Small Business Enterprise

Q) Role of Small Scale Industries (SSI)

Small scale industries play an important role for the development of Indian economy in many ways. About 60 to 70 percent of the total innovations in India comes from the SSIs. Many of the big businesses today were all started small and then nurtured into big businesses. The roles of SSIs in economic development of the country are briefly explained below.

1. Small Scale Industries Provides Employment

1. SSI uses labour intensive techniques. Hence, it provides employment opportunities to a large number of people. Thus, it reduces the unemployment problem to a great extent.

2. SSI provides employment to artisans, technically qualified persons and professionals. It also provides employment opportunities to people engaged in traditional arts in India.

3. SSI accounts for employment of people in rural sector and unorganized sector.

4. It provides employment to skilled and unskilled people in India.

5. The employment capital ratio is high for the SSI.

2. SSI Facilitates Women Growth

1. It provides employment opportunities to women in India.

2. It promotes entrepreneurial skills among women as special incentives are given to women entrepreneurs.

3. SSI Brings Balanced Regional Development

1. SSI promotes decentralized development of industries as most of the small scale industries are set up in backward and rural areas.

2. It removes regional disparities by industrializing rural and backward areas and brings balanced regional development.

3. It promotes urban and rural growth in India.

4. It helps to reduce the problems of congestion, slums, sanitation and pollution in cities by providing employment and income to people living in rural areas. It plays an important role by initiating the government to build the infrastructural facilities in rural areas.

5. It helps in improving the standard of living of people residing in suburban and rural areas in India.

6. The entrepreneurial talent is tapped in different regions and the income is also distributed instead of being concentrated in the hands of a few individuals or business families.

4. SSI Helps in Mobilization of Local Resources

1. It helps to mobilize and utilize local resources like small savings, entrepreneurial talent, etc., of the entrepreneurs, which might otherwise remain idle and unutilized. Thus it helps in effective utilization of resources.

2. It paves way for promoting traditional family skills and handicrafts. There is a great demand for handicraft goods in foreign countries.

3. It helps to improve the growth of local entrepreneurs and self-employed professionals in small towns and villages in India.

5. SSI Paves for Optimisation of Capital

1. SSI requires less capital per unit of output. It provides quick return on investment due to shorter gestation period. The pay back period is quite short in small scale industries.

2. SSI functions as a stabilizing force by providing high output capital ratio as well as high employment capital ratio.

3. It encourages the people living in rural areas and small towns to mobilize savings and channelize them into industrial activities.

6. SSI Promotes Exports

1. SSI does not require sophisticated machinery. Hence, it is not necessary to import the machines from abroad. On the other hand, there is a great demand for goods produced by small scale sector. Thus it reduces the pressure on the country's balance of payments.

2. SSI earns valuable foreign exchange through exports from India.

7. SSI Complements Large Scale Industries

1. SSI plays a complementary role to large scale sector and supports the large scale industries.

2. SSI provides parts, components, accessories to large scale industries and meets the requirements of large scale industries through setting up units near the large scale units.

3. It serves as ancillaries to large Scale units.

8. SSI Meets Consumer Demands

1. SSI produces wide range of products required by consumers in India.

2. SSI meets the demand of the consumers without creating a shortage for goods. Hence, it serves as an anti-inflationary force by providing goods of daily use.

9. SSI Ensures Social Advantage

1. SSI helps in the development of the society by reducing concentration of income and wealth in few hands.

2. SSI provides employment to people and pave for independent living.

3. SSI helps the people living in rural and backward sector to participate in the process of development.

4. It encourages democracy and self-governance.

9. Develops Entrepreneurship

1. It helps to develop a class of entrepreneurs in the society. It helps the job seekers to turn out as job givers.

2. It promotes self-employment and spirit of self-reliance in the society.

3. Development of small scale industries helps to increase the per capita income of India in various ways.

4. It facilitates development of backward areas and weaker sections of the society.

5. Small Scale Industries are adept in distributing national income in more efficient and equitable manner among the various participants of the society.

Q) Concept and Definition of Small Scale Industries

Meaning and Concept of Small Scale Industry:

In most of the developing countries like India, Small Scale **Industries** (SSI) constitute an important and crucial segment of the industrial sector. They play an important role in employment creation, resource utilisation and income generation and helping to promote changes in a gradual and phased manner. They have been given an important place in the framework of Indian planning since beginning both for economic and ideological reasons. The reasons are obvious.

The scarcity of capital in India severely limits the number of non-farm jobs that can be created because investment costs per job are high in large and medium industries. An effective development policy has to attempt to increase the use of labour, relative to capital to the extent that it is economically efficient.

Small scale enterprises are generally more labour intensive than larger organisations. As a matter of fact, small scale sector has now emerged as a dynamic and vibrant sector for the Indian economy in recent years. It has attracted so much attention not only from industrial planners and economists but also from sociologists, administrators and politicians.

Definition of Small Scale Industry:

Defining small-scale industry is a difficult task because the definition of small-scale industry varies from country to country and from one time to the another in the same country depending upon the pattern and stage of development, government policy and administrative set up of the particular country.

Every country has set its own parameters in defining small-scale sector. Generally, small-scale sector is defined in terms of investment ceilings on the original value of the installed plant and machinery. But in the earlier times the definition was based on employment. In the Indian context, the parameter are as follows.

The Fiscal Commission, Government of India, New Delhi, 1950, for the first time defined a small-scale industry as, one which is operated mainly with hired labour usually 10 to 50 hands.

Fixed capital investment in a unit has also been adopted as the other criteria to make a distinction between small-scale and large-scale industries. This limit is being continuously raised up wards by government.

The Small Scale Industries Board in 1955 defined, "Small-scale industry as a unit employing less than 50 employees if using power and less than 100 employees if not using power and with a capital asset not exceeding Rs. 5 lakhs".

'The initial capital investment of Rs. 5 lakhs has been changed to Rs. 10 lakhs for sma industries and Rs. 15 lakhs for ancillaries in 1975. Again this fixed capital investment limit was raised to Rs. 15 lakhs for small units and Rs. 20 lakhs for ancillary units in 1980. The Government of India in 1985, has further increased the investment limit to Rs. 35 lakhs for small-scale units and 45 lakhs for ancillary units.

Again the new Industrial Policy in 1991, raised the investment ceilings in plant an machinery to Rs. 60 lakhs for small-scale units and Rs. 75 lakhs for ancillary units.

As per the Abid Hussain Committee's recommendations on small-scale industry, the Government of India has, in March 1997 further raised investment ceilings to Rs. 3 crores for small-scale and ancillary industries and to Rs. 50 lakhs for tiny industry.

The new Policy Initiatives in 1999-2000 defined small-scale industry as a unit engage in manufacturing, repairing, processing and preservation of goods having investment in plant and machinery at an original cost not exceeding Rs. 100 lakhs.

In case of tiny units, the cost limitation is up to Rs. 5 lakhs. Again, the Government of India in its budget for 2007-08 has raised the investment limit in plant and machinery of small-scale industries to 1.5 corers An ancillary unit is one which is engaged or proposed to be engaged in the manufacture c production of parts, components, sub-assemblies, tooling or intermediaries or rendering services and the undertaking supplies or renders or proposes to supply or render not less than 50% of its production or services, as the case may be, to one or more other Industries undertakings and whose investment in fixed assets in plant and machinery whether held on ownership terms or lease or on hire-purchase does not exceed Rs. 75 lakhs.

For small-scale industries, the Planning Commission of India uses terms 'village an small-scale industries'. These include modern small-scale industry and the traditional cottage and household industry.

What is a Small Scale Industry (SSI)?

Small scale industries (SSIs) also known as MSMEs are defined & categorized by the Micro, Small & Medium Enterprises Development Act, 2006. The act categorizes different scale of industries on the basis of investment in plant & machinery in case of manufacturing industries and on the basis of investment in equipment in case of service sector industries.

1. Micro Scale Enterprise: Manufacturing enterprises in which investment in plant & machineries does not exceed Rs 25.00 lakhs and service sector industries in which investment in equipment does not exceed Rs 10.00 lakhs are termed as micro scale enterprises.

2. Small Scale Enterprise: Manufacturing enterprises in which investment in plant & machineries is more than Rs 25.00 lakhs but does not exceed Rs 5.00 crores and service sector industries in which investment in equipment is more than Rs 10.00 lakhs but does not exceed Rs 2.00 crores are termed as small-scale enterprises.

3. Medium Scale Enterprise: Manufacturing enterprises in which investment in plant & machineries is more than Rs 5.00 crores but does not exceed Rs 10.00 crores and service sector industries in which investment in equipment is more than Rs 2.00 crores but does not exceed Rs 5.00 crores are termed as medium scale enterprises.

Importance of Small Scale Industries:

SSIs are the backbone of the world economy and this is the main reason why even governments are providing various sops and financial benefits for encouraging more and more MSMEs to flourish. Existence of small-scale industries is must as:

1. Partner in nation building: Education, good health, etc. are most important for a country to flourish exponentially. As SSIs provide numerous job opportunities to various classes of people, they are not only paying them their salaries but also enabling them to improve their lifestyle, sending their children to schools to gain education who will become partners in the nation building in time to come and providing them with good and hygienic food.

2. Customized Products: Instead of generic products already present in the market, you want to provide some sort of customized products to your customers, then small players can come to your rescue. Conglomerates and

MNCs usually do not disturb their already continuing chain of products for any order, unless it is big enough to form part of company's sizeable revenue. However, smaller players are always ready to surprise you with their latest products which can be customized at your will.

3. Employment to local people: MNCs and big corporates usually recruit highly effective and skilled manpower from all over the world as they want to achieve greater numbers. However, SSIs recruit more and more local people as they want to build relations instead of just generating numbers. If the relations are good, the employee remains loyal to the company and treats the company's property, company' profits & losses as his own. Employing local people instils confidence among the workers which ultimately increases their productivity in the long-term.

4. Creation of jobs: In the modern era where larger corporates and MNCs are moving more and more towards automation and mechanization, SSIs which still cannot afford such high-end technologies, seek to recruit more and more people into their labour intensive industries. Recently, a large IT company laid off 3000 employees due to increased level of automation and robots replacing humans. Whereas, even today myriads of SSIs are labour intensive and provide earning to many skilled, semi-skilled & unskilled workers.

5. Discipline into the industry: Nowadays there has been increased trend of big corporates taking care of their customers. Some big players have even setup an altogether different department just for the customer care. Even conglomerates are aware that if they start ignoring customers and merely focus on maximising profits, then those customers will ultimately shift to smaller players present in the industry. Due to existence of smaller players into the market, bigger companies conduct their businesses with required discipline

Q) Government policy and Development of SSI in India.

Government Policies for Development and Promotion of Small-Scale Industries in India

Some of the Government Policies for development and promotion of Small-Scale Industries in India are: 1. Industrial Policy Resolution (IPR) 1948, 2. Industrial Policy Resolution (IPR) 1956, 3. Industrial Policy Resolution (IPR) 1977, 4. Industrial Policy Resolution (IPR) 1980 and 5. Industrial Policy Resolution (IPR) 1990.

Since Independence, India has several Industrial Policies to her credit. So much so that Lawrence A. Veit tempted to say that "if India has as much industry as it has industrial policy, it would be a far well-to-do nation." With this background in view, in what follows is a review of India's Industrial Policies for the development and promotion of small-scale enterprises in the country.

1. Industrial Policy Resolution (IPR) 1948:

The IPR, 1948 for the first time, accepted the importance of small-scale industries in the overall industrial development of the country. It was well realized that small-scale industries are particularly suited for the utilization of local resources and for creation of employment opportunities.

However, they have to face acute problems of raw materials, capital, skilled labour, marketing, etc. since a long period of time. Therefore, emphasis was laid in the IPR, 1948 that these problems of small-scale enterprises should be solved by the Central Government with the cooperation of the State Governments. In nutshell, the main thrust of IPR 1948, as far as small-scale enterprises were concerned, was 'protection.'

2. Industrial Policy Resolution (IPR) 1956:

The main contribution of the IPR 1948 was that it set in the nature and pattern of industrial development in the country. The post-IPR 1948 period was marked by significant developments taken place in the country. For example, planning has proceeded on an organised manner and the First Five Year Plan 1951-56 had been completed. Industries (Development and Regulation) Act, 1951 was also introduced to regulate and control industries in the country.

The parliament had also accepted 'the socialist pattern of society' as the basic aim of social and economic policy during this period. It was this background that the declaration of a new industrial policy resolution seemed essential. This came in the form of IPR 1956.

The IPR 1956 provided that along with continuing policy support to the small sector, it also aimed at to ensure that decentralised sector acquires sufficient vitality to self-supporting and its development is integrated with that of large-scale industry in the country. To mention, some 128 items were reserved for exclusive production in the small-scale sector.

Besides, the Small-Scale Industries Board (SSIB) constituted a working group in 1959 to examine and formulate a development plan for small-scale industries during the, Third Five Year Plan, 1961-66. In the Third Five Year Plan period, specific developmental projects like 'Rural Industries Projects' and 'Industrial Estates Projects' were started to strengthen the small-scale sector in the country. Thus, to the earlier emphasis of 'protection' was added 'development.' The IPR 1956 for small-scale industries aimed at "Protection plus Development." In a way, the IPR 1956 initiated the modem SSI in India.

3. Industrial Policy Resolution (IPR) 1977:

During the two decades after the IPR 1956, the economy witnessed lopsided industrial development skewed in favour of large and medium sector, on the one hand, and increase in unemployment, on the other. This situation led to a renewed emphasis on industrial policy. This gave emergence to IPR 1977.

The Policy Statement categorically mentioned:

"The emphasis on industrial policy so far has been mainly on large industries, neglecting cottage industries completely, relegating small industries to a minor role. The main thrust of the new industrial policy will be on effective promotion of cottage and small-scale industries widely dispersed in rural areas and small towns. It is the policy of the Government that whatever can be produced by small and cottage industries must only be so produced."

The IPR 1977 accordingly classified small sector into three broad categories:

1. Cottage and Household Industries which provide self-employment on a large scale.

2. Tiny sector incorporating investment in industrial units in plant and machinery up to Rs. 1 lakh and situated in towns with a population of less than 50,000 according to 1971 Census.

3. Small-scale industries comprising of industrial units with an investment of upto Rs. 10 lakhs and in case of ancillary units with an investment up to Rs. 15 lakhs.

The measures suggested for the promotion of small-scale and cottage industries included:

(i) Reservation of 504 items for exclusive production in small-scale sector.

(ii) Proposal to set up in each district an agency called 'District Industry Centre' (DIC) to serve as a focal point of development for small-scale and cottage industries. The scheme of DIC was introduced in May 1978. The main objective of setting up DICs was to promote under a single roof all the services and support required by small and village entrepreneurs.

What follows from above is that to the earlier thrust of protection (IPR 1948) and development (IPR 1956), the IPR 1977 added 'promotion'. As per this resolution, the small sector was, thus, to be 'protected, developed, and promoted.'

4. Industrial Policy Resolution (IPR) 1980:

The Government of India adopted a new Industrial Policy Resolution (IPR) on July 23, 1980. The main objective of IPR 1980 was defined as facilitating an increase in industrial production through optimum utilization of installed capacity and expansion of industries.

As to the small sector, the resolution envisaged:

(i) Increase in investment ceilings from Rs. 1 lakh to Rs. 2 lakhs in case of tiny units, from Rs. 10 lakhs to Rs. 20 lakhs in case of small-scale units and from Rs. 15 lakhs to Rs. 25 lakhs in case of ancillaries.

(ii) Introduction of the concept of nucleus plants to replace the earlier scheme of the District Industry Centres in each industrially backward district to promote the maximum small-scale industries there.

(iii) Promotion of village and rural industries to generate economic viability in the villages well compatible with the environment.

Thus, the IPR 1980 reimphasised the spirit of the IPR 1956. The small-scale sector still remained the best sector for generating wage and self-employment based opportunities in the country.

5. Industrial Policy Resolution (IPR) 1990:

The IPR 1990 was announced during June 1990. As to the small-scale sector, the resolution continued to give increasing importance to small-scale enterprises to serve the objective of employment generation.

The important elements included in the resolution to boost the development of small-scale sector were as follows:

(i) The investment ceiling in plant and machinery for small-scale industries (fixed in 1985) was raised from Rs. 35 lakhs to Rs. 60 lakhs and correspondingly, for ancillary units from Rs. 45 lakhs to Rs. 75 lakhs.

(ii) Investment ceiling for tiny units had been increased from Rs. 2 lakhs to Rs. 5 lakhs provided the unit is located in an area having a population of 50,000 as per 1981 Census.

(iii) As many as 836 items were reserved for exclusive manufacture in small-scale sector.

(iv) A new scheme of Central Investment Subsidy exclusively for small-scale sector in rural and backward areas capable of generating more employment at lower cost of capital had been mooted and implemented.

(iv) With a view, to improve the competitiveness of the products manufactured in the small-scale sector; programmes of technology up gradation will be implemented under the umbrella of an apex Technology Development Centre in Small Industries Development Organisation (SIDO).

(v) To ensure both adequate and timely flow of credit facilities for the small-scale industries, a new apex bank known as 'Small Industries Development Bank of India (SIDBI)' was established in 1990.

(vi) Greater emphasis on training of women and youth under Entrepreneurship Development Programme (EDP) and to establish a special cell in SIDO for this purpose.

(vii) Implementation of delicencing of all new units with investment of Rs. 25 crores in fixed assets in non-backward areas and Rs. 75 crores in centrally notified backward areas. Similarly, delicensing shall be implemented in the case of 100% Export Oriented Units (EOU) set up in Export Processing Zones (EPZ) up to an investment ceiling of Rs. 75 lakhs.

Q) Problems for SSI.

10 Major Problems faced by the Small Scale Industries of India

Major problems faced by the small scale industries are : (1) Finance (2) Raw Material (3) Idle Capacity (4) Technology (5) Marketing (6) Infrastructure (7) Under Utilisation of Capacity (8) Project Planning!

Small scale industries play a vital role in the economic development of our country.

This sector can stimulate economic activity and is entrusted with the responsibility of realising various objectives generation of more employment opportunities with less investment, reducing regional imbalances etc. Small scale industries are not in a position to play their role effectively due to various constraints. The various constraints, the various problems faced by small scale industries are as under:

(1) Finance:

Finance is one of the most important problem confronting small scale industries Finance is the life blood of an organisation and no organisation can function proper y in the absence of adequate funds. The scarcity of capital and inadequate availability of credit facilities are the major causes of this problem.

Firstly, adequate funds are not available and secondly, entrepreneurs due to weak economic base, have lower credit worthiness. Neither they are having their own resources nov are others prepared to lend them. Entrepreneurs are forced to borrow money from money lenders at exorbitant rate of interest and this upsets all their calculations.

After nationalisation, banks have started financing this sector. These enterprises are still struggling with the problem of inadequate availability of high cost funds. These enterprises are promoting various social objectives and in order to facilitate then working adequate credit on easier terms and conditions must be provided to them.

(2) Raw Material:

Small scale industries normally tap local sources for meeting raw material requirements. These units have to face numerous problems like availability of inadequate quantity, poor quality and even supply of raw material is not on regular basis. All these factors adversely affect t e functioning of these units.

Large scale units, because of more resources, normally corner whatever raw material that is available in the open market. Small scale units are thus forced to purchase the same raw material from the open market at very high prices. It will lead to increase in the cost of production thereby making their functioning unviable.

(3) Idle Capacity:

There is under utilisation of installed capacity to the extent of 40 to 50 percent in case of small scale industries. Various causes of this under-utilisation are shortage of raw material problem associated with funds and even availability of power. Small scale units are not fully equipped to overcome all these problems as is the case with the rivals in the large scale sector.

(4) Technology:

Small scale entrepreneurs are not fully exposed to the latest technology. Moreover, they lack requisite resources to update or modernise their plant and machinery Due to obsolete methods of production, they are confronted with the problems of less production in inferior quality and that too at higher cost. They are in no position to compete with their better equipped rivals operating modem large scale units.

(5) Marketing:

These small scale units are also exposed to marketing problems. They are not in a position to get first hand information about the market i.e. about the competition, taste, liking, disliking of the consumers and prevalent fashion.

With the result they are not in a position to upgrade their products keeping in mind market requirements. They are producing less of inferior quality and that too at higher costs. Therefore, in competition with better equipped large scale units they are placed in a relatively disadvantageous position.

In order to safeguard the interests of small scale enterprises the Government of India has reserved certain items for exclusive production in the small scale sector. Various government agencies like Trade Fair Authority of India, State Trading Corporation and the National Small Industries Corporation are extending helping hand to small scale sector in selling its products both in the domestic and export markets.

(6) Infrastructure:

Infrastructure aspects adversely affect the functioning of small scale units. There is inadequate availability of transportation, communication, power and other facilities in the backward areas. Entrepreneurs are faced with the problem of getting power connections and even when they are lucky enough to get these they are exposed to unscheduled long power cuts.

Inadequate and inappropriate transportation and communication network will make the working of various units all the more difficult. All these factors are going to adversely affect the quantity, quality and production schedule of the enterprises operating in these areas. Thus their operations will become uneconomical and unviable.

(7) Under Utilisation of Capacity:

Most of the small-scale units are working below full potentials or there is gross underutilization of capacities. Large scale units are working for 24 hours a day i.e. in three shifts of 8 hours each and are thus making best possible use of their machinery and equipments.

On the other hand small scale units are making only 40 to 50 percent use of their installed capacities. Various reasons attributed to this gross under-utilisation of capacities are problems of finance, raw material, power and underdeveloped markets for their products.

(8) Project Planning:

Another important problem faced by small scale entrepreneurs is poor project planning. These entrepreneurs do not attach much significance to viability studies i.e. both technical and economical and plunge into entrepreneurial activity out of mere enthusiasm and excitement.

They do not bother to study the demand aspect, marketing problems, and sources of raw materials and even availability of proper infrastructure before starting their enterprises. Project feasibility analysis covering all these aspects in addition to technical and financial viability of the projects, is not at all given due weight-age.

Inexperienced and incomplete documents which invariably results in delays in completing promotional formalities. Small entrepreneurs often submit unrealistic feasibility reports and incompetent entrepreneurs do not fully understand project details.

Moreover, due to limited financial resources they cannot afford to avail services of project consultants. This result is poor project planning and execution. There is both time interests of these small scale enterprises.

(9) Skilled Manpower:

A small scale unit located in a remote backward area may not have problem with respect to unskilled workers, but skilled workers are not available there. The reason is Firstly, skilled workers may be reluctant to work in these areas and secondly, the enterprise may not afford to pay the wages and other facilities demanded by these workers.

Besides non-availability entrepreneurs are confronted with various other problems like absenteeism, high labour turnover indiscipline, strike etc. These labour related problems result in lower productivity, deterioration of quality, increase in wastages, and rise in other overhead costs and finally adverse impact on the profitability of these small scale units.

(10) Managerial:

Managerial inadequacies pose another serious problem for small scale units. Modern business demands vision, knowledge, skill, aptitude and whole hearted devotion. Competence of the entrepreneur is vital for the success of any venture. An entrepreneur is a pivot around whom the entire enterprise revolves.

Many small scale units have turned sick due to lack of managerial competence on the part of entrepreneurs. An entrepreneur who is required to undergo training and counseling for developing his managerial skills will add to the problems of entrepreneurs.

The small scale entrepreneurs have to encounter numerous problems relating to overdependence on institutional agencies for funds and consultancy services, lack of credit-worthiness, education, training, lower profitability and host of marketing and other problems. The Government of India has initiated various schemes aimed at improving the overall functioning of these units.

Q) Identifying the Business Opportunity.

7 Steps for Generating New Business Opportunities

Entrepreneurs often live with the hope that if they build it, customers will come. But in today's economy, it takes a lot more than hope to get people to purchase your products or services: New business-building practices are a must if you want to expand.

Another necessary element is a clear-cut plan for growth. But many entrepreneurs get obsessed with creating the perfect plan. Or they never get around to putting one together. Crafting a plan is necessary, quick and effective. And we can show you how to do it. The following seven steps should take you no more than four hours to complete-a small price to pay for a tremendous upside. The result? A road map that will infuse new energy, enthusiasm and vision into your company's growth plans. So let's get started.

Step 1: Focus on your core product. A very successful e-newsletter entrepreneur has built his business around this mantra: "Prospects buy when they trust your value is applicable to them and believe your company is stable." This strong position allows him to constantly check up on the services and value he's providing his customers. Keep this statement in mind as we go through the rest of the seven steps, because internalizing this mantra is the key to a solid plan.

It's common in small, service businesses that the entrepreneur feels he or she must do everything the "big guys" do to compete. The truth is, small-business owners can really never compete in the same way. So it's essential for small businesses to differentiate themselves by focusing on the unique capabilities and core products they bring to prospects. Specialization is the entrepreneur's greatest asset.

Step 2: Keep your pitch simple. The last time you asked someone at a party what their company does, did you get a clear, concise response? Or did your eyes glaze over by the time they got to the end of their explanation? My guess is, it was probably the latter. Now imagine that same pitch being presented to prospects who don't have a glass of wine in their hands to distract them! It's not a pretty picture.

What every company needs is a simple "elevator pitch." That's a short, concise message that can communicate your message to a prospect in 30 seconds or less. It explains the value your product or service provides so the prospect understands why it's applicable to them.

Try this little exercise to test your pitch clarity quotient. Ask someone who doesn't know what you do to listen to your pitch. Explain what your company does, and watch for signs of fatigue-eyes watering, lids getting heavy, and so on. Of course, you may have the perfect pitch. But if you don't, you'll recognize it right away from verbal and physical responses.

Step 3: Stay true to who you are. Knowing who you are and what gets you excited (and bores you to tears) will help you reach your goals. Nothing can derail a growth plan more than discomfort and procrastination-it's simply human nature to procrastinate over things that cause discomfort. And there are dozens of daily business requirements that every business owner detests. If you're finding yourself putting things off, it's time to start delegating

Stay true to who you are and what you do best: Hand off those tasks that will blow you off course because you don't like doing them, so you don't! Stretch and grow your capabilities in alignment with your interests and expertise. If accounting is your nemesis, hire a bookkeeper. If your personal organization is out of control, hire a temp to set up a new filing system. Always make sure that you're focused on your priority "A" tasks and delegate your Bs and Cs.

Step 4: Map it. Mapping your capabilities with your target clients' needs is an excellent way for you to determine your service strategy. You'll find that while you may be perfectly skilled in many areas, you're going after customers who don't need your particular expertise.

One common trait among many entrepreneurs is the urge to "cast a wide net" by being all things to all companies. In almost every case, however, a small business flourishes because it has a narrower service offering. Remember, a small company's value is that it can specialize in unique, top-quality services.

Develop a list of decision-making criteria that you expect your clients to use when choosing a provider in your industry. Then rank yourself (and be brutally honest) in terms of where you'd be positioned in each category. After this intense evaluation, make sure that your elevator pitch is still on target.

Step 5: Utilize marketing tools that work best for you. When deciding on a marketing strategy, implement one that fits your personality and the customers you serve. For instance, if you're terrified of getting up in front of a crowd, don't schedule yourself to participate on a panel in the hopes of generating business. You'll derail your efforts if you don't perform well.

Identify the top two marketing tools you've used in the past that have worked for your company. Let's say that's cold calling and a Web site. Then start adding new ideas for a fresh perspective. When selecting your marketing tools, also evaluate them from a financial and cost basis. Decide what will yield the best return on your efforts. Each tool should lead to a revenue-producing result in one way or another.

Step 6: Implement a plan of action. Up until now we've been in the planning mode, but now it's time to dig in and put it to work. Your action plan will also give you the map you can use to measure your progress.

Establish goals that can be reviewed at three and six months. At incremental points within each three-month period, keep checking your plan to see if you're meeting your goals. If you find you're missing the target, ask why. Were the tools appropriate for your target customer? Did you integrate the strategy, or did you just focus on one of the tools?

And don't forget to plug in specific actions that you'll do every day to help you meet your goals. That daily strategy will keep the goals of the plan top of mind.

Step 7: Exercise the plan. This final step is really straightforward: Just do it: Complete the daily actions, and then do something extra to accelerate your success plan. If you approach your plan and get butterflies in your stomach, either get over it or substitute an action that you're comfortable with so you stay on course. Don't let unplanned tasks waste precious time that should be applied toward reaching your goal. And most of all-enjoy the process!

Institutions Supporting Small Scale Enterprise:
Central Level, State Level and Other Agencies, Industry Association.
?

Business Opportunity in Other Sectors
?

Formulating of setting SSI
?