizations in private sector that provide skill training. The same is in line with NSDC's mandate of ensuring training of 150 mn people by 2022 leveraging private sector, in order to achieve the overall target of 500 mn people as specified by PM's National Council on Skill Development.</p>

Alternate service providers

Annexure 1 – Technical Support...1

Services offered by DI	Details of Services	Other Public/ Private Service Providers
Technical Services	Awareness about public support programs	<ul style="list-style-type: none"> Primarily taken care of by DIs, with support from industry associations for purpose of identification and mobilization of potential beneficiaries
	Administration of public support programs	<ul style="list-style-type: none"> Taken care of by DIs - primarily involves processing reimbursements as part of schemes related to adoption of ISO 9000 / bar coding facilities
	Cluster Development Program	<ul style="list-style-type: none"> District Industries Centre (DIC): Identifying clusters under MSE CDP, on behalf of the State Government for purposes of development and implementation by state-level agencies. Technical Consultancy Organizations (TCOs): Involved in development of industry clusters by carrying out cluster diagnostic studies, preparing cluster development plans and implementation mostly in their respective states. There are 18 state level TCOs across India established by all India Financial Institutions (IDBI, ICICI, IFCI, etc.) in collaboration with state level financial/ development organizations and commercial banks. Cluster development agencies like Apex Cluster Development Services Pvt. Ltd.; Foundation for MSME Clusters, New Delhi; Entrepreneurship Development Institute of India, Ahmedabad; Cluster Pulse, Access Development Services, Pradan etc. which are engaged in cluster diagnostic studies, program management support and implementing cluster development initiatives. Educational & Technical Institutes like NIFT, NID, NITs etc. have been involved as partner institutes by cluster development agencies, which provide technical input during initial diagnostic studies and preparation of DPRs

Alternate service providers

Annexure 1 – Technical Support...2

Services offered by DI	Details of Services	Other Public/ Private Service Providers
Technical Services	Capacity Assessment	<p>In addition to DIs, NSIC has authorized the following entities to conduct capacity assessment inspection as part of registration process for participating in Government tenders:</p> <ul style="list-style-type: none"> • Consultancy Development Centre (CDC): It is an autonomous institution of Department of Scientific & Industrial Research, Ministry of Science and Technology • RITES: It is a Government of India enterprise, under the aegis of Indian Railways • NSIC Technical Service Centre: Provides technical support to MSMEs through a number of extension and sub centres spread across India.
	Technical Consultancy / Product Profiles	<ul style="list-style-type: none"> • Technical Consultancy Organizations (TCOs): These organizations were established by all India Financial Institutions (IDBI, ICICI, IFCI, etc.) in collaboration with state level financial/ development organizations and commercial banks. There are 18 state level TCOs across India. In addition to offering technical consultancy, these TCOs conduct industry potential surveys & market research for specific products, prepare project profiles, etc. mostly in their respective states • Private consultancy / technical organizations
	Vendor Development Programs	<ul style="list-style-type: none"> • NSIC organizes and participates in domestic and specialized product & technology related international exhibitions to help MSMEs in marketing their products • DICs in coordination with state department of industries organize VDPs and assist MSMEs in participating in state and national level exhibitions • Industry Associations & Trade Promotion Organizations: They organize trade fairs, buyers sellers meets, promotion programs and facilitate participation by member MSMEs in regional, national and international trade fairs

Alternate service providers

Annexure 1 – Economic Investigation

Services offered by DI	Details of Services	Other Public/ Private Service Providers
Economic Investigation Services	<ul style="list-style-type: none"> District Industrial Potential Report State Profile 	<ul style="list-style-type: none"> Technical Consultancy Organizations (TCOs): They conduct industry potential surveys at the city / district/ state level along with market research for specific products, on commercial basis for entrepreneurs / industry associations District Industries Center (DIC): They prepare state profile which includes district level details. Industrial Development Corporations of respective states: They prepare state industrial potential reports which highlight the respective potential of the various districts / regions in the state in terms of enabling infrastructure, raw material linkages, labour along with state-level support available to the industry. However, it should be noted that these reports are targeted at all industries, without being limited to the MSMEs only Private consultancy / technical organizations, on commercial basis for entrepreneurs / industry associations
	<ul style="list-style-type: none"> MSME Census 	<ul style="list-style-type: none"> District Industries Centre (DIC): As part of preparing / updating state profile, DICs are supposed to conduct MSME Census across the state. Further, they also coordinate with respective DIs in the state during national census.

List of Trade Specializations

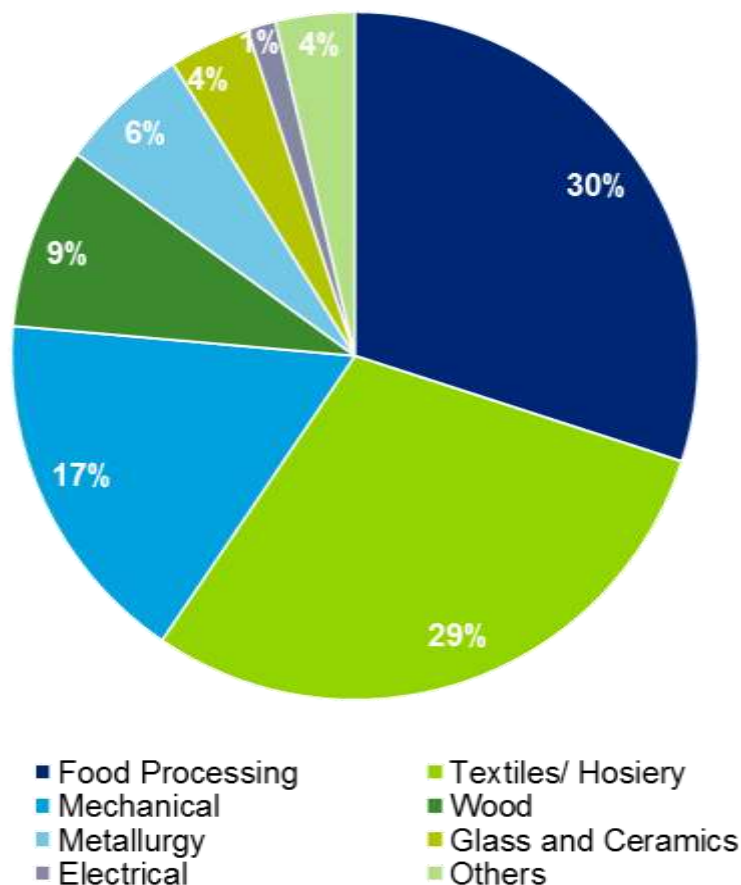
Annexure 2 - Trade specializations in technical function

1. Mechanical
2. Electrical
3. Electronics
4. Chemical
5. Metallurgy
6. Leather
7. Glass & Ceramics
8. Hosiery
9. Food Processing
10. Metal Finishing
11. Cane Making
12. Industrial Designing

Assam – DI Guwahati

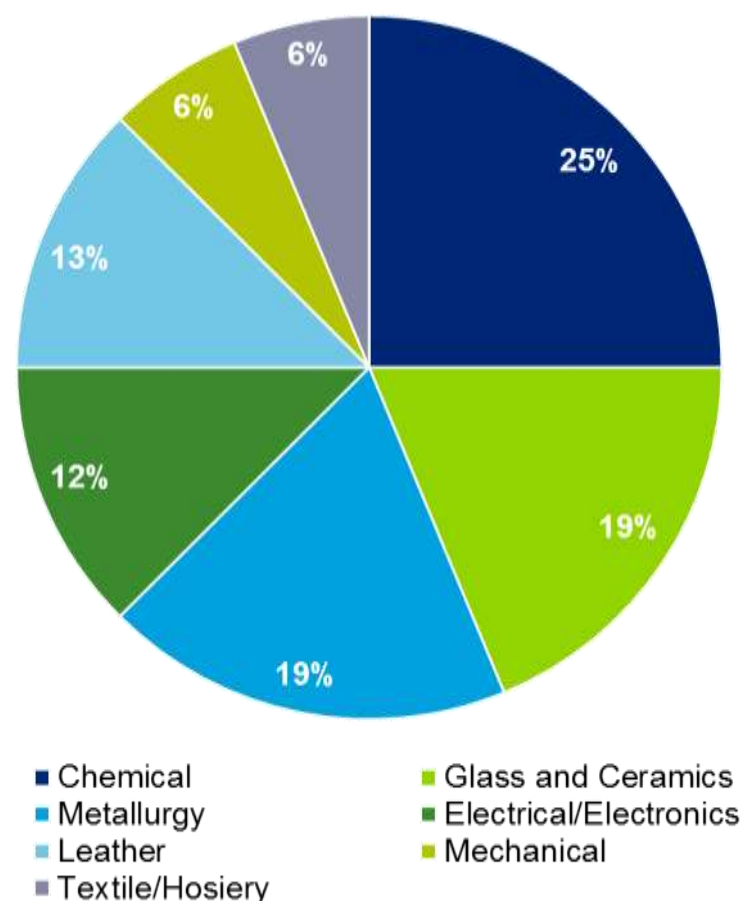
Annexure 3 - Mapping of trade specialization to focal MSME sectors

Focal manufacturing MSME sectors



Source: Quick results of 4th MSME all India Census

Trade specialization at DI



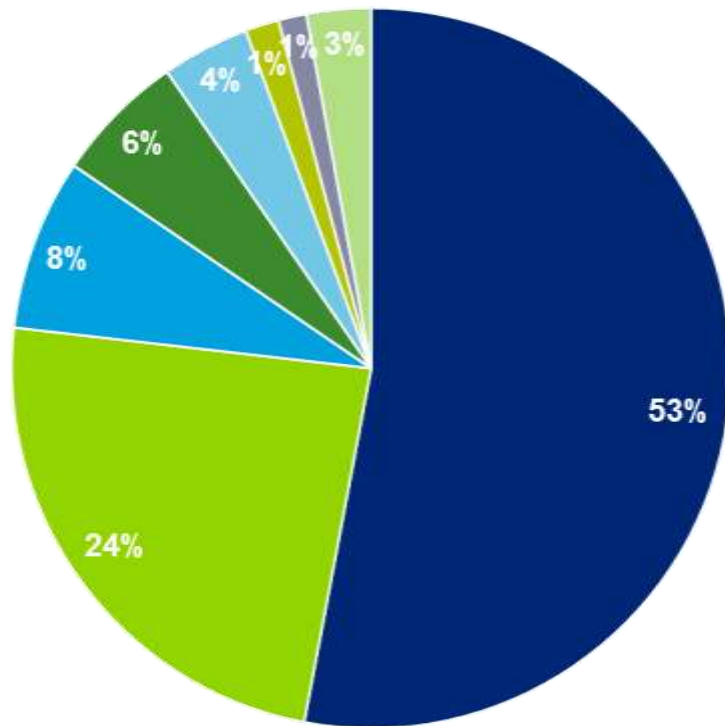
Source: Response to questionnaire (Guwahati)

- Absence of Trade specialists at the DI for the top focal manufacturing MSME sector i.e. Food processing
- Inadequate trade specialists at the DI for next important manufacturing sector i.e. Textile/ Hosiery
- Significant number of Trade specialist for Chemical sector at the DI which does not feature among the focal manufacturing MSME sectors in the state

Karnataka – DI Bangalore

Annexure 3 - Mapping of trade specialization to focal MSME sectors

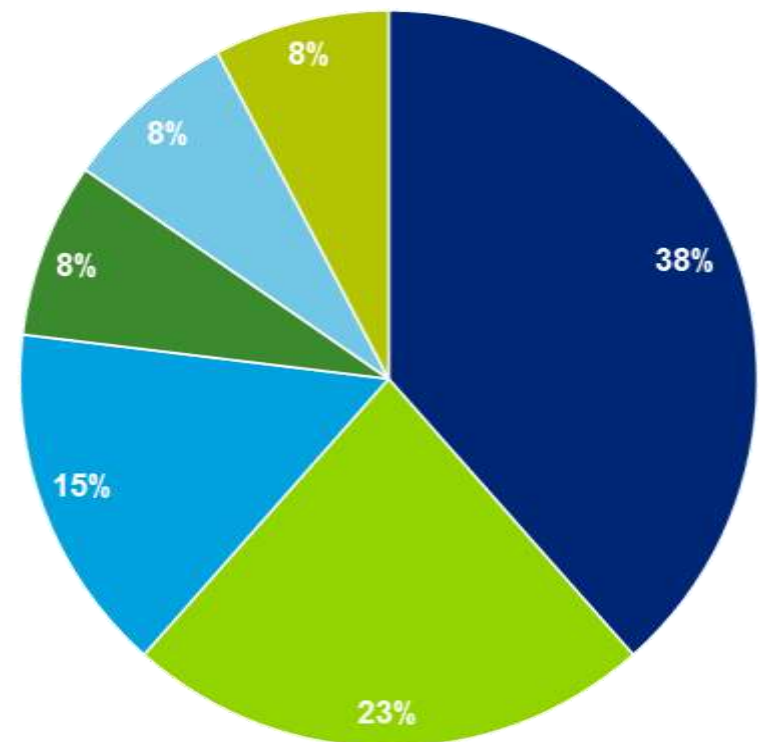
Focal manufacturing MSME sectors



■ Food Processing
 ■ Mechanical
 ■ Metallurgy
 ■ Glass and Ceramics
 ■ Textile/Hosiery
 ■ Wood
 ■ Chemical
 ■ Others

Source: Quick results of 4th MSME all India Census

Trade specialization at DI



■ Mechanical
 ■ Chemical
 ■ Glass and Ceramics
 ■ Electrical/Electronics
 ■ Metallurgy
 ■ Textiles/Hosiery

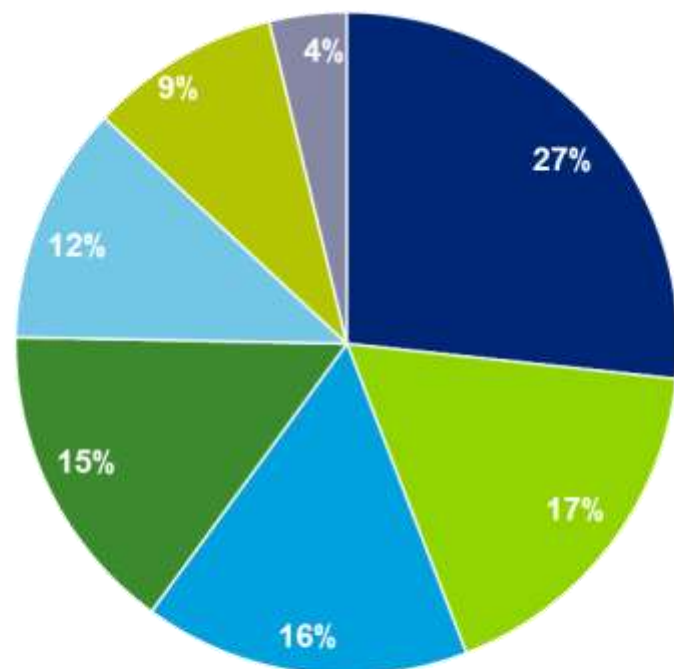
Source: Response to questionnaire (Bangalore)

- Absence of Trade specialist at the DI for the top focal manufacturing MSME sector i.e. Food processing
- Significant number of Trade specialists for Mechanical sector at the DI which accounts for only 8% of the no. of manufacturing MSMEs in the state

Jharkhand – DI Ranchi

Annexure 3 - Mapping of trade specialization to focal MSME sectors

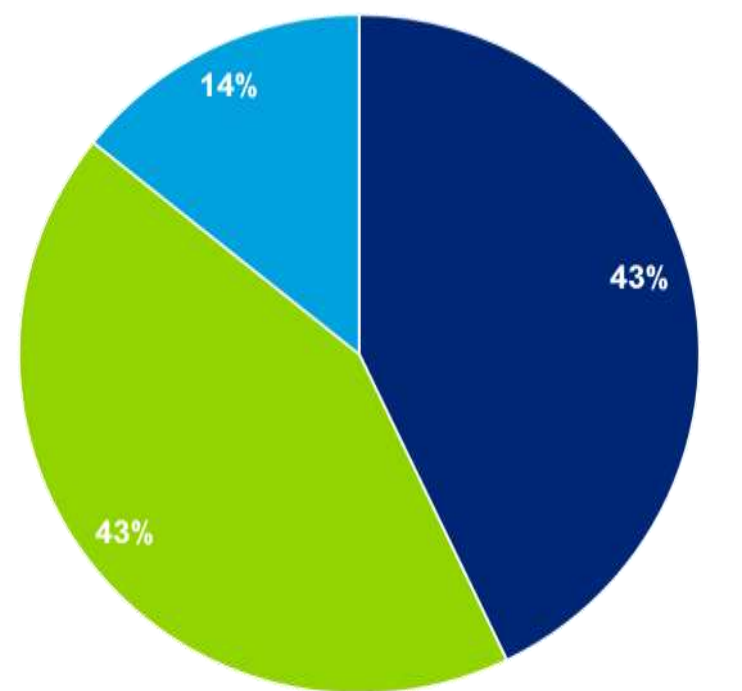
Focal manufacturing MSME sectors



■ Food Processing
 ■ Wood
 ■ Glass and Ceramics
 ■ Others
 ■ Textile/Hosiery
 ■ Mechanical
 ■ Metallurgy

Source: Quick results of 4th MSME all India Census

Trade specialization at DI



■ Mechanical
 ■ Glass and Ceramics
 ■ Metallurgy

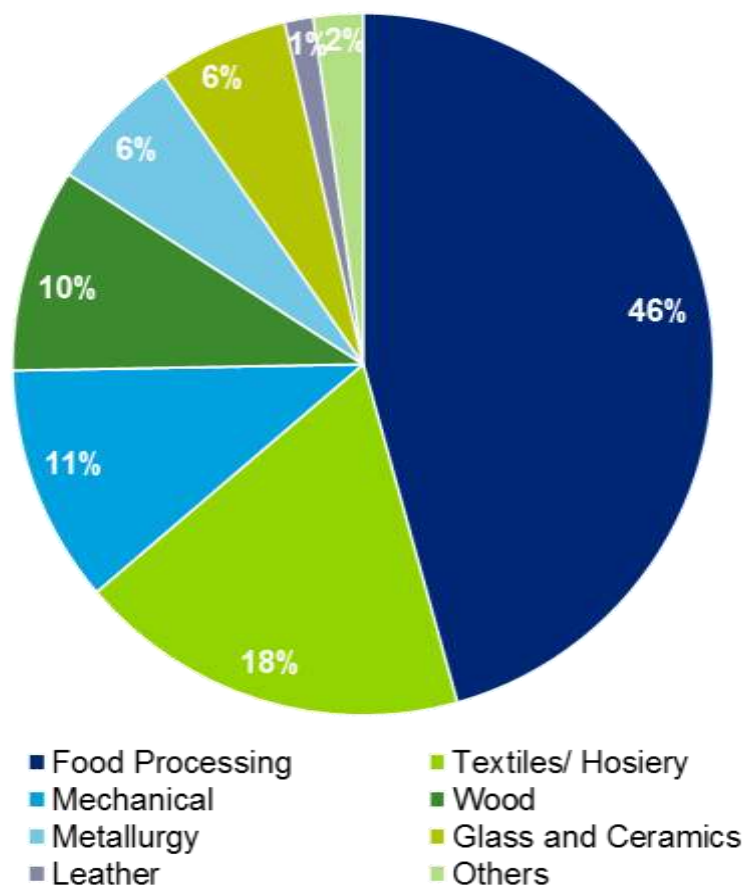
Source: Response to questionnaire (Ranchi)

- Absence of Trade specialists at the DI for the top 2 focal manufacturing MSME sectors i.e. Food processing and Textile/ Hosiery
- Significant number of Trade specialists for Glass and Ceramics sector at the DI which accounts for only 12% of the no. of manufacturing MSMEs in the state

Madhya Pradesh – DI Indore

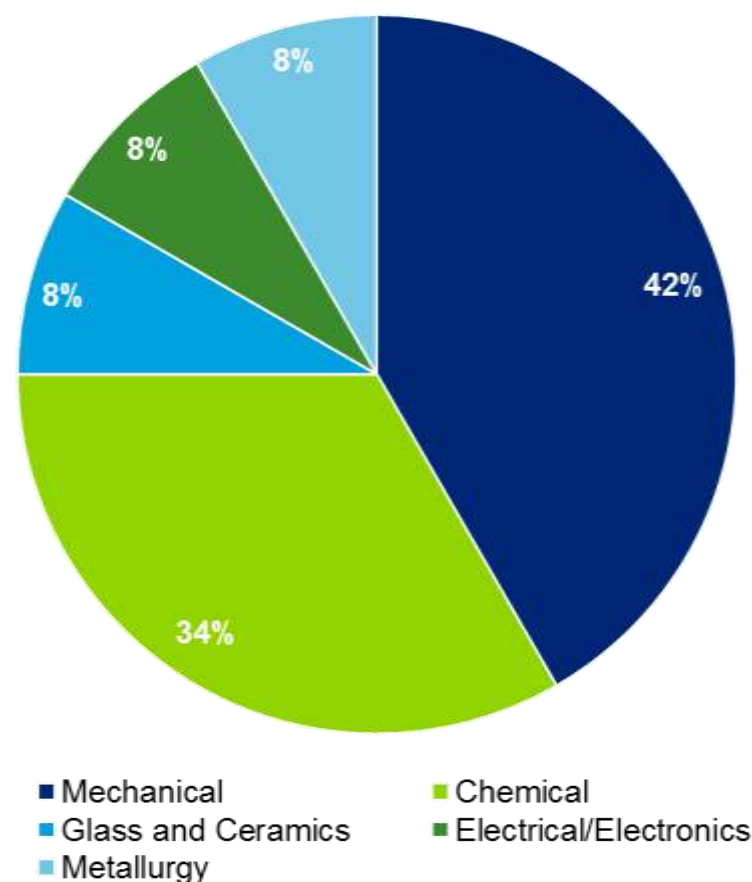
Annexure 3 - Mapping of trade specialization to focal MSME sectors

Focal manufacturing MSME sectors



Source: Quick results of 4th MSME all India Census

Trade specialization at DI



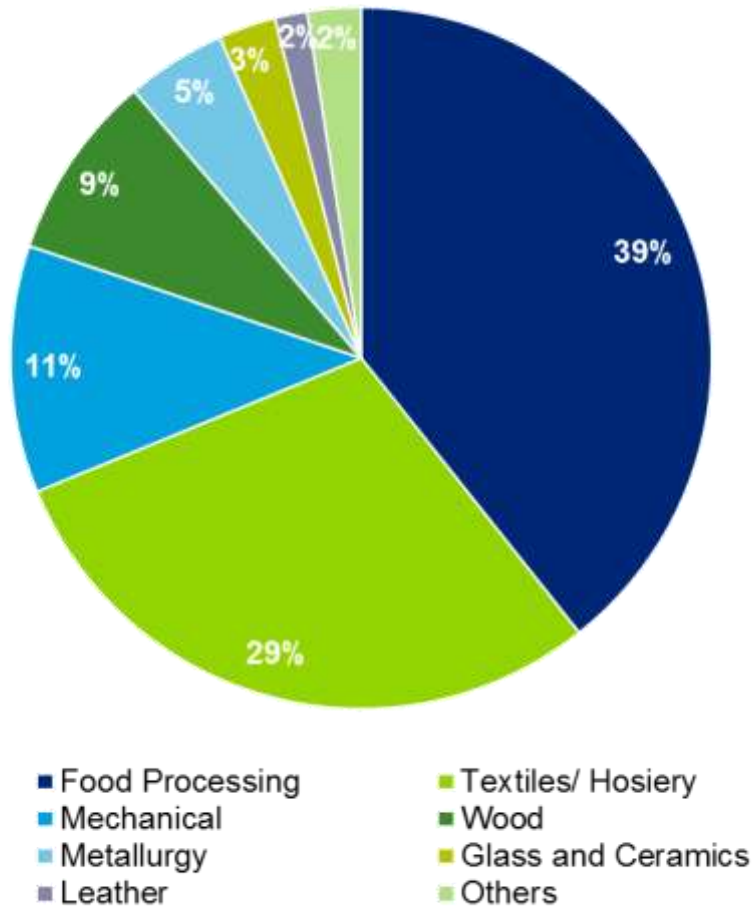
Source: Response to questionnaire (Indore)

- Absence of Trade specialists at the DI for the top 2 focal manufacturing MSME sector i.e. Food processing & Textile/ Hosiery
- Significant number of Trade specialist for Chemical sector at the DI which does not feature among the focal manufacturing MSME sectors in the state

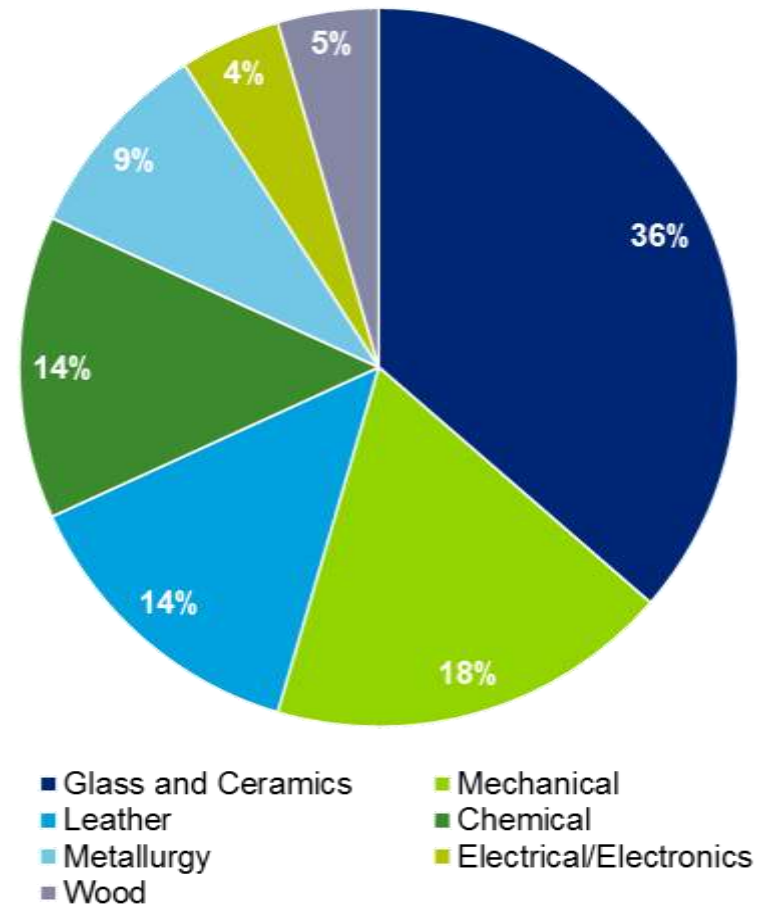
Paschimbanga – DI Kolkata

Annexure 3 - Mapping of trade specialization to focal MSME sectors

Focal manufacturing MSME sectors



Trade specialization at DI



Source: Quick results of 4th MSME all India Census

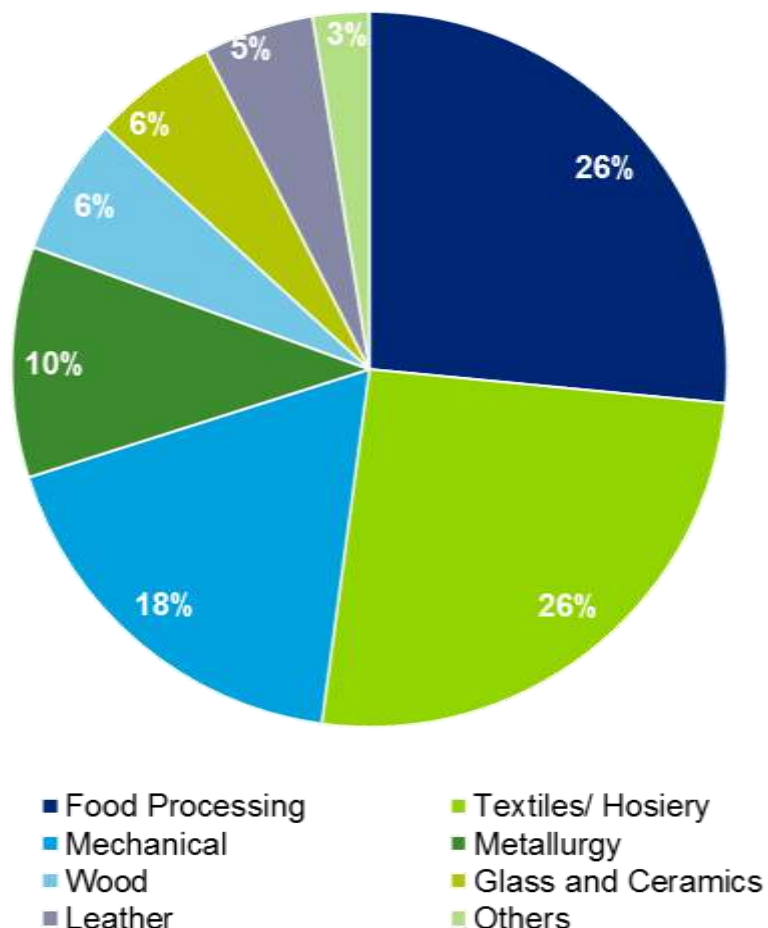
Source: Response to questionnaire (Kolkata)

- Absence of Trade specialists at the DI for the top 2 focal manufacturing MSME sectors i.e. Food processing and Textiles/ Hosiery
- Significant number of Trade specialist for Glass & Ceramics at the DI which accounts for only 3% of the no. of manufacturing MSMEs in the state

Rajasthan – DI Jaipur

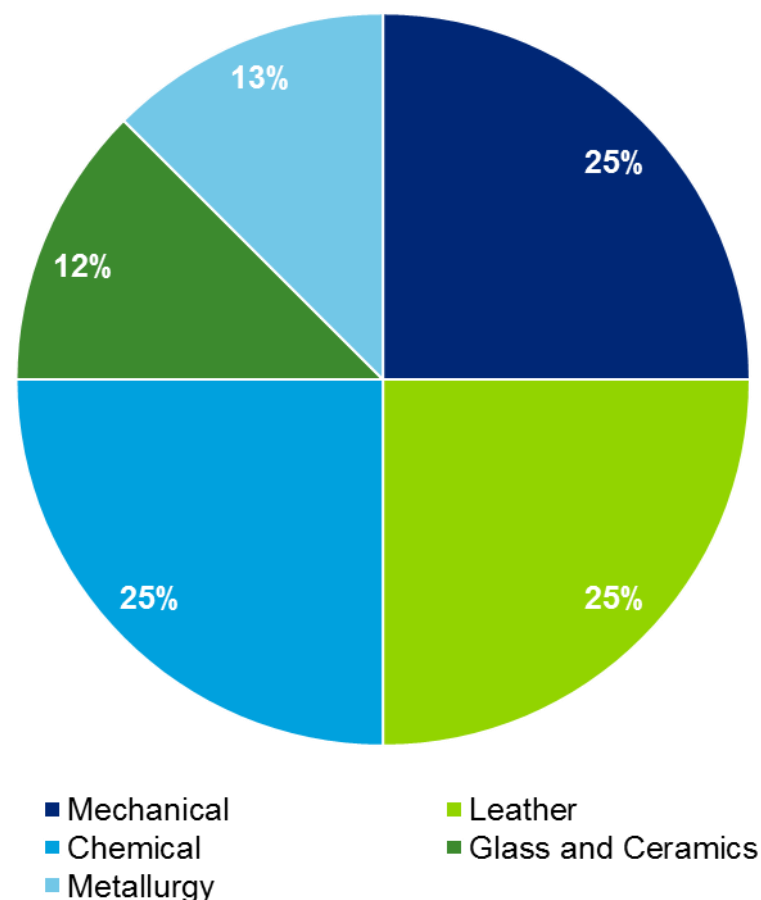
Annexure 3 - Mapping of trade specialization to focal MSME sectors

Focal manufacturing MSME sectors



Source: Quick results of 4th MSME all India Census

Trade specialization at DI



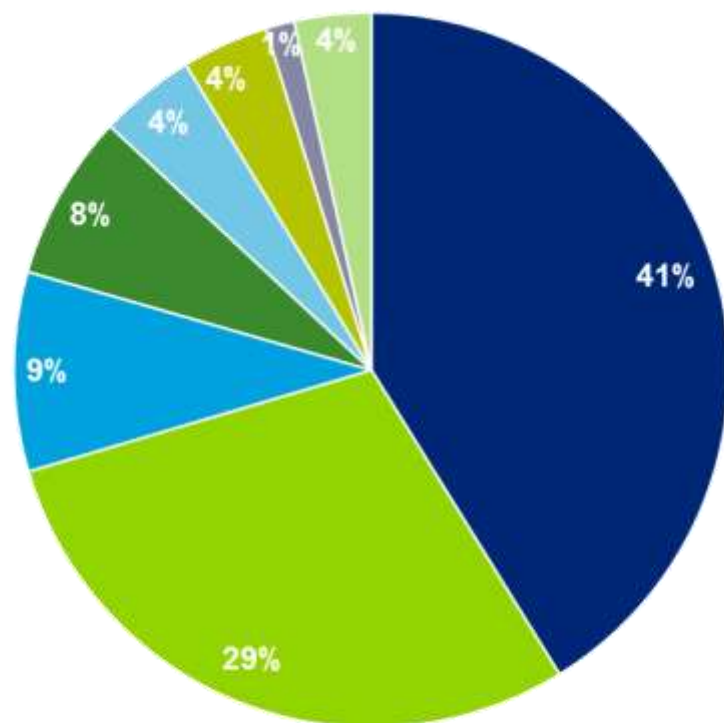
Source: Response to questionnaire (Jaipur)

- Absence of Trade specialists at the DI for the top 2 focal manufacturing MSME sectors i.e. Food processing & Textile/ Hosiery
- Significant number of Trade specialists for Leather sector at the DI which accounts for only 5% of the no. of manufacturing MSMEs in the state

Tamil Nadu – DI Chennai

Annexure 3 - Mapping of trade specialization to focal MSME sectors

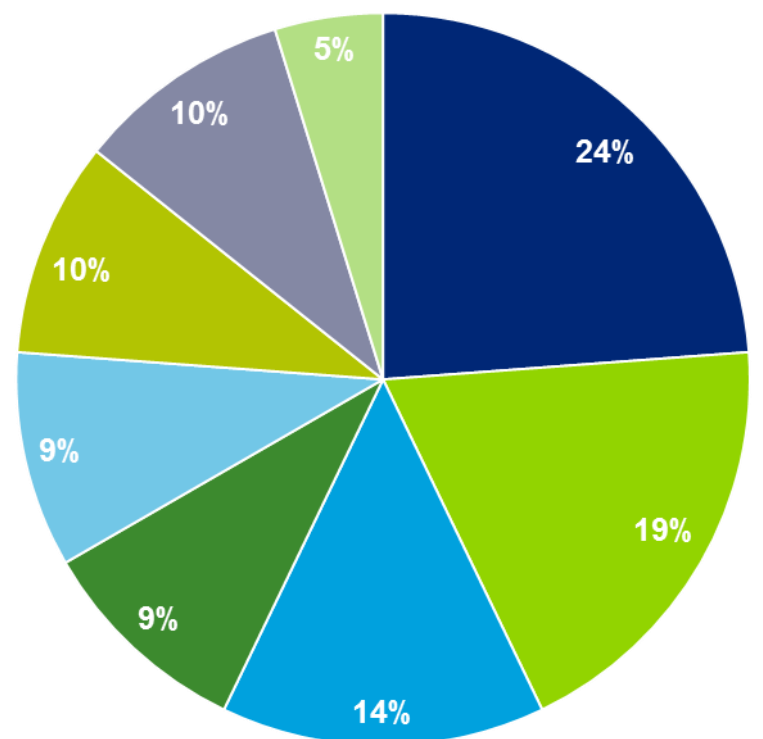
Focal manufacturing MSME sectors



■ Textiles/ Hosiery
 ■ Mechanical
 ■ Metallurgy
 ■ Glass and Ceramics
 ■ Food Processing
 ■ Chemical
 ■ Wood
 ■ Others

Source: Quick results of 4th MSME all India Census

Trade specialization at DI



■ Mechanical
 ■ Metallurgy
 ■ Leather
 ■ Chemical
 ■ Glass and Ceramics
 ■ Textile/Hosiery
 ■ Electrical/Electronics
 ■ Food Processing

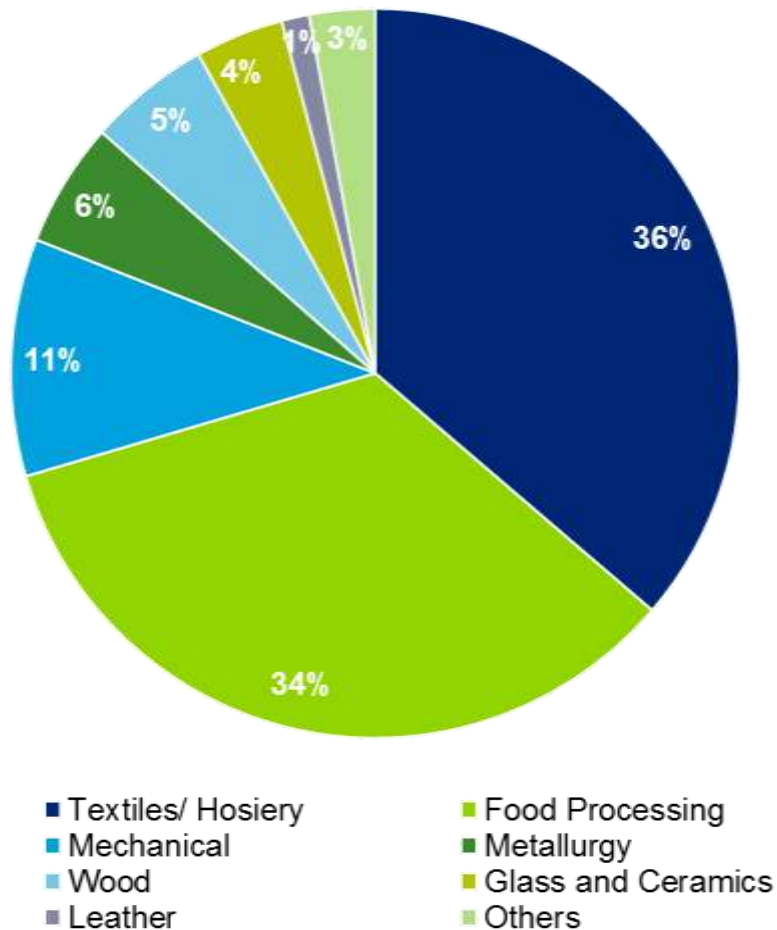
Source: Response to questionnaire (Chennai)

- Absence of adequate Trade specialists at the DI for the top focal manufacturing MSME sectors i.e. Textile/ Hosiery and Food processing
- Significant number of Trade specialists for Glass and Ceramics sector at the DI which accounts for only 1% of the no. of manufacturing MSMEs in the state

Uttar Pradesh – DI Kanpur

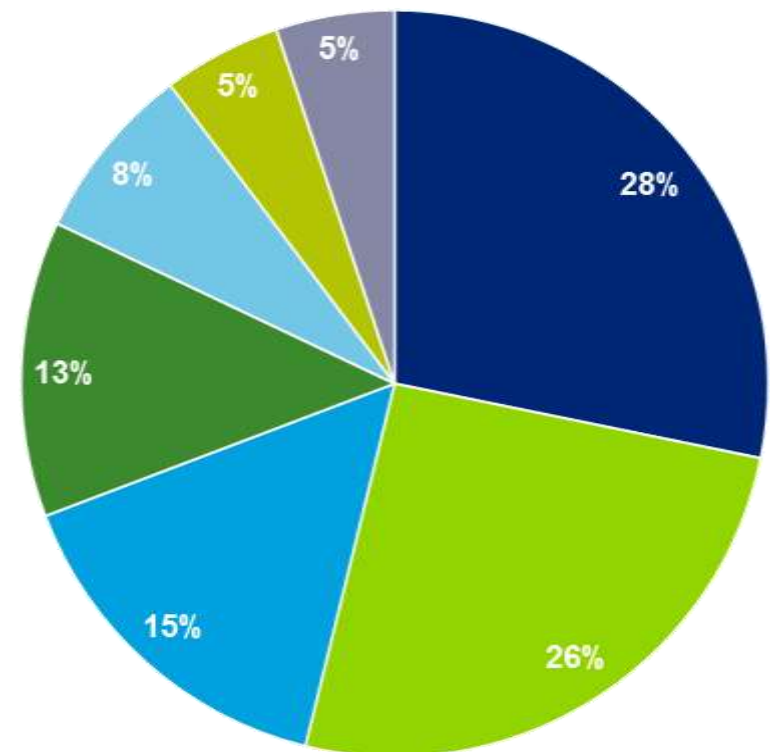
Annexure 3 - Mapping of trade specialization to focal MSME sectors

Focal manufacturing MSME sectors



Source: Quick results of 4th MSME all India Census

Trade specialization at DI



Source: Response to questionnaire (Kanpur, Agra, Allahabad)

- Absence of Trade specialists at the DI for the top focal manufacturing MSME sector i.e. Textile/ Hosiery
- Significant number of Trade specialists for Leather sector at the DI which accounts for only 1% of the no. of manufacturing MSMEs in the state

DI Support Network for service delivery...1

Annexure 4 – State Government

Entity	Nature of linkage with DI	Key Issues
State Government	<ul style="list-style-type: none"> • Delivery of training programs: <ul style="list-style-type: none"> ✓ Coordination with DIC in select cases to identify the location & nature of training to be imparted, based on local demand requirements ✓ DIC officials may be invited to DI-initiated training programs to provide inputs on clearances required for establishing units • Cluster Development Program: DIs may be involved in identification of potential clusters, based on feedback from State Government. Other services offered could include: <ul style="list-style-type: none"> ✓ DSR preparation ✓ Soft interventions ✓ Facilitate DPR preparation • State Level Advisory Board (SLAB): Established to advice on issues concerning MSMEs in the state and coordination among various agencies engaged in MSME development <ul style="list-style-type: none"> ✓ Director, MSME-DI is a Member Secretary of SLAB ✓ Includes representatives from respective State departments and industry associations 	<ul style="list-style-type: none"> • Coordination mechanism with DICs appear to be location-dependent, based on personal relationship of DI officials with DIC officials <ul style="list-style-type: none"> ✓ Need for institutionalization of linkages among DIs and DICs - would help avoid duplication of efforts of DIs and DICs in delivering training programs among MSMEs • Role of DIs in cluster development restricted to clusters initiated by them with no / limited role in those initiated by State Government <ul style="list-style-type: none"> ✓ Restricts ability to target clusters for identifying training participants and other service offerings • SLAB meetings not always held with mandated frequency <ul style="list-style-type: none"> ✓ Impacts coordination between State Government and DIs in implementation of public support programs, leading to duplication of effort

DI Support Network for service delivery...2

Annexure 4 – State Government and NGOs / technical institutes

Entity	Nature of linkage with DI	Key Issues
State Government	<ul style="list-style-type: none"> • Preparation of state / district potential survey reports <ul style="list-style-type: none"> ✓ State-level data required for the same is available with DICs • Awareness generation about respective public support programs of MoMSME <ul style="list-style-type: none"> ✓ Coordination with DIC in select cases to identify the location in which awareness to be created in order to have the desired impact 	<ul style="list-style-type: none"> • Coordination mechanism with DICs appear to be location-dependent, based on personal relationship of DI officials with DIC officials <ul style="list-style-type: none"> ✓ Need for institutionalization of linkages among DIs and DICs
NGOs/ Technical Institutions/ Universities	<ul style="list-style-type: none"> • Delivery of training programs: DIs coordinate with NGOs and Technical Institutions for identifying participants, delivering training programs, depending on the respective location and subject 	<ul style="list-style-type: none"> • Coordination mechanism with NGOs / technical institutions / universities appear to be location-dependent, based on personal relationship of DI officials with representatives from these entities <ul style="list-style-type: none"> ✓ Absence of mechanism for identifying suitable training partners with requisite infrastructure for respective locations ✓ Absence of standardized mechanisms for monitoring quality of training provided by NGOs / technical institutes

DI Support Network for service delivery...3

Annexure 4 – Banks / FIs and NSIC

Entity	Nature of linkage with DI	Key Issues
Financial Institutions (in their individual capacities)	<ul style="list-style-type: none"> • DIs may introduce MSMEs to banks / FIs along with facilitation of interactions on a case to case basis • DIs coordinate submission of DPRs for purposes of financing to respective banks / FIs on behalf of MSME cluster associations in case of intervention under MSE CDP • Delivery of training programs: DIs usually invite representatives of banks / FIs for their training programs to make the MSMEs aware of various financing mechanisms along with the procedure to avail the same 	<ul style="list-style-type: none"> • Limited value addition from DIs in ensuring completeness of loan documents and adherence with the standard templates and formats required by banks / FIs, which results in rejection of loan documents • Limited role of DIs with the DPR preparation typically outsourced to private entities like chartered accountants, financial advisors • Coordination mechanism with banks / FIs appear to be location-dependent, based on personal relationship of DI officials with officials from banks / FIs ✓ Need for institutionalization of linkages between DIs and banks / FIs
National Small Industries Corporation (NSIC)	<ul style="list-style-type: none"> • NSIC registration: NSIC refers MSMEs to DIs for capacity assessment & technical evaluation before registration for participation in Government procurement-related tenders 	<ul style="list-style-type: none"> • Delay in conducting technical evaluation and sending feedback to NSIC in select cases – may impact ability to participate in tenders



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MSME UMBRELLA PROGRAMME



MSME Development Institute: Strategic Recommendation Report

Deloitte.

Disclaimer

- This report has been prepared by Deloitte Touche Tohmatsu India Private Limited (DTTIPL) as part of the project on Organizational & Structural Review of MSME-DIs commissioned by the office of the DC, MSME in association with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and is in continuation of the “analysis report” prepared earlier. This report, therefore focuses mainly on “recommendations and implementation plan”.
- For purposes of preparation of this report, Deloitte Touche Tohmatsu India Private Limited (DTTIPL) has used information obtained from respective MSME DIs and secondary information sources, which we believe to be reliable and our assessment is dependent on such information being complete and accurate in all material respects. We do not accept any responsibility or liability for any losses occasioned to any party as a result of our reliance on such information

Items in the scope of work addressed in the current report

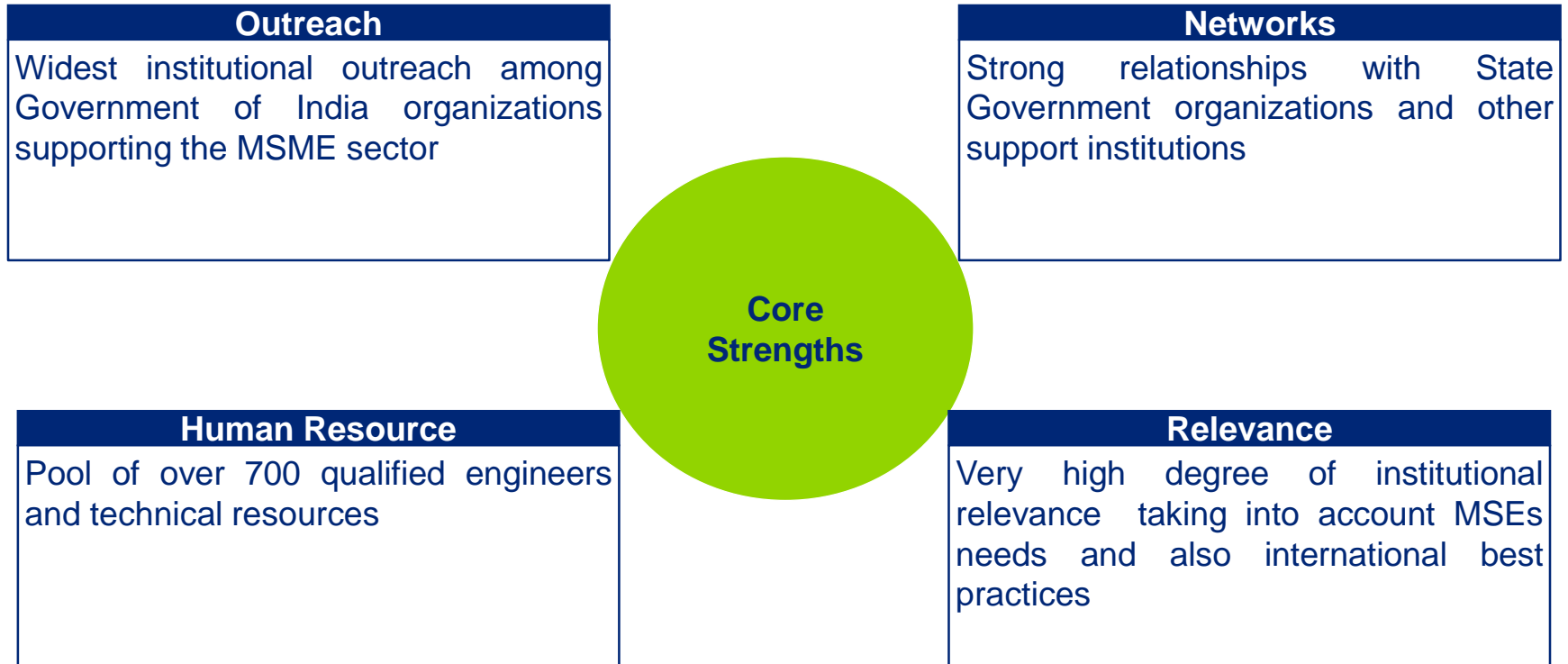
- Developing recommendations for MSME-DIs with focus on the following:
 - Shift in strategic approach required
 - Recommend changes to service delivery model, business processes, service portfolio, target groups
 - Future roadmap of common facility workshops
 - Role of MSME-DIs in public procurement from MSMEs
 - Identified areas in which targeted technical support is required and could be provided by outside agencies initially along with long term plan for building such capacity in-house
 - Proposed new / revised organization structure including legal & organizational setup
- Design of a Technical Secretariat at the office of the DC, MSME to extend requisite support to the functioning of MSME-DIs by addressing key functional requirements in areas such as monitoring & evaluation, capacity development, MIS and data analysis, ICT etc.
- Developing an implementation plan for the proposed organizational restructuring with short, medium and long term milestones

Index

1	MSME DI: Core Strength & Key Constraints	5
2	Recommended role, functions and services	8
3	Recommended organization and governance structure	16
4	Process improvement recommendations	28
5	Recommendations for DI Plan Schemes	35
6	Proposed Performance Monitoring Metrics	38
7	Implementation Plan	44
8	Annexure	50

1. MSME DI: Core Strength & Key Constraints

#1.1 Core Strengths

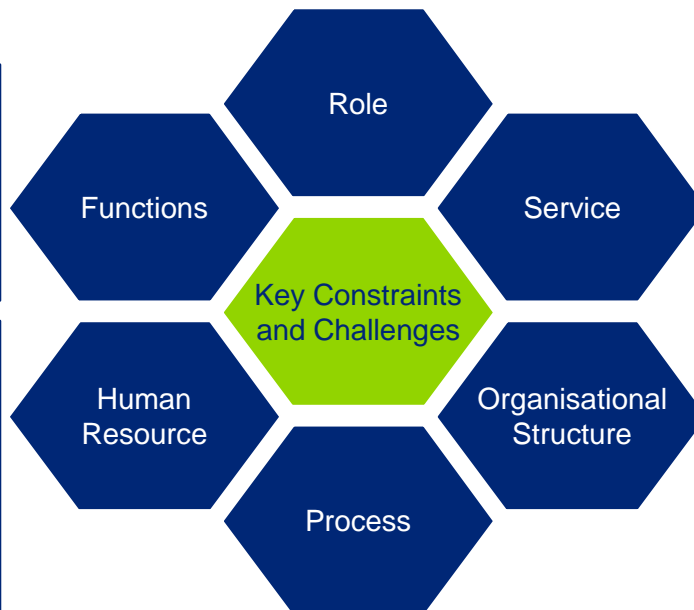


#1.3 Key Constraints and Challenges

Role of MSME DI is **not specifically defined** and has evolved over time. Its **too broad and all encompassing**

- **Historical functional grouping** around 3 areas of training, technical trade and economic investigation is **out of sync** with current reality
- **Disproportionate focus** on Training (accounting for 67% man days) compared to other function

- **Absence of formal cadre** with well defined service rules has resulted in limited career growth options*
- Sudden **transfers system** impacts institutional competencies and services delivery
- **Mismatch in trade specialization** vis-a-vis focus MSME sectors in respective DI
- Technical and managerial skills need **update** in line with market trends – absence of incentives/ motivation for DI staff to proactively augment their skills / expertise
- **Absence of a performance management system** with specific KPIs for individual positions



- **Few** of the services (e.g. Project Profile , CFC , Sub contract exchange) have **lost relevance** in its current form and need revamp
- **Limited interaction** with industry associations/cluster agents and MSMEs

- Structured around historical functional grouping leading to **absence of clear role allocation** and **inadequate job differentiation** across hierarchy
- Existing structure doesn't encourage development of focused competencies
- The **current interface** between DIs and the DC's office **lacks coherence** and have **multiple points** of contact and information requirement

- Centralized decision making about budgeting and planning of activities results in **high service delivery time**, on the other there is **lack of pro active efforts** from DI to leverage different support schemes
- **Limited networking** with “developed service providers” eco-system supporting MSMEs and absence of standard practices for selection/ empanelment of external agencies and monitoring of their performance
- The current **performance metrics** for DIs are mostly focused on inputs with inadequate emphasis on outputs or outcomes. at the individual level

* Cadre formulation process already initiated

The recommendations outlined in the subsequent parts of the report are intended to address the key challenges outlined above while leveraging some of the key advantages which DIs have.

#2. Recommended Role, Functions and Services

#2.1 Role

Factors Impacting Role

Mandate from Ministry of MSME

Support the Ministry in creation of new entrepreneurs and development of existing entrepreneurs & MSMEs

Evolving requirement of MSMEs

Need for access to entire gamut of requirements, including skills, finance, markets and technical support / technology while leveraging applicable support available from Government (preferably through a one stop shop)

International practices*

Development agencies with technical resource pool focus on addressing demand-based requests from MSMEs either internally through initial diagnostic or by linking with empaneled list of advisors / specialist agencies while leveraging cost-sharing models (including non-technical support)

Institutional Limitation

No single institution can have either i) the requisite skill-sets / expertise in-house or ii) geographic outreach to address all the requirements of MSMEs **directly by itself**

Recommended Role

To be a one stop centre for all MSME support schemes and policies and facilitate enterprise access to a wide range of strategic support services related to technology, marketing, skills and finance for creation of new and growth of existing MSME.

* Please refer Annexure 8.3 for details

#2.2 Proposed functional mandate

Role

To be a **one stop centre** for all MSME support schemes and policies and **facilitate** enterprise access to a wide range of strategic support services related to technology, marketing, skills and finance for creation of new and growth of existing MSME.

Functional Areas

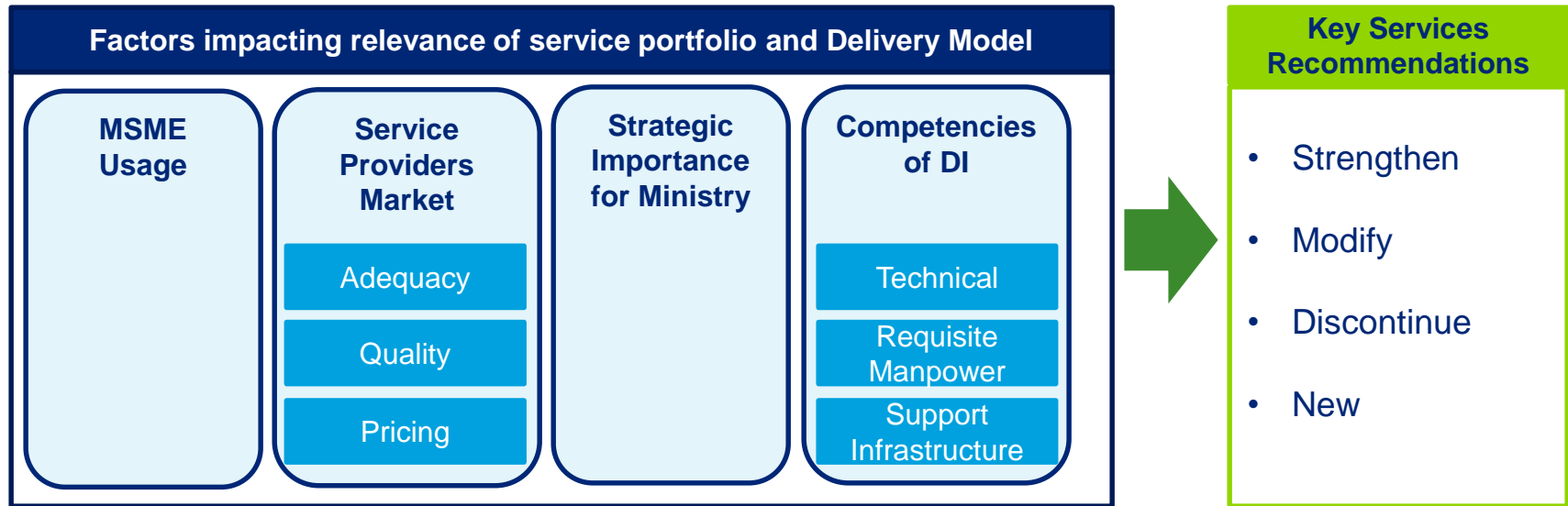
Function #1: Support implementation of MSME schemes & policies

- Provide Information, Awareness and Guidance on schemes and policies of Ministry of MSME
- Scheme Implementation including subsidy/grant administration (e.g. : ISO , ESDP etc.)
- Economic Intelligence and policy input to DC's office
- Monitoring impact of schemes and policies

Function #2: Provide and Facilitate Advisory & Consulting Services

- Provide first level advisory services in the field of Technology up gradation, Market Access, Process improvements, Quality Accreditation etc.
- Provide information to MSMEs about specialist agencies /service providers which can address specific requirements of MSMEs and require specialized skill-sets
- Facilitate MSME's linkages with these specialist institutions & private service providers in the identified fields (including non-technical support)

#2.3 Rationalizing services/activities



Modes of service delivery	Brief Description
Direct Service Provisioning	DIs directly provide a particular service through in-house manpower and other resources
Outsourcing	DIs indirectly provide a particular service through contracting with a third-party/empanelled service provider. The service is financed entirely by Dis.
Reimbursement	DIs provide reimbursement to either the end-user or service providers with no operational involvement
Linkage	DIs provide information and link to a related or empanelled external entity providing the service
PPP mode	DIs indirectly provide a particular service through contracting with a private service provider under a partnership agreement

#2.3.1 Key Service Recommendations

Strengthen

Schemes: Information, Awareness and Guidance

- *Limited awareness and access*
- Should be defined as **one of the core activities** of DI. All schemes (*even those that are implemented through banks, third party etc.*) and policies should be covered.

Scheme Implementation

- **Reimbursement** based schemes administration should be handled **directly by DI, as much as possible**. DI should be empowered to approve and disburse subsidy to eligible enterprises.

Scheme Monitoring

- **Monitoring** impact of schemes and policies being implemented by the DIs.

#2.3.1 Key Service Recommendations

Modify	Sub Contract Exchange	<ul style="list-style-type: none"> Currently defunct but should be revived with focus on integrating it with public procurement matchmaking platform
	Common Facility Centers*	<ul style="list-style-type: none"> Discontinue its operation as common job work facility and convert it mainly into technical training centre – as an extension centre of MSME tool rooms. Exception could be tier 2 / 3 city depending on private sector market: <ol style="list-style-type: none"> In Tier 1 cities where there exist multiple alternate service providers, leverage CFCs for technical training of current / potential MSME employees with appropriate investment in equipment. These work as an extension centre of MSME Tool Rooms, wherein TR is responsible for training content and quality, certification and DI is responsible for selection of candidate and actual training. TR carry out TOT for CFC staff. In Tier 2 cities where there are limited alternate service providers, continue to use CFCs for job work also with investment in equipment modernization. To make this transition, Plan Scheme on provision for workshop/training should be leveraged with utilization of allocated funds for making investments in modernization / replacement of equipment / training of trainers

- Please refer Annexure 8.1 for details

#2.3.1 Key Service Recommendations

Modify

Techno Managerial Consultancy

- *Negligible Usage by MSME; Technical competencies not updated, however the same is needed to address MSME needs and also of strategic importance for NMCP scheme*
- Should focus on **first level of advisory***, **onsite manufacturing diagnosis** and **facilitating linkages** to specialist agencies/ individuals for detailed technical / advisory services.
- For this purpose, formal incentive / reward & recognition mechanism should be introduced for encouraging DI officials in updating their knowledge which would make them relevant for meeting techno-managerial consultancy requirements of industry. Mechanism followed by select educational institutions (like IITs, IIMs etc.) will be a good reference point to develop appropriate system for DI.

Training

- *High Usage and of strategic importance for skill mission target but occupies too much employee time - affecting other services specifically Techno Managerial Consultancy*
- Delivery mechanism to be **revised**. **Institutionalization** of training delivery through empanelment of specialist training partner (institute /NGOs etc.) with requisite infrastructure and competencies. Training partner responsible from mobilization to delivery on standardized curriculum. DI remains responsible for identification of course, location and monitoring of quality of training delivered by them. There exist in house practices e.g. MoMSME and NSIC for refinement and replication.

* Please refer Annexure 8.2.1 for details

#2.3.1 Key Service Recommendations

New	Public Procurement Facilitation *	<ul style="list-style-type: none"> • DIs to act as state level nodes and should help MSEs leverage Public Procurement Policy optimally through leveraging its different service portfolio (VDP, Capacity Assessment, Sub Contract exchange, etc.) ▪ Tender information dissemination ▪ Vendor development programmes ▪ Development of requisite vendor databases (sub contract exchange) ▪ Facilitating requisite technical support to meet quality standards and procurements norm ▪ Monitoring Cell
	Technology Transfer Centre	<ul style="list-style-type: none"> • Establish sector focused Technology Transfer Centre and facility for conducting technology exhibitions in partnership with national and international (public /private) expert institutions
	Economic Intelligence and Policy Input	<ul style="list-style-type: none"> • DI should carry out stakeholder consultation process to gather field level inputs & feedback and provide inputs to DC office to make the schemes and policies demand driven, user friendly and targeted.
Discontinue	Project Profiles Preparation	<ul style="list-style-type: none"> • <i>Negligible demand from MSEs and availability of many service providers</i> • Generic project profile preparation by technical officers on a non-chargeable basis should be discontinued.

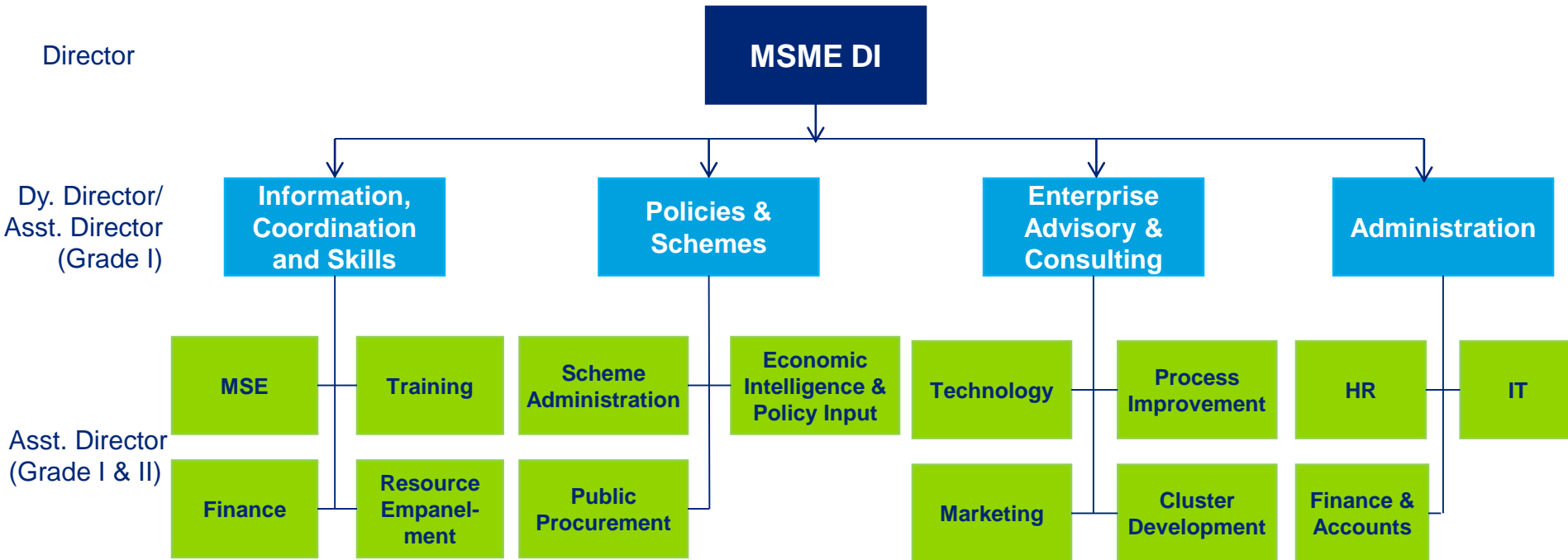
#3. Recommended Organization and Governance Structure

#3.1 Key drivers

KEY ISSUES	PROPOSED SOLUTIONS
<ul style="list-style-type: none">• While there have been 3 broad groupings in the DI organization structure historically, namely, training, technical support and economic investigation, there has been a disproportionate focus on training in the recent past• The current organization structure does not reflect specific competencies (for example, technology benchmarking & transfer, energy efficiency) and hence does not encourage development of these competencies within the organization• The current structure does not differentiate between (a) administrative / coordination-oriented activities and (b) activities which require technical expertise• There is inadequate job differentiation across hierarchical levels and limited growth opportunities• There is inadequate focus on support activities like Human Resources, Procurement, information technology which are critical for the DI organization to deliver	<ul style="list-style-type: none">• The proposed organization structure is based on the recommended services portfolio of DIs<ul style="list-style-type: none">– It reflects the specific competency groups needed to serve MSME requirements in the current scenario and therefore enables development of these specific competencies– The proposed structure differentiates between activities which are administrative or primarily involve coordination & facilitation and those which require technical expertise– It also attempts to differentiate between the role of a Deputy Director and Assistant Director (Grades I and II) and provide adequate growth opportunities– The proposed structure incorporates strong focus on support functions like HR, procurement, IT and administration and also attempts to integrate these functions with the line functions through common reporting to the DI Director
<p>Recommended organization structure: Given the differing activity levels and scale of operations of individual DIs, we have recommended 2 organization structure options: one for locations with high activity levels like Tier 1 cities and metros and the other for locations where scale of operations are relatively small.</p>	

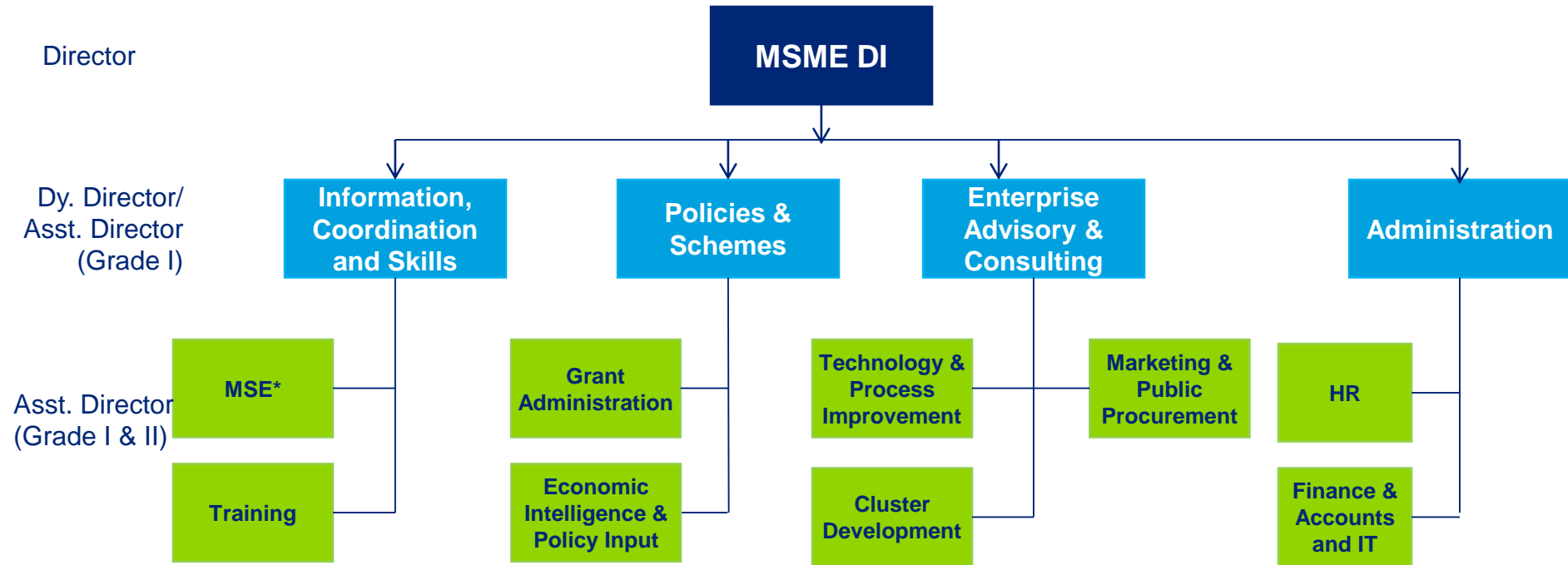
#3.2 Proposed Organization Structure

Type 1: Organization Structure for DIs located in cities with large scale of operations



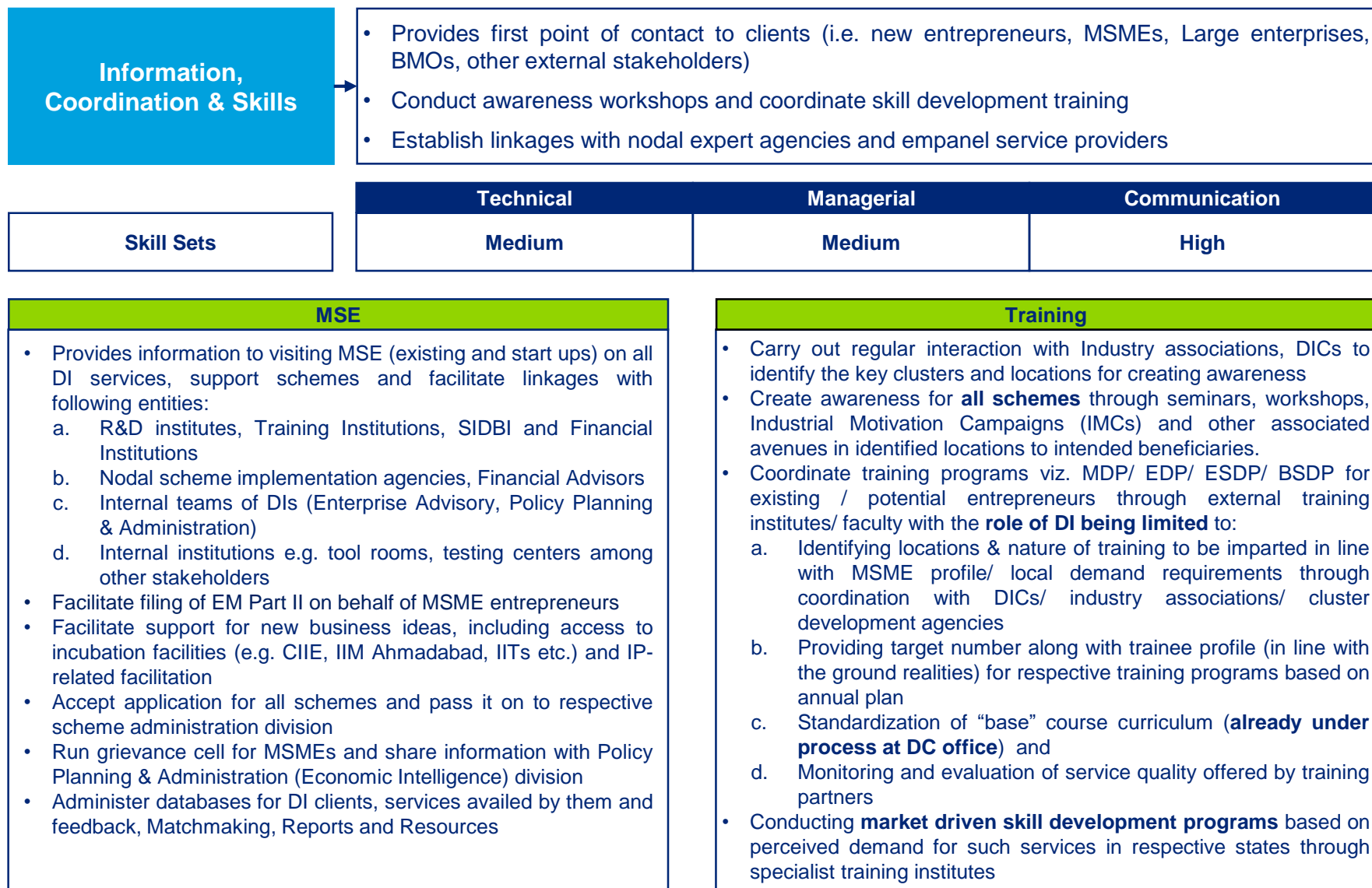
#3.2 Proposed Organization Structure, *cont.*

Type 2: Organization Structure for DIs with lower scale of operations and/or Branch DIs

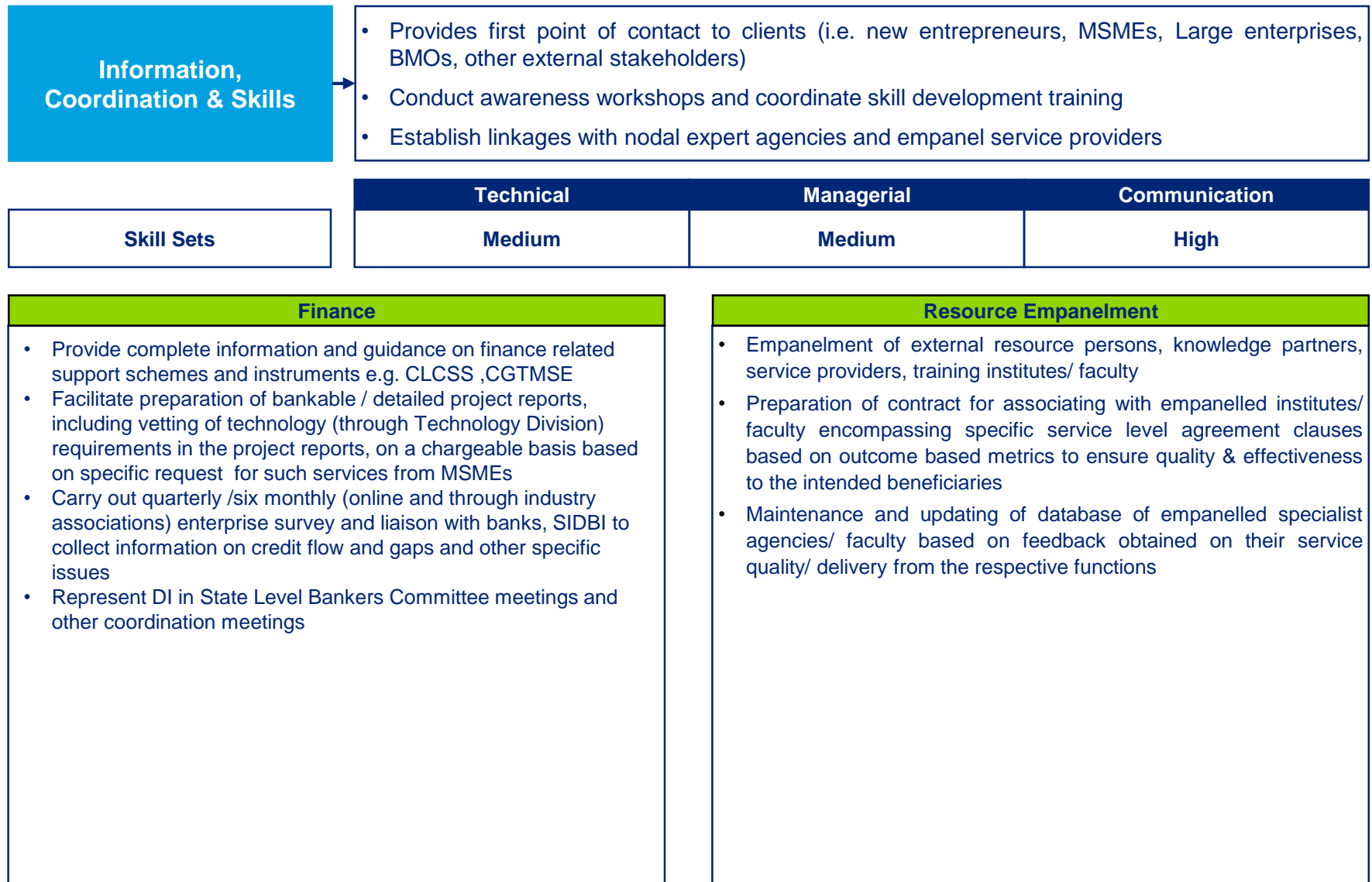


* **MSE** will include activities/
services related Resource
Empanelment & Finance

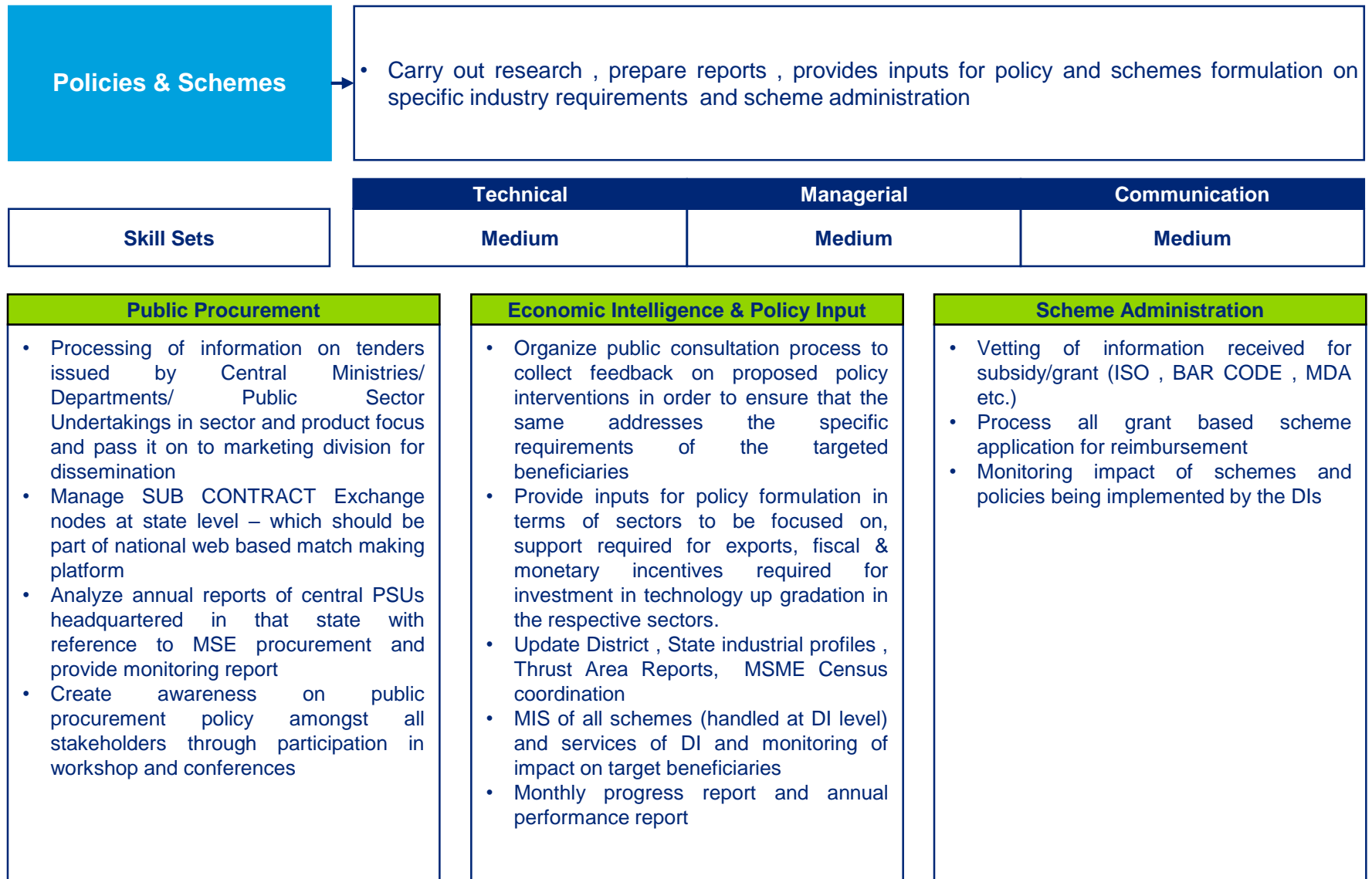
#3.3 Description of activity /services, *cont.*



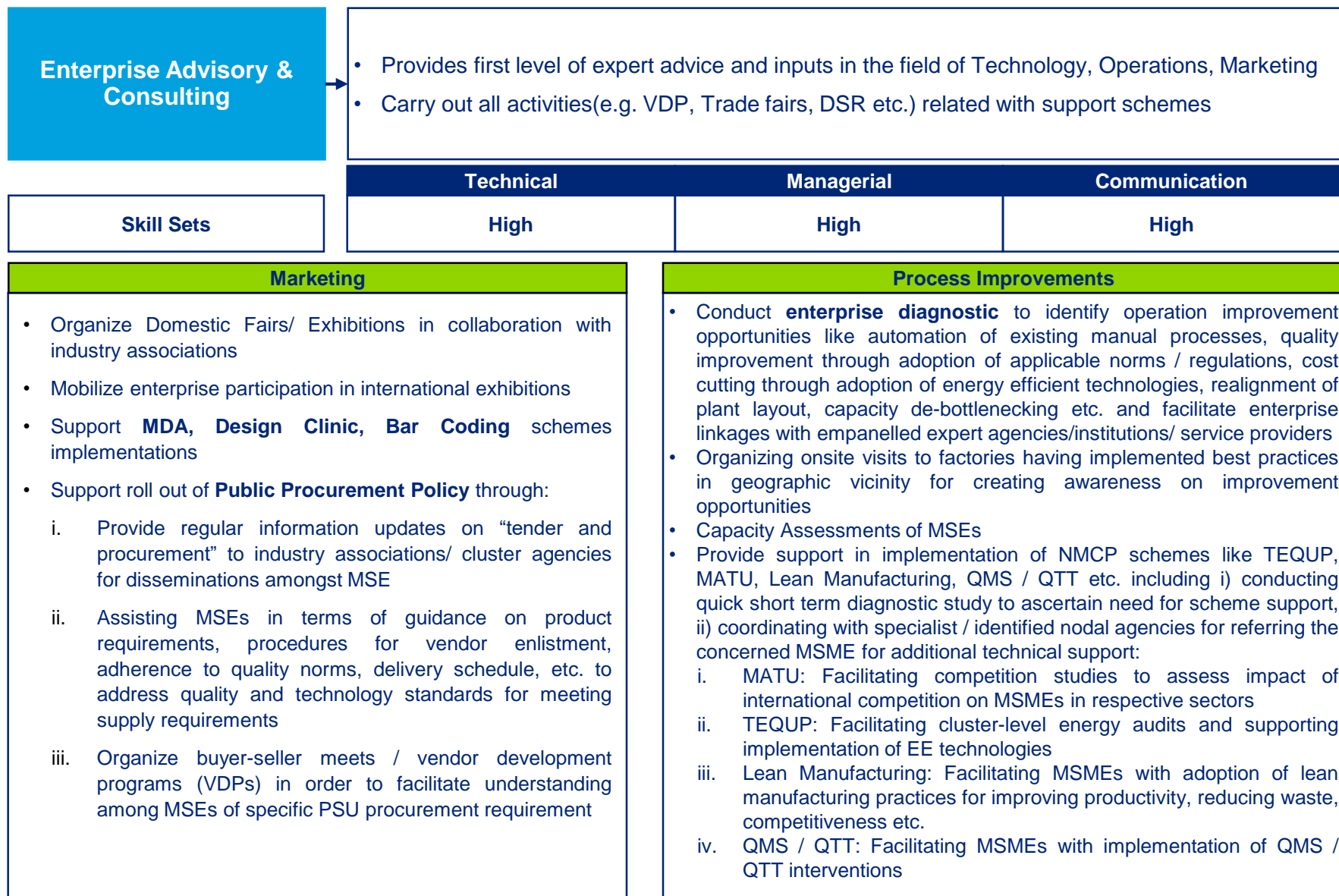
#3.3 Description of activity /services, *cont.*



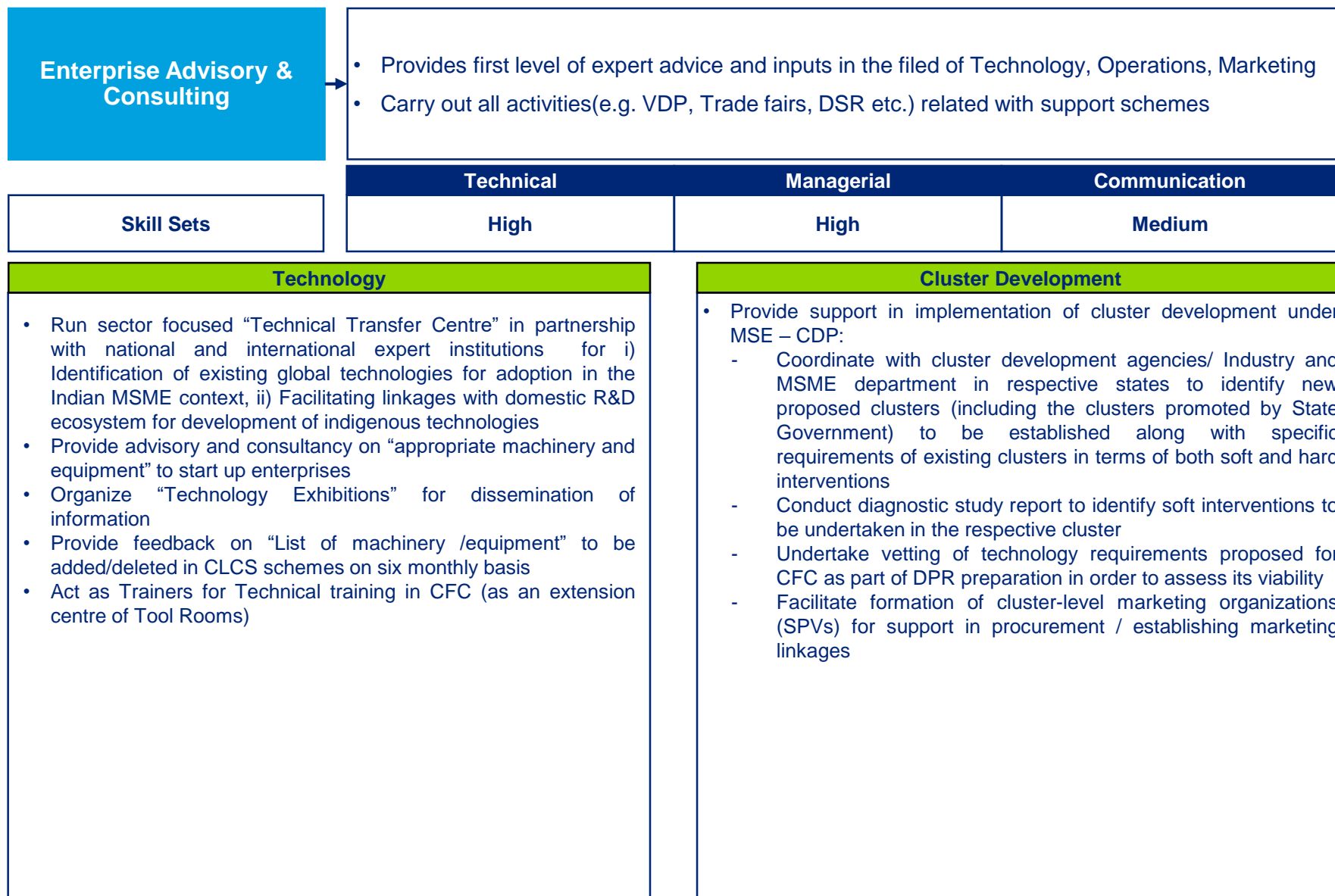
#3.3 Description of activity /services, *cont.*



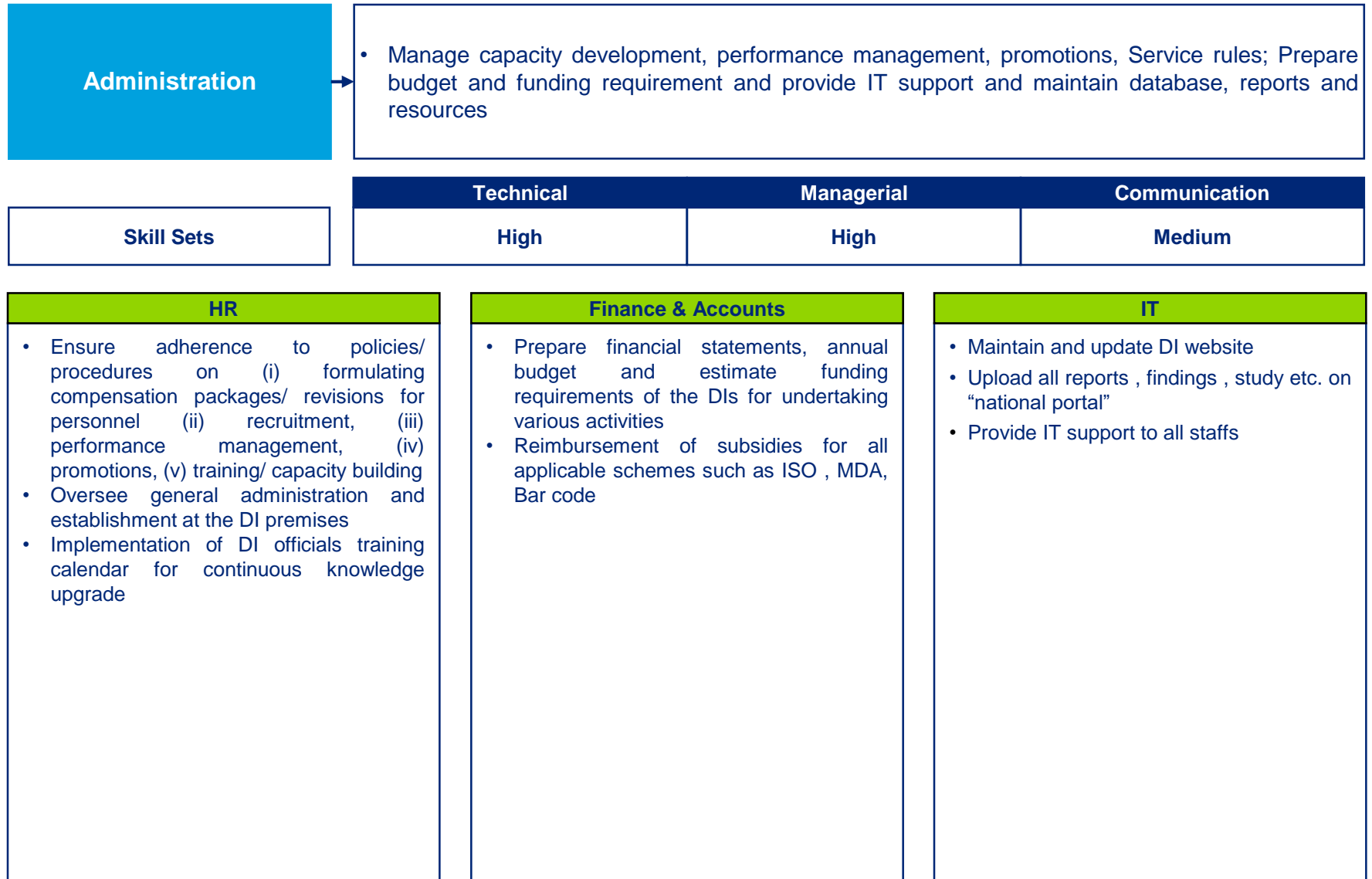
#3.3 Description of activity /services, *cont.*



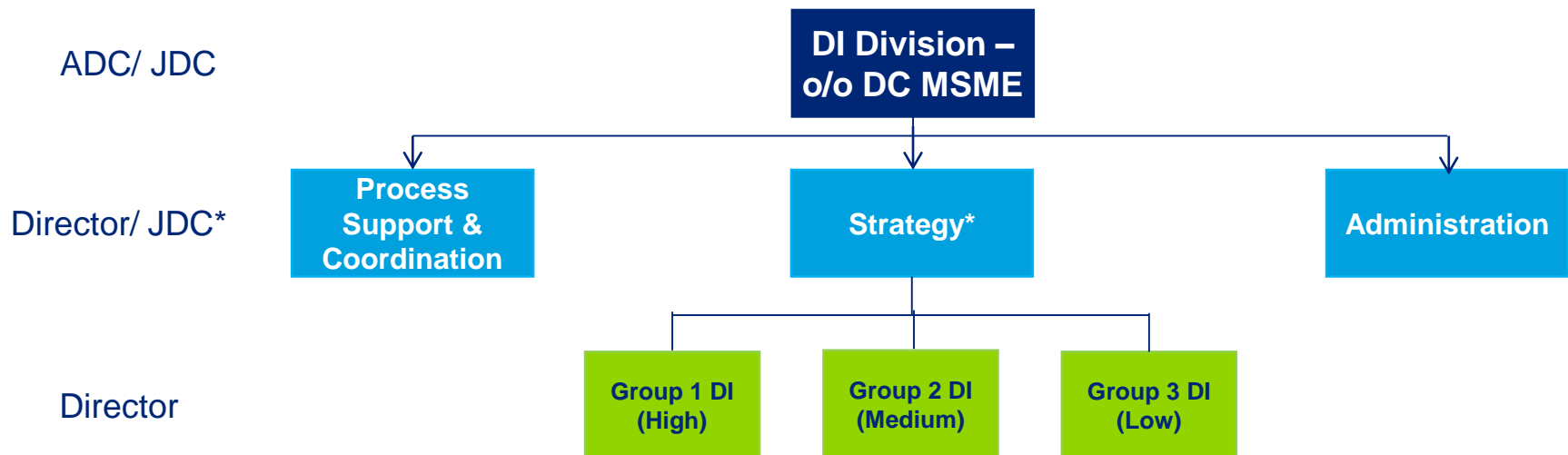
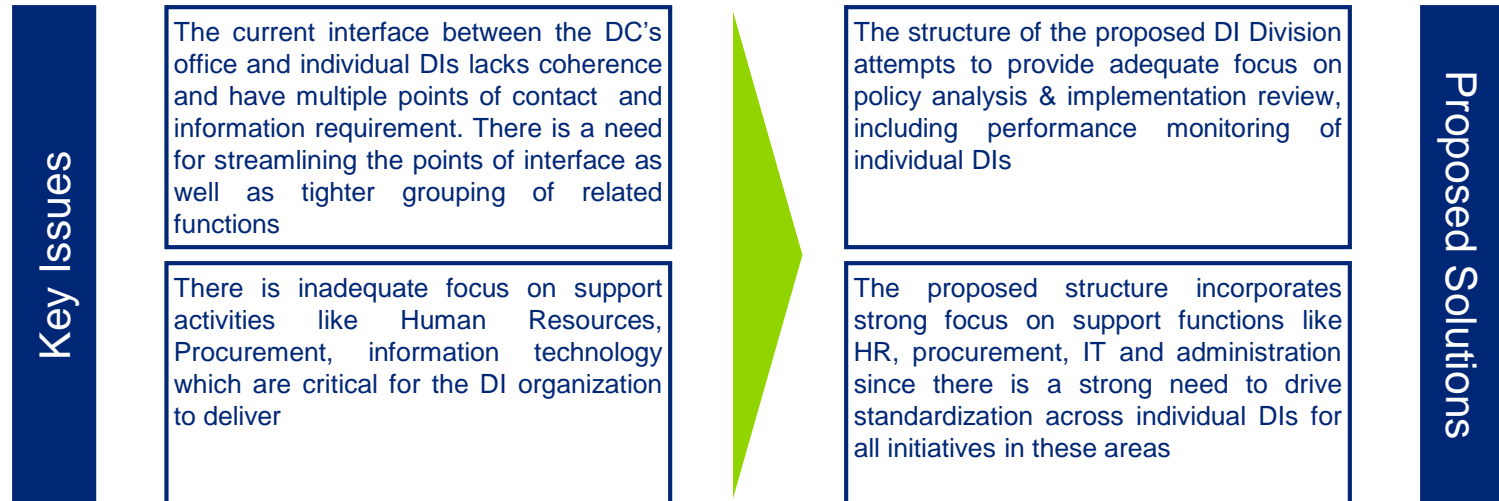
#3.3 Description of activity /services, *cont.*



#3.3 Description of activity /services, *cont.*



3.4 Governance Structure (D I Division) at office of DC, MSME



* Strategy is headed by JDC

#3.5 Description of activity /services

Strategy

- Develop , manage & strengthen linkage with Centers of Excellence/ R&D centers/ nodal scheme implementing agencies at the national level for ensuring coordination among DIs and the respective agency at the field-level for facilitating technical support, R&D support, technology transfer, scheme benefits to intended beneficiaries
- Categorize the DIs in 3 group based on current performance, infrastructure level, local economic conditions
- Target Setting and Monitoring individual DI performance
 - a. Setting the annual target
 - b. Review and update of performance monitoring metrics at organization and at individual level
- Leveraging field-level presence of DIs in order to secure feedback from MSMEs as part of public consultation process on existing and proposed policy interventions in order to ensure that the same addresses the specific requirements of the targeted beneficiaries.
- Continuous capacity development of DI officials to undertake the mandated functions / services, based on periodic training need assessment and monitoring of feedback of intended beneficiaries on DI performance

Process Support & Coordination

- Develop i) standard templates to be followed for contracting and empanelment of respective vendors / specialist agencies along with ii) specifications on bid process management to be followed for empanelment based on assessment of requisite capability, infrastructure available etc.
- Coordinate with respective scheme division and Steering Committee to seek approval for pending requests from respective DIs for approvals along with associated fund disbursement
- Ensure timely availability of funds with the respective DIs for disbursement against claims made by beneficiaries of schemes
- Development of systems & processes to facilitate information collection from DIs with respect to the following:
 - a. Sharing of curriculum developed by respective DIs for any new course introduced to ensure its technical vetting and standardization for use by other DIs
 - b. Updates to the trainee database to facilitate follow-up
 - c. Client/ Beneficiaries of DI services and schemes
- Provide IT support for DI websites, Intranet, etc.

Administration

- Ensure adherence to policies/ procedures on i) formulating compensation packages/ revisions for personnel, ii) recruitment, iii) performance management, iv) promotions, v) transfer etc.
- Coordination with central Pay & Accounts section for fund requirement (subject to budgeted allocations) of respective DIs, like those related to infrastructure up gradation, building maintenance, office expenses, TA/ DA, salary, vehicle procurement & maintenance, etc.
- Coordinate with “training cell” in DC office for release of training funds

4. Process Improvement Recommendations

4.1 Analysis of Operational / Legal Construct

	Issues with existing service delivery model	Mitigation measures in envisioned state
Level of delegation	<ul style="list-style-type: none"> Limited empowerment to individual DIs in i) deciding on trainee composition, ii) conducting market-driven training programs, iii) approving reimbursements as part of respective scheme 	<ul style="list-style-type: none"> Higher level of delegation of powers to DIs with associated accountability through monitoring of pre-defined performance metrics
Internal capacity / competency	<ul style="list-style-type: none"> Limited capacity development / refresher courses for DI officials has impacted ability to offer requisite technical services, which are being offered with alternate agencies with limited geographic outreach vis-a-vis DIs Lack of exposure of DI staff to latest technologies across various sectors impacts ability to provide requisite hand-holding support 	<ul style="list-style-type: none"> Investment in study tours / exposure visits for DI officials both domestically / internationally would help develop familiarity of DI officials with latest technologies and ability to offer value-added services to MSMEs Linkages need to be established with specialist agencies for capacity development of DI officials to facilitate them in offering requisite technical services (specifically those related to NMCP)
Linkages with other specialist agencies / entities	<ul style="list-style-type: none"> Limited support is availed from external specialist agencies / entities in terms of i) capacity development of DI officials, ii) supporting MSMEs with specific skill-sets which may not be available in-house with DI officials 	<ul style="list-style-type: none"> Linkages need to be established with specialist agencies for i) capacity development of DI officials to facilitate them in offering requisite technical services, ii) providing specialized technical inputs for which DIs may not have the requisite technical skills
<ul style="list-style-type: none"> Considering the proposed mitigation measures, there appears to be no business case for changing the current operational / legal construct of DIs associated with existing service offerings 		

4.2 Human Resources

Key Issues	Recommendations
Limited career growth opportunities	<ul style="list-style-type: none">• Transition to a cadre-based service with one-time fitment to address existing anomalies:<ul style="list-style-type: none">– Will ensure time-bound promotions, subject to achievement of requisite level of performance levels– Will address pay-scale related anomalies at respective hierarchical levels
Absence of job descriptions for key positions (other than Director) → lack of job differentiation	<ul style="list-style-type: none">• Need for a standard objective key result area (KRA) based job description for the key officials (including the levels below the Director)<ul style="list-style-type: none">– Performance metrics for respective individuals to be cascaded down from organizational objectives
No fixed tenure in the absence of systematic transfer policy	<ul style="list-style-type: none">• Adoption of a systematic transfer policy<ul style="list-style-type: none">– Linking transfers to organizational objectives & requirements, individual performance and succession planning– Consultation with DI Director prior to transfer decision
Absence of functional specialization	<ul style="list-style-type: none">• Adoption of an organization structure which incorporates required functional specialization<ul style="list-style-type: none">– Need to balance trade / sector focus with functional specialization– One time exercise for fitment of existing DI officials to new / redesigned roles with associated training support

4.2 Human Resources, *cont.*

Key Issues

Mismatch in trade specializations vis-à-vis focal MSME sectors in respective DI locations

Training interventions undertaken through internal institutes, with limited focus on technical / functional aspects -> absence of exposure to modern sector-specific technologies

Recommendations

- One-time assessment of trade-specific requirements at each DI in line with focal MSME sectors in the state vis-à-vis the existing availability of respective trade personnel
 - Rationalization in case of excess at one location and corresponding deficit in another can be achieved through a transparent transfer policy
 - May need augmentation in form of recruitment for select trades like food processing having deficiencies across all DIs, with distribution to be based on relative focus on the same in each state
 - Need for sharing trade-specific experts among DIs to bridge mismatch of trade specialization across locations, along with intranet-based knowledge sharing
-
- Developing an organization-wide training policy with focus on behavioral and technical training (including IT skills)
 - One-time exercise for creating a role-based competency matrix and a training calendar
 - Technical training to be delivered through empanelled centers of excellence / specialist sector-specific agencies
 - Nomination to short-term training courses in established international sector / trade specific centers of excellence on technology trends, quality, business-related issues etc.
 - Study tours/exposure visits to be organized to peer agencies in US, UK, Japan, Germany to facilitate development of functional specialization

4.2 Human Resources, *cont.*

Key Issues

Lack of incentive to DI staff to augment / update their knowledge and skill-sets

Recommendations

- Motivation in form of formal incentive / reward & recognition scheme can be considered for encouraging DI officials in updating their knowledge and skill-sets which would make them relevant for meeting techno-managerial consultancy requirements of industry.
 - Will require policy along with mechanism to be formulated for allowing DI personnel to retain a pre-determined part of revenues generated from techno-managerial consultancy support provided by them to MSMEs

4.3 Support Process

Key Issues

Limited interaction with industry cluster associations/agents and MSMEs

Recommendations

- Strengthen coordination through regular/ periodic interactions with other stakeholders such as Industry associations, cluster development agencies, state institutions like DICs, etc. to enhance the level of awareness about schemes and services of DIs among target beneficiaries and identify the needs.
- For this purpose, DIs should draw up a detailed monthly plan for conducting meetings with respective DICs / MSME associations in key clusters along with allocation of responsibility for the same among its officials and monitoring of the same by the senior management team
- These interactions should also be used to identify i) locations where awareness needs to be created for enhancing outreach and ii) intended beneficiaries in order to improve the effectiveness of such awareness programs

4.3 Support Process, *cont.*

Key Issues

Centralized decision making results in high service delivery time

Limited availability and utilization of ICT infrastructure and competencies for knowledge sharing, information dissemination and service delivery

Recommendations

- Greater level of delegation of powers to the respective DI officials in planning & implementing training programs and schemes implementations, with focus on the following:
 - a. Ensuring composition of trainees should be in line with ground realities in the respective state -> especially with respect to programs targeting weaker sections of the society
 - b. Availability of funds for training and scheme grants at the start of financial year / each quarter.
 - c. Review of existing cap on payments made to faculty per session, including travel allowance, to enable encouragement to training programs undertaken even in rural / semi-urban areas
- Upgrade of office infrastructure, IT connectivity and Deployment of ICT-based knowledge management tools* is required to support technical officials in discharging their duties more efficiently and present a more customer-friendly face to MSMEs and other stakeholders.
- The key IT infrastructure requirements include:
 - a. Knowledge sharing among DIs (intranet etc.)
 - b. Subcontracting and Matchmaking database
 - c. Standardization of all DI websites and linkages with proposed National Portal

* Please refer Annexure 8.3.8 through 8.3.12 for details

#5. Recommendations for DI Plan Schemes

5.1 Recommendations for DI Plan Schemes

- There are 16 MSME- DIs/ Branch DIs under the plan scheme as given below:
 - MSME DI Haldwani
 - MSME DI Imphal (North-east)
 - Br. MSME DI Dipu (North-east)
 - Br. MSME DI Tura (North-east)
 - Br. MSME DI Tezpur (North-east)
 - Br. MSME DI Aizwal (North-east)
 - Br. MSME DI Suri
 - Br. MSME DI Port Blair
 - Br. MSME DI Vishakhapatnam
 - Br. MSME DI Silvassa
 - Br. MSME DI Gulbarga
 - Br. MSME DI Rewa
 - Br. MSME DI Rayagada
 - Br. MSME DI Tuticorin
 - Br. MSME DI Lakshdweep
 - Br. MSME DI TDCHT Nagaur
- **All the above DIs are located in remote areas with limited presence of alternate service providers and hence play an extremely critical role in spreading policy benefits at the grass root level. These DIs have been playing a vital role in strengthening MSMEs in remote and inaccessible parts of the country and to effectively implement schemes and support programs of Office of DC-MSME in such locations.**

5.1 Recommendations for DI Plan Schemes, *cont.*

- The following statistics describe in detail the performance of DIs covered under the Plan Scheme in terms of % achievement of expenditure over estimated budget. It clearly indicate that such DIs have achieved a good performance (75-90%) in terms of meeting target objectives.

	Plan Scheme MSME DIs & Br. MSME-DIs		
Year	Revised Budget Estimate (in Rs crore)	Expenditure (in Rs crore)	%
2007-08	3.8	3.16	83%
2008-09	6.51	5.17	79%
2009-10	7.7	6.41	83%
2010-11	7.6	6.77	89%
2011-12	8.7	6.79	78%
2012-13 (till Dec'12)	9.12	6.0	66%

- Given the above, key strengths and high degree of institutional relevance of MSME-DIs especially in remotely located areas with limited presence of alternate service providers, it is recommended to continue supporting and further strengthening of these DIs under the Plan Schemes (MSME DIs & Br. MSME-DIs) thereby ensuring that the policy benefits reach the intended beneficiaries.
- Further, it is also recommended to evaluate the feasibility of further increasing and strengthening the network of DIs in existing and other inaccessible areas/geographies/emerging industrial hubs under the Plan Scheme in order to ensure that policy benefits reach the under-served.

6. Proposed Performance Monitoring Metrics

6.1 Performance Monitoring Metrics

- The proposed metrics highlighted for the respective activities comprises i) **Input based metrics**, ii) **Outcome based metrics** and iii) **metrics** which can be assessed through independent third party surveys of beneficiary MSMEs, including the mid-term evaluation of schemes and support programs

Activity	Current Metrics	Proposed Metrics
Training programs pertaining to i) skill and entrepreneurship development viz. EDP/ ESDP/ BSDP, ii) management development (MDP) and iii) Motivational Campaigns	<ul style="list-style-type: none"> No. of programs conducted No. of persons trained 	<ul style="list-style-type: none"> No. of programs conducted No. of programs conducted per DI staff Trainee profile (# of undergraduates / graduates/ post graduates etc.) No. of persons trained No. of persons provided handholding support, post training No. of successful (registering for Entrepreneurs Memorandum Part 1 and 2) entrepreneurs developed Entrepreneur/ Trainee satisfaction levels with training Increment in income levels post training
Market driven skill development programs under PD Account	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> No. of programs conducted No. of persons trained No. of trainees absorbed by the industry Revenues contributed by PD account programs as a % of total revenues Trainee satisfaction levels with training Increment in income levels post training

6.1 Performance Monitoring Metrics, *cont.*

Activity	Current Metrics	Proposed Metrics
Awareness of schemes and Services	<ul style="list-style-type: none"> No. of awareness programs conducted No. of persons participated 	<ul style="list-style-type: none"> No. of awareness program conducted No. of persons participated No. of individuals from training programs who availed respective schemes
Access to Finance	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> No. of quarterly Cluster level financing Gap report No. of MSMEs referred by DI for preparation of bankable projects No. of MSMEs successful in availing finance from financial institutions
Resource Empanelment	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> No. of individual /institutions empanelled No. of MSMEs successfully linked with empanelled resource
Incubation Support	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> No. of incubation proposals referred to business incubators by DI No. of incubation proposals accepted by incubation centers

6.1 Performance Monitoring Metrics, *cont.*

Activity	Current Metrics	Proposed Metrics
Feedback mechanism on existing / proposed policy framework	<ul style="list-style-type: none"> • Not Applicable 	<ul style="list-style-type: none"> • No. of feedback sessions conducted with industry associations / chambers of commerce • No. of changes suggested to existing / proposed policy framework based on feedback from MSME industry associations
Scheme Implementation (Reimbursement Administration)	<ul style="list-style-type: none"> • No. of applications disbursed • Amount disbursed under respective schemes 	<ul style="list-style-type: none"> • No. of applications disbursed • % of applications disbursed • Average time taken for amount disbursal / processing applications for respective schemes • Amount disbursed under respective schemes
Public Procurement	<ul style="list-style-type: none"> • Not Applicable 	

6.1 Performance Monitoring Metrics, *cont.*

Activity	Current Metrics	Proposed Metrics
Capacity Assessment	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • No. of MSME units assisted • % cases for capacity assessment conducted within the given time frame
Cluster Development Programs	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • No. of MSME clusters supported • No. of DSR prepared for undertaking soft interventions • % DPRs approved for implementing hard interventions • No. of CFCs set up as part of cluster development initiative
Facilitate implementation of other schemes (NMCP etc.)	<ul style="list-style-type: none"> • Not Applicable 	<ul style="list-style-type: none"> • No. of applications received from MSMEs for implementation of respective NMCP schemes • % of applications approved for implementation of respective schemes

6.1 Performance Monitoring Metrics, *cont.*

Activity	Current Metrics	Proposed Metrics
Common Facility Centres (CFCs)/ Workshop	<ul style="list-style-type: none"> Annual revenue from CFC/ Workshop activities 	<ul style="list-style-type: none"> No. of MSMEs availing workshop facilities No. of persons trained at the facility Overall % capacity utilization of respective machines at the CFC/ Workshop Annual revenue from Training / Workshop activities
Operations Improvement	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> No. of MSME units assisted Savings in production cost for MSME units assisted
Vendor Development Program (VDP) / Public Procurement Policy implementation support	<ul style="list-style-type: none"> No. of programs conducted No. of MSMEs participated 	<ul style="list-style-type: none"> No. of programs conducted No. of MSMEs participated No. of vendors empanelled by PSUs for sourcing product requirements
Research and Development Support	<ul style="list-style-type: none"> Not Applicable 	<ul style="list-style-type: none"> No. of MSMEs referred to the R&D institutes by DI No. of R&D proposals which have gone through successful demonstration of new technology/ products

#7. Implementation Plan

7.1 Overall Approach....

- Implementation of recommendations should be done in a collaborative manner with DI directors, employees and will involve partnership of efforts between o/o DC MSME and DI
- Each recommendations should be reviewed and discussed to ensure that context and issues identified are clearly understood



Phases	Key Activities
Consultation	<ul style="list-style-type: none">• 2 day Consultation workshop with all DI directors and select employees to review, discuss and prioritize the key recommendations
Preparation	<ul style="list-style-type: none">• Identification of single nodal person in o/o DC MSME for overall implementation plan and monitoring• Nominate action officers in o/o DC MSME for related set of recommendations with specific time frame• Form committee (3-4 persons) of DI directors and employee to support the nominated action officers
Action	<ul style="list-style-type: none">• Necessary actions (detailed out subsequently) are completed by action officers
Adoption and Monitoring	<ul style="list-style-type: none">• Adoption of the same by DI and monitoring of the progress by nodal person in charge

7.2 Plan

Broad Area	Key Recommendations	Activities	Action Officer	Time Frame			Progress
				Short <6 months	Medium 6-12 months	Long >12 months	
Policy & Strategy	<ul style="list-style-type: none"> Role, functions, service including delivery model and organizational structure need revision 	Arranging approval of competent authority (AS & DC MSME)		●			
		Notification of the same across organization		●			
	<ul style="list-style-type: none"> Formulate incentive policy 	Formulate policy and develop mechanism for providing incentives/ rewards to DI personnel				●	
Organizational Structure	<ul style="list-style-type: none"> Revise organizational structure of DI Setting up /strengthening of DI division at o/o DC MSME 	Finalize job description of all key position /sub function, skill sets required and performance metrics		●			
		Carry out a systematic manpower planning (profiling and mapping) for fitment into revised organization structure		●			
		On basis manpower planning fill in the revised positions with closest fit			●		
		Identify the vacant positions to be further filled through			●		
Process	<ul style="list-style-type: none"> Leverage competencies and knowledge of public and private service providers for service delivery 	Classify the role of different type of service providers and institutions for different activities (awareness, training, consultancy etc.)		●			
		Develop standard template for empanelment and contracting		●			
		Identify the services/expertise to be empanelled /procured across DI		●			
		Empanel service providers			●		

7.2 Plan, cont.

Broad Area	Key Recommendations	Activities	Action Officer	Time Frame			Progress
				Short <6 months	Medium 6-12 months	Long >12 months	
Process	Implement systematic target setting	Categorize all DI in 3 category based on existing performance, infrastructure, level of industrial activity			●		
		Develop different target for each category of DI in consultation with DI directors			●		
	Implement objective performance management system	Validate and reconfirm suggested performance metrics for all division including activity/ service level			●		
		Design process for performance management including forms, time line, forums for review and moderation			●		
		Implement IT enabled performance management system			●		
	Upgrade of ICT Infrastructure	Standardize DI websites branding, appearance and link it with National Portal				●	
		Develop requisite IT enabled system for knowledge sharing, client feedback, performance and process monitoring				●	
		Provide Laptop with internet facility to all DI officials above AD grade II			●		
Service	Strengthen scheme awareness, information, guidance	Prepare a glossary of all relevant support schemes for information dissemination		●			
		Carry out “workshops” with all officers of Information, coordination and skills division on available schemes		●			

7.2 Plan, cont.

Broad Area	Key Recommendations	Activities	Action Officer	Time Frame			Progress
				Short <6 months	Medium 6-12 months	Long >12 months	
Service	• Strengthen DI's role in scheme implementation, as much as feasible	Review all reimbursement based schemes (e.g. MDA) and evaluate the feasibility of giving DI full decision making and administrative responsibility			●		
		Notify the revised list of schemes with DI role			●		
		Each DI to be made node of "match making platform" on national portal				●	
	• Revive Sub Contract exchange	Mandate of sub contract exchange to be revised as public procurement match making exchange		●			
		All existing data are validated before putting on the revised exchange				●	
		Standardization of training curriculum		●			
	• Training delivery should be institutionalized with empanelment of partners	Implement decentralized planning		●			
		Empanel institutional partners for training delivery			●		
		Make each TR responsible for certain DI with CFC		●			
		TR carry out a machinery assessment at CFC for technical training			●		
	• Leverage CFC mainly as a Technical Training Centre	DI officials are trained as trainers			●		
		Formalization of DI – TR relations – wherein DI act as an extension centre for specified training programme			●		

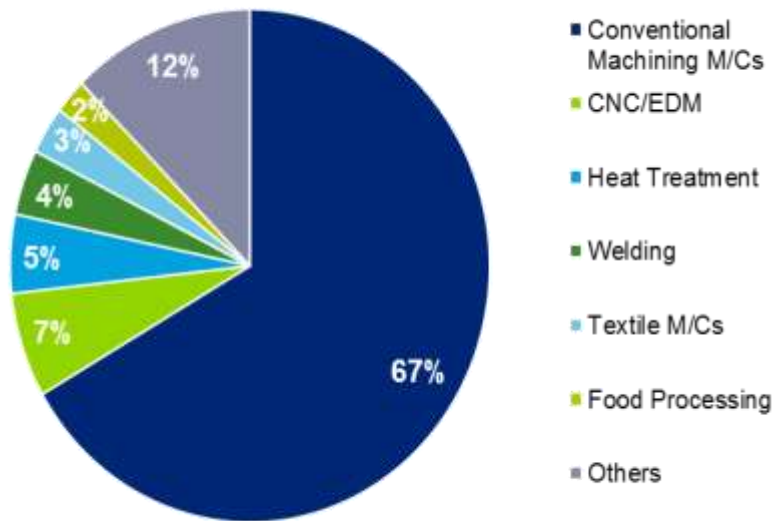
7.2 Plan, cont.

Broad Area	Key Recommendations	Activities	Action Officer	Time Frame			Progress
				Short <6 months	Medium 6-12 months	Long >12 months	
Service	• Set up Technology Transfer Centre	DI to identify 1 key sector for TTC				●	
		Process division identifies national /international knowledge partner /s for TTC				●	
		Partnership is formalized with clear description of role, responsibility , cost etc				●	
HR	• Transition to Cadre Based service rules	Already under process , arrange approvals of competent authority/ministries			●		
		Notifies the same			●		
	• Systematic and Transparent Transfer Policy	Develop a “Transfer Policy” with fixed tenure (minimum 3 years) for officials and provision of mandatory consultation with DI division and DI directors		●			
		Carry out one time transfer based on Manpower profiling and to remove mismatch in trade specialization			●		
		Introduce “new transfer policy”		●			
	• Continuous Capacity Building (skills enhancement) of HR	Carry out “Training Need Assessment” as per the revised organizational structure and service portfolio and Develop competency framework for each unique roles			●		
		Develop/update training policy			●		
		Create a training cell in O/O DC MSME			●		
		Identification of training partners			●		
		Development of training plan and calendar Covering technical and behavioral			●		
		Train existing staff regularly as per policy				●	

#8. Annexure

8.1 CFC: Functional mix of equipment

Functional Mix of machines at CFC/ Workshop across DIs



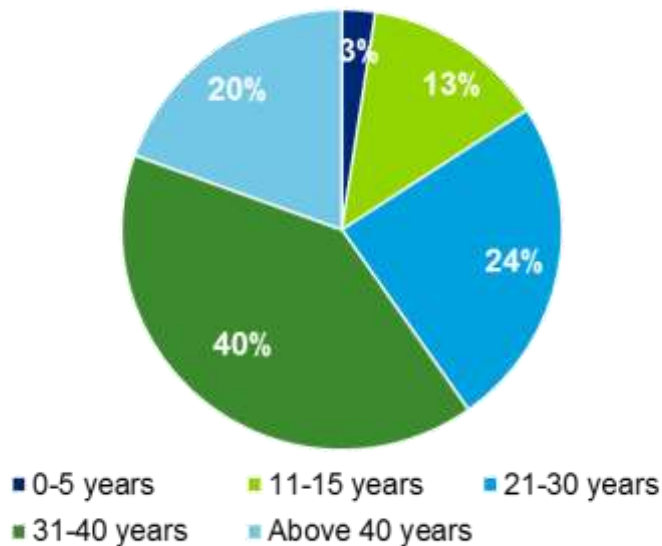
Source: Response to questionnaires from DIs

- Most of the CFCs/ Workshops at DIs (including branch DIs) are equipped with conventional machines*, Welding and heat treatment equipment
 - However, select DIs like Chennai, Delhi, Mumbai, Kolkata, Indore, Kanpur, Ludhiana, Thrissur, Bangalore, Jaipur are also equipped with higher precision machines like CNC Lathe/ Wire Cut Electric Discharge Machine (EDM) machines
- Mismatch in machinery vis-à-vis focus MSME sectors at CFCs/ workshops in select DIs e.g. absence of textile machinery in DIs located in Ahmedabad, Ludhiana, etc.
- Services offered by the CFCs/ workshops is limited to basic machining primarily catering to typical engineering/ fabrication units
 - Facilities primarily utilized for offering i) training and ii) job work - Chennai DI has given on hire 3 CNC machines on job work to engineering units in proximity; Bangalore DI primarily uses CNC machines for imparting training
 - Beneficiaries confined primarily to tiny/ micro units located within 5-10 Km from the DIs

*Conventional machines comprise primarily Lathe, Grinding, Milling, Drilling, Shaping, Hacksaw and press; Textile machines comprises sewing, skiving, splitting, punching machines; Food processing includes juicer/ mixer/ blender, pulper, cap sealing, corking m/c, sugar grinding machines; Others include Mill, wheel, Surface table, etc.

8.1 CFC: Age mix of machines

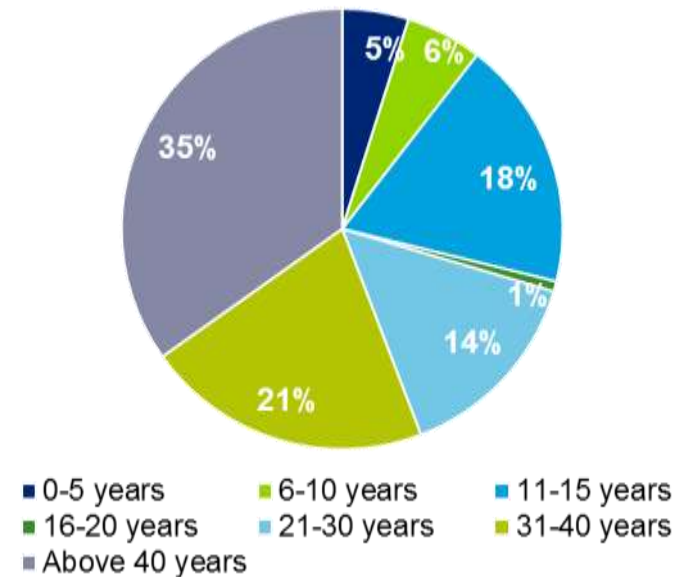
Age Mix of Non-operational machines at CFC/ Workshop across DIs



Source: Response to questionnaires from DIs

- Around 23% of the equipment in CFCs are non-operational on account of age or breakdown

Age Mix of Operational machines at CFC/ Workshop across DIs



Source: Response to questionnaires from DIs

- Out of the machines which are operational, around 56 % are over 30 years old

#8.1 CFC: Equipment utilization

Name of DI	No. of machinery	% of specialized machinery	Type of services offered*	Estimated Utilization levels*	Key Beneficiaries*
Bangalore	6	50%	Primarily Training	15%	Engineering Sector
Chennai	12	33%	Primarily Job work	30%	Engineering Sector
Guwahati	15	0%	Primarily Job work	5-10%	Chemical, Engineering Sector
Indore	16	6%	Primarily Training	Low	Automobile/ Engineering Sector
Jaipur	17	24%	Primarily Training	Low	Engineering/ Fabrication
Kanpur	8	25%	Primarily Job work	50%	Engineering/ Fabrication
Kolkata	47	6%	Primarily Job work	Low	Glass and Ceramics, Engineering Sector

*Based on interactions with DI officials

Source: Response to questionnaires from DIs

#8.1 CFC: Key conclusions

- Low equipment utilization (<30%) at CFCs in most of the on account of:
 - 74% of the machines being over 20 years old leading to high obsolescence
 - Around 23% of equipment being non-operational
 - Alternate service providers in the form of private sector players / tool rooms / other Government agencies offering similar facilities
- Most of the CFCs visited as part of field visits are being used for purposes of training or limited job work. There is significant variance in utilization levels across the type of machines; while conventional machines are primarily lying idle, utilization levels for CNC/ EDM machines are relatively higher across DIs
- Variance in utilization levels of CFC/ workshop across DI locations
 - Relative utilization levels for CNC machines are higher in Tier 2 cities like Kanpur (50%) vis-à-vis Tier 1 cities like Bangalore (15%) and Chennai (30%), since the alternate service provider network in Tier 1 cities is relatively better developed. In cities like Bangalore and Kanpur, fees charged by alternate service providers were reported to be lower than fees charged by DI-CFCs
- Even in locations where utilization levels are in excess of 30%, CFCs impact limited number of MSMEs, with most of them being within a radius of 5-10 Km from the DI
- In most of the DIs visited, there were around 3-4 personnel assigned to the CFCs with the requisite skills to operate the equipment / machines. However, with around 70% of the equipment being for conventional machining, there may be a need to upgrade skills should a decision be taken for installing precision equipment in select locations

#8.1 CFC: Key conclusions, *cont.*

- **Evolving requirements of MSMEs vis-à-vis CFCs / workshops**
 - Need for skilled resources trained on conventional / advanced machines deployed by the respective unit
 - Specifically in Tier II /Tier III cities, job-work typically on precision / advanced machines for ensuring better quality is still somewhat relevant
 - High proportion of obsolete and / or non-operational machines
 - Limited number of trained operators within DI staff
- **Alternate service providers**
 - Multiple operators providing common facility centers / workshops
- **Policy implications**
 - Presence of multiple schemes from Ministry of MSME which support development of common facility centers at the regional / cluster level to increase outreach among target beneficiaries

#8.2.1 Proposed levels of Hand-holding Support

Defining the recommended role, functions and services

Level of support services

Recommended Operating Model

Level 1: Free helpline inquiry service

State level toll free helpline inquiry service can be set up for the DIs, with trade / functional specialist answering queries/ issues/ concerns of the entrepreneurs in the state

Level 2: Free one-day, onsite manufacturing diagnostics

Specialists from DI can visit MSMEs to conduct initial diagnostics to identify improvement opportunities related to operations, technology deployed etc.

Level 3: Networking and awareness creation

Leverage the onsite assessment to facilitate visits to units having implemented best practices in geographic vicinity which can highlight impact of implementation of improvement opportunities

Level 4: Subsidized consultancy support

External experts / specialists empaneled with DIs can conduct a detailed assessment for purposes of operational improvement – part funding of the same could be through the applicable Government scheme (NMCP, for example)

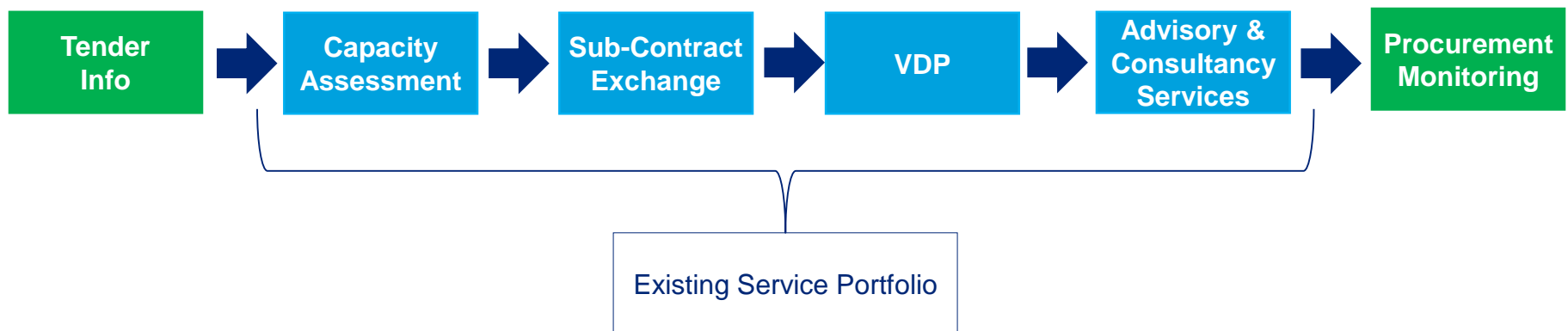
Level 5: Assistance in non manufacturing areas

DIs can empanel specialist service providers in non-manufacturing areas (finance, project appraisal, marketing, exports etc.) to which entrepreneurs can be referred based on specific requests – funding support may be made available to support such referrals to specialists, depending on the schemes available

#8.2.2 Public Procurement Policy: Proposed role

- **Strength and Potential USP**

- DIs have a unique USP with field-level presence in 58 locations > can be leveraged to make MSEs aware of open public tenders
- DIs conduct vendor development programmes where representatives from PSEs are invited to interact with MSEs to sensitize them on their supply requirements so that MSEs can plan ahead
- DIs are in a position to leverage their technical support services to enable MSEs streamline their production processes, quality standards and accreditations so as to meet the technical requirements of the public sector procurers
- Through proper use of information technology and their ability to understand technical specifications, it should be possible for DIs to disseminate information on open tenders as well as procurement plans of public sector agencies with MSEs across the country
- Being under the same Ministry, DIs are also well placed to coordinate with other agency e.g. NSIC to facilitate empanelment / registration of MSEs



#8.2.2 Public Procurement Policy: Activity of DI

Issues likely to impact implementation

Limited awareness of MSEs with respect to i) product requirements, ii) adherence to quality standards/ timelines and iii) procedures for vendor enlistment

Lack of access to information related to Government procurement tenders among the MSEs on account of limited IT infrastructure and awareness

DI Activity

- As part of VDPs, DI should assist in capacity building of MSEs by offering value added services in terms of guidance on i) product requirements, ii) procedures for vendor enlistment, iii) adherence to quality norms, delivery schedule, etc.
- Sub contract exchange to be revamped to act as an information database on MSEs related to product portfolio, capacity, quality accreditation, etc.
- Monitoring of tenders floated by Central Ministries/ Departments/ Public Sector Undertakings
- Setting up an institutional mechanism for dissemination of specific tender related information among Industry associations and MSEs leveraging information technology, in collaboration with the concerned Ministry and department, as applicable

#8.2.2 Public Procurement Policy: Activity of DI, *cont.*

Issues likely to impact implementation

Need to upgrade technologies and business processes of MSEs to enhance competitiveness and ensure that they meet PSU quality and timely supply requirements

Absence of a structured mechanism for enabling MSEs to forward grievances to the proposed “Grievance Cell” to be set up under MoMSME

DI Activity

- Organizing buyer seller meets and assist MSEs in understanding specific PSU procurement requirements, to be followed up by identifying required technology & process-related interventions to overcome production constraints, if any
- Act as a facilitator in redressing grievances of MSEs with respect to procurement from concerned agencies
 - Collate grievances in a standard template and forward the same to the Grievance Cell
 - Follow up on the outcome of the grievance and disseminate the same among the MSEs

#8.3 International Practices by MSME Development Agencies

- Key Government agencies / entities associated with MSME sector development in the respective countries which have a mandate similar to MSME DIs have been detailed in the table below along with salient highlights:

Country	Agency / Entity	# of centers / offices	Funding mechanism	Year founded
United States of America	Manufacturing Extension Partnership (MEP)	60 state and regional centers	Cost sharing between Federal Govt & MSME	1988
United Kingdom	Manufacturing Advisory Services (MAS)	9 regional centers		2002
Canada	Industrial Research Assistance Partnership (IRAP)	150 offices in 90 communities		1962
Germany	Fraunhofer Institutes*	57 institutes	Funding support from Federal Govt primarily to Universities / R&D institutes	1949
Germany	Steinbeis Centers*	750 centers		1971
Australia	Enterprise Connect	12 centers		2008
Japan	Public Industrial Technology Research Institutes (Kohsetsushi Centers)	262 offices (182 centers)	Cost sharing between Local Govt & MSME	1902
Korea	Korea Technology Transfer Centers / Korea Technology & Information Promotion Agency	-	-	2000

* Owned and operated by the private sector unlike other agencies which are under the administrative control of the respective Governments

#8.3.1 Best Practices: Governance structure and evolution

- Most of the MSME support agencies detailed in the previous slide are governed centrally at the Federal Government level with field-level presence in form of regional centers / offices which work in close cooperation with the local government to deliver respective services
 - One of the key exceptions is Kohsetsushi Centers which are owned, financed and operated by the local / regional Governments with focus on growth of locally situated businesses as a strategy for economic development
- Evolution of service footprint of MSME support agencies globally is a function of level of development and maturity of economy of respective country as detailed below:



#8.3.2 Best practices: Service Footprint

Technology acceleration programs

- Promote technology adoption by SMEs
- Audit of SME Lean Manufacturing & Innovation processes
- Business advisors working with SMEs
- Promote technology diffusion from universities
- Perform R&D in partnership with SME
- Provide access to research labs

Korea	Japan	Germany	UK	US	China
●	●	●	●	●	●
	●		●	●	
	●		●	●	
●	●	●	●	●	●
●	●				
●	●			●	

Technology acceleration – funding support

- Direct R&D funding grants to SMEs
- Loans to SMEs for growing business
- Innovation vouchers
- Funding joint pre-competitive research

●	●	●			●
●	●				●
		●			
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#8.3.2 Best Practice: Service Footprint, *cont.*

Manufacturing productivity improvement

- Innovation and product development training
- Export assistance and standards training
- Promote energy efficient manufacturing
- Training on role of design in manufacturing

Korea	Japan	Germany	UK	US	China
●	●		●	●	●
●	●	●	●	●	●
	●	●	●	●	
			●		

Market making role through linkages

- Act as broker to other SME support services
- Host best practice events / networking among SMEs

	●		●	●	
	●		●	●	●

- Analysis of the functional mandate adopted globally by MSME support agencies highlights the following:
 - Focus on addressing demand-based requests from MSMEs either internally or by linking with empaneled list of advisors / specialist agencies, while providing financing support through respective cost-sharing models
 - Training function discharged is focused on existing MSMEs, with focus on addressing key productivity / efficiency / process related improvements to improve cost competitiveness, target export markets through innovations etc.

#8.3.3 Best Practices: SME Corp. Malaysia- “End-to-end services” approach

Vision	Premier organization for the development of progressive SMEs to enhance wealth creation and social well-being of the nation		
Functions	Coordination and Development	Advisory	Support
Activities	<ul style="list-style-type: none">• Formulate broad SME policies across all sectors & coordinate tasks of related ministries and agencies• Monitor & evaluate effective implementation of policies and programs across ministries and agencies• Management of data, dissemination of information & research on SMEs	<ul style="list-style-type: none">• Business advisory through “SME Business Centre”• Disseminate information on Government funds and incentives• Channel for feedback on SME issues• Liaison for domestic and international communities on SME matters	<ul style="list-style-type: none">• Enhance competitiveness of SMEs using the SME Competitiveness Rating for Enhancement (SCORE) diagnostic tool• Provide infrastructure (ICT) support• Facilitate linkages with large companies and MNCs• Capacity building programmes

#8.3.3 Best Practices: SME Corp. Malaysia- “End-to-end services” approach, *cont.*

Mandate: To assist SMEs through an integrated approach in strengthening their core business, building capacity and capability & facilitating access to finance

Diagnostics

SME Competitiveness Rating for Enhancement (SCORE) Programme

SCORE is a diagnostic tool to evaluate and track SME's capabilities and performance in management, operation management, technology adoption, certification initiatives, financial & marketing capability

Capacity Building

Skills Upgrading & Brand Awareness

Over 50 skill development centers & professional training partners appointed by SME Corp. across Malaysia to provide short term courses, entrepreneurship courses, awareness programmes on importance of branding and packaging

Facilitating Access to Finance

Access to Finance

Provide advisory services related to access to finance provided by various financial institutions

Business Accelerator Programme aimed at enhancing SME's competitiveness

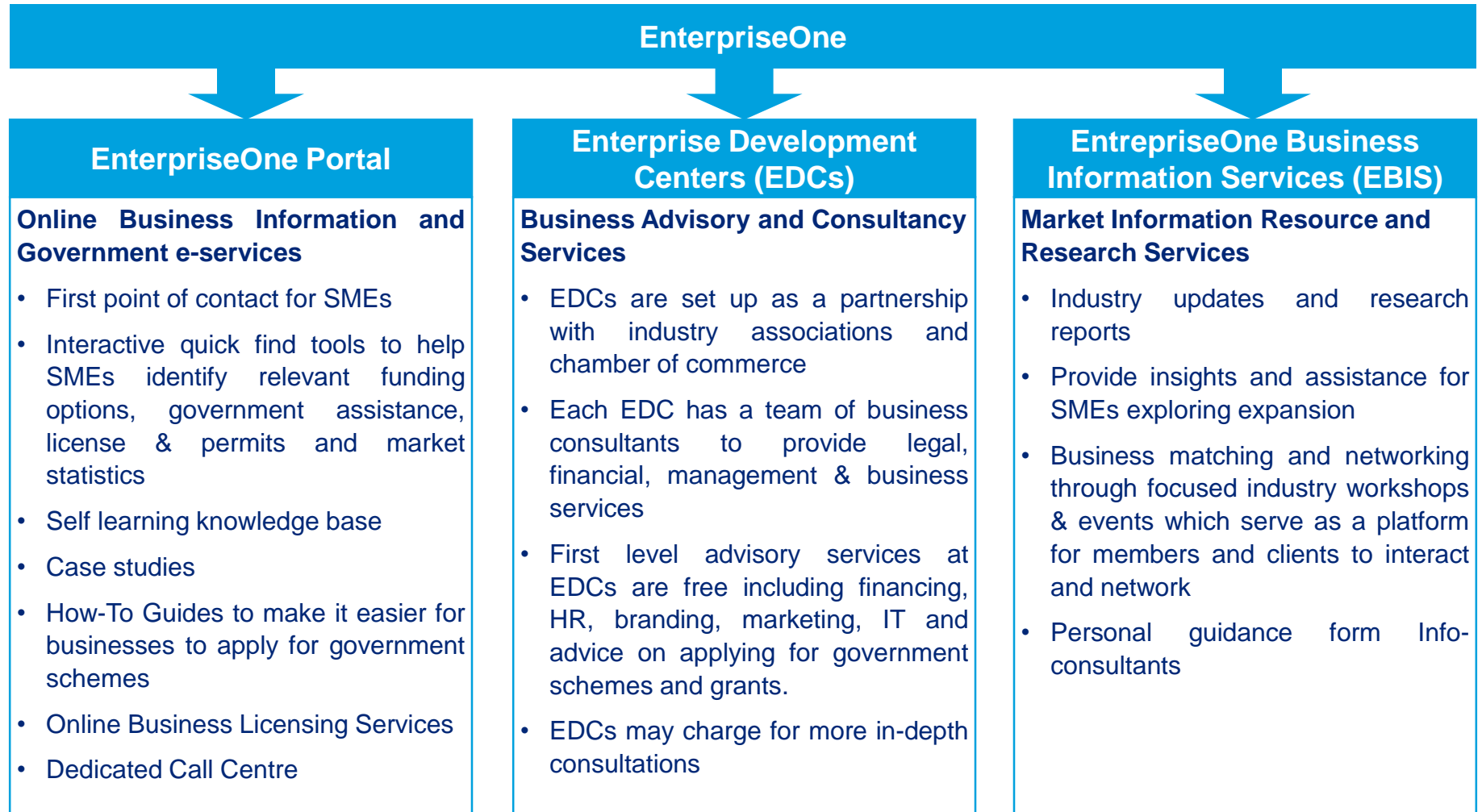
Advisory & Technical Support

One Referral Centre (ORC)

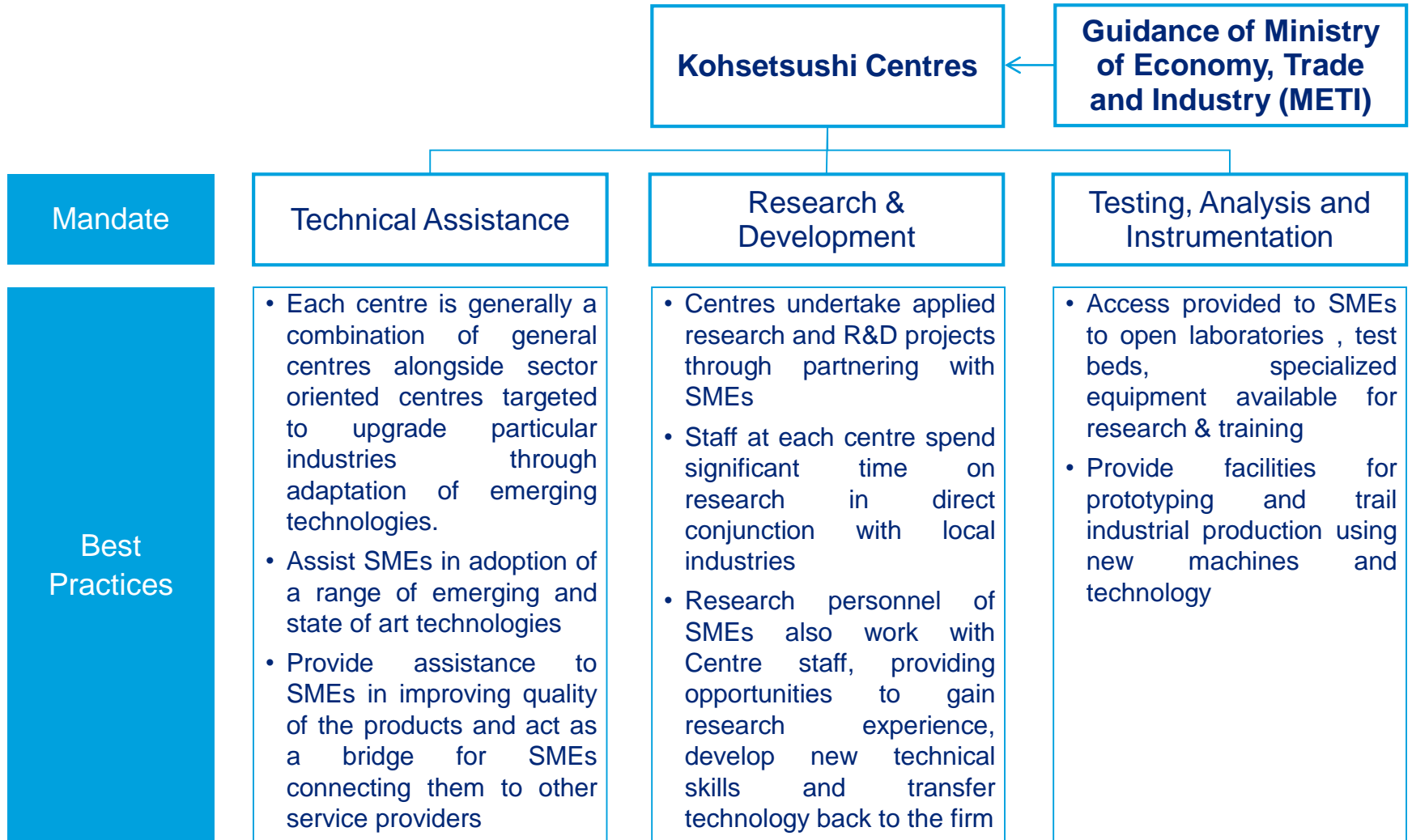
Provide advisory services for start ups and established business by Business Counselors and SME Expert Advisory panel in various fields such as technology, production capacity, automation, process, productivity & quality improvement, design

#8.3.4 Best Practice: SPRINGS, Singapore- “One stop shop”

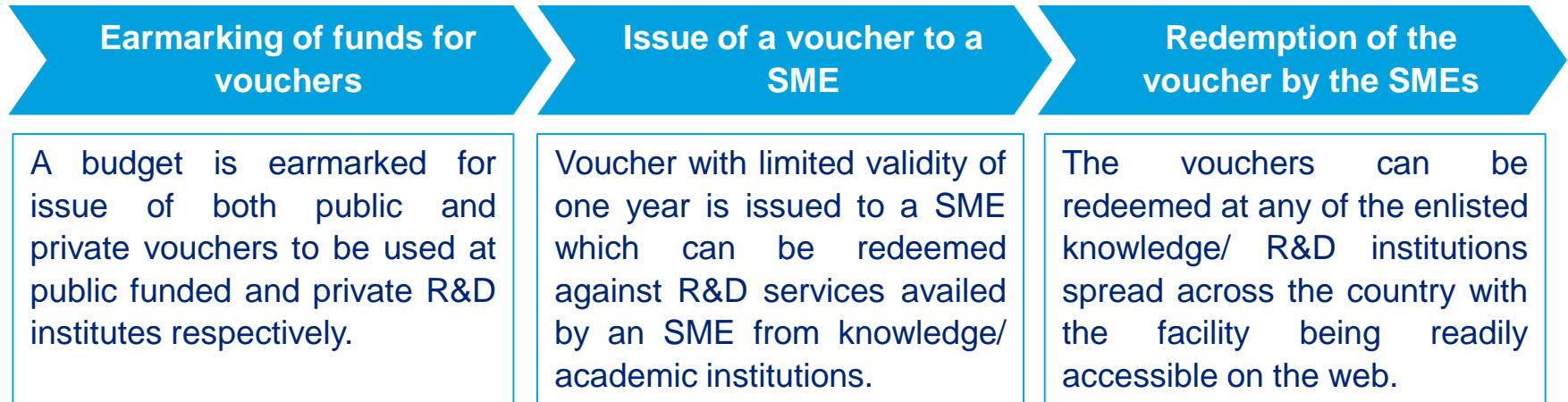
EnterpriseOne – An integrated and holistic support delivery system to provide a ‘one stop shop’ for SMEs needing access to government support



#8.3.5 Best Practice: Kohsetsushi Centers, Japan – “R&D / Incubation support”



#8.3.6 Best Practice: Dutch Innovation Vouchers Scheme, Netherlands – “Innovation support”



Key Advantages

- Facilitates SMEs in approaching public/ private knowledge institutions for enhancing or developing new products/ processes/ applications/ practices/ operations/ new technology innovation capabilities
- Eliminates financial risks involved for R&D institutes, as the voucher covers the cost of R&D services provided

Impact

- Increase in cooperation between the SMEs and R&D institutions - According to a study, approximately 58% of the participating SMEs in Netherlands would not have started the cooperation and linking with the R& D institutions without the vouchers
- Success of the scheme has led to similar schemes being rolled out in other countries like UK, Ireland, Belgium, Singapore.

#8.3.7 Best Practice: MAS-UK – “Technical Support Services”

Level of support services

Operating Model of MAS – UK

Level 1: Free helpline inquiry service

Manufacturing and business experts are available to answer questions on a range of technical issues

Level 2: Free one-day, onsite manufacturing diagnostics

MAS expert assess manufacturing operations of the respective firm and highlight improvement opportunities – may lead to additional services at higher level

Level 3: Networking and awareness creation

Organization of general awareness and networking events including visits to factories considered as having implemented “best practices” in the respective sectors

Level 4: Subsidized consultancy support

MAS practitioners spend up to 2 weeks with the unit instilling competitive manufacturing processes including lean processes, co-developing value stream and process maps, energy efficiency etc.

Level 5: Assistance in non manufacturing areas

Referral of MSMEs to empaneled list of service providers in non-manufacturing areas like finance, HR, marketing, legal, environmental etc. along with connecting MSMEs to the schemes offered by UK Government for part-funding

#8.3.8 Best Practice: Technology Profiles - ICT Infrastructure

ICT Infrastructure	Best practices
Technology Profiles	<ul style="list-style-type: none">• Manufacturing Extension Partnership (MEP) in US assists SMEs in connecting to innovation networks through “USA National Innovation Marketplace”, a key tool which allows SMEs to post their innovative products and technologies online which facilitates promoting its capabilities, reach wider range of potential buyers or investors and search for expert help or assistance. MEP is also working with universities to translate their technologies into business opportunities and post them on National Innovation Marketplace to enable its field staff to have access to university technology and researchers to provide linkage to SMEs (http://innovationsupplychain.com/)• Enterprise Europe Network has developed a database of over 23,000 profiles highlighting cutting - edge technologies across various trades/ sectors like agro food, chemical, textiles etc. The data base is updated regularly. (http://portal.enterprise-europe-network.ec.europa.eu/services/technology-transfer)• Indian SME Technology Services Ltd. has a large computerized database on technology options available from different countries. It provides the users updated information on sources of technologies and means of assessing them. Also background information on technology – seeking enterprises is maintained and made available to interested technology suppliers and collaborators. (http://techsmall.com/database.htm)

#8.3.9 Best Practice: Intranet - ICT Infrastructure

ICT Infrastructure	Best practices
Intranet	<ul style="list-style-type: none">• Manufacturing Extension Partnership (MEP) in US shares knowledge through an internal website (intranet) which is available to all MEP field offices and field staff across the nation where questions and answers are posed and discussion groups share best practices. It has also developed a web portal to share tools and techniques among the field staff for helping the SMEs• MEP mandates each centre to submit one success study from its state each quarter. These stories focus on defining the problem, the designed solution and measurable impact after implementation. These are available online and can be used by other centers, state, industry & district association to help key stakeholders including SMEs• Manufacturing Advisory Services (MAS) in UK mandates each of its consultants to produce a case study for at least one out of every 3 client engagements which are posted online• MAS support its best practice networks by hosting events quarterly where representatives of SME manufactures can meet, share & discuss best practices which are compiled and placed online

#8.3.10 Best Practice: National Portal – ICT Infrastructure

ICT Infrastructure	Best practices
National Portal	<ul style="list-style-type: none">• EnterpriseOne(http://www.enterpriseone.gov.sg/) portal developed and managed by SPRING Singapore provides integrated online business information and e-services to the SMEs. The service aims to be first point contact for SMEs. The portal has following features:<ul style="list-style-type: none">• ‘Quickfind’ search option where the user is asked 4 questions and results show the relevant government schemes. The following features can be accessed via the ‘quickfind’ search (a) customized funding options, (b) government assistance, (c) Market statistics released by government agencies, (d) Business-related government e-services and (e) relevant licenses and permits• ‘How To’ guides, checklists and flowcharts• Frequently Asked Questions database• Online Business Licenses Service - On-line applications for business licenses from government agencies• Hotline call centre

#8.3.11 Best Practice: Buyer Seller Database - ICT Infrastructure

ICT Infrastructure	Best practices
Buyer seller (Matchmaking) database	<ul style="list-style-type: none">• Enterprise Europe Network maintains a business database which contains thousands of company profiles and organizes matchmaking events. (http://portal.enterprise-europe-network.ec.europa.eu/services/going-international)• The Business Profile Management System (BPMS) is a web based SME database developed by Department of Trade and Industry, Republic of Philippines. It includes a product coding facility and a business matching facility that allows firms to be matched with their requirements. This system is available 24X7 worldwide and can be used both as a statistical and business matching tool wherein Philippine suppliers and foreign buyers/ investors can look for trade opportunities. (http://bpms.dti.gov.ph/BPMS_CREVIEW/main.dti;jsessionid=11C5B28C896DA291E216E5335B43C3D3)• NSIC Infomediary Services maintains a comprehensive Indian buyers & sellers database along with tender leads, global tenders and business enquiries. (http://www.nsicindia.com/catalogs-Buyer.html)

#8.3.12 Best Practice: Capacity Assessment - ICT Infrastructure

ICT Infrastructure	Best practices
Capacity Assessment database	<ul style="list-style-type: none">SME Corp Malaysia uses a diagnostic tool, SME Competitiveness Rating for Enhancement (SCORE) to rate and enhance competitiveness of SMEs based on their performance and capabilities. The diagnostic tool rates the SMEs on (a) management capability (b) business performance (c) financial capability (d) technical capability (e) production capacity (f) Innovation & (g) quality system. Based on the assessment SMEs are awarded a score ranging between no star to 5 stars. SME Corp maintains a database with details of the SMEs evaluated and current SCORE rating. (http://www.smecorp.gov.my/v4/node/82)



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MSME DEVELOPMENT INSTITUTES

This is not a comprehensive report. The purpose of this document is to present a short summary of the findings and recommendations from the perspective of the target group and related stakeholders in MSME eco system. For implementation, complete report on analysis and strategic recommendations should be taken into the account.

Contents

1.	Context and Key Constraints.....	5
1.1.	Context.....	5
1.2	Objective	5
1.3	Methodology	5
1.4	Key Constraints	6
2.	Operating Ecosystem.....	7
2.1	Relevant Stakeholders from DI perspective	7
2.2	Influencing Factors and Its Impact.....	8
▪	Mandate of Ministry of MSME	8
▪	Requirement of MSME.....	8
▪	Institutional Limitation.....	9
▪	Service Market Condition.....	9
2.3	Segmenting the Customers Need.....	9
3.	Recommendations.....	11
3.1	Role and Functions	11
3.2	Service and Delivery Mechanism.....	11
3.2.1	Existing Service Portfolio:	12
3.2.3	New Service	13
3.3	Organization Structure.....	13
3.4	Process	14
3.5	Human Resource.....	15
4.	Governance	16
4.1	Proposed Job Description	17
5.	Overall Implementation Approach.....	19
5.1	Process Flow.....	19
	Annexe 1	20

1. Context and Key Constraints

1.1. Context

Since 1954, when field structure of Development Institutes (earlier known as Small Industries Service Institute) was set up, there has been enormous change in the overall business and economic environment. Some of the major changes are:

- Liberalized Economy; De-reservation of maximum products
- Change in Customer profile (MSME viz earlier small & Tiny) and service needs
- Developed private service providers market system
- Changed role of Govt (protector to facilitator); greater focus on pvt.sector involvement

Sporadic efforts have been made in the past to rationalize and revitalize the service portfolio of MSME DIs but no systemic structural reform has been attempted to align its role, function and services to the changed environment.

1.2 Objective

Systemic structural reform process was initiated under DC MSME-GIZ bilateral cooperation MSME Umbrella Programme in November 2012 with the following objectives:

- Reassess the role, functional mandate and service portfolio
- Review the organizational Structure , governance mechanism
- Identify Process bottlenecks and improvement opportunity
- Identify issues related with Human Resource capacity
- Potential of Alternate Service Delivery Mechanism
- Develop Recommendations and Implementation Roadmap

1.3 Methodology

- 1day initial scoping assessment visit to 4 DIs at Delhi, Karnal, Agra, Kolkata
- Meetings with officials of DC MSME office
- Data Collection from 25 DIs, 140 Individual officers of DIs and Analysis thereof
- Visit to 8 DIs at Guwahati, Kolkata, Chennai, Bangalore, Jaipur, Indore, Kanpur and Ranchi for detailed assessment –workshops with all DI officials
- Meeting with industry associations, cluster spv, MSME
- Meeting with other promotion institutions DICs, NSIC, SIDBI
- Continuous feedback and consultation workshops with DI

1.4 Key Constraints

In spite of the fact that business and economic environment – in which MSME carry out their business and DI functions; have witnessed major changes, MSME specifically Micro and Small continue to need support albeit of different type and in different form from public support institutions such as MSME DI and MSME DIs do provide necessary connect with ground level realities to policy makers. Following main factors are responsible for current functioning of DIs and their sub optimal impact on the MSME eco system.

- **Role:** not specifically defined, just evolved over time, too broad and all encompassing
- **Functions:** Historical functional grouping around 3 areas of training, technical trade and economic investigation is out of sync with current reality (need, demand and market condition)
- **Service portfolio:** Few of the services (e.g. Project Profile, CFC, Sub contract exchange) offerings have lost relevance. Direct delivery of some services (e.g training) leaves little time for other important functions.
- **Organizational Structure:** Absence of clear role allocation and inadequate job differentiation across hierarchy prevalent in the current structure
- **Process:** Centralized decision making about budgeting and planning of activities results in high service delivery time. The current performance metrics for DIs are mostly focused on inputs with inadequate emphasis on outputs or outcomes. Absence of clarity and standard operating procedures for selection/empanelment of external agencies affect service delivery.
- **Human Resource:** Absence of formal cadre with well defined service rules has resulted in limited career growth options and lack of motivation. There exists mismatch in trade specialization vis-a-vis focus MSME sectors in respective DI. Technical and managerial skills need **update** in line with growing customer need and expectation.

Disproportionate focus on Training; which accounts for 67% man days

The **current interface** between DIs and the DC's office **lacks coherence** and has **multiple points** of contact and information requirement

Limited networking with "developed service providers" eco-system supporting MSMEs

Sudden **transfers system** impacts institutional competencies and service delivery

2. Operating Ecosystem

Different factor conditions (policy, promotion instruments, access to financial and non financial services and facilitation support) determine creation of a conducive/ favorable business environment for MSMEs to start, operate and grow. MSME DIs are an important but small player in the MSME eco system and therefore it's important to develop an understanding of the eco system, define the area where it can make an impact either directly or through leveraging the strength of other players in the eco system. It is also important to take into account the facts that MSME's needs are diverse, numbers are huge and capability of the institution will always be limited in that context.

2.1 Relevant Stakeholders from DI perspective

Category	Types/ Brief Description		
Existing Enterprise	Low Tech	High Tech	Sun rise
	Micro	Small	Medium
Start ups	New Technology Based start ups	Opportunity Based Start ups	Necessity/Desire based start ups
Workforce	Employed	Trained but unemployed	Prospective and Un trained
MoMSME (including DC MSME)	NSIC	Policies and Support Schemes	Training and Technology centre
State Govt Agencies	DIC	State Industrial Development Cooperation	TCOs
Public institutions	Sectoral Central Ministries and Departments	PSUs	Academic, Research institutions
Financial Institutions	SIDBI	Banks	NBFC, VC, Angel and Impact investors
Private Sector	Industry Associations	Private Service Providers /Consultants	NGOs



Customer (Internal and external)



Network Partners



Customer /Partner

It is evident from the above stakeholders list that there exist many players who are providing/can provide different services to meet the need and demand of MSME. Therefore it's important to underline and define the main influencing factors which determines the "role, functional mandate, service portfolio and service delivery mechanism" of DIs. Equally important is to segment the need of the customers which can be satisfactorily serviced by DIs.

2.2 Influencing Factors and Its Impact

▪ Mandate of Ministry of MSME

Development institutes being the field networks of office of DC MMSE, Ministry of MSME are expected to support the Ministry in fulfilling its mandate of **"creation of new entrepreneurs and development of existing entrepreneurs (MSMEs)"**. Support schemes and policies along with complimentary institutional networks (NSIC, National training Institutions, and technology development centers) are important tools of the Ministry to achieve its mandate.

- DIs has a direct role in ensuring efficient design and effective implementation of support schemes and policies. By providing feedback from the industry, it can ensure that schemes are designed on basis of industry demands and meet their actual needs. With increased focus on activities aimed at different implementation stages, outreach and impact of the schemes can be multiplied.

▪ Requirement of MSME

Category	Types/ Brief Description		
Existing Enterprise	Low Tech	High Tech	Sun rise
	Micro	Small	Medium
Start ups	New Technology Based start ups	Opportunity Based Start ups	Necessity/Desire based start ups
Workforce	Employed	Trained but unemployed	Prospective and Un-trained

MSMEs differ in their need depending on various factors such as growth stage, industry sector, and technology level. They also need easy access to entire gamut of services ranging from basic information, skills, finance, market, technology, process advisory etc.

- Therefore DIs has to be aware of segmented needs of its enterprise target group, scheme focus and accordingly categorize their service portfolio to serve them satisfactorily.

- **Institutional Limitation**

In view of the fact that universe of potential client is huge and with such varied needs , DIs or any single institution cannot have either i) the requisite skill-sets / expertise in-house or ii) geographic outreach to address all the requirements of MSMEs directly by itself.

- So it is of paramount importance that in house skills sets are properly mapped, competencies are regularly updated and leveraged within the whole DI networks. Identification of core services and functions, DI should focus on is also necessary.

- **Service Market Condition**

DIs being govt. agencies should be considerate of the fact that its functions and service should not lead to market distortion i.e creating a disincentive for private service providers to offer services to MSME and develop business model around MSME. It should directly offer only those services for which market forces are failing. For other services, focus on linking with empanelled list of advisors / specialist agencies to create service markets.

- Thus DI should have clear idea on services which can/should be offered directly and which should be only linked. Standard operating process for key service portfolio and their delivery mechanism have to be put in place.

2.3 Segmenting the Customers Need

Existing enterprise and Start up are the two main customer categories of DI services and they differ in their needs and requirement. Even within existing enterprises there are huge variances in their preferences. While micro/tiny have a higher preference for direct market support; small and medium enterprises indicated higher demand for process improvement, product certifications, technology, Energy Audits, IPR etc. Similar to existing enterprises, start ups are also of different type and it is essential to classify the different types of startups, stages and potential impact DIs can have through their service portfolio to promote them.



In the case of existing enterprises, generic segmentation of need for DI as a whole will be difficult. Each DI has to do that keeping the local factors in consideration.

Tools available with DIs to directly serve its customers:

- Support Schemes of Ministry of MSME
- Infrastructure facility
- Competencies of its human resources

“Ideation, Incubation, Prototyping and Commercialization” are different stages of startup process with varied need at each stage. While analyzing the service portfolio of DIs specifically for startups, let’s first have a look at support schemes – one of the most important tool available with DIs – and their focus.

The table below clearly highlights that majority of the schemes are targeted at existing enterprises. Accordingly, DI will find them better prepared to serve existing enterprises.

Scheme	Main Target	Scheme	Main Target
NMCP (all components)	Existing MSE	Performance &Credit Rating	Existing MSE
MSE CDP	Existing MSE	International Coop	Existing MSE
CLCS	Existing MSE	Survey , research	Existing MSE
Credit Guarantee	Existing MSE	Public Procurement	Existing MSE
MDA	Existing MSE		
ESDP	Start up and Existing MSE	PMEGP	Start up
RGUMY	Start up	Incubator	Start Up

There is a limited role of DI in the startup promotion ecosystem beyond support schemes and the same is illustrated below:

Need (Not in order of Sequence)	Related MoMSME Schemes	Other Support Agency	Role OF DI
First Level of advisory		DIC	Information Provisioning and guidance to connect with in-house service (RGUMY, PMEGP) or external agencies
Training	ESDP	All	
Legal and Taxation Services	RGUMY	DICs	
Incubation		NSIC , DST	
Handholding & Mentoring	RGUMY		
Land		DIC	

Finance (Seed Funding, Angel investment, VC, Grant)	PMEGP (Micro Enterprise)		
Technology Input	RGUMY	TCOs, NSIC	

3. Recommendations

3.1 Role and Functions

Taking into account overall eco system including presence of multitude of stakeholders, influencing factors, segmented customers need and tools available with development institutes, **recommended role** for DI is

- 1) To be the **one stop centre** for all support schemes and policies of MoMSME
- 2) To **facilitate** enterprise (EXISTING AND START UP) access to a wide range of strategic support services related to technology, marketing, skills, finance etc.

To fulfill the above recommended role, DI will carry out following functions

Role	One stop centre	Facilitation
Functional Areas	<ul style="list-style-type: none"> • Provide Information, Awareness and Guidance on schemes and policies of Ministry of MSME • Scheme Implementation including subsidy/grant administration (e.g. : ISO , ESDP etc.) • Economic Intelligence and policy input to DC's office • Regular Impact Monitoring of schemes and policies 	<ul style="list-style-type: none"> • Provide first level advisory services in the field of Technology up gradation, Market Access, Process improvements, Quality Accreditation etc. • Provide information to MSMEs about specialist agencies /service providers which can address specific requirements of MSMEs and require specialized skill-sets • Facilitate MSME's linkages with these specialist institutions & private service providers in the identified fields (including non-technical support)

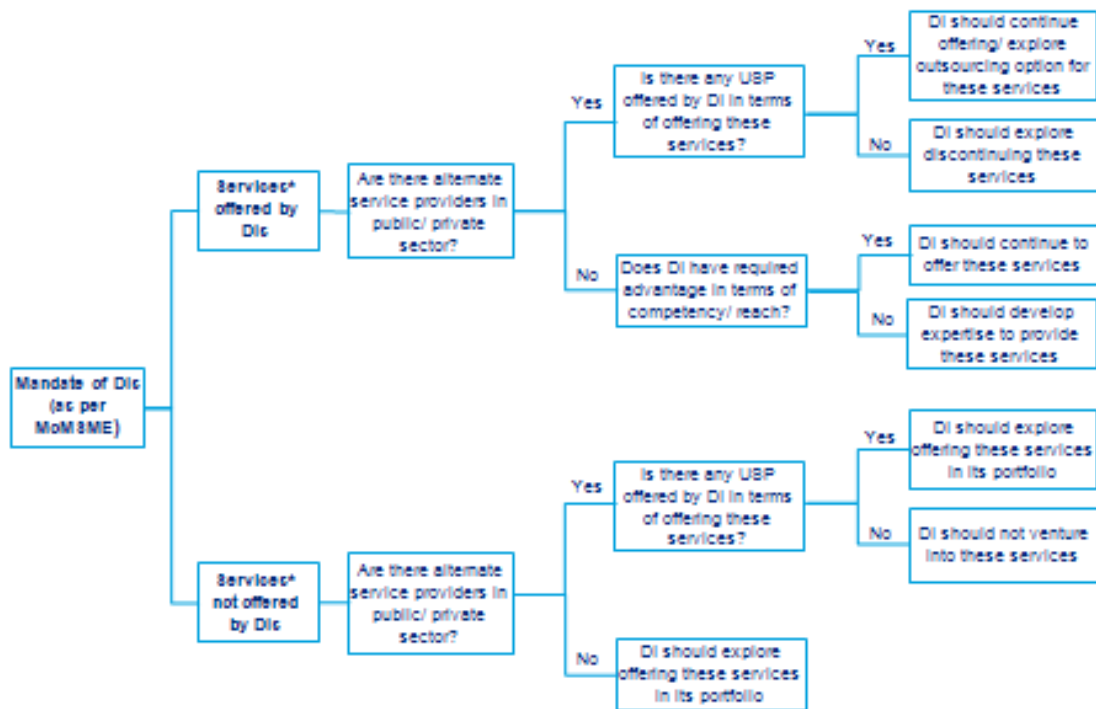
3.2 Service and Delivery Mechanism

As mentioned earlier, one of the constraints faced by DI pertains to irrelevance of few services and sub optimal delivery mechanism. Before going ahead with

recommendations related with services, analytical framework used for this purpose is being introduced for enhanced clarity on rationale.

Framework for identifying optimum DI service portfolio

As-Is analysis: Mandate-related issues



* Note: The first stage in the analysis will involve identifying a list of critical services for MSME development

3.2.1 Existing Service Portfolio:

- Information provisioning, awareness creation and guidance for all support schemes ; even those implemented through third party/other agencies should be one of the core service of DI
- Reimbursement based schemes should be administered directly by DI. DI should be empowered to approve and disburse subsidy to eligible enterprises.
- Training:** Involvement of DI in training is justified only from the perspective of strategic importance of skill mission targets for the ministry. However currently it is accounting for 2/3rd of the employee time affecting other

services. Complete change in the delivery mechanism is recommended. Training should be delivered through empanelment of specialist training partner (institute /NGOs etc.). Standard operating procedure for empanelment of training partner should be developed on the model of NSIC and national training institutions (NIESBUD, NIMSME etc.)

- **Techno Managerial Consultancy:** Should focus on first level of advisory, onsite manufacturing diagnosis and facilitating linkages to specialist agencies/ individuals for detailed technical / advisory services. For this purpose, formal incentive / reward & recognition mechanism should be introduced for encouraging DI officials in updating their knowledge which would make them relevant for meeting techno-managerial consultancy requirements of industry.
- **Common Facility Centers:** Discontinue its operation as common job work facility and convert it mainly into technical training centre – as an extension centre of MSME tool rooms. Exception could be tier 2 / 3 city depending on private sector market.

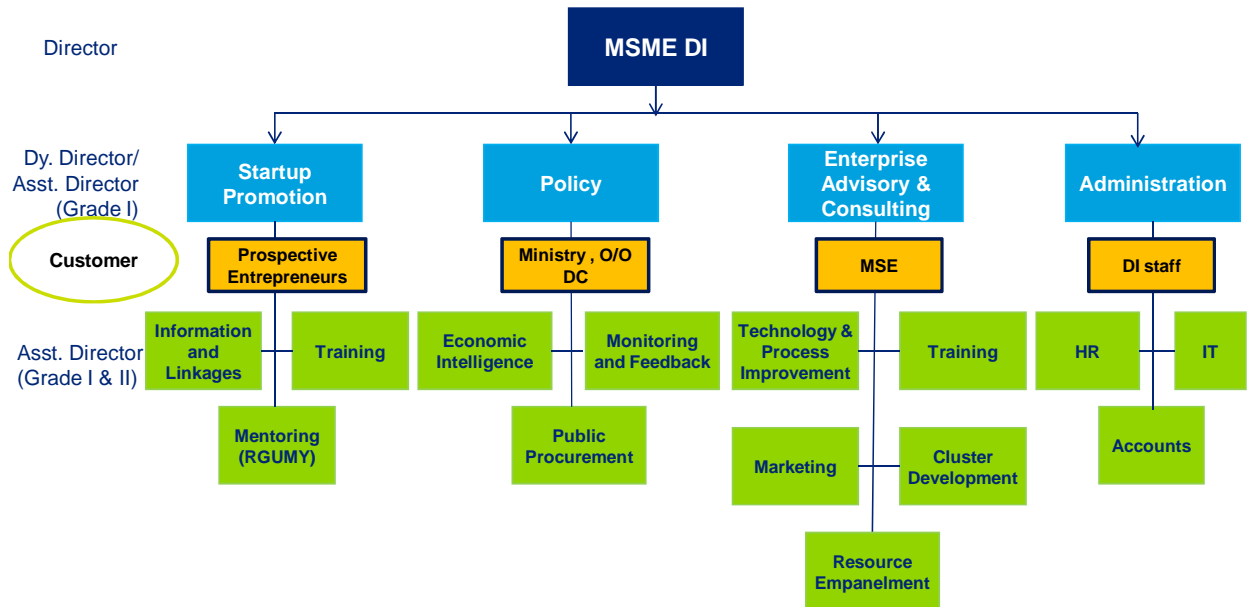
3.2.3 New Service

- **Public Procurement Facilitation:** DIs to be designated as state level nodes with following main functions
 - Tender information dissemination
 - Development of requisite vendor databases
 - Facilitating requisite technical support to meet quality standards and procurements norm and in getting empanelled as vendor.
 - Analysis of PSU annual report and data Monitoring
- **Policy Input:** DI should carry out stakeholder consultation to gather field level inputs & feedback and submit these to DC office to make the schemes and policies demand driven, user friendly and targeted.
- **Technology Demonstration and transfer Centre:** Most of the DIs has surplus space. Sector focused Technology Demonstration cum Transfer Centre and facility for conducting technology exhibitions in partnership with national and international (public /private) expert institutions should be created. This could be done in an PPP mode leveraging components of existing schemes such as QMS/QT

3.3 Organization Structure

In the main report, organization structure has been proposed based on the need of specific competencies, differentiated activities and role segmentation between

different levels. An alternate organization structure is being proposed here with customer segmentation as prime factor.



Please refer annexe 1 for Job description of each division and sub division.

3.4 Process

- **Organization structure:** One time exercise for fitment of existing DI officials to new / redesigned roles which incorporates required functional specialization is necessary for adoption of new structure. One-time assessment of trade-specific requirements at each DI in line with focal MSME sectors in the state vis-à-vis the existing availability of respective trade personnel is also required.
- **Delegation of Power:** Higher level of delegation of powers (both financial and operational) to DIs in planning & implementing different activities.

- **Funds:** Should be made available in advance for administrative expenses, activities and scheme grants at the start of financial year / each quarter.
- **Strengthen Linkages and Coordination:** Interactions with other stakeholders such as Industry associations, cluster development agencies, state institutions like DICs, educational and research institutions etc. should be made part of the key performance area at individual level and an important outcome indicator at DI level. DIs should draw up a detailed monthly plan for conducting meetings with respective DICs / MSME associations in key clusters along with allocation of responsibility for the same among its officials and monitoring of the same by the senior management team.
- **Standard Operating Processes:** For empanelment of service providers and engagement of institutional delivery partners (training), SOP should be developed at centralized level for implementation at field.
- **ICT:** Upgrade of office infrastructure, IT connectivity and Deployment of ICT-based knowledge management tools is required to support technical officials in discharging their duties more efficiently and present a more customer-friendly face to MSMEs and other stakeholders. The key IT infrastructure requirements include:
 - Knowledge sharing among DIs (intranet etc.)
 - Standardization of all DI websites and linkages with proposed National Portal
- **Reward & Recognition:** To motivate and encourage DI officials to continuously update their knowledge and skill-sets for meeting techno-managerial consultancy requirements of industry and to proactively engage with the industries, a formal incentive / reward & recognition scheme can be considered. Feasibility of policy along with mechanism to be formulated for allowing DI personnel to retain a pre-determined part of revenues generated from techno-managerial consultancy support provided by them to MSMEs

3.5 Human Resource

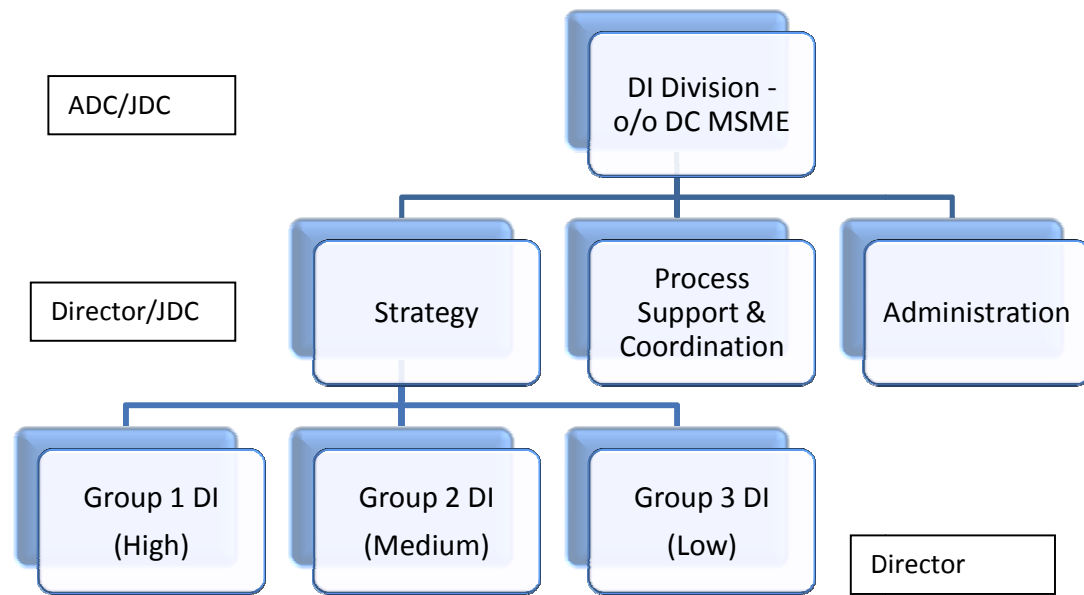
- **Adoption of a systematic transfer policy:** Linking transfers to organizational objectives & requirements, individual performance, succession planning and minimum fixed tenure is required. Transfer policy should include mandatory consultation with DI Director prior to transfer decision. This will also lead to staff rationalization in case of excess at one location and corresponding deficit.

- **Sharing of Expert Resources:** Need for sharing trade-specific experts among DIs to bridge mismatch of trade specialization across locations, along with intranet-based knowledge sharing on good practices.
- **Cadre Formation:** Transition to a cadre-based service with one-time fitment to address existing anomalies:
 - Will ensure time-bound promotions, subject to achievement of requisite level of performance levels
 - Will address pay-scale related anomalies at respective hierarchical levels
- **Continuous Learning and Development:** Systems need to be put in place for continuous learning and development of DI staffs. Linkages should be established with specialist agencies for i) capacity development of DI officials to facilitate them in offering requisite technical services, ii) providing specialized technical inputs for which DIs may not have the requisite technical skills.

4. Governance

The current interface between the DC's office and individual DIs lacks coherence and has multiple points of contact and information requirement. There is a need for streamlining the points of interface as well as tighter grouping of related functions. There is also an inadequate focus on support activities like human Resources, procurement, information technology which is critical for the DIs to deliver.

Therefore existing governance mechanism needs thorough revision and strengthening. It is proposed to create a functional DI division responsible for all carrying out all functions pertaining to DIs and provide all necessary support.



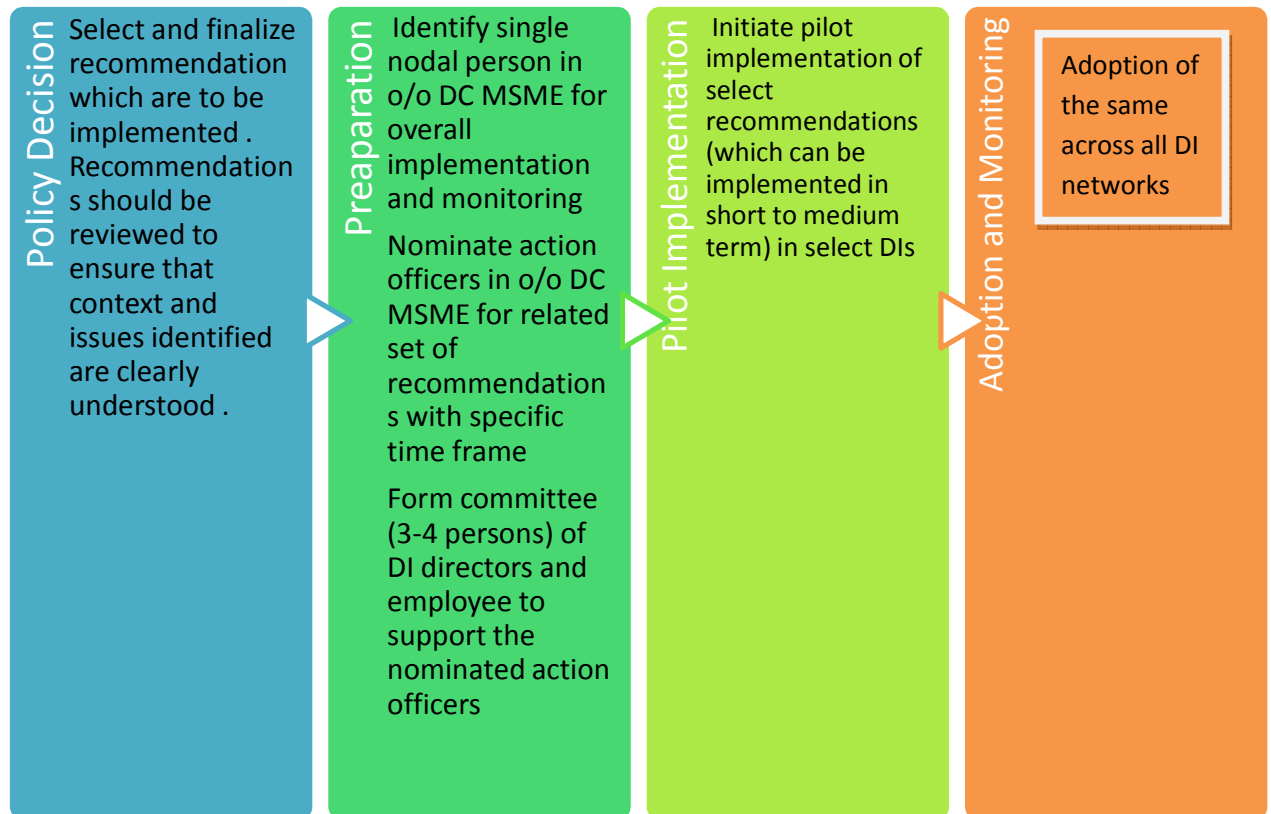
All DIs should be categorized in 3 group based on current performance, infrastructure level, local economic conditions.

4.1 Proposed Job Description

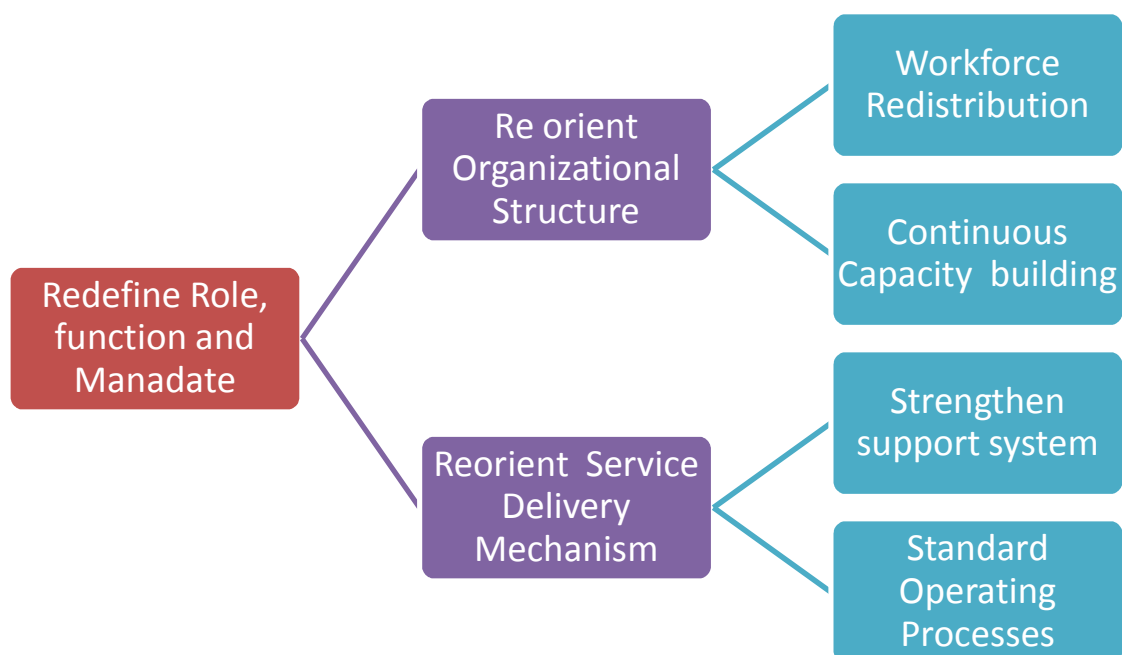
- **Strategy :**
 - ✓ Develop , manage & strengthen linkage with Centers of Excellence/ R&D centers/ nodal scheme implementing agencies at the national level for ensuring coordination among DIs and the respective agency at the field-level.
 - ✓ Target Setting and Monitoring individual DI performance
 - ✓ Secure feedback from MSMEs through DIs as part of public consultation process on existing and proposed policy interventions in order to ensure that the same addresses the specific requirements of the targeted beneficiaries.
 - ✓ Continuous capacity development of DI officials to undertake the mandated functions / services, based on periodic training need assessment and monitoring of feedback of intended beneficiaries on DI performance
- **Process Support and Coordination:**
 - ✓ Develop i) standard templates to be followed for contracting and empanelment of respective vendors / specialist agencies along with ii) specifications on bid process management to be followed for empanelment based on assessment of requisite capability, infrastructure available etc.

- ✓ Coordinate with respective scheme division and steering committee to seek approval for pending requests from respective DIs
- ✓ Ensure timely availability of funds with the respective DIs for disbursement against claims made by beneficiaries of schemes
- ✓ Development of systems & processes to facilitate information collection from DIs with respect to the following:
 - Sharing of curriculum developed by respective DIs for any new course introduced to ensure its technical vetting and standardization for use by other DIs
 - Updates to the trainee database to facilitate follow-up
 - Client/ Beneficiaries of DI services and schemes
- **Administration**
 - ✓ Ensure adherence to policies/ procedures on i) formulating compensation packages/ revisions for personnel, ii) recruitment, iii) performance management, iv) promotions, v) transfer etc.
 - ✓ Coordination with central Pay & Accounts section for fund requirement (subject to budgeted allocations) of respective DIs, like those related to infrastructure up gradation, building maintenance, office expenses, TA/ DA, salary, vehicle procurement & maintenance, etc.

5. Overall Implementation Approach



5.1 Process Flow



Annexe 1



Capacity Building Workshops: MSME DIs

Promoting innovative and entrepreneurial work behavior

Summary Document

June, 2014

About this Document

This document is a summary of Capacity Building workshops conducted under the 'MSME Policies and Programs' component of the MSME Umbrella Program (being jointly implemented by O/of DC-MSME, MoMSME and GIZ) in partnership with Aon Hewitt. This document is intended to provide the Office of DC MSME, Ministry of Micro, Small and Medium Enterprises (MoMSME), Government of India with a consolidated summary of following training workshops:

- **Workshop 1 :** Conducted for Heads of Institutions
 - Audience: Directors and Deputy Directors (in charge of Branch DIs)
 - Location: NIESBUD (Noida)
 - Date: 22-23rd April, 2014

- **Workshop 2:**
 - Audience: Deputy Directors, AD Grade I and II, Investigator
 - Location: Lemon Tree, Delhi
 - Date: 19-20th May, 2014

- **Workshop 3:**
 - Audience: Deputy Directors, AD Grade I and II, Investigator
 - Location: HHI, Kolkata
 - Date: 26-27th May, 2014

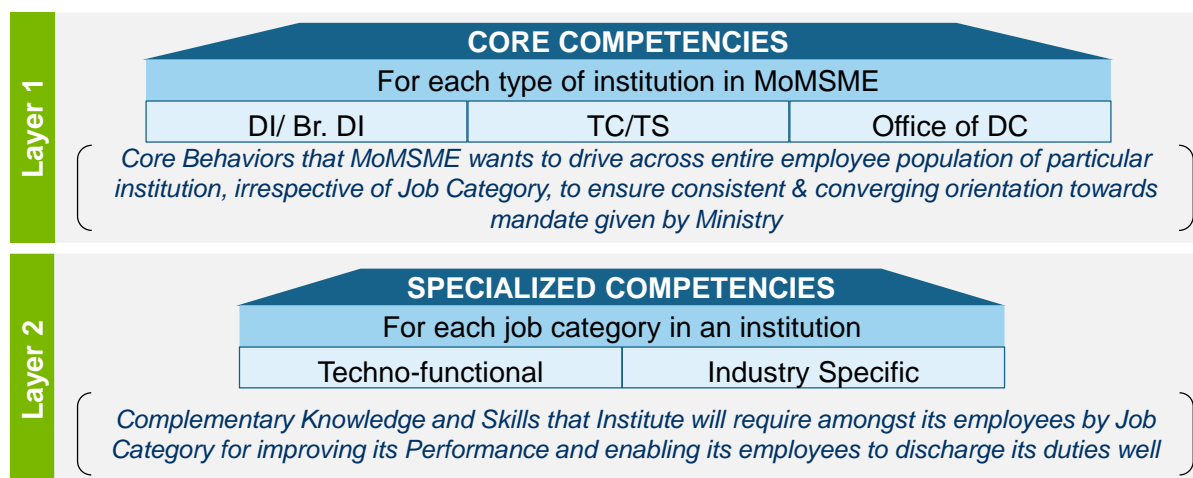
Background

The Office of DC MSME, Ministry of Micro, Small and Medium Enterprises (MoMSME), Government of India and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) have launched the 'Capacity Building' initiative under the 'MSME Policies and Programs' component of the MSME Umbrella Program in partnership with Aon Hewitt.

Development Institutes (DIs) are beginning a transition journey, moving to a new organizational structure basis the recommendations of a study done under MSME Umbrella Programme (in partnership with Deloitte). As the DIs move to this structure, the behaviors and skills that are required for a particular role or department (henceforth called as 'competencies') required by employees will change. In order to ensure that employees will have the desired level of expertise in all of the required competencies once the ministry is restructured, following capacity building initiatives have been carried out under MSME- UP:

- **Human Resources Profiling Survey:** A detailed HR Profiling survey was conducted as a part of that 'Capacity Building' initiative to gather data about the employees working within Development Institutes and Branch Development Institutes, Testing Centers and Testing Stations, and the Office of the Development Commissioner. The data collected covers details such as age, gender, education, work experience, training requirements etc across the different functions within these institutes.
- **Identification of key competencies:** The desired competencies for Development Institutes and Branch Development Institutes, Testing Centers/ Testing Stations and the Office of the Development Commissioner were identified based on:
 - Deloitte's definitions of the departments within the future structure
 - Input from Human Resources Profiling Survey
 - Inputs from GIZ
- **Determining training priorities:** In order to ensure that employees will have the desired level of expertise in all of the required competencies once the ministry is restructured, the gap—if any—between the existing and the desired levels of each competency needs to be identified. In order to do this, a Training Needs Analysis (TNA) survey was launched. While only Directors and Deputy Directors completed the survey, they were asked about the existing and desired levels of three groups of employees: Investigators, Assistant Directors Grades I and II, and Directors and Deputy Directors.

Across the different functional areas, a range of areas have been highlighted as being high priority for trainings. The desired competencies have been grouped into (Please refer to the diagram below):



- a) **'Core Competencies (or Behavioral Competencies):** These are core-competencies and are applicable to all employees irrespective of the job category.
 - b) **'Specialized Competencies':** Specialized competencies are complementary knowledge & skills which are required for improving performance within a particular Job category. Specialized have been further divided into
 - i. *'Techno-functional Competencies'*, which are the technical skills required for different roles and departments and
 - ii. *'Industry Specific competencies'*, which are those that are required at institutes working within specific industries.
- **Implementation:** Basis the above findings, the most suitable training programs/institutes have been recommended and a sound training plan for MSME DIs/Branch DIs and Office of DC-MSME would be finalized.

The first phase of implementation has already completed with the conduct of 3 capacity building workshops in Core Competencies, the details of which are described in next few sections.

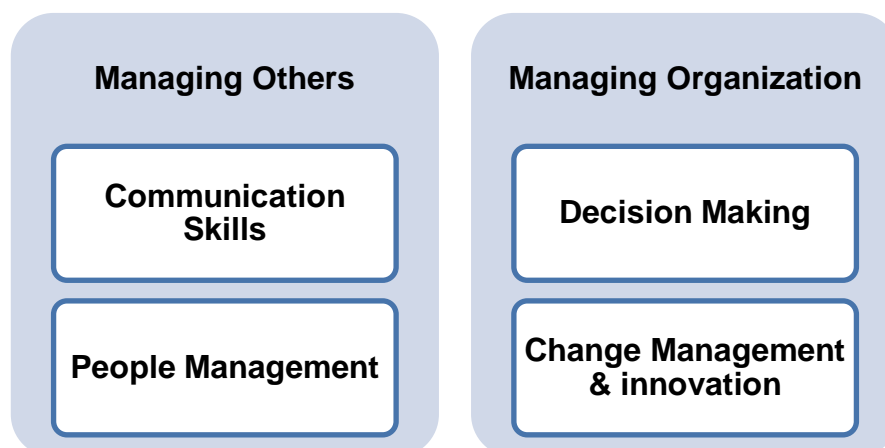
Workshop 1: Capacity Building Workshop for Directors

Workshop Date: 22-23rd April, 2014

Workshop Location: NIESBUD (NOIDA)

Objective:

The workshop for the senior level officers (i.e. MSME DI Directors and Deputy Directors in charge of Branch DIs) was a part of 'Capacity Building' initiative in partnership with Aon Hewitt under the "MSME Policies and Programs" component of the MSME Umbrella Program. The program was aimed at bridging the gap of certain behaviors that were identified as priority areas for a director level role namely:



Participants:

The workshop was attended by following:

O/o DC MSME	Mr. Ramesh K Pandey (JDC & CVO) Mr. Sanjay Bisariya (JDC) Mr. U.C. Shukla (Director) Mr Gyan Singh (AD)
MSME-DI	AIA (1)* Directors (23)* Deputy Directors (5)* <i>Total: 29 participants</i>
GIZ	Mr. Amit Kumar (Programme Manager) Ms. Neha Nagpal (Technical Expert)
Aon Hewitt Facilitator	Mr. Sushant Upadhyay (Partner and Senior Facilitator)

* For detailed list of participants, please refer Annexures below

Detailed Session Plan of Director level workshop:

Module	Session Details
Module 1 : Communication Skills	<u>1.1 Foundation of Effective Communication</u> <ul style="list-style-type: none"> • Different communication styles and how to be effective • How to deal with different communication styles? • Precision Questioning and Active Listening • 60 Second Elevator Speech
	<u>1.2 Conflict Management</u> <ul style="list-style-type: none"> • Characteristics of Conflict • Diagnosing Conflict Situations • Conflict Management Styles
Module 2 : People Management	<u>2.1 Building Teams</u> <ul style="list-style-type: none"> • Building blocks of teamwork
	<u>2.2 Providing Feedback and Guidance to team members</u> <ul style="list-style-type: none"> • What is feedback • Planned and real time feedback • Differentiating Employees Basis Their Behavior • Assess Behaviors Not People - Avoid stereotypes • OIPS
Module 3: Decision Making	<u>3.1 Decision making Framework and Styles</u> <ul style="list-style-type: none"> • Decision Making Framework • Decision making styles • Factors in selecting the right decision making style
	<u>3.2 Hidden traps of decision making</u>
Module 4: Change management & innovation	<u>4.1 Identifying Opportunities for Change</u> <ul style="list-style-type: none"> • How to analyze the environment for opportunities • Innovation & Creative Thinking • Knowledge-Brokering Cycle • Orbiting the Giant Hairball • Common Mental Locks • Appreciative Inquiry

4.2 Managing & Communicating Change

- Managing Transitions
- 20-50-30 Rule
- Importance of internalizing any change

Feedback of the workshop:

The workshop score given by the participants:

This learning experience has been worth my time	The program will increase my effectiveness back on the job	The duration and the timing was appropriate	There was a balance between presentation and group involvement	The content of the session was interesting and relevant	The anchors' style, methods, and pace helped me to learn	The anchors had adequate depth of knowledge
4	4	4	4	4	4	5

Overall	4
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1 - Significantly below expectations, 2 - Below expectations, 3 - Met expectations, 4 - Exceeded expectations, 5 - Significantly exceeded expectations

Some spinets verbatim from the qualitative feedbacks of the workshop conducted:

- "GIZ organized two day workshop was extremely useful and understanding the new concepts. The main objective was to make the DI officers understand the change management techniques and improve. Program was useful and interactive and lot of case studies have been discussed"
- "GIZ organized two day workshop was extremely useful n understanding the new concepts. The main objective was to make the DI officers understand the change management techniques and improve. Program was useful and interactive and lot of case studies have been discussed: 1. Good program, 2. Learnt about effective communication, conflict management, building team, feedback mechanism and guidance, decision making, hidden traps and various case studies, 3. Creative thinking for identifying opportunities for change"
- "The program was well structured. The faculty was knowledgeable and sincere. Lively and interactive session. Next time, case studies should be based on ground realities of DCMSME. Field director can contribute for availing the same. Now participant can foresee change and know how to accommodate the same."

- "All the topics covered were extensively dealt with. The faculty was excellent and presentation as well. This will help officials to deal with day to day situations in a better way."
- "The whole workshop had various job roles, team activities for collaborative thinking. TNA done by Aon Hewitt and GIZ was shared with the participants"
- "Learnt about effective communication, conflict management, building team, feedback mechanism and guidance, decision making, hidden traps and various case studies"
- "The program was well structured. The faculty was knowledgeable and sincere. Lively and interactive session. Next time, case studies should be based on ground realities of DCMSME. Field director can contribute for availing the same. Now participant can foresee change and know how to accommodate the same"
- "All the topics covered were extensively dealt with. The faculty was excellent and presentation as well. This will help officials to deal with day to day situations in a better way"
- "The whole workshop had various job roles, team activities for collaborative thinking. TNA done by Aon Hewitt and GIZ was shared with the participants"
- "The program can be of longer duration (4-5 days)"
- "Best practices with corporate sector should be included in the session"
- "Program should be structured for government set up as it was widely dedicated to corporate sector"
- "Provide the CD and Pen drive on lectures"
- "More cases studies related to success stories in front service depts."
- "Venue can be better"
- "Post workshop Liaoning of anchors and participants should take place and see improvements happen on field"
- "Orient the workshop with the environment of Govt. Depts. The presentation was more inclined to Pvt and PSUs organizations."
- "The information should be more related to MSME context."
- "Comprehensive report summary of the workshop may be circulated after workshop"
- "Pre reads material sent was not relevant. Relevant pre read material should be sent"

Workshop 2 and 3: Capacity Building Workshop for Directors

Workshop Date: 19-20th and 26-27th May, 2014

Workshop Location: Lemon Tree (Delhi) and HHI (Kolkata)

Objective:

The two workshops applicable for all the ranks below Director Level were a part of 'Capacity Building' initiative in partnership with Aon Hewitt under the "MSME Policies and Programs" component of the MSME Umbrella Program. The workshop was aimed at building the desired level of expertise of identified participants in the following behavioral competencies needed for strengthening the innovative & entrepreneurial capacities of MSME- DIs:



Participants:

The following selection criteria were used to identify the participants/ for the workshops from MSME-DIs:

- Applicable for all ranks below Director Level
- Employees who have not attended any trainings/exposure visits in past
- Employees who are aged below 58 years (more than 2 years to retire)

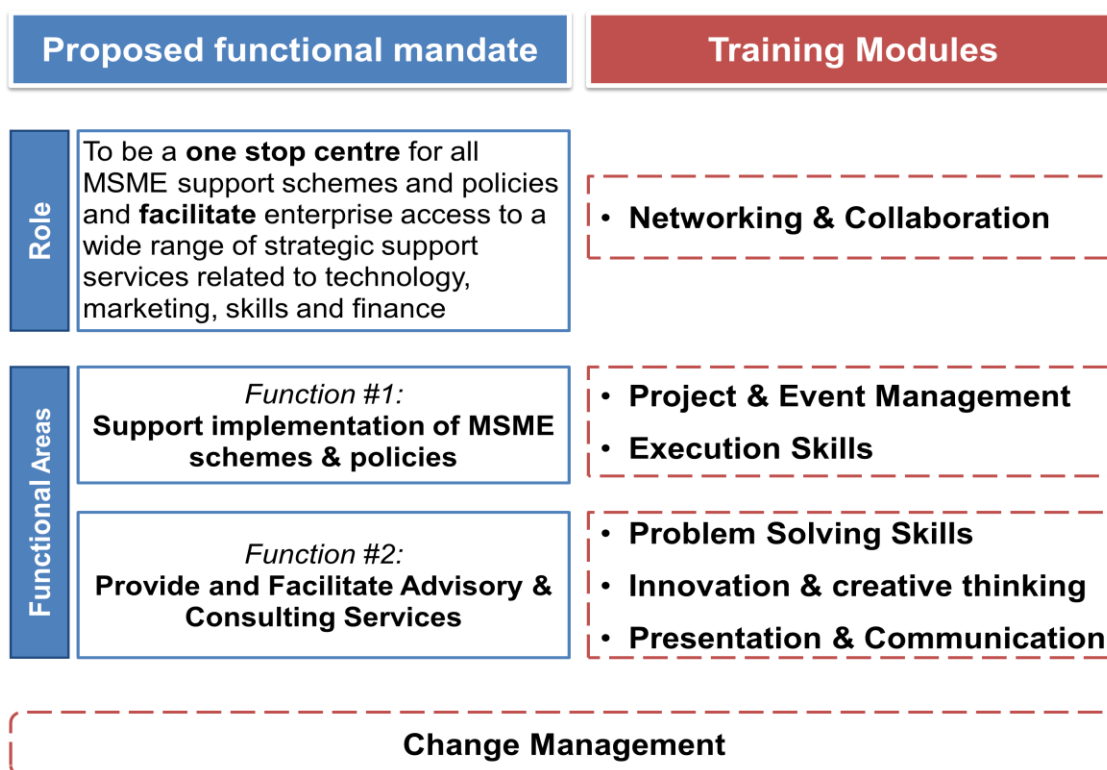
The workshops were attended by following:

O/o DC MSME	Mr. S.R. Samuel (Joint Development Commissioner) Mr. H P Jaiswal (Deputy Director) Mr. Gyan Singh (AD)
MSME-DI	Deputy Director (4)* AD Grade I (3)* AD Grade II (39)* Investigator (7)* <i>Total: 53 participants</i>
GIZ	Mr. Amit Kumar (Sr. Technical Expert) Ms. Neha Nagpal (Technical Expert) Mr Shankar Kumar (Technical Expert)
Aon Hewitt Facilitator	Mr. Sumit Sethi (Director) Mr. Neil Anand Shastri (Senior Consultant)

* For detailed list of participants, please refer Annexures below

Workshop Content:

The key modules of the workshop were selected in line with the results of TNA Survey and the changing organization functions and roles as depicted following:



Detailed Session Plan for the workshop:

Module	Session Details
Module 1 : Focusing on What Matters	1.1 <u>Defining Success</u> <ul style="list-style-type: none"> • Dealing with information overload • Creating a Picture of success
	1.2 <u>Setting Priorities</u> <ul style="list-style-type: none"> • Time management • Self-management
Module 2 : Developing Allies	2.1 <u>Building a network</u>
	2.2 <u>Nurturing Your Network</u> <ul style="list-style-type: none"> • What is networking? • Benefits of networking • Tips for Developing Allies
Module 3 : Achieving Results	3.1 <u>Project Management</u> <ul style="list-style-type: none"> • Fundamentals of Effective Project Management • Four Stages of Project Management: Define, Plan, Control and Close • Communication Plan
	3.2 <u>Problem Solving</u> <ul style="list-style-type: none"> • Focus-Energy Matrix • Effective Problem Solving Skills • RESCUER : A Systematic Problem-solving Approach
	3.3 <u>Negotiating</u> <ul style="list-style-type: none"> • Negotiating for Win-Win Solutions
	3.4 <u>Presentation and Communication Skills</u> <ul style="list-style-type: none"> • Delivering Effective Presentations
Module 4: Integrated Thinking	4.1 <u>Identifying Opportunities for Change</u> <ul style="list-style-type: none"> • Innovation & Creative Thinking • Knowledge-Brokering Cycle • Orbiting the Giant Hairball • Common Mental Locks • Appreciative Inquiry
	4.2 <u>Managing & Communicating Change</u> <ul style="list-style-type: none"> • Managing Transitions • Managing Your Own Learning

Feedback of the workshops:

The workshops score given by the participants:

This learning experience has been worth my time	The program will increase my effectiveness back on the job	The duration and the timing was appropriate	There was a balance between presentation and group involvement	The content of the session was interesting and relevant	The anchors' style, methods, and pace helped me to learn	The anchors had adequate depth of knowledge
Lemon Tree, Delhi						
4	4	3	4	4	4	4
			Overall		4	
HHI, Kolkata						
4	4	4	4	4	4	5
			Overall		4	

1 - Significantly below expectations, 2- Below expectations, 3 - Met expectations, 4 - Exceeded expectations, 5 - Significantly exceeded expectations

Some spinets verbatim from the qualitative feedbacks of the workshop conducted:

- "Duration of the program should be 3-5 days"
- "The ways of presenting things are too good. They have put lots of efficient efforts to make us understand how the same work can be done more efficiently by just having different perception"
- "Stories, games etc. should be related to routine work"
- "Please arrange one or two workshop a year so that we will be in touch with the thoughts we learn here. This is big opportunity for us"
- "This workshop itself is better, no suggestions for further improvement. Well organized"
- "Through practical examples from the case studies pertaining to DCMSME office may be included"
- "Speakers may be invited from the office of DC MSME on certain topics which may cover practical aspects of the problems being faced by the workforce"

- "Workshop may be organized where DIs and field officers can directly interact with the Top managers"
- "Include few examples related to MSME DI context"
- "Try to cover fewer topics. Study material may be improved. More days and fewer hours per day are required."
- "Quiz and group discussion type sessions should also be included"
- "More faculties per workshop is suggested who could share the topics"
- "This kind of programs should be continued to other levels of officers in the organization."
- "More videos related to lecture may be shown"
- "Success case studies from various MSME DIs can be shown as a motivator"
- "The training programs may be organized at regional level to avoid travelling"
- "We need space to implement the knowledge that we learned here so that we may play major role in the development of MSME sector"
- "The training manual and other related material should be provided in a soft copy for future reference"
- "More practical examples related to the Indian industry"

Annexures

Detailed list of participants of Director level workshop at NIESBUD, Noida

Sl. No	Name	Email ID	Office Location (State)	Office Location (City/District)	Current Designation
1	Nitya Nanda Debanath	dcdi-kolkatta@dcmsme.gov.in	West bengal	Kolkatta	Director
2	Pradeep Kumar	pradeep_kumar355@yahoo.com	Bihar	Patna	Director
3	Rajiv Balkrishna Gupte	rbgupte@gmail.com	Maharashtra	Mumbai	Director
4	Manoj Kumar Saraswat	manojkumarsaraswat1963@gmail.com	Rajasthan	Jaipur	Director
5	Ashok Gokhe	argokhe@gmail.com	Sikkim	Gangtok	Director
6	Vijay Kumar	vijaykumar@dcmsme.gov.in	Haryana	Karnal	Director
7	Virinder Sharma	vir_131@rediffmail.com	J&K	Jammu	Director
8	Chandra Sekhar Dakuri	chandu64in@yahoo.com	Karnataka	Hubli	Director
9	KRK Prasad	krkprasad59@gmail.com	Maharashtra	Nagpur	Director
10	Sukhvir Dhillon	ssdhillon@msmedildh.gov.in	Punjab	Ludhiana	Director
11	Velayudhan PV	pv_vel@rediffmail.com	Goa	Margao	Director
12	Dilip Mandloi	dileepmandloi@hotmail.com	Madhya Pradesh	Indore	Director
13	Ram Prakash Vaishya	jyotishrpvaishya@gmail.com	Delhi	New Delhi	Director
14	Suresh Yadavendra	yadavendrasuresh1@gmail.com	Himachal Pradesh	Solan	Director
15	Sivagnanam Subramanian	siva671958@yahoo.co.in	Tamil Nadu	Chennai	AIA
16	Pradeep Kumar	pkddgc@yahoo.com	Uttar Pradesh	Agra	Director
17	Sanjeev Chawala	dcdi-kanpur@dcmsme.gov.in	Uttar Pradesh	Kanpur	Director
18	Srinivas Jamkhandi	smjamkhandi@yahoo.com	Tamil nadu	Chennai	Director
19	Arvind Patwari	arupat2002@yahoo.com	Gujarat	Ahemdabad	Director
20	Savyasachi Panikkassery	panikkassery@yahoo.com	Kerela	Thrissur	Director
21	Mahadeo Lakra	dcdi-ranchi@dcmsme.gov.in	Jharkhand	Ranchi	Director
22	S N Rangaprasad	snrangaprasad@rediffmail.com	Karnataka	Bangalore	Director
23	P.M. Parlewar	dcdi-raipur@dcmsme.gov.in	Chattisgarh	Raipur	Director
24	Ajay Bandopadhyaya	dcdi-agartala@dcmsme.gov.in	Tripura	Agartalla	Director
25	Shishir Asthana	asthanashirish@gmail.com	Assam	Guwahati	Dy.Director(I/C)
26	Ashok Kumar	dcdi-haldwani.dcmsme@nic.in	Uttarakhand	Haldwani	Dy.Director(I/C)
27	Anil Kumar Karna	'dcdi-mzfpur@dcmsme.gov.in'	Bihar	Muzaffarpur	Dy.Director(I/C)
28	Thongkholum Baite	dcdi-imphal@dcmsme.gov.in	Manipur	Imphal	Dy.Director(I/C)
29	P.K. Gupta	dcdi-cuttack@dcmsme.gov.in	Odisha	Cuttack	Dy.Director(I/C)

Detailed list of participants of above Investigator level workshop at Lemon Tree, Delhi

Sl. No	Name	Email ID	Office Location (State)	Office Location (City/District)	Current Designation
1	Kishor Thesia	kb.thesia@yahoo.com	Gujarat	Ahemdabad	AD Grade I
2	Bhavesh Motiani	ministryofssi@yahoo.com	Gujarat	Ahemdabad	AD Grade II
3	KC Bhukesh	kbhukesh33@gmail.com	Rajasthan	Jaipur	AD Grade II
4	Mukesh Chandra Mathur	mathur206@gmail.com	Rajasthan	Jaipur	AD Grade II
5	P.C. Gupta	guptaddo@rediffmail.com	Rajasthan	Jaipur	Deputy Director
6	Rajender Dahiya	dahiya-r.s@hotmail.com	Rajasthan	Jaipur	AD Grade II
7	Prashant Sharma	prash_6384@rediffmail.com	Rajasthan	Jaipur	AD Grade II
8	Sat Pal	spal64@gmail.com	Haryana	Karnal	AD Grade II
9	Devender Kumar Tyagi	dkt1974@gmail.com	Haryana	Karnal	AD Grade II
10	Pradeep Ojha	ojha_pradeep@yahoo.com	Haryana	Karnal	Deputy Director
11	Tirlok Gupta	c.tirlok@yahoo.co.in	Haryana	Karnal	AD Grade II
12	Manoj Sharma	manoj.sharma@msmedildh.gov.in	Punjab	Ludhiana	AD Grade II
13	Neeraj Sharma	pinnacle2001@gmail.com	Delhi	New Delhi	AD Grade II
14	Harinder kumar	krharinder@yahoo.com	Delhi	New Delhi	Investigator
15	Anurag Srivastava	anuragsrivastava1963@gmail.com	Delhi	New Delhi	AD Grade II
16	Mohd. Shahid	shahid_md70@rediffmail.com	Delhi	New Delhi	AD Grade II
17	K K Goyal	kkgoysisi@gmail.com	Jammu	Jammu	AD Grade II
18	Brahm Prakash	bpn.brahm@gmail.com	Himachal Pradesh	Solan	AD Grade II
19	Veena Sharma	veenasharma@gmail.com	Himachal Pradesh	Solan	AD Grade II
20	Mr P K Singhal	prabhatsinghal09@gmail.com	Uttar Pradesh	Agra	AD Grade II
21	Naipal Singh	nsingh@msmediagra.gov.in	Uttar Pradesh	Agra	AD Grade II
22	Shadab mahmood	smkhan@msmediagra.gov.in	Uttar Pradesh	Agra	AD Grade II
23	Balram meena	balrammeena@gmail.com	Rajasthan	Jaipur	Investigator
24	Beerbal Prasad Meena	beerbalprasadmeena@gmail.com	Himachal Pradesh	Solan	AD Grade II
25	Piyush Shah	plshah.19@gmail.com	Gujarat	Ahemdabad	AD Grade II
26	Tarun Kumar Solanki	tksolanki66@gmail.com	Gujarat	Ahemdabad	AD Grade II
27	Ashis kumar Padhi	everashis@gmail.com	Gujarat	Ahemdabad	AD Grade II
28	Rajesh kumar	rajeshsisi@yahoo.co.in	Gujarat	Ahemdabad	Investigator
29	Harpal singh	harpal_singh_06@yahoo.in	Haryana	Bhiwani	Investigator

Detailed list of participants of above Investigator level workshop at HHI, Kolkata

Sl. No	Name	Email ID	Office Location (State)	Office Location (City/District)	Current Designation
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