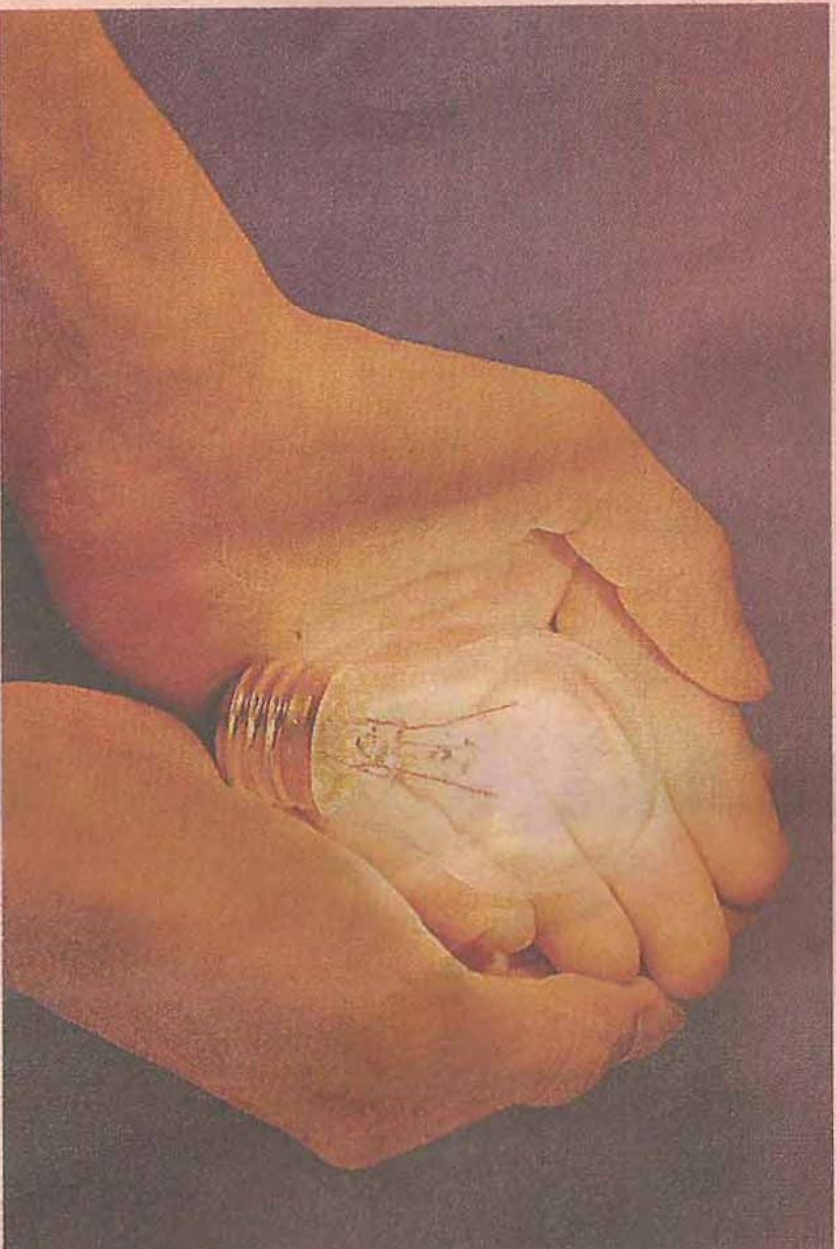


Scaling new heights

SMEs are well positioned to innovate and explore new horizons, thanks to their strong market connect and well-built customer network



In today's world, innovation is the currency of economic power. And innovation gives birth to entrepreneurship. And when it comes to small and medium enterprises, innovation is the tool to create a formidable niche.

The strong demographic advantage that India has along with the history of innovation

that runs in the blood, make sure that in coming times more and more businesses are developed in the country. A businessman needs to seriously consider pricing, sustainability and the scalability of his/her idea to ensure success. And small business owners, with a sound understanding of their market and customers, are well

positioned to innovate and create a mark of their own.

There is a perception amidst the small business owners that innovation is restricted to technology and thus incurs a cost, not affordable by the small set-ups. However, in the global economy, innovation is a prerequisite to compete, survive and grow and is a must in all areas of

operations from production, marketing, finance, human resource, etc. Innovation as described means a creation (a new device or process) resulting from study and experimentation. And the in-depth market study as well as constant interaction with the customers opens whole new possibilities for the SMEs to experiment and innovate. Innovation for them can be in the process used, application of new idea, bringing in diversification or just customer management. It is imperative for the small set-ups to realise that their close customer connection is in itself a catalyst for innovation. First hand customer problems bring with them the opportunity to sell solutions. Innovation for SMEs should be an on going process that goes past all areas of operations.

Even the MSME Ministry had earlier this year proposed plans to enhance the corpus towards innovation multi-fold to Rs.2,500 crore to bring forth more innovative products in the sector, thereby increasing competitiveness in the international market. At present, the ministry provides Rs 100 crore annually to micro, small and medium enterprises (MSME) towards innovation.

-Neha Bhattacha