



A Study on MSME – Innovation with Reference to Incubation & Digitalization

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ABSTRACT

MSME Innovative is a new concept for MSMEs with a combination of innovation in incubation, design intervention and by protecting IPR in a single mode approach to create awareness amongst MSMEs about India's innovation and motivate them to become MSME Champions. This will act as a hub for innovation activities facilitating and guiding development of ideas into viable business proposition that can benefit society directly and can be marketed successfully.

Key words: MSME, IPR, Digital, Incubation

INTRODUCTION

The Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. It contributes significantly in the economic and social development of the country by fostering entrepreneurship and generating largest employment opportunities at comparatively lower capital cost, next only to agriculture. MSMEs are complementary to large industries as ancillary units and this sector contributes significantly in the inclusive industrial development of the country. The MSMEs are producing a wide range of products and services to meet demands of domestic as well as global markets. On an average this sector has almost 36 million units that provide employment to about 80 million individuals. This sector through the production of 8000 products contributes 8% to GDP of the country. The schemes & various initiatives of Ministry of MSMEs & other organisations seeks to

provide the following facilities: Adequate flow of credit from financial institutions/banks, Support for technology up-gradation and modernization, Integrated infrastructural facilities, Modern testing facilities and quality certification, Access to modern management practices, Entrepreneurship development and skill up gradation through appropriate training facilities, Support for product development, design intervention and packaging, Welfare of artisans and workers, Assistance for better access to domestic and export markets, and Cluster- wise measures to promote capacity-building and empowerment of the units and their collectives. The various commissions, institutions, organisations & acts has been setup by the concerned Ministry to promote & develop the various industries at micro, small and medium levels. Some of the important institutional setups are as: Micro, Small and Medium Enterprises Development (MSMED) Act 2006, Khadi & Village Industries Commission (KVIC), Coir Board,

National Small Industries Corporation (NSIC) Ltd., Mahatma Gandhi Institute for Rural Industrialization (MGIRI), National Board for Micro, Small and Medium Enterprises (NB MSME), and National Institute for Micro, Small and Medium Enterprises.

LITERATURE REVIEW.

(Frederick et al. 2016). Theoretical Foundations of Entrepreneurship is the process of offering goods and services with added ingenuity to fulfill the growing needs of a community. The core of any entrepreneurial activity lies in the ability to act on opportunities that lead to new services, products, and methods.

Geibel and Manickam 2017 Entrepreneurship is the action of an entrepreneur to create, accept risk, and invest in new economic endeavors. Thus, it is considered an effective means of addressing youth unemployment and self-sufficiency, which could be a source of economic growth and innovation in any country (Fisher 2012). Over the past decades, several theoretical perspectives emerged to describe the logic and behavior underlying the entrepreneurial process, as well as the difference between traditional and alternative approaches to entrepreneurship (e.g., effectuation, entrepreneurial bricolage, the creation perspective, and user entrepreneurship)

(Belitski et al. 2021) Meanwhile, with the recent COVID-19 crisis, scholars have adopted theories to better understand and explain the economic effects of the pandemic on small businesses across different countries, firm sizes, and the severity of the crisis (e.g., disaster theory, resilience, dynamic capability-ties, and digitalization).

Sarasvathy (2001) We adopt these theories to explain the basis of our investigation on the drivers and barriers of digital innovation in MSMEs during the pandemic. First, the Effectuation Theory as described by suggests that under conditions of uncertainty, entrepreneurs adopt a decision logic that is different from that explained by a traditional, more rational model of entrepreneurship. A recent study by

OBJECTIVES OF THE STUDY:

1. To study in detail about the innovative concepts in MSME in India.
2. To know the performance of the innovative concepts in MSME in India.

Research Methodology

The study is based on secondary data that has been collected from various secondary sources such as magazines, annual reports, department of MSMEs & various other published reports. **Analysis of Data**

MSME-Innovative (IPR)

A Grant of up to Rs. 1 crore would be provided to an IPFC in

Milestone-based (three or more) installments Reimbursement for registration of Patent, Trademark, Geographical Indications (G.I.), and Design:

The maximum financial assistance to the eligible applicants under the IPR component is as follows:

- i. Foreign Patent: up to Rs. 5.00 lakh
- ii. Domestic Patent: up to Rs. 1.00 lakh
- iii. GI Registration: up to Rs. 2.00 lakh
- iv. Design Registration: up to Rs. 0.15 lakh
- v. Trademark: up to Rs. 0.10 lakh

The objective of the scheme is to improve the IP culture in India with the following interventions:

1. To enhance the awareness of Intellectual Property Rights (IPRs) amongst the MSMEs and to encourage creative intellectual endeavor in Indian economy;
2. To take suitable measures for the protection of ideas, technological innovation and knowledge-driven business strategies developed by the MSMEs for their commercialization and effective utilization of IPR tools.

Fund Allocation (2022-23) : Rs. 11.65 crore*

(*The total BE under MSME Champions Scheme is Rs. 50.72 crore)

Intended Beneficiaries: The applicant/entity/unit must have a valid Udyam Registration.

Implementation: Through the Offices of Development Commissioner (MSME), Ministry of MSME

Expenditure (as on 31-12-2022) : Rs. 4.43 crore

Achievement/Status:

- i. No. of IP Facilitation Centre's On-boarded: 88
- ii. No. of Reimbursement for Patent: 108
- iii. No. of Trademark reimbursement: 863
- iv. No. of Design reimbursement: 37
- v. Awareness Programme: 67
- vi. National level workshop: 1
- vii. Official Training: 5

MSME-Innovative (Digital)

The objective of the “Digital MSME” Scheme is to bring in digitization and digitalization. The scheme strives to make MSMEs digitally empowered and motivate them to adopt digital tools, applications and technologies in their production & business processes with a view to improve their competitiveness in domestic and global markets.

Nature of Assistance: Provisioning of a website/app for the MSMEs.

Providing pre-developed Enterprise Resource Planning (ERP) Suites to take care of the diverse requirements of the MSMEs viz. HRM, CRM, Financial Management, Raw Material Management

Intended Beneficiaries: All MSMEs registered with the UDYAM registration portal (of the Mo MSME) will be eligible to participate in “Digital MSME” Scheme.

Achievement/Status: Digital MSME scheme approved by Hon’ble Minister (MSME) on 12.10.2022.

The scheme will be launched shortly.

Nature of Assistance Cost of Implementation:

- Basic-Free;
- Intermediate-Rs.1,20,000/-;
- Advance-Rs.2,40,000/-;

I. Financial Assistance to group of MSME Units for adoption of Lean tools / techniques

II. Subsidy on cost of Implementation: 90% of Total Cost of Implementation Expenditure (as on 31-12-2022) : NIL

CONCLUSION:

MSME was playing an important role for the development of the economy. For that it was implementing the different innovative concepts for the development of the economy and to get the challenge for the outside of the economy

Conflict of interest statement

Authors declare that they do not have any conflict of interest.

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