CHAPTER 6

OBSERVATIONS AND FINDINGS
6.0 Observations And Findings

6.1) General Observations regarding Small Scale Industries:

6.1.1) General Observations regarding SSI’s from Secondary Data:

1) The economic scenario of India was very discouraging since 1996 to 2000. The process of globalization and liberalization showed some improvements in the economy till 1995, the reverse trend started from 1996 i.e. during the recessionary period.

2) The engineering sector’s contribution in the economic development of the country is more as compared to all other industries.

3) The contribution of SSI sector in the field of engineering goods exports is significant.

6.1.2) General Observations regarding SSI’s from Primary Data:

Table Nos. 5. T 1 to 5. T 11

i) 38.06 % respondents are from area 3, 28.38 % from area 4, 26.25 % from area 1 while 7.11 % respondents represent area 2. Thus entire Pune City and adjoining area has received coverage while collecting primary data.

ii) It is observed that out of the total units covered 50.33 % units are established after 1991 that is after post liberalised era.

iii) 45.17 % units are of proprietary nature.
iv) 65.8% of the units are engaged in manufacturing activity, 15.48% in service activity, 11.62% are involved in assembly work and remaining 7.1% are engaged in repairing work. Thus the units from all nature of activities are covered by the survey.

v) 31.61% respondents have expressed their reason for opting SSI as investment constraints, 19.35% mentioned as out of customer need while only 17.42% mentioned the reason as government incentives. It is observed from the above response rate that there is no distinct benefit or status enjoyed by the SSI’s from the government.

vi) In majority of the cases skilled, unskilled and supervisory labour appears to be below 10. Thus the units covered are not only small scale as per the definition of investment constraint but are also small in terms of labour employed.

vii) It is observed that in 47.05% of the cases the age of respondent at the time of starting the unit is reported as in between 20 to 30 years, 37.5% in the range 30 to 40 years, 11.03% in the range 40 to 50 years while in 4.42% cases the same is above 50 years. Thus majority of the respondents have started their business in younger age.

viii) In 72.25% cases the educational background of the respondents is engineering while in 10.32% cases the same
is management. Thus majority of the respondents are from engineering discipline.

ix) It is observed that 81.3 % respondents belong to first generation entrepreneurs.

x) Only 20.66 % respondents have attended entrepreneurship programme. Out of these 54.83 % have attended the same after starting their business.

xi) From the categorization of the industries it is observed that 29.04 % fall under Product Manufacturers Category followed by Job Workers (Specialised Skills) - 20.65 %, Job Workers (General) – 17.42 %, Capital Equipment Manufacturers - 12.9 %, Manufacturers having Export Orientation 12.25 % and industries under Categorization according to User Industry Served 7.74 %. Thus it is observed that the trend is now shifting from job working to product manufacturing. The awareness about exporting the goods is also increasing.

6.2 Industrywise Observations:

i) Industrywise Distribution of Daily Time Schedule (Table Nos. 5.T 12 A. to 5.T 17.F)

a) Production Activity:
In case of Job Workers (General) : Table No. 5.T 12. A. 33.33 % respondents spent 11 to 25 % of their time for production activity. Only 7.41 % respondents in the range above 60 %.

In case of Job Workers (Specialised Skills) : Table No. 5.T 13. A. 31.25 % respondents spent 11 to 25 % of their time for production activity. Only 6.25 % respondents in the range above 60 %.

In case of Product Manufacturers : Table No. 5.T 14. A. 33.34 % respondents spent upto 10 % of their time for production activity. While 4.44 % respondents in the range above 60 %.

In case of Manufacturers having Export Orientation : Table No. 5.T 15. A. 31.58 % respondents spent 11 to 25 % of their time for production activity, 15.78 % in the range in between 41 to 60 % however no respondent is observed in the range above 60 %.

For Capital Equipment Manufacturers : Table No. 5.T 16. A. 45 % respondents spent 11 to 25 % of their time for production activity while 10 % respondents in the range above 60 %.

For Industries under Categorization according to User Industry Served : Table No. 5.T 17. A. 33.33 % respondents i.e. one third of
the respondents spent 41 to 60 % of their time for production activity while 8.33 % respondents fall under in the range in between 11 to 25 %.

It is observed from the above that highest % of respondents spent time in production activity in the lower % range of time and vice-a-versa.

b) Planning Activity:

In case of Job Workers (General) : Table No. 5.T 12. B. 55.55 % respondents spent 11 to 25 % of their time for planning activity. While 3.71 % respondents in the range 26 to 40 %. However, no respondent in the range above 60 %.

In case of Job Workers (Specialised Skills) : Table No. 5.T 13. B. 50 % respondents spent 11 to 25 % of their time for planning activity while 3.12 % in the range 41 to 60 %. However, no respondent in the range above 60 %.

In case of Product Manufacturers : Table No. 5.T 14. B. 46.66 % respondents spent upto 10 % of their time for planning activity while 2.22 % in the range 41 to 60 %. However, no respondent in the range above 60 %.

In case of Manufacturers having Export Orientation : Table No. 5.T 15. B. 57.89 % respondents spent 11 to 25 % of their time for
planning activity while 5.27% in the range 41 to 60%. However, no respondent in the range above 60%.

In case of Capital Equipment Manufacturers: Table No. 5.T 16. B. 45% respondents spent 11 to 25% of their time for planning activity while 5% in the range 41 to 60%. However, only 5% spent above 60% of their time for this activity.

For the industries under Categorization according to User Industry Served: Table No. 5.T 17. B. 60% respondents spent upto 10% of their time for planning activity. However, no respondent in the range above 60%.

It is observed from the above that highest % of respondents spent time in planning activity in the lower % range of time and vice-a-versa.

c) Marketing Activity:

In case of Job Workers (General): Table No. 5.T 12. C. 59.25% respondents spent upto 10% of their time for marketing activity. While 33.33% respondents in the range 11 to 25%. However, no respondent in the range above 60%.

In case of Job Workers (Specialised Skills): Table No. 5.T 13.C. 40.63% respondents spent upto 10% of their time for marketing
activity, 43.75% respondents in the range 11 to 25%. However, only 3.12% respondents in the range above 60%.

In case of Product Manufacturers: Table No. 5.T 14. C. 44.44% respondents spent upto 10% of their time for marketing activity while 40% in the range 11 to 25%. However, no respondent in the range above 60%.

In case of Manufacturers having Export Orientation: Table No. 5.T 15. C. 47.37% respondents spent 11 to 25% of their time for marketing activity while 42.11% in the range upto 10%. However, no respondent in the range above 60%.

In case of Capital Equipment Manufacturers: Table No. 5.T 16. C. 45% respondents spent 11 to 25% of their time for marketing activity while 35% in the range upto 10%. However, no respondent in the range above 60%.

For the industries under Categorization according to User Industry Served: Table No. 5.T 17. C. 66.67% respondents spent upto 10% of their time for marketing activity. However, no respondent in the range above 60%.

It is observed from the above that highest % of respondents spent time in marketing activity in the lower % range of time and vice-a-versa.
d) Finance Activity:

In case of Job Workers (General): Table No. 5.T 12. D. 81.48% respondents spent up to 10% of their time for finance activity. While 18.52% respondents in the range 11 to 25%. However, no respondent in the range above 60%.

In case of Job Workers (Specialised Skills): Table No. 5.T 13.D. 65.63% respondents spent up to 10% of their time for finance activity, 31.25% respondents in the range 11 to 25%. However, no respondent in the range above 60%.

In case of Product Manufacturers: Table No. 5.T 14. D. 75.55% respondents spent up to 10% of their time for finance activity while 17.78% in the range 11 to 25%. However, no respondent in the range above 60%.

In case of Manufacturers having Export Orientation: Table No. 5.T 15. D. 31.58% respondents spent 11 to 25% of their time for finance activity while 63.16% in the range up to 10%. However, no respondent in the range above 60%.

In case of Capital Equipment Manufacturers: Table No. 5.T 16. D. 26.32% respondents spent 11 to 25% of their time for finance
activity while 68.42 % in the range upto 10 %. However, no respondent in the range above 60 %.

For the industries under Categorization according to User Industry Served : Table No. 5.T 17. D. 66.67 % respondents spent upto 10 % of their time for finance activity. However, no respondent in the range above 60 %.

It is observed from the above that highest % of respondents spent time in finance activity in the lower % range of time and vice-a-versa.

e) Payment Recovery Activity :

In case of Job Workers (General) : Table No. 5.T 12. E. 88.88 % respondents spent upto 10 % of their time for payment recovery activity. However, no respondent in the range above 60 %.

In case of Job Workers (Specialised Skills) : Table No. 5.T 13.E. 65.63 % respondents spent upto 10 % of their time for payment recovery activity, 28.13 % respondents in the range 11 to 25 %. However, no respondent in the range above 60 %.

In case of Product Manufacturers : Table No. 5.T 14. E. 77.78 % respondents spent upto 10 % of their time for payment recovery activity while 20 % in the range 11 to 25 %. However, no respondent in the range above 60 %.
In case of Manufacturers having Export Orientation : Table No. 5.T 15. E. 21.05 % respondents spent 11 to 25 % of their time for payment recovery activity while 73.69 % in the range upto 10 %. However, no respondent in the range above 60 %.

In case of Capital Equipment Manufacturers : Table No. 5.T 16. E. 35 % respondents spent 11 to 25 % of their time for payment recovery activity while 60 % in the range upto 10 %. However, no respondent in the range above 60 %.

For the industries under Categorization according to User Industry Served : Table No. 5.T 17. E. 83.34 % respondents spent upto 10 % of their time for payment recovery activity. However, no respondent in the range above 60 %.

It is observed from the above that highest % of respondents spent time in payment recovery activity in the lower % range of time and vice-a-versa.

Thus it is observed from the industrywise analysis of the daily time schedule that - In the day to day working of SSI, the entrepreneur has to look after all the functional areas of management. As such no special attention can be given to any specific activity. Thus, by giving the marketing activity to Polymarketing Organisation focussed attention can be given to marketing activity.

ii) Industrywise Observations of Investments Structure : Table Nos. 5. T 18. A to 5. T 20. F
a) Investments in Fixed Assets:

In case of Job Workers (General): Table No. 5.T 18. A 33.34 % respondents have invested Rs. Upto 15 lakhs in fixed assets while 22.21 % in the range above 60 %.

In case of Job Workers (Specialised Skills): Table No. 5.T 18. B 33.38 % respondents have invested Rs. Upto 15 lakhs in fixed assets while 21.87 % in the range above 60 %.

In case of Product Manufacturers: Table No. 5.T 18. C 35.55 % respondents have invested Rs. Upto 15 lakhs in fixed assets while 15.55 % in the range above 60 %.

In case of Manufacturers having Export Orientation: Table No. 5.T 18. D 42.11 % respondents have invested Rs. Upto 15 lakhs in fixed assets while 15.79 % in the range above 60 %.

In case of Capital Equipment Manufacturers: Table No. 5.T 18. E 30 % respondents have invested Rs. Upto 15 lakhs in fixed assets while 10 % in the range above 60 %.

In case of industries under Categorization according to User Industry Served: Table No. 5.T 18. F 50 % respondents have
invested Rs. Upto 15 lakhs in fixed assets while 25 % in the range above 60 %.

It is observed from the analysis of investment in fixed assets that –

i) The pattern observed is similar for all industries Maximum % of respondents have investment in fixed assets in the lowest % range. However, the % of respondents having investments in highest % range is also significant.

ii) The investment in fixed assets has no relation with the category.

b) Investment in Current Assets:

For Job Workers (General) : Table Nos. 5.T 19.A. 29.63 % respondents have their investments in current assets in the range Rs. 5 to 10 lakhs while 18.52 in the range above 25 lakhs.

For Job Workers (Specialised Skills) : Table Nos. 5.T 19.B. 28.13 % respondents have their investments in current assets in the range upto Rs. 5 lakhs while only 9.38 % in the range above 25 lakhs.

For Product Manufacturers : Table Nos. 5.T 19.C. 28.88 % respondents have their investments in current assets in the range upto Rs. 5 lakhs while only 20 % in the range above 25 lakhs.

For Manufacturers having Export Orientation : Table Nos. 5.T 19.D. 21.05 % respondents have their investments in current assets in the range upto Rs. 5 lakhs while only 15.79 % in the range above 25 lakhs.
For Capital Equipment Manufacturers: Table Nos. 5.T 19. E . 15 % respondents have their investments in current assets in the range upto Rs. 5 lakhs while only 25 % in the range above 25 lakhs.

For industries under Categorization according to User Industry Served: Table Nos. 5.T 19. F . 50 % respondents have their investments in current assets in the range upto Rs. 5 lakhs while only 8.33 % in the range above 25 lakhs.

It is observed from the analysis of investment in current assets that –

Maximum % of respondents have investments in current assets upto Rs. 5 lakhs. The respondents under capital equipment manufacturers are the only exceptions to this, where highest % of respondents fall in the highest % range of investment. Otherwise for all category of industries similar pattern is observed.

c) Investment in Working Capital:

For Job Workers (General): Table Nos. 5.T 20.A. 44.44 % respondents have their investments in working capital in the range upto Rs. 2 lakhs while 18.52 % in the range above 10 lakhs.

For Job Workers (Specialised Skills): Table Nos. 5.T 20.B. 40.62 % respondents have their investments in working capital in the range Rs. 2 to 4 lakhs while 6.25 in the range above 10 lakhs.
For Product Manufacturers: Table Nos. 5.T 20.C. 24.44% respondents have their investments in working capital in the range upto Rs. 2 lakhs while 33.33 in the range above 10 lakhs.

For Manufacturers having Export Orientation: Table Nos. 5.T 20.D. 31.58% respondents have their investments in working capital in the range upto Rs. 2 lakhs while 10.53 in the range above 10 lakhs.

For Capital Equipment Manufacturers: Table Nos. 5.T 20.E. 35% respondents have their investments in working capital in the range upto Rs. 2 lakhs while 30 in the range above 10 lakhs.

For industries under Categorization according to User Industry Served: Table Nos. 5.T 20. F. 50% respondents have their investments in working capital in the range upto Rs. 2 lakhs while only 8.34% in the range above 10 lakhs.


For Job Workers (General): 66.66% respondents are able to manage their working capital cycle.

In case of Job Workers (Specialised Skills): 59.37% respondents are able to manage their working capital cycle.
For Product Manufacturers: 71.12% respondents are able to manage their working capital cycle.

In case of Manufacturers having Export Orientation: 68.42% respondents are able to manage their working capital cycle.

For Capital Equipment Manufacturers: 65% respondents are able to manage their working capital cycle.

In case of industries under Categorization according to User Industry Served: 58.33% respondents are able to manage their working capital cycle.

b) Reasons for inability to manage Working Capital Cycle: Table Nos. 5. T 22. A to 5. T 22. F

The respondents who are unable to manage working capital cycle have expressed the principle reason as – Irregular Payment from customer. The % of respondents stating this reason is as follows:

For Job Workers (General): 44.44%, in case of Job Workers (Specialised Skills): 53.84%, for Product Manufacturers: 69.23%, in case of Manufacturers having Export Orientation: 50%, for Capital Equipment Manufacturers: 71.44% while in case of industries under Categorization according to User Industry Served: 60%.
It is observed from the above that: Majority of the entrepreneurs are able to manage working capital cycle. For those expressing the inability the principle reason is "Irregular Payment from Customer".

iv) Industrywise Observations regarding Capacity Utilization and Break Even Point: Table Nos. 5. T 23. A to 5. T 26. F

a) Carrying out Capacity Analysis: Table Nos. 5. T 23. A to 5. T 23. F

The % of respondents carrying out capacity analysis on regular basis is 37.04 % only in case of Job Workers (General). For Job Workers (Specialised Skills) the same is 65.62 %. In case of Product Manufacturers it is observed as 51.12 %, for the Manufacturers having Export Orientation the same is 47.37 %. For Capital Equipment Manufactures it is 45 % while in case of industries under Categorization according to User Industry Served the % of respondents carrying out capacity analysis on regular basis is observed to be 58.34 %.

b) Observations regarding Idle Capacity: Table Nos. 5. T 24. A to 5. T 24. F

In case of Job Workers (General) Highest % of respondents i.e. 33.33 % is observed in the range 45 to 60 % of idle capacity.

In case of Job Workers (Specialised Skills) Highest % of respondent i.e. 37.5 % is observed in the range 31 to 45 % of idle capacity.

In case of Product Manufacturers Highest % of respondents i.e. 37.78 % are observed in the range 16 to 30 % of idle capacity.
In case of Manufacturers having Export Orientation Highest % of respondents i.e. 42.11 % are observed in the range 16 to 30 % of idle capacity.

In case of Capital Equipment Manufacturers Highest % of respondents i.e. 35 % are observed in the range 16 to 30 % of idle capacity however 25 % respondents are also observed in the range above 60 %.

In case of industries under Categorization according to User Industry Served Highest % of respondents i.e.33.33 % is observed in the range 31 to 45 % of idle capacity.

c) Observations regarding reason for Idle Capacity : Table Nos. 5. T 25. A to 5. T 25. F It is observed that with the exception of Capital Equipment manufacturers respondents from all other categories of industry have mentioned the principle reason for idle capacity as - Less orders from parent company. The industrywise % of respondents stating this reason is as under:
For Job Workers (General) – 48.15 %, For Job Workers (Specialised Skills) 40.63 %, For Product Manufacturers it is observed as 44.45 %, For the Manufacturers having Export Orientation the same is 47.36 % while in case of industries under Categorization according to User Industry Served 33.74 %. The Capital Equipment Manufacturers are the only exceptions to this where 45 % respondents state the reason for idle capacity as – “Unable to reach the ultimate customers directly”.

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d) Observations of Break Even Point : Table Nos. 5. T 26. A to 5. T 26. F

In case of Job Workers (General) – 37.03 % respondents have mentioned their B.E.P. in the range 70 to 80 %.

In case of Job Workers (Specialised Skills) – 34.37 % respondents have mentioned their B.E.P. in the range less than 50 %.

In case of Product Manufacturers – 35.55 % respondents have mentioned their B.E.P. in the range less than 50 %.

In case of Manufacturers having Export Orientation – 42.11 % respondents have mentioned their B.E.P. in the range less than 50 %.

In case of Capital Equipment Manufacturers – 55 % respondents have mentioned their B.E.P. in the range less than 50 %.

In case of industries under Categorization according to User Industry Served – 33.34 % respondents have mentioned their B.E.P. in the range 70 to 80 %.

It is observed from the above that :

i) Little awareness is observed among the SSI entrepreneurs about carrying out capacity analysis on regular basis.

ii) The % of idle capacity is highest in case of Job Workers (General), followed by Job Workers (Specialised Skills) and industries under Categorization according to User Industry Served. In case of Product Manufacturers and Manufacturers having Export Orientation the same is observed on lower sides. However, in case of Capital Equipment Manufacturers two extremes have been
observed. Highest % of respondents in the second highest range of idle capacity while second highest % of respondents in the highest % range of idle capacity. This could be because of the varying nature of their business as "Either full orders or no orders at all ".

iii) Except Capital Equipment Manufacturers respondents in all other categories of industry have stated their principle reason for idle capacity as – Less orders from parent company. However, the Capital Equipment Manufacturers state same as – Unable to reach the ultimate customer directly. The reasons stated above throw light on the fact that in both cases the customers base is narrow.

iv) In case of Job Workers (General) and industries under Categorization according to User Industry Served the B. E. P. is observed on higher side which means they operate on lower profit margins. The presence of idle capacity shall further enhance their financial problems. In case of all other categories of industry the B.E.P. is observed in the lowest range as such their survival is because of the higher profit margins and not due to utilization of production capacities to the fullest extent.

v) Industrywise Observations for Selection of a Product Line and getting Technical Know-how : Table Nos. 5. T 27. A to 5. T 28. F

a) Selection of a Product Line : Table Nos. 5. T 27. A to 5. T 27. F
Highest % of respondents have stated the principle reason for the selection of product line as "Known product" while "Easy marketing" has got second lowest preference. The industrywise break up of % of respondents stating principle reason is as under:

Job Workers (General) – 33.34 %, For Job Workers (Specialised Skills) – 55.24 %, Product Manufacturers 48.89 %, Manufacturers having Export Orientation 52.63 %. For Capital Equipment Manufactures it is 55 % while in case of industries under Categorization according to User Industry Served 41.66 %.

b) Technical Know-how: Table Nos. 5. T 28. A to 5. T 28. F

Highest % of respondents carry out technical developments on their own. The industrywise break up of % of respondents stating this preference is as under:

Job Workers (General) – 74.08 %, For Job Workers (Specialised Skills) – 62.5 %, Product Manufacturers 71.12 %, Manufacturers having Export Orientation 68.42 %. For Capital Equipment Manufactures it is 75 % while in case of industries under Categorization according to User Industry Served 66.67 %.

The preference “Getting technical know-how from clients” ranks second amongst all the respondents. For % of respondents under Job Workers (Specialised Skills) it is highest. While for Capital Equipment Manufactures it is observed to be lowest.
It is observed from the above that:

i) The selection of product line is based on the criterion of known product mainly. Marketing aspect is not given prime consideration while selecting the product line.

ii) The SSI entrepreneurs are capable of handling the technical aspects involved in product development activity.

vi) Industrywise Observations for Method of Pricing: Table Nos. 5. T 30. A to 5. T 30. F
Incase of Job Workers (General) – 48.15 % respondents apply own ways of pricing their product. For Job Workers (Specialised Skills) – 46.88 % Product Manufacturers 51.12 %, Manufacturers having Export Orientation 57.89 %. For Capital Equipment Manufactures it is 65 % while in case of industries under Categorization according to User Industry Served 66.67 %.

It is observed that except Capital Equipment Manufacturers for all other industries similar pattern is observed for Methods of Pricing. The preference for own ways of pricing has got highest % of respondents. Highest % respondents apply own ways of pricing the products while lowest % of respondents decide the price by studying competitors pricing. In case of Capital Equipment Manufacturers lowest % of respondents price their product as dictated by customers.

a) Arrangements followed for Marketing Table Nos. 5. T 31. A to 5. T 31. F

In all categories of industry the % of respondents where the marketing activity is carried out by the entrepreneur himself is highest. Industrywise break up is as under:

In case of Job Workers (General) – 88.88 % entrepreneurs carry out marketing activity by themselves. For Job Workers (Specialised Skills) – 71.87 %, Product Manufacturers 55 %, Manufacturers having Export Orientation 63.16 %. For Capital Equipment Manufactures it is 55 % while in case of industries under Categorization according to User Industry Served 66.66 % cases marketing is carried out by entrepreneurs themselves.

b) Criterion for maintaining Sales Turnover Table Nos. 5. T 29. A to 5. T 29. F

While stating this criterion the highest % of respondents from all categories of industry have given top ranking to the criteria of "Maintaining the quality " while " Ensuring timely delivery " ranks second.

It is observed that from the above that:

i) The marketing activity in SSI is mainly carried out by the entrepreneur himself. Since he has to look after all the functional areas of the management no focussed attention can be given to this activity.

ii) High concern for quality and timely delivery of goods and services is observed for maintaining the sales turnover.
6.3) Observations regarding views of the respondents about Polymarketing Organisation: Table Nos. 5, T 32 to T 51

1) 57.6% respondents take required financial support from the banks while 38.4% have personal sources of finance. As such in today's economic scenario arranging finance from the banks is no more a problem. Hence, arranging additional finance for the business proposal brought by Polymarketing Organisation shall not be a problem.

2) In 54.55% cases Marketing Information System does not exist. This lacuna in the day to day working shall automatically get removed with the help of Polymarketing Organisation.

3) 70.18% respondents have mentioned their marketing expenses in the range upto 5% while 20.18% in the range 6 to 10%.

4) 95.4% respondents have expressed their willingness to expand business, 84.82% have expressed acceptance to ready business while 74.8% have expressed acceptance to Polymarketing Organisation bringing business. It is observed from the above that the respondents have shown high concern for expanding the business so also for acceptance of Polymarketing Organisation bringing business.

5) It is observed that, 88.88% respondents from Job Workers (General), 81.25% from Job Workers (Specialised Skills), 86.66
% respondents from Product Manufacturers, 93.75 % from Manufacturers having Export Orientation while 90 % each from Capital Equipment Manufactures and industries under Categorization according to User Industry served respectively, have expressed their willingness to give marketing activity to Polymarketing Organisation.

6) 76.66 % respondents have expressed their willingness to concentrate only on production side by giving marketing activity to Polymarketing Organisation.

7) 95 % respondents have expressed their willingness to accept suggestions given by Polymarketing Organisation as regards their product / manufacturing methods.

8) In case of 69.6 % respondents the trend in increase in turnover, is observed to be positive, in case of 8 % the same is negative while for 22.4 % respondents it is constant. In case of the respondents having positive trends in the sales turnover highest % of the respondents fall in the range upto 20 %. It is observed from the above that the respondents falling in all trends of sales turnover have expressed their acceptance to Polymarketing Organisation.

9) 51.9 % respondents would like to be associated with Polymarketing Organisation on commission basis while 25. 2 % as co-partner.
10) 35.87 % respondents expect the increase in sales in the range 20 to 40 % by giving marketing activity to Polymarketing Organisation while 26.4 % in the range upto 20 %.

11) 28.57 % respondents mentioned the reason as "New product development " for their expected increase in sales while 26.66 % as " Better methods of manufacturing ". Thus, it is observed that the SSI entrepreneurs have expressed their willingness to concentrate on production related activities by giving marketing activity to Polymarketing Organisation.

12) 74.05 % respondents are ready to pay upto 5 % commission on the sales brought in by Polymarketing Organisation.

13) 60 % of the respondents would like to be associated with Polymarketing Organisation for life long period of time.

14) 65.65 % respondents expect the role of Polymarketing Organisation primarily as marketing agency while 25.19 % have mentioned the same as business partner.

15) 65.16 % respondents state that Polymarketing Organisation as a marketing system will be accepted by their existing clients while 53.43 % expressed that they will be in a position to convince their existing clients about such marketing arrangements.

16) 90.72 % respondents are aware about e-commerce and Internet. 78.82 % have tried to get business through Internet.
while 38.72 % are able to get business through Internet. Those who are able to get business consider it as a permanent source for searching business.

17) Only 15.78 % of the respondents who are unable to get business through Internet have mentioned the reasons for the same. Out of these, 33.34 % have mentioned the reason as “Unable to fulfill volume of business “, 22.22 % as “ Non availability of manufacturing facilities “, 11.11 % respondents each have mentioned the reasons as “ Lack of technical expertise “ and “ Inability to fulfill technical requirements like ISO & QS “ etc respectively.

It is observed from 16 and 17 above that huge scope is there for use of Internet as a business tool. The use is in primary stages only.

18) Only 41.38 % respondents are aware about the institutional network set up by the government to support SSI.

19) 54.41 % respondents prefer the Polymarketing Organisation as Private Company.

20) 66.66 % respondents have expressed willingness to pay membership fees to Polymarketing Organisation.

21) While stating the probable reasons for the failure of Polymarketing Organisation the respondents have stated their 1st preference to the criterion as follows : 30.95 % credibility, 21.43
% secrecy, 26.19 % capability, 11.9 % future is not known while 9.53 % of such arrangements have failed in the past. It is observed from the above that credibility shall be the prime criteria for the success of Polymarketing Organisation.

22) Observations regarding respondent’s expectations from Polymarketing Organisation: A wide spectrum is observed for the SSI entrepreneurs expectations. Few of them are listed in their own words.

i) Consultancy in the field of new product development and product improvements.

ii) Technology information.

iii) Productivity and quality improvement.

iv) Apart from marketing need a R & D and prototyping organization.

v) Marketing assistance and guidance.

vi) Customer feedback to make changes in product.

vii) Marketing strategy formulation.

viii) Export incentives information.

ix) Concentration on global market.

x) Support SSI units as observer and promote these units to enter into new area of sales network.

xi) Should continually explore product demand even off shore and try & give maximum benefit to the manufacturers rather than the agency itself.
xii) Bringing finance at global interest rate and guaranteed raw material at control rates.


xiv) Making loans available.

xv) To keep hold on big units.

xvi) Organisation should form a directory or literature of its own and circulate it.

xvii) Suggest other suitable business which can be run in small activities and complementary business having export potential.

xviii) Organisation must have reputation in all areas like quality, marketing network, financial backup, presentation skills, own created quality assessment body.

xix) Will have to be result oriented with SSI interest in mind.

xx) This relationship has to have a firm base depending on faith placed on each other and will grow as the business grows.

xxi) 100% devotion and 100% transparency.

xxii) Long term trust and secrecy without commercial disputes.

xxiii) Organisation should have 5 to 10 years foresight.

xxiv) Work on the principle of progress together.

xxv) This organization will be an eye to find new market potential.

xxvi) Good intermediary role.

xxvii) If decided to sign an agreement it should be on equal footings.

xxviii) To fulfill business commitments.
xxix) Only two suppliers for one item.

xxx) Honesty & integrity in dealings.

It is observed from the above that:

The SSI entrepreneurs have expectations from Polymarketing Organisation not only in the field of marketing, production, materials, finance etc, but also in the field of corporate decision making.

The entrepreneurs also have expectations regarding ethics to be followed if such an organization has to be successful.

23) Observations regarding respondents views about day to day working of Polymarketing Organisation:

1) Telephone talks.

2) Activity based.

3) Daily education for marketing and production.

4) Monthly meeting with individual organizations and seminars common for all.

5) As per business requirements

6) Regular interaction.

7) After mutual understanding and exchange of know-how , regular meetings with specific intervals at initial level.

Thus it is observed that the SSI entrepreneurs have clear idea for the day to day working.
24) For the respondents who have expressed non-acceptance to Polymarketing Organisation the reasons observed are mentioned as follows:

i) Willing to carry out marketing on their own.

ii) Restricted area of business.

iii) Since their type of industry is very job specific and needs constant technical interaction with prospective customer.

iv) Not practical because of tailor-made or monopoly products.

v) Satisfied with current sales figures.

vi) Production capacity constraints.

vii) Nobody is ready to look after the business.

viii) Reliability is in doubt.

ix) Since theirs is service type of industry proximity to market is the only criteria.

x) External agency marketing is not applicable because their product is very user specific and the best sales persons for it are the designers and manufacturers as too many technicalities are involved.

xi) When they do their own marketing they are very much aware of the customer's demand as well as the demands of the market. If any agency brings orders, it is a sort of job working. Though there will be increase in business, there will not be any job satisfaction.
6.4) Observations regarding Large Scale Industries: Table Nos. 5. T 52 to T 65

i) 33.34 % respondents each belong to machine tool industry and engineering industry respectively. 16.16 % respondents each belong to electrical & electronics industry and automobile industry respectively.

ii) It is observed that 33.33 % respondents each falls in the sales turnover range of 50 to 100 crores and above 500 crores respectively while 16.16 % respondent each in the range upto 50 crores and 200 to 500 crores range respectively. Thus the survey covers respondents from wide range of sales turnover.

iii) It is observed that only 50 % units are exporting units. Within the exporting units 66.66 % units fall in the range 30 to 40 % of exports to sales turnover ratio.

iv) 66.66 % of the large scale industries have shown acceptance to availing services from Polymarketing Organisation. It is observed for these industries that:

a) 50 % industries below 100 crore sales turnover and 25 % each in the range 200 to 500 crore and above 500 crore respectively.

b) Value of materials purchased as % of sales turnover 35 %, 60 %, 59.14 % and 26.66 % respectively.

c) % of items where criticality in procurement is involved 40 %, 22.85 %, 4 % and 10 % respectively.
Thus it is observed from the above that the concept of Polymarketing Organisation has got wide acceptance.

v) 50% weightage is observed for the preference, "Ensuring quality of incoming materials at vendors end before dispatch", while availing services from Polymarketing Organisation while equal weightage that is 33.33% is observed for the preferences for availing services from Polymarketing Organisation viz – ensuring timely delivery by vendor and developing new vendors.

vi) While stating the rating of various factors while availing services from Polymarketing Organisation, all the respondents have rated credibility as 1st preference.

vii) All the respondents agree about cost saving for material department by availing services from Polymarketing Organisation. The expected saving is observed upto 10% for 50% respondents, which accounts for sizeable amount considering the operating cost of materials department for large scale industries.

viii) All the respondents agree to pay professional fees to Polymarketing Organisation, thus it is observed that Polymarketing Organisation is accepted as a commercial organization by the responding large scale industries.

ix) Majority of the respondents have expressed the Polymarketing Organisation in the form of private company or consultancy firm.
x) The respondents who have shown acceptance to Polymarketing Organisation have also stated their suggestions for the success of such organizations. The same are mentioned in their own words as follows:

1) Database of small scale enterprises and information about services provided them.

2) 100% professional approach, transparency, work on gain sharing basis, knowledge of global as well as local markets.

3) The vendor development activity should be carried out without disturbing and affecting the target cost of the product.

xi) Alfa Laval India Ltd. has stated the reason for non acceptance of Polymarketing Organisation as – “This being MNC our principals at Sweden do not permit this type of vendor development. However, informal help may be obtained.”

Thus it is observed from the above that the international corporate policy is the main reason for non acceptance of Polymarketing Organisation