

Financial advisory services soon for small businesses

SME Chamber forms chapter for northern region

Our Bureau

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The Small and Medium Business Development Chamber of India (SME Chamber of India) announced on Wednesday the formation of its northern region chapter and the launch of its financial services division in association with Zwirn Pragati Cap-fin Ltd.

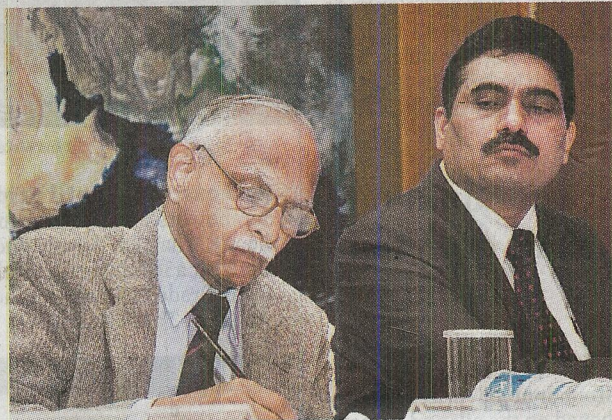
According to the chamber, the northern region chapter will be based in the Capital and will be headed by Mr A. Ramesh Kumar, who is also the chief architect of the financial services division.

Speaking at the launch, Mr Chandrakant Salunkhe, President, SME Chamber of India, said, "The financial services division would provide SMEs sound financial advisory services, help the management in raising funds through bank finance, private equity and joint venture/collaborations, provide assistance in the development of a financial model for long-term growth and provide a feedback at the end of every business quarter."

The chamber added that in SMEs with a turnover of Rs 5 crore to Rs 100 crore, it has been witnessed that all the key financial decisions are taken by the promoters and the directors.

These decisions are usually devised by accountants who do not have the vision to look forward towards growth and development and whose skills are limited in respect to the financial tools applicability exposure.

It further added that the



Dr Suresh Tendulkar, former Chairman of the Prime Minister's Economic Advisory Council, and Mr Chandrakant Salunkhe, President, SME Chamber of India, at a workshop on Six Sigma in the Capital on Wednesday. - Ramesh Sharma

Indian business environment is getting competitive, especially with the global economic downturn and the key to survival for the estimated 17 million SMEs, therefore, is to become even more competitive and productive.

It is imperative for them to do so, considering the fact that they have low shock absorption capacities, it said.

EXPORTS

According to industry estimates, they account for about 40 per cent of the country's industrial manufacturing output and 49 per cent of exports from the country.

Their growth higher than that of the entire industry put together, added the chamber.

"Every business is now catering to discerning customers and therefore it is time that organisations review their processes and practices and adopt quality as their

success mantra. Big businesses are embracing the quality revolution but SMEs are the worst hit because they are either taking time or finding it difficult to adopt best business and quality practices. Another stumbling block is the low importance that Indian SMEs attach to quality with a large percentage of them not being ISO (and in some case not even ISI) certified," said Mr A. Ramesh Kumar, Chairman, SME Chamber of India (Northern Region).

LEAN SIX SIGMA

He added that Lean Six Sigma, through its empirical methods, can enable SMEs to reduce wastage, reduce cycle time, sustain improvements, become customer oriented, lower manufacturing costs, enhance product or service quality and capture greater market share.