

GOLDEN RESEARCH THOUGHTS



ISSN: 2231-5063
IMPACT FACTOR : 4.6052(UIF)
VOLUME - 8 | ISSUE - 9 | MARCH - 2019



PROBLEMS AND PROSPECTUS OF MICRO, SMALL AND MEDIUM SCALE ENTERPRISES

Mr. Bhosale S. N.

**Assistant Professor , Head, Department Of Economics ,
A. R. Burla Mahila Varishta Mahavidyalay, Solapur.**



ABSTRACT :

The present paper manages the issues of Micro, little and medium undertakings (MSMEs) identifying with khadi and town just as rustic endeavors. MSMEs are assuming an essential job in the generally speaking modern improvement of the nation. This paper manages how miniaturized scale, little and medium endeavors face issues at each phase of their activity like purchasing of crude materials, assembling of items, showcasing of products or raising of money. There is absence of prepared and experienced representatives since little firms can't pay high pay rates and can't spend much on preparing their workers. The manner in which they bear rivalry with expansive scale undertakings by acquiring representatives and preparing and How MSMEs are conquered these issues.

KEYWORDS: *little and medium endeavors face issues , actualizes work.*

INTRODUCTION:

The smaller scale, little and medium endeavors (MSMEs) division is motor of the Indian economy as this segment has assumed an essential job in general financial improvement with 6% commitment in GDP. There are around 13.2 MSMEs in India out of which about 55% are in provincial zones and parity in urban zones. This segment is broad and enhanced creating upwards of 8000 items, adding to 40% of the assembling yield and 35% the immediate fares. It additionally gives essential part and assistants to expansive scale segment. Right now there are 21 noteworthy industry bunches extending from paper to apparatus. Little scale part as it was recently called actualizes work concentrated procedures utilizing rich work. This division is a second biggest business supplier next just to farming. It is rearing ground for business thoughts and primary driver of advancements. The MSME's area utilizes around 42 million people in more than 13 million units thought the nation. This segment has enlisted higher development then generally speaking mechanical development. It has been focused to raise the creation of MSE units to 13,98,803 crores for the year 2011-12. Business has been wanted to be expanded from 322.28 to 391.73 lakhs.

In india smaller scale, little, and medium scale endeavors are characterized dependent on the interest in plant and apparatus and types of gear for ventures rendering their administrations.

IMPORTANCE OF MSMES IN INDIA:

MSMES contribute complete 40% underway and 34% in fares. In addition to the fact that they provide national salary and are critical monetarily, they are essential socially moreover. This is on the

grounds that muslims natives and individuals who are socially and financially back ward are given business. This area is genuinely a legacy and imaginative persevering part.

PROBLEMS OF MSMES:

The smaller scale, little and medium undertakings face issues at each phase of their activity, regardless of whether it is purchasing of crude materials, assembling of items, promoting of merchandise or raising of fund. These enterprises are accordingly not in a situation to verify the inside and outside economies of scale.

The major problems confronting the sector have been identified as:

1. Managerial inadequacies

Little scale firms are for the most part overseen by the proprietors who all the time don't have the right stuff required for the proficient administration of the venture. There is absence of appropriate division of work and advantages of specialization are not accessible. Some proprietor administrators are hesitant to receive current strategies for association and the executives. There is shakiness in business on the grounds that the affliction and passing of the proprietor director specifically influences the survival and development of the little firm.

2. Raw material and products

Non-accessibility of value crude materials on a convenient premise in a satisfactory amount is one of the fundamental issues looked by miniaturized scale, little and medium endeavors. There is intense deficiency of even the fundamental crude materials required by little scale units. These units are under an impediment in acquiring crude materials of imperative quality at sensible costs. They don't get the advantages of mass purchasing. For example, the handloom business is confronting deficiency of yarn. Little scale ventures likewise face lack of intensity because of which they can't make full usage of plant limit. Lion's share of them can't bear to introduce their own capacity creating plants to guarantee continuous activities.

3. Financial problems:

A wide range of business endeavors require adequate assets so as to meet their fixed just as working capital prerequisites. Fund is one of the basic contributions for development and improvement of the miniaturized scale, little and medium endeavors. They need credit support not just to run the venture and operational necessities yet in addition for broadening, modernization/up degree of offices, limit extension, and so forth.

5. Human resources:

The administrative abilities required for the administration of little/medium firms are not especially not the same as those essential in vast scale business. The administrative elements of arranging, sorting out, staffing, guiding and controlling are regular to both. Be that as it may, the scale on which different capacities are performed by proprietor and administrator are extraordinary and in little scale, the level of multifaceted nature is lower. The association structure of last firms is straightforward because of essence of couple of workers. The proprietor himself goes about as the supervisor and can practice individual control.

6. Infrastructure:

▪ Sufficient foundation offices are vital for the general advancement of each division of the economy. In the wake of advancement and globalization, its quality and significance for the best possible development of little and medium endeavors can't be disparaged. Both the Central and the State Governments are trying nonstop endeavors to redesign the infrastructural set up of the different States/Union Territories (UTs)/Districts of the nation. In spite of this, the little and medium scale business people are continually confronting the issue of infrastructural bottlenecks, which limits their everyday business activities just as their future development prospects.

Inadequate infrastructural offices makes the issue of intense deficiency of essential crude materials, particularly those which are rare and should be imported from far off spots, required by little and medium scale endeavors.

7. Marketing and export:

Out of a few issues looked by little and medium scale business visionaries, the nonappearance of sufficient showcasing and fare offices is one of their primary concerns. Practically a wide range of business ventures face promoting issues, however the little and medium scale endeavors face more prominent trouble in the showcasing and dispersion

marketing and distribution of their products. Some of these are:-

▪ Small and medium business people will in general face extreme challenge from the items and deals/advertising systems of extensive scale company's business visionaries. They, on occasion, think that its hard to adapt to substantial scale business people as far as cost, quality, gauges, fame, fulfilling regularly evolving needs/inclinations of purchasers, and so forth.

▪ Most of them don't have their own showcasing system. Along these lines, they eventually need to depend on outside hotspots for dispersing their items. This additionally will in general raise the expense of their items and administrations.

▪ Most of them don't have great information as well as understanding of different showcasing ideas and systems. Therefore, they can't see rapidly and precisely the overarching just as continually changing business sector patterns. Moreover, in spite of having tremendous possibilities of broad market for their items, they are principally reluctant to select productive showcasing methods.

▪ They likewise do not have the assets and assets required for viable deals advancement. Huge numbers of such undertakings can't stand to spend much on publicizing, deals advancement, statistical surveying, and so on.

▪ They think that its hard to move their yield at profitable costs in view of greater expense of generation and non-institutionalized nature of items.

They likewise need to move their items at disposable costs because of their feeble bartering power (particularly in managing huge purchasers) and dire needs of assets.

8. Increasing Completion:

A business visionary faces a few administrative issues in connection to generation, showcasing, foundation, financing, and so on. The essential reason for a large number of such issues is the presence of serious challenge in the market situation. Extensive scale firms/ventures that have enormous creation and circulation system, or undertakings that have generosity in the market or have protected innovation rights/institutionalization for their items or delivers vast scope of items and so forth., are bound to command the business condition in the nation. Conversely, little and medium scale endeavors chiefly bargain in one specific line of items, have little creation and conveyance arrange, and for the most part have no security for their items. Subsequently, in spite of having valuable and great quality items or having items like those delivered by substantial scale firms, they are generally not ready to make/hold interest for their items and will in general lose clients to huge scale endeavors attributable to vicious challenge.

9. Technology problems:

Lion's share of the little scale units utilize old systems of generation and obsolete hardware and gear. Up degree of the innovation and accomplishing economies of scale is one of the serious issues confronting the segment. They can't bear the cost of new machines and supplies and are consequently not in a situation to utilize the most recent procedures of creation. They don't think that its conceivable to lead innovative work on a proceeding with premise. Consequently, efficiency and quality in little scale firms will in general be low while unit cost of generation is commonly high.

CONCLUSION:

The MSMEs in India face a predicament because of extraordinary challenge from extensive ventures because of withdrawal of sponsorship, absence of framework, hostile to dumping strategy, challenges on item institutionalization, absolute quality administration and so forth. In spite of the fact that Globalization has expanded aggressiveness in Indian MSMEs to certain degree, still Indian MSMEs are not enough arranged to contend with the worldwide players. There has been an unequivocal change in demeanor of the Govt. from security to advancement of the MSMEs. The Govt. has taken a few arrangement activities yet needs to guarantee appropriate co-appointment and execution of such plans. The MSMEs must change over the dangers of globalization into circumstances through expanded profitability, item expansion, production network the board, Research and Development exercises.

REFERENCES:

1. Mali, D.D. (1998), 'Development of Micro, Small and Medium Enterprises of India: Current Scenario and Challenges', SEDME (Small Enterprises Development, Management and Extension) Journal, Vol.25, No.4.
2. Singh, R (2012), 'Small Scale Industry: An Engine of Growth', Zenith International Journal of Business Economics & Management Research, Vol.2 Issue 5. Online available at <http://www.zenithresearch.org.in>
3. Abida Ahsan (1992), "Problems and Prospects of the Growth of SSIs in the Valley of Kashmir", Unpublished M.Phil. Thesis in University of Kashmir, pp. 5-154.
4. Economic Survey (2008-09 & 2010-11), Directorate of Statistics and Economic planning, J&K Govt.