

Business Plans for SMEs

Gearing Entrepreneurship with 'The Second Gear'

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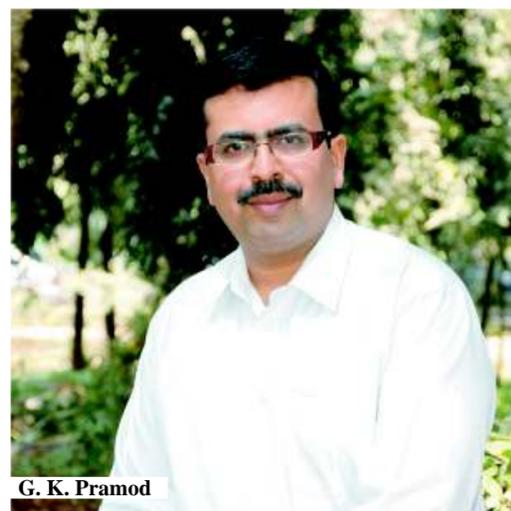
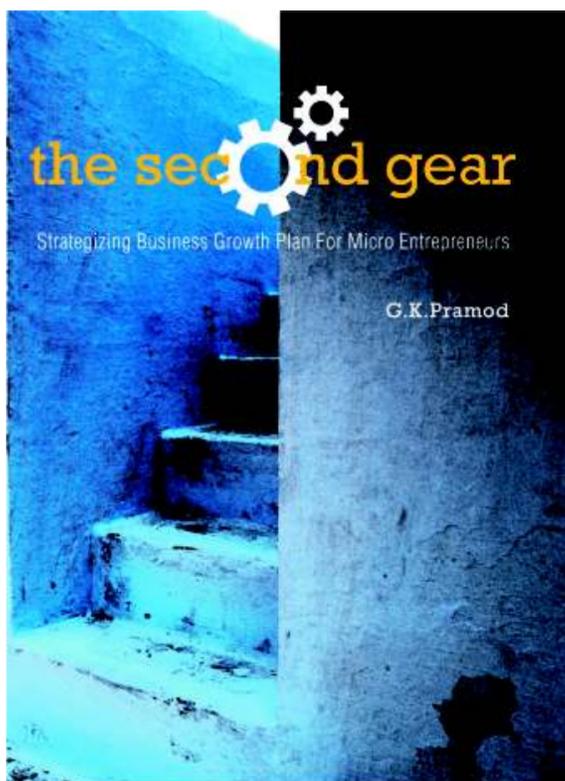
It is estimated that there are 26 million enterprises in India. But the actual figures may be much more. The total registered units are mere 1.5 million (only 6 per cent). Also the share of micro enterprises is very high in the whole club of enterprises.

At the same time micro entrepreneurs in India are the most vulnerable lot. They face a variety of problems like finance, manpower, marketing, technology, etc. Though there are a number of services and schemes being offered by the government agencies for their square growth the state these enterprises remain stagnant for various reasons as they lack on numerous dimensions.

At larger extent, micro entrepreneurs also lack the required approach and a vision for their businesses. More often than not, micro enterprises are run traditionally and their growth remains a far cry. Lack of awareness is one reason. Such enterprises are often found wanting in will and the resources. It is found that even the educated entrepreneurs are not so willing to implement the popular, effective methodologies for lack of risk taking attitude. The complex nature of the management tactics is one chief reason.

But G. K. Pramod, popularly known as GK is a well-known motivator for MSMEs. He has written a well-researched document titled 'The Second Gear' which provides hands on experience of the implementation of the various techniques being used by the large corporate on Micro entrepreneurs. The author has very well elaborated how the micro entrepreneurs can draw their growth strategy and business plan for the sustainable growth.

G. K. Pramod in a conversation with SME WORLD reveals the working of 'The Second Gear' -



G. K. Pramod

Micro entrepreneurs already have *sutras*. In fact the entrepreneurs in India are basically innovative minds. They just lack some kind planning and business growth plan. They need to be subjected to SWOT (strengths, weaknesses, opportunities and threats) analysis. They need to understand what business growth is and why is it important? There are entrepreneurs who maintained a turnover of 20 lac in the first year and 40 lack in their second year of establishment which means two fold growth but they do not know what actually the growth plan is.

? What was the strategy behind scribing 'the second gear'?

Actually, in 2003 I got a chance to work on project of an institution called RUDSETI (Rural Development and Self Employment Training Institute). The project was basically to understand the business strategies being adopted by the micro entrepreneurs. During the course, I understood their strategies and the pain points in their business plans. There were many micro entrepreneurs who were not able to manage the growth. Some of the entrepreneurs, I found, were not even understand the need of promising business plan. I also met some entrepreneurs who were managing high growth rate. I talked to them, but I was disappointed that their conception towards the business growth was limited to live luxurious life, buying costly cars, hiring more and more staff, etc. Nothing I found, that make me understand that they had a good business plan.

I felt the vacuum of suitable business strategies and growth plans among the micro entrepreneurs. I decided to work for the upliftment of the micro entrepreneurs. I met many entrepreneurs having different kind of businesses and mindsets. I tried to convince them the power of a promising business plan and its importance at the same time. Many of them adopted the *sutra* for the continuous growth and business plans. Based on their experiences and growth so far, I wrote '*the second gear*' with the objective to provide the hands on experience and knowledge about the importance of the business plan. That is why I have given a tagline to the title of the book as 'Strategizing Business Growth Plan for Micro Entrepreneurs'.

? Amidst a process to draw business growth plan for micro entrepreneurs, you too have become an entrepreneur of a service unit with high growth potential. What do you think?

I was an entrepreneur prior to working on this project which gave me chance to interact with lots of micro level entrepreneurs. I am co-founder of Yindosoft,

a software solution company. However, during the course of this project, I got a new idea to promote the micro entrepreneur exploring areas where they were lacking. I wanted to create an ecosystem for the micro entrepreneur where they can excel with sustainable growth. I strongly felt that there was a need of a mentoring clinic for the MSMEs, especially for micro entrepreneurs. I felt they must be provided with hands on experience and guidance which can raise their business volume with the assurance of the folded growth.

? What process did you adopt to apply the typical management *sutras* on micro level business units where each parameter like production, sales, marketing, finance, HR, etc. are not well defined to derive exact growth *mantra*?

Micro entrepreneurs already have *sutras*. In fact the entrepreneurs in India are basically innovative minds. They just lack some kind planning and business growth plan. They need to be subjected to SWOT (strengths, weaknesses, opportunities and threats) analysis. They need to understand what business growth is and why is it important? There are entrepreneurs who maintained a turnover of 20 lac in the first year and 40 lack in their second year of establishment which means two fold growth but they do not know what actually the growth plan is. Some awareness campaigns can be organized among the micro level entrepreneurs to make them understand what the growth plan can do for them. They should have clear cut vision and mission. In short, 'Practicality' was the *sutra* to make the micro entrepreneurs aware about the management techniques in different verticals.

? How much can an entrepreneur benefit from this book?

Well, it's a question that can be answered by anyone who reads this book.

? On writing such a meaningful book to analyze the business intricacies for a micro entrepreneur you could be a

'Management Guru' at many B-schools. Is there any aspiration of the kind?

Of course! Why not! In fact I am passionate about the MSMEs sector. I will be happy to engage in any move that make micro entrepreneurs ahead. I'll welcome, if any institution truly committed for the sector wants to include me as a management guru for the entrepreneurs.

? Have you thought of popularizing this book amongst the government agencies for adoption of this book for us by the DIs, ITIs, etc.?

Yes I tried with the state government and the Ministry of MSME too. I got appreciation from them. They have promised me to take copies of 'the second gear' in bulk. Other state government like Gujarat also said good words for the book. But the government should purchase and distribute it through the DIs in rural areas to promote the rural entrepreneurship.

? If any government agency does not come forward to patronize the book, how do you plan to go ahead to make this document benefiting entrepreneurs?

It is not so, government is willing to adopt the book for their programs like Entrepreneurship Development Program (EDP). Besides, we are also collaborating with various bodies, NGOs, SME associations, agencies, etc. The event organizers should also include this book in their distribution kit.

? Different sectors could have different problems. Any management theory applicable to a particular area may not be applicable to other. Have you kept in mind such exceptions while writing 'The Second Gear'?

Yes you are right. Every entrepreneur is different and has unique kind of offering. I kept this fact in mind while writing 'The Second Gear'. I have given an example of the Bhaskar Shetty in the book. He doesn't have the any business background but still he had a unique offering. So the uniqueness and propagation is necessary. But the business plan is necessary for any kind business.

? How will the book instill aspirations for or promote entrepreneurship?

Different case studies given in the book boost the aspirations for the entrepreneurship. The practical examples with clear cut analysis provide a thought for the entrepreneurship. Uniqueness of the book is its practical aspects. This book is a horizontal product and it must be included in the various programs on entrepreneurship.

Lastly I would like to thank Dr. Veerendra Heggade and RUDSETI who have supported and motivated me to write this book.