

CHAPTER - FIVE

CONCLUSIONS & SUGGESTIONS

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CHAPTER V CONCLUSIONS & SUGGESTIONS

Conclusions & Suggestions

A. Conclusions

The data presented and analysis in the preceding chapter leads us to various findings which helps to understand the problems of small scale industries, in M.I.D.C. Miraj. They are also guiding points as to solve the problems of small scale units and going to get more efficiency, more profitability and planned development of small scale units.

In this concluding chapter some of the important findings of the study of the problems of small scale industries in M.I.D.C. Miraj are presented and few measures are suggested to improve or to how to minimize the problems in small scale units.

Problems of small scale industries

1. Raw materials

From the foregoing analysis and interpretation of data available from the selected 20 entrepreneurs and from the selected 50 employees of who are working in the Miraj M.I.D.C. It is find there are certain difficulties in the

way of their development. On the production front the main problems are the non-availability of cheap, quality and adequate raw materials. Direct types of industries require different types of raw materials. In case of engineering and job work industries they required costly raw materials that is steel, coal, casting etc. They also required more working capital funds. And also more transport cost has to paid for getting the raw materials.

As per the analysis of the data it found that increase of small scale industries only 35% of required raw materials are available in local market and the remaining 65% is purchase in state or nation market which cause to transportation cost and more working capital is required to investment in raw materials.

Mostly local marketing producing industries are depended 99% to 100% on indigenous raw materials which are available in local or district level market.

Another problem faced by small scale industries in case of raw materials is non-planning or no management of material management.

In case of chemical and plastic-rubber industries which are required some kind of imported raw materials. In that matte entrepreneur has to follow the government policy,

foreign exchange and large amount of working capital for the purchases of adequate raw materials for stock and continuous production.

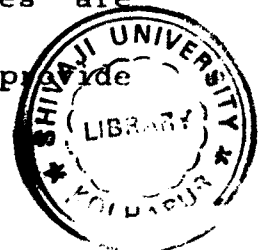
As per the survey taken and observation following are some of the problems in raw materials group.

- a. Non-availability of material in local market
- b. High cost of transportation
- c. Lack of material management technique
- d. Shortage of raw materials
- e. Middlemen problem.

2. Registration (License)

The registration or to get the permission to start new industries from government state or from D.I.C. is also not easy job in case of small entrepreneurs who are new in the industry line. In case of small entrepreneurs registration is one of the main problems. Mostly above 50% of the entrepreneur has not highly educated persons and they does not know how to make an approach and to get maximum facilities that the government announced. There is also problem of bureaucracy may be faced by 50% owner.

They also faced various problems at the time of getting a plot by M.I.D.C.-Miraj. The infrastructure facilities are not available quickly it taken more time to provide



facilities such as power, water, bank services and telephone service etc.

3. Financial problems

Mostly 90% of the small scale industries are facing the financial problems. Small scale industries required long term loan for the necessary investment in plant and machinery, building and other fixed assets and medium or short term loans for management of working capital.

As per the observation and research study it is found that out of 20 selected industries they have been invested 50% of their on family funds, 35% funds of total investment in industries are taken through MSFC. In case of working capital they have taken the loans from commercial banks and co-operative banks. They are totally given 5% of total funds by each categories.

Other problem is lag in sanction of loan, application . Generally 30% industries has taken upto 4 months for sanction of their loan application 40% of the industries has taking upto 6 months and 30% of units have not sanction their loan by institute or bank before the 6 months.

4. Problem technology

As per the observation and research work it is found

that there is lack of technology to be in small sector. Because of limited financial position it is not possible to small industrialist to investment large amount in modern technology and research in new technology.

As per the analysis of the problem 60 to 70% technology has been adopted by the engineering, cement and chemical industries but in food making and bakery products they used only 30 to 40% technology and all other activities to be done as per tradition way of materials, handle production of storage of goods.

Other point is small scale industries has producing traditional and local marketing goods in that case some time, use of technology is not possible.

5. Marketing problem

Marketing is also having major problem in small industries. As per research study it is found that there is no own distribution channel in small units. In the marketing there are problems of quality of goods, lack of quality control, poor finish, knowledge of market etc.

Mostly 80 to 90% of goods of small industries has been sold in local market at low rate. 15 to 25% of the total production of engineering and chemical are sole in state level market.

Generally they have sold their goods in Indian market, they have not exported their goods to foreign countries. For getting more profit and stability in business export business is necessary but it is not done by small industries because of low funds and low quality goods.

Other factor is the advertising of product for better marketing it necessary but small scale industries have followed only news papers and magazines media which is not so powerful media of advertising.

50% selected units have been publish their product on cloth and paper banners. They media is useful only for local market. Only 10% industries are followed the ratio advertising channel

No one industry of M.I.D.C-Miraj has been followed the T.V. advertising channel.

6. Management problem

The main problem of small scale industries is the management problem. In small scale industries owner and managers are same it few industries qualified managers are appointed. In case of management there are 4 ms that management of money material machine and men. 50% industries are managed by the traditional method. Modern management techniques are not followed by small scale industries.

25% entrepreneurs having one higher education, which is inadequate for modern management of industries 50% owner having education upto degree there are only 5% persons having technical and management course which is must for better management.

Faulty planning is another problem of management very few industries are doing their operations on the basis of careful plan.

Labour problem is part of management,tn problems. Personnel manager is not doing properly in small industries. Low production and high cost of production is the cause of rate of labour.

Cheap and skilled labours are not available easily. There are 24% labour having only primary education 54% having secondary only 10 to 12% worker having technical knowledge.

40% of worker are below the age of 35 years, 40% are in between to 36 years to 45 years old. And above 46 are only 20% of the total employees of the organisation.

In case of problem of wage and salary administration it is found that 70% employees are not satisfied with their existing salary which they are getting now.

Bonus is given from 12% to 14.5% to the employees.

There is lack of workers-participation in management.

Labour welfare facilities such as medical, rest room, canteen, loan facilities have been provided to some extent, but there is not special training, housing loan, education facilities of the child of workers. Transport and long term loan to employees are not provided.

7. Sickness in small scale industries

As per the observation and survey taken it is found that in M.I.D.C-Miraj there are 90 industries are in working out of that there only 3 has announced as sick units by MSFC -Sangli branch. There is only 3.33% industries having a problem of sickness.

It is found that mostly 52% industries having cause of management for their sickness 23% units having sick because of market recession. 14% having because of faulty planning in the organisation.

b. Suggestions

Following are some of the suggestion for solving the problems of small industries.

1. Entrepreneur do not possess adequate knowledge, of registration, license and getting export permission. Therefore it suggested that government should create a special agencies or department which of small entrepreneurs

with low rate of cost.

2. Availability of material, quality of raw materials and shortage of raw materials there should be control of government.

3. Prices of raw materials should be fixed by government.

4. There should be one 'Material Bank' for the small scale industries of M.I.D.C-Miraj which will supply quality goods at reasonable prices. It will reduce cost of transport and middlemen commission.

5. Government should have to give technological assistance to small scale industries with minimum cost.

6. There should be one research and technical board for every branch of M.I.D.C-Miraj area or of one industrial centre which will be helpful to small industries for better productivity.

7. Provision for minimum and fair wages to employees working in small scale industries.

8. There should be separate personnel department to deal with all labour problems.

9. there should be one hospital for M.I.D.C-Miraj area for workers which will be governed by E.S.I. scheme.

10. The availability of cheap and regular supply of power for small scale industries is necessary.

11. For the problem of marketing entrepreneur has to give due attention to the price of product and quality of product.

12. there should be adequate training to unskilled labour of more productivity and quality goods production.

13. Advertising of marketing of goods is not adequate. It is necessary to follow modern advertising media.

14. There should be proper material handling and systematic storage system.

15. The government should accord priority in allocation of scare raw materials, extending the marketing assistance and to give maximum concessions to small scale units.