CHAPTER-6
SUMMARY OF FINDINGS AND SUGGESTIONS

Introduction

The objectives of the study have been to:

1. Study the resources the district offers for industrial promotion and development
2. Assess the contribution of the District Industries Centre, Dharwad, to the industrial promotion and development of Dharwad district.
3. Profile the respondents
4. Examine the scope, if any, available for accelerating the growth of small-scale industries in the district.
5. Offer suggestions to make the District Industries Centre, Dharwad, more responsive to the needs of the entrepreneurs.

To fulfil the said objectives, the researcher profiled the respondents and analysed the primary data collected from the respondents. The findings arrived at subsequent to the analysis of the data are summarised in this chapter. Further, the researcher offers his considered suggestions aimed at making DIC, Dharwad, even more responsive to the needs of the entrepreneurs of the district.
Findings of the Study

The following are the findings of the study:

1. Most of the respondent organisations are either proprietorships or partnerships, in that order.

2. Most of the respondents are into manufacturing.

3. Almost 80% of the respondents transact with commercial banks and financial institutions, in that order.

4. Thus, 52% of the respondents set up business before the introduction of financial reforms. 26% set up business in the decade of introduction of financial reforms and 22% set up business in the new millennium.

5. Easily, three-fourths of the respondents are first generation organisations.

6. Tapping finance from the unorganised sector is still in vogue in the industry.

7. A huge chunk of the respondents is not at all happy with the services and inputs provided by DIC to start-up units.

8. Almost three-fourths of the respondents are of the view that the investigation on the part of the DIC of the economic potential offered by the district is poor.

9. Almost three-fourths of the respondents believe DIC's role as operational machinery to be 'poor'.
10. Only a fourth of the respondents, at the most, believe DIC’s role in organising marketing outlets is effective.

11. Almost 25% of the respondents are not aware of the promotional role played by DIC.

12. Two thirds of the respondents have not been trained in entrepreneurship awareness programmes and entrepreneurship development programmes by the DIC.

13. Almost all the entrepreneurs that attended the development programmes find the programmes useful.

14. Hardly 50% of the respondents are aware that project profiles are available with DIC.

15. A little over three-fourths of the respondents, who knew that project profiles were available with DIC, exploited them.

16. Only 10% of the respondents make use of DIC’s help in preparing project reports.

17. Only 2% of the respondents make use of DIC’s help in machinery selection.

18. Only 6% of the respondents make use of DIC’s technical assistance.

19. A little over a third of the respondents have not applied to DIC for incentives.
20. Only a tenth of the respondents have sought the assistance of DIC for procurement of raw materials.

21. Only 6% of the respondents have sought the assistance of DIC for marketing their products and services.

22. Only 14% of the respondents have sought the assistance of DIC for obtaining power connection.

23. Hardly 25% of the respondents have sought the assistance of DIC for obtaining loans for their enterprises.

24. Almost a fourth of the respondents do not find the services rendered by DIC useful. Hence they feel there is scope for improvement as far as the services rendered by DIC are concerned.

25. From the period 2000-01 onwards, distribution of sites and sheds as also the power connections sanctioned have come down drastically. This is a sad trend which needs to be corrected immediately.

26. The number of loans sanctioned has dwindled from a high of 890 in 1997-98 to a low of 316 in the year 2001-02. The number of beneficiaries trained has not registered such a steep decline, although a decline is evident.
number of loanees as well as the number of entrepreneurs trained has registered a decline which does not augur well for the growth of industry.

27. Release of subsidy to the beneficiaries has not been done promptly. Release of subsidy has occurred in fits and starts which can eventually dampen the spirit of the entrepreneurs.

Suggestions

The following are the researcher’s considered suggestions in the light of the foregoing findings:

1. Proprietorship and partnership organisations will find it difficult to raise resources on account of their very constitution; additionally, the level of credibility enjoyed by these types of organisations is on the low side. By extension, this affects their efforts to augment capacity. The respondent organisations will therefore do well to become incorporated bodies. Low capacities will render their products uncompetitive in the marketplace.

2. Manufacturing activity has always proved its worth, notwithstanding the fact that the service sector has been in the limelight of late. It generates more jobs for the people and more income for the government. If the respondent organisations are comfortable with manufacturing activity, they will do well to continue with this activity.
3. It is happy tidings that almost 80% of the respondents transact with commercial banks and financial institutions. But this still implies that 20% of them transact with the unorganised sector which is unfortunate. DIC should advise the said 20% of the respondents to transact with commercial banks / financial institutions.

4. The post-liberalisation era offers opportunities galore to ambitious entrepreneurs. They can succeed at the global level if they are competitive quality-wise and price-wise. Recent events have proved so. In the circumstances, DIC should try to rope in more and more prospective entrepreneurs by aggressively marketing its services. It can involve the print, broadcasting and electronic media for the purpose.

5. It is happy tidings that easily three-fourths of the respondent organisations are first generation enterprises. DIC should impress upon the prospective entrepreneurs that lack of experience or exposure need not come in the way of one becoming an entrepreneur and that DIC can always help out such diffident prospective entrepreneurs.

6. Tapping the unorganised sector for finance is unwise owing to the very cost and uncertainty that accompany such finance. DIC should highlight the flip side of this kind of financing and eventually wean such organisations from the unorganised financiers.
7. If a huge chunk of the respondents is not at all happy with the services and inputs provided by DIC to start-up units, something has gone seriously wrong somewhere. DIC will do well to rectify the situation by initiating appropriate measures. The researcher's suggestions may kindly be considered for the purpose.

8. The economic potential offered by the district has to be investigated as carefully as possible by making use of the expertise available with the state and central governments. Our country definitely possesses the expertise and infrastructure required for the purpose. All that is needed is a serious attempt on the part of the DIC to source the expertise and infrastructure from the appropriate agencies of the state and central governments.

9. Almost 75% of the respondents believe DIC's role as operational machinery to be 'poor'. The respondents have identified operational areas where they believe that the DIC's performance is wanting. Such areas have been covered and commented upon by this study. DIC can improve its performance level in the said operational areas in line with the researcher's suggestions contained in this study.

10. Organising marketing outlets is an important aspect of entrepreneurial activity. DIC with its infrastructure should not find organising marketing outlets difficult. It should network with its counterparts in the state and elsewhere in the country to find marketing outlets for the entrepreneurs. For
a given product, surplus as well deficit areas are bound to exist. Networking
should make it possible to transfer products from surplus areas to deficit
areas.

11. If 25% of the respondents are not aware of the promotional role played by
DIC, it means that DIC has not publicised its activities effectively. DIC
should work in tandem with the print, broadcasting and electronic media to
disseminate information on the promotional role played by it.

12. Training in entrepreneurship awareness programmes and entrepreneurship
development programmes is one of the vital services supposed to be offered
by DIC. If two-thirds of the respondents have not been exposed to the said
training by DIC, then it is a serious lapse. It is high time DIC exposed such
tenrepreneurs to the said training – it is better late than never. However, it
should ensure that such things do not repeat.

13. It is happy tidings that almost all the entrepreneurs that attended the
development programmes found the programmes useful. When this is the
case, it is all the more important for DIC to expose all the entrepreneurs to
the said programmes without fail.

14. If hardly 50% of the respondents are aware that project profiles are available
with DIC, it is because of poor publicity arranged by DIC for its services.
As said earlier, it should use all the resources at its command to disseminate
information about the various services it offers by using the services of the print, broadcasting and electronic media.

15. That most of the respondents, who knew that project profiles were available with DIC, exploited them only shows that they are serious about utilising the services offered by DIC. In the circumstances, it is high time that DIC took steps to publicise the availability of project profiles with it, in the manner indicated above.

16. If only 10% of the respondents make use of DIC’s help in preparing project reports, it could be on account of a variety of reasons - ranging from ignorance on the part of the entrepreneur to difficulty in accessing DIC’s help for the purpose. It is for the DIC to ensure that reasons like these do not come in the way of the entrepreneur accessing the DIC’s help in preparing the project reports.

17. If only 2% of the respondents make use of DIC’s help in machinery selection, the reasons could be many - ranging from lack of expertise on the part of DIC to reluctance on the part of DIC to help the entrepreneur in selecting the machinery. It is not to say that the entrepreneur is not at all fault. It is possible that the entrepreneur himself has a vested interest in not consulting the DIC during selection of machinery. But on its part, DIC should remain above reproach. If for reasons not justifiable the entrepreneur does not involve the DIC in machinery selection, it is the former that is to be blamed and definitely not the latter.
18. If only 6% of the respondents make use of DIC’s technical assistance, the reasons behind this should be ascertained. If the development has anything to do with DIC, it should put its house in order first. If it has nothing to do with DIC, then it can be hardly blamed.

19. If over a third of the respondents have not applied to DIC for incentives, then it is unfortunate. No entrepreneur will in the normal course desist from applying for incentives. The reasons could be many - the incentive takes too long a time to be released or the documentation part of the incentive claim is too involved, etc. Whatever the reason, it does not augur well for either the DIC or for the entrepreneurs. It is high time the DIC investigated the issue on a case-by-case basis and initiated appropriate steps to persuade the entrepreneurs to apply for release of incentives.

20. If only a tenth of the respondents have sought the assistance of DIC for procurement of raw materials, then the reasons behind this development need to be ascertained. The best way is to have a tête-à-tête with the respondents to ascertain the reasons behind their reluctance to seek DIC’s assistance for procurement of raw materials. This alone can help in solving this issue. The two sides need to be candid in the matter.

21. That only 6% of the respondents have sought the assistance of DIC for marketing their products and services indicates that the two sides have to sit across the table and do an honest soul-searching exercise on the issue. Only then an appropriate remedy can be evolved to set right this problem.
22. That only 14% of the respondents have sought the assistance of DIC for obtaining power connection indicates that the entrepreneurs do not believe that DIC can swing the job. The reasons behind such conviction on the part of the entrepreneurs should be ascertained. It is for the DIC officers concerned to convince the entrepreneurs that they can indeed help the entrepreneurs in obtaining power connection.

23. A candid exchange of views with the entrepreneurs alone can help the DIC to ascertain the reasons behind the entrepreneurs’ reluctance to seek DIC’s help in obtaining loans for their enterprises. Here too, a case-by-case approach is imperative on the part of DIC.

24. It is unfortunate that a fourth of the respondents do not find the services rendered by DIC useful. Such a conclusion on the part of the respondents perhaps emanates from the various shortcomings they have pointed out in respect of the functioning of DIC. If such shortcomings are addressed by DIC in the manner suggested by this study, before long the entrepreneur respondents are bound to change their views.

25. The dwindling number of sites and sheds distributed and the dwindling number of power connections sanctioned suggests that the role played by DIC, Dharwad, has been becoming increasingly insignificant. This is a sad state of affairs indeed. This suggests that the DIC has not been succeeding in its efforts to persuade more and more people to become entrepreneurs. The
reasons behind this trend can be many and not all of them are insurmountable. Many small-scale industries have broken new ground and prospered in the present-day liberalised and globalised marketplace. Citing such success stories, if prospective entrepreneurs can be convinced that they can bank upon the munificence of DIC to become similarly successful, DIC can make its presence felt again. A frank tête-à-tête with entrepreneurs, practising as well as prospective, should help in revamping the DIC in such a manner as to be compatible with the present-day needs of entrepreneurs.

26. If the number of loans sanctioned as also the number of beneficiaries trained has shown a steep decline, there is a strong possibility that the offer of loan by DIC is not taken seriously by the beneficiaries. Either the loan disbursement is fraught with inordinate delay or it is difficult to put through a loan proposal. If the number of beneficiaries trained has been falling significantly, it is possible that the training regimen offered by DIC is obsolete. In tune with the competitive environment obtaining today, DIC should upgrade its training regimen and streamline its loan sanctioning mechanism. Technological as well as human resource advancement is so rapid these days that many organisations in the world have been launching the 'train the trainer' campaign. A trainer who has fallen behind times can hardly be expected to do justice to his job; nor will the trainee repose any faith in him.
27. Erratic release of subsidy to the beneficiaries amounts to denial of subsidy. Subsidy delayed is subsidy denied. It is for the government to ensure that under no circumstances release of subsidy to the beneficiaries is delayed. Delayed release of subsidy renders the project appraisal meaningless and upsets the cash flows associated with the project.