



THE WORLD BANK

Raising and Accelerating MSME Performance



Transforming SHGs to MSMEs

Training Module



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TRANSFORMING SHGs to MSMEs

PROGRAM SCHEDULE

COURSE CURRICULUM

NOTES



PROGRAM SCHEDULE

This detailed schedule offers a robust framework for a 2-day workshop aimed at transforming SHGs into MSMEs. Below is an analysis and highlight of key aspects that ensure its effectiveness:

Day 1: Awareness and Information on MSME Benefits and Schemes

Objective:

To educate SHGs about the advantages of becoming MSMEs and familiarize them with government schemes.

1. Registration (9:30 AM - 10:00 AM):

Allows for an organized start and collection of participant data for follow-up.

2. Session 1: Awareness on MSME Benefits (10:00 AM - 11:30 AM):

- Covers critical topics such as MSME status, access to financial support, and market opportunities.
- Interactive methodology and group discussions ensure engagement.

3. Session 2: MoMSME Schemes for SHGs (11:45 AM - 1:15 PM):

- Detailed overview of schemes like PMEGP, SFURTI, Stand-Up India etc.
- Focus on inclusivity by addressing SC/ST/Women-specific schemes.

4. Session 3: Udyam Registration Process (2:15 PM - 3:30 PM):

- Practical hands-on session ensures SHGs can independently navigate registration.
- Live demonstrations and activities enhance learning retention.

5. Session 4: Post-Registration Compliance and Benefits (3:45 PM - 5:00 PM):

- Focus on compliance and leveraging post-registration benefits prepare SHGs for sustained success.
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Day 2: Skill Development, Branding, and Market Readiness

Objective:

To empower SHGs with practical skills for product standardization, branding, and market engagement.

1. **Session 1: Product Standardization and Quality Control (10:00 AM - 11:30 AM):**
 - Emphasizes maintaining high-quality standards, a cornerstone for market credibility.
 - Hands-on activities make this highly actionable.
2. **Session 2: Innovative and Cost-Effective Packaging Solutions (11:45 AM - 1:15 PM):**
 - Packaging strategies promote branding and sustainability.
 - Interactive design exercises ensure practical understanding.
3. **Session 3: Branding and Identity for MSMEs (2:15 PM - 3:30 PM):**
 - Focuses on crafting a strong brand identity.
 - Role-playing and case studies provide real-world insights.
4. **Session 4: Market and Export Readiness (3:45 PM - 5:00 PM):**
 - Prepares SHGs for both local and international markets.
 - Case studies highlight successful transitions and inspire participants.

Strengths of the Schedule

- **Comprehensive Coverage:** Topics range from foundational knowledge to advanced skills like branding and export readiness.
- **Interactive Activities:** Keeps participants engaged while ensuring practical skill-building.
- **Inclusivity:** Special attention to marginalized groups ensures accessibility.
- **Balanced Structure:** Combines informative sessions, hands-on activities, and expert-led discussions.

This well-structured agenda is ideal for SHGs looking to transition into MSMEs, combining knowledge dissemination with actionable outcomes.



COURSE CURRICULUM

Awareness and Information on MSME Benefits and Schemes

Module 1: Introduction and Overview

- **Objective:** Ensure smooth onboarding and set the context for the workshop.
- **Topics Covered:**
 - Participant registration and orientation.
 - Overview of workshop objectives and agenda.

Module 2: Awareness on MSME Benefits

- **Objective:** Introduce SHGs to the advantages of becoming MSMEs.
- **Topics Covered:**
 - Definition and benefits of MSME status.
 - Access to financial support, market opportunities, and government incentives.
 - Interactive group discussions for engagement.

Module 3: Government Schemes for SHGs

- **Objective:** Familiarize participants with Ministry of MSME (MoMSME) schemes.
- **Topics Covered:**
 - PMEGP, SFURTI, Stand-Up India, and other key initiatives.
 - Focus on inclusive schemes targeting SC/ST/Women groups.

Module 4: Udyam Registration Process

- **Objective:** Equip participants to independently complete the Udyam registration process.
- **Topics Covered:**
 - Step-by-step registration procedure.
 - Live demonstrations and guided activities.



Module 5: Post-Registration Compliance and Benefits

- **Objective:** Prepare SHGs for post-registration success.
 - **Topics Covered:**
 - Compliance requirements.
 - Leveraging benefits like subsidies, credit, and tax incentives.
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Skill Development, Branding, and Market Readiness

Module 6: Product Standardization and Quality Control

- **Objective:** Promote high-quality standards for market credibility.
- **Topics Covered:**
 - Importance of product standardization.
 - Hands-on activities for quality control practices.

Module 7: Innovative and Cost-Effective Packaging Solutions

- **Objective:** Enhance branding and sustainability through packaging.
- **Topics Covered:**
 - Role of packaging in branding and product appeal.
 - Sustainable and cost-effective packaging strategies.
 - Interactive design exercises.

Module 8: Branding and Identity for MSMEs

- **Objective:** Build a strong brand identity for SHGs.
- **Topics Covered:**
 - Principles of branding.
 - Case studies and role-playing activities.



Module 9: Market and Export Readiness

- **Objective:** Prepare participants for local and global market engagement.
 - **Topics Covered:**
 - Market research and penetration strategies.
 - Export readiness and international market access.
 - Inspirational case studies of successful SHGs.
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Key Features of the Curriculum

1. **Comprehensive Content:** Covers the journey from awareness to market readiness.
2. **Practical Approach:** Hands-on sessions, live demonstrations, and interactive exercises.
3. **Inclusivity:** Addresses the needs of marginalized groups.
4. **Balanced Design:** Merges theoretical knowledge with actionable skills.

This curriculum ensures SHGs are equipped with the knowledge and tools necessary for a successful transition into MSMEs, enabling sustainable growth and market success.



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Session 1: Awareness on MSME Benefits,

1. Definition and Classification of MSMEs

Micro, Small, and Medium Enterprises (MSMEs):

MSMEs are categorized based on their **investment in plant and machinery/equipment** and **annual turnover**:

- **Micro Enterprises:**
 - Investment: Up to ₹2.5 crore.
 - Turnover: Up to ₹10 crores.
- **Small Enterprises:**
 - Investment: Up to ₹25 crores.
 - Turnover: Up to ₹100 crores.
- **Medium Enterprises:**
 - Investment: Up to ₹125 crores.
 - Turnover: Up to ₹500 crores.

Revised Classification (2020):

The government revised the classification to remove the distinction between manufacturing and service sectors, ensuring a uniform classification system for inclusivity and growth.

Importance in the Economy:

- MSMEs contribute **30% to India's GDP** and **45% to exports**.
 - Provide employment to over **11 crore people** across the country.
 - Act as a critical growth engine, bridging gaps between rural and urban economic development.
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2. Advantages of MSME Status

2.1. Access to Credit (Priority Sector Lending):

- MSMEs are given special priority under RBI's **Priority Sector Lending (PSL)** norms, ensuring easier access to credit at lower interest rates.
- Financial institutions offer collateral-free loans under schemes like:
 - **Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGTMSE):** Secured loans up to ₹2 crores.
 - **Stand-Up India:** Loans targeted at women entrepreneurs and SC/ST groups.

2.2. Tax Benefits and Subsidies:

- MSMEs enjoy **tax relief under Income Tax Act provisions:**
 - Presumptive taxation scheme reduces compliance burden.
 - Investment-linked deductions under Section 35AD.
- Government subsidies include:
 - Technology upgrades under the **CLCSS (Credit Linked Capital Subsidy Scheme)**.
 - Financial support for attending domestic and international trade fairs.

2.3. Government Tenders and Global Recognition:

- MSMEs are entitled to **25% procurement reservations in government tenders**.
 - Exemption from Earnest Money Deposit (EMD) and relaxed eligibility criteria.
 - Membership opportunities with platforms like the **World Trade Organization (WTO)** and **UN's ITC (International Trade Centre)** enable MSMEs to gain global visibility.
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3. Market Opportunities

3.1. Local Opportunities:

- MSMEs support local economies by leveraging resources and catering to community-specific needs.
- Example: SHGs producing eco-friendly handicrafts for local markets.

3.2. National Opportunities:

- Partnerships with larger enterprises for supply chain integration.
- Platforms like **Government e-Marketplace (GeM)** promote MSME products at a national level.

3.3. International Opportunities:

- Participation in global trade fairs and export-oriented schemes like **SEIS (Service Export from India Scheme)**.
- Certification support for international quality standards like ISO, HACCP, etc.

Case Studies:

1. **SHG to MSME Transition – Story of Rural Women in Gujarat:**

A self-help group making organic soaps leveraged MSME schemes to expand nationally. Through branding and quality certification, they entered international markets.

2. **Kerala's Handloom SHGs:**

SHGs transformed into MSMEs, supported by MoMSME subsidies, gaining recognition at export fairs.



4. Engagement Techniques

4.1. Group Discussions:

- Participants are divided into smaller groups to discuss the benefits of becoming MSMEs, including personalized relevance.
- Discussion prompts:
 - “What market challenges do you face as SHGs?”
 - “Which MSME benefit could address these challenges?”

4.2. Activity: Identify Potential Markets for SHG Products

- **Objective:** To help participants think about specific market opportunities for their products.
- **Steps:**
 1. List SHG products/services on a whiteboard.
 2. Guide participants to brainstorm potential buyers (local businesses, wholesalers, online platforms).
 3. Categorize identified markets into local, national, and international.

Expected Outcome:

Participants will have a better understanding of how their products can cater to multiple markets and how MSME benefits can support market access.

The session on **Awareness on MSME Benefits** aims to bridge the knowledge gap, empowering SHGs to understand their potential as MSMEs. By focusing on definitions, advantages, and market opportunities, SHGs can take concrete steps toward formalization, leveraging MSME benefits for growth and sustainability.



Session 2: MoMSME Schemes for SHGs

1. Overview of Major Schemes

1.1. Prime Minister's Employment Generation Program (PMEGP)

Description:

PMEGP is a credit-linked subsidy programme designed to generate self-employment opportunities by establishing micro-enterprises in the non-farm sector. The scheme is implemented by the Khadi and Village Industries Commission (KVIC) at the national level, and at the state level through various organizations like the State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs), District Industries Centres (DICs), and banks.

Nature of Assistance:

1. Setting Up of New Micro Enterprises (Units):

- **Manufacturing Sector:** Maximum project/unit cost admissible is ₹50 lakh.
- **Business/Service Sector:** Maximum project/unit cost admissible is ₹20 lakh.

2. Upgradation of Existing Units:

- **Manufacturing Sector:** Maximum project/unit cost admissible for Margin Money subsidy is ₹1 crore.
- **Business/Service Sector:** Maximum project/unit cost admissible for Margin Money subsidy is ₹25 lakh.

Categories of Beneficiaries under PMEGP:

1. For Setting Up New Enterprises:

Category	Beneficiary's Contribution	Rate of Subsidy
Urban (General Category)	10%	15%
Rural (General Category)	10%	25%
Urban (Special Category)	05%	25%
Rural (Special Category)	05%	35%

Special Categories include SC, ST, OBC, Minorities, Women, Ex-Servicemen, Transgenders, Differently abled, NER, Aspirational Districts, Hill, and Border areas.



2. For Upgradation of Existing Units:

Category	Beneficiary's Contribution Rate of Subsidy	
All Categories	10%	15%
NER and Hill States	10%	

Case Study:

An SHG in Tamil Nadu producing organic herbal soaps leveraged PMEGP to scale production. With the subsidy, they procured machinery and expanded into online retail platforms.

1.2. Credit Guarantee Scheme (CGS)

Objective:

The **Credit Guarantee Scheme (CGS)** was launched by the **Ministry of Micro, Small & Medium Enterprises (MSME)**, Government of India, to make **bank credit** available to **Micro and Small Enterprises (MSEs)** without the need for **collateral** or **third-party guarantees**. This initiative aims to support **first-generation entrepreneurs**, helping them set up their own businesses, by ensuring easier access to credit.

To operationalize this scheme, the **Government of India** and **SIDBI** (Small Industries Development Bank of India) established the **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)**. The trust provides **credit guarantee cover** to **Member Lending Institutions (MLIs)** such as banks and financial institutions against the credit facilities provided to MSEs, thus facilitating **credit flow** to this vital sector.

Guarantee Coverage Under CGS

The extent of **guarantee coverage** provided under the scheme varies depending on the loan amount and the category of the borrower. Below are the **coverage limits** for different borrower categories and loan amounts:

Maximum Extent of Guarantee Coverage:

Category	Maximum Guarantee Coverage	Credit Facility Limits
Micro Enterprises	85%	Up to ₹5 lakh



Category	Maximum Guarantee Coverage	Credit Facility Limits
	75%	Above ₹5 lakh & up to ₹50 lakh
	75%	Above ₹50 lakh & up to ₹500 lakh
MSEs located in North East Region, UT of Jammu & Kashmir & UT of Ladakh	80%	All credit limits
Women entrepreneurs / MSE promoted by Agniveers	90%	All credit limits
SC/ST entrepreneurs / Person with Disability (PwD) / MSEs situated in Aspirational District / ZED certified MSEs	85%	All credit limits
All other category of borrowers	75%	All credit limits

Additional Coverage for MSEs in Credit Deficient Districts:

From **December 15, 2023**, MSEs located in **Identified Credit Deficient Districts (ICDD)** as identified by the **RBI** will receive an **additional 5% guarantee coverage** over the applicable coverage. For example:

- If the original guarantee coverage is 75%, it will be increased to 80%.
- If the original guarantee coverage is 80%, it will be increased to 85%.
- If the original guarantee coverage is 85%, it will be increased to 90%.

Key Features:

- No Collateral or Third-Party Guarantees:**
The scheme ensures that **micro and small enterprises** can avail of credit without having to provide any **collateral** or **third-party guarantees**, making it easier for entrepreneurs to obtain loans.
- Guarantee Coverage by CGTMSE:**
The **CGTMSE** guarantees the credit extended by the lending institutions, thereby reducing the risk of defaults and encouraging banks and financial institutions to lend to MSEs.
- Wide Range of Borrower Categories:**
The scheme provides higher guarantee coverage for certain categories, such as **women entrepreneurs, SC/ST entrepreneurs, persons with disabilities, and MSEs in aspirational districts**.
- Support for First-Generation Entrepreneurs:**
The CGS is particularly beneficial for **first-generation entrepreneurs** who may not have the required collateral but have the potential to grow a successful business.



Conclusion:

The **Credit Guarantee Scheme (CGS)**, through the **CGTMSE**, plays a vital role in improving access to **credit for micro and small enterprises**, which are crucial for **economic growth** and **job creation**. By offering **collateral-free credit** and **guarantee coverage**, it supports **entrepreneurs**, especially **first-generation business owners**, in setting up and growing their businesses. The scheme also promotes **financial inclusion** by providing a safety net for **lenders** against default risks.

1.3. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

Description:

The **Traditional Industries Clusters Development Scheme** is designed to organize and strengthen **traditional industries** and their **artisans** by creating **cluster-based models** for **enhancing competitiveness, sustainability, and marketability** of products. The scheme aims to provide long-term solutions for **employment generation** and **socio-economic development** by addressing the challenges faced by traditional industries.

Key objectives of the scheme include:

- 1. Organizing Traditional Industries into Clusters:**
The scheme aims to bring together artisans and industries into **clusters** to enhance their **collective strength** and enable them to compete in the market effectively.
- 2. Supporting Sustainability:**
The focus is on providing **long-term sustainability** to traditional industries by enhancing their productivity, employability, and market reach.
- 3. Skill Development:**
Traditional artisans are equipped with **improved skills** to adapt to new technologies and processes, thus improving the quality of products and their marketability.
- 4. Provision of Common Facilities:**
The scheme also supports **common facilities**, such as **tools, equipment, and technology**, to improve the production process.
- 5. Strengthening Cluster Governance:**
Active participation from **stakeholders** (artisans, government bodies, NGOs, etc.) is encouraged to **strengthen governance structures** within the clusters.
- 6. Innovative and Traditional Skill Integration:**
The scheme fosters the integration of **innovative technologies** and **advanced processes** with **traditional craftsmanship**, promoting a **sustainable and forward-thinking** approach.



7. Public-Private Partnerships (PPP):

The scheme encourages new models of **public-private partnerships** to foster **collaboration** between various sectors in supporting the growth of traditional industries.

Nature of Assistance:

- **Financial Assistance:**

The scheme provides financial support to specific projects with a **maximum limit of ₹8 crore**. This assistance is used to support both **soft interventions** (such as training and skill development) and **hard interventions** (like the provision of equipment and infrastructure) within the clusters.

- **Support Areas:**

Assistance is provided for the following types of interventions:

- **Soft Interventions:** Skill enhancement, capacity building, market research, and governance systems.
- **Hard Interventions:** Infrastructure development, provision of common facilities, tools, and equipment.
- **Thematic Interventions:** Focused efforts on improving technologies, processes, and market access.

Who Can Apply?

The following entities can apply for financial assistance under the scheme:

1. **Non-Government Organizations (NGOs)**
2. **Central and State Government Institutions**
3. **Semi-Government Institutions**
4. **Field Functionaries of State and Central Governments**
5. **Panchayati Raj Institutions (PRIs)**
6. **Private Sector Entities** (can form **cluster-specific Special Purpose Vehicles (SPVs)**)
7. **Corporates**
8. **Corporate Social Responsibility (CSR) Foundations**
 - These entities should have expertise in **cluster development** and be able to implement the objectives of the scheme effectively.

Conclusion:

The **Traditional Industries Clusters Development Scheme** seeks to **modernize** and **revitalize** traditional industries by creating **self-sustaining clusters**. It offers **financial assistance** to improve both the **skills** and **infrastructure** of artisans and businesses in these clusters. The scheme ultimately aims to strengthen **local economies**, provide **employment opportunities**, and ensure the **long-term**



sustainability of traditional industries through a combination of **public-private collaboration** and **innovative solutions**.

Example:

An SHG in Assam producing bamboo handicrafts became part of a SFURTI cluster. With the scheme's assistance, they enhanced product quality and gained access to urban markets.

1.4. Stand-Up India Scheme

Objective:

The **Stand-Up India Scheme** aims to facilitate **bank loans** between **₹10 lakh** and **₹1 crore** to at least one **Scheduled Caste (SC)** or **Scheduled Tribe (ST)** borrower and at least one **woman borrower** per **bank branch** for setting up a **greenfield enterprise**. This enterprise can be in the **manufacturing, services, or trading** sectors.

- **Greenfield enterprise** refers to a **first-time venture** in the manufacturing, services, or trading sector, meaning the business should be a new setup.
 - In case of **non-individual enterprises**, at least **51%** of the shareholding and controlling stake must be held by either an **SC/ST** or **woman entrepreneur**.
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Repayment:

- **Repayment Period:** The loan must be repaid within **7 years**, with a **maximum moratorium period of 18 months**.
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Working Capital:

- For working capital requirements **up to ₹10 lakh**, it may be sanctioned as an **overdraft**.
 - For working capital **above ₹10 lakh**, it will be sanctioned in the form of a **Cash Credit limit**.
 - A **Rupay debit card** will be issued for the **borrower's convenience**.
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Margin Money:

- The scheme requires a **25% margin money**.
- The **borrower must contribute at least 10%** of the total project cost as their **own contribution**.



- The margin money can be met in convergence with other eligible **Central/State Government schemes** that offer subsidies or support for meeting the margin requirement.

Eligibility:

1. **Entrepreneurs:**
 - SC/ST and/or **woman entrepreneurs** aged **18 years or older**.
2. **Greenfield Project Requirement:**
 - Loans are provided for **greenfield projects**, which refer to first-time ventures in the **manufacturing, services, or trading** sectors.
3. **Non-Individual Enterprises:**
 - In case of non-individual enterprises, at least **51%** of the **shareholding and controlling stake** must be held by **SC/ST and/or woman entrepreneurs**.
4. **Borrower Criteria:**
 - The borrower must not be **defaulting** on any loans from **banks or financial institutions**.

Nature of Loan:

- **Composite Loan:**

A composite loan consisting of both **term loan** and **working capital** will be sanctioned between **₹10 lakh and ₹1 crore**.
- **Loan Amount:**

The loan amount will cover **75% of the project cost**, including both term loan and working capital.
- The 75% loan coverage may not apply if the **borrower's own contribution** and **convergence support from other schemes** exceed **25% of the project cost**.

Interest Rate:

- The interest rate will be the **lowest applicable rate** for the respective borrower category (based on the bank's rating).
- The interest rate will not exceed the following formula:
Base Rate (MCLR) + 3% + Tenor Premium.

Security:

- **The loan will be secured by:**
 - **Primary security.**
 - **Collateral security or guarantee** under the **Credit Guarantee Fund Scheme for Stand-Up India Loans (CGFSIL)**, as decided by the bank.



Conclusion:

The **Stand-Up India Scheme** is a crucial initiative by the **Government of India** aimed at supporting **SC/ST and woman entrepreneurs** in setting up new enterprises in the **manufacturing, services, or trading sectors**. By offering financial support with easy terms, including **working capital and term loans**, the scheme promotes **entrepreneurship** and **economic growth**. The focus on **greenfield projects** ensures that the loans are used for **new businesses**, encouraging innovation and self-reliance.

- **How It Empowers SHGs:**

- Provides a financial foundation to marginalized groups within SHGs.
- Encourages diversification into new industries.

Case Study:

An SHG led by tribal women in Jharkhand started a small-scale food processing unit with support from the Stand-Up India scheme. The loan helped them build a factory and expand distribution to nearby towns.

2. Inclusivity in Policies

2.1. SC/ST and Women-Specific Provisions

Government Focus:

Special provisions ensure that marginalized communities benefit from MSME schemes:

- Higher subsidies under PMEGP for SC/ST entrepreneurs.
- Priority access to loans under Stand-Up India.

Examples of Inclusivity:

1. **SC/ST Entrepreneurs:**

- A bamboo craft SHG in Chhattisgarh received a 35% subsidy under PMEGP. The group expanded operations, creating jobs for other marginalized communities.

2. **Women-Led SHGs:**



- In Kerala, a women-led SHG received financial aid under Stand-Up India to establish an eco-friendly bag manufacturing business.

2.2. Empowerment Through Skill Development

- Programs like SFURTI provide training for traditional artisans, improving productivity and quality.
 - SHGs are encouraged to upskill members to adapt to modern market demands.
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3. Interactive Session

3.1. Brainstorming Activity: Suitability for Specific Schemes

Objective:

To help participants identify schemes best suited for their business goals.

Steps:

1. Introduce each scheme briefly, emphasizing eligibility criteria and benefits.
2. Provide participants with case studies of SHGs successfully using these schemes.
3. Ask participants to assess their SHG's current status, resources, and aspirations.
4. Facilitate a group discussion on which scheme aligns best with their needs.

Expected Outcome:

Participants gain clarity on how to approach and apply for specific schemes.

3.2. Role-Play Activity: Applying for Funding

Objective:

To simulate the process of applying for MSME schemes and improve understanding.

**Steps:**

1. Divide participants into small groups and assign roles: SHG representatives, bank officials, and government scheme coordinators.
2. Provide a mock application form and relevant documents required for the chosen scheme (e.g., Udyam registration, project proposal).
3. Have each group present their case to the "bank officials" and receive feedback.

Guidance for Role-Play:

- Focus on presenting the SHG's strengths and proposed business plan.
- Address questions about viability, repayment capability, and alignment with scheme objectives.

Outcome:

Participants develop practical skills for navigating funding processes and feel more confident approaching financial institutions.

This session equips SHGs with an understanding of MSME schemes tailored to their needs. By exploring PMEGP, SFURTI, and Stand-Up India, participants learn how to secure financial and developmental support. The emphasis on inclusivity ensures equitable access for marginalized groups, while interactive activities provide hands-on experience, enabling SHGs to take actionable steps toward enterprise growth.



Session 3: Udyam Registration Process

Below is a detailed 10-page guide for this session, structured to provide depth on the **Udyam Portal**, a practical exercise for hands-on learning, and a relevant case study to inspire participants.

1. Overview of Udyam Portal

1.1. What is Udyam Registration?

Udyam Registration is the official government registration process for MSMEs under the Ministry of Micro, Small, and Medium Enterprises (MoMSME). It replaced the earlier **Udyog Aadhaar Memorandum (UAM)** in 2020, simplifying and streamlining the process.

Why It Matters:

- Provides formal recognition to SHGs and micro-enterprises as MSMEs.
 - Facilitates easier access to government benefits like subsidies, loans, and market opportunities.
 - Acts as an entry point to avail advantages under government schemes.
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1.2. Step-by-Step Guide to Registration

Step 1: Accessing the Portal

- Visit the official Udyam Registration portal: <https://udyamregistration.gov.in>.

Step 2: Filling Out the Application

1. Basic Information:

- Select “New Entrepreneur” if the SHG hasn’t previously registered under Udyog Aadhaar.
- Provide Aadhaar details of the SHG leader or authorized representative.



2. Business Details:

- Name of the SHG or enterprise.
- Type of organization (e.g., Self-Help Group).

3. Bank Account Information:

- Include SHG's official bank account number and IFSC code.

4. Classification of Activities:

- Specify whether the SHG is involved in manufacturing, services, or both.

5. Investment and Turnover Details:

- Provide approximate values for investment in plant and machinery or equipment and annual turnover.

Step 3: Verification and Submission

- Enter the OTP sent to the registered mobile number linked to the Aadhaar.
 - Submit the form to generate a unique **Udyam Registration Number (URN)** and certificate.
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1.3. Benefits of Udyam Registration

1. Official Recognition:

- Establishes the SHG as a formal MSME, boosting credibility among banks, customers, and stakeholders.

2. Simplified Compliance:

- Eliminates the need for multiple registrations across schemes.
- Automates integration with other government databases like GST and Income Tax.

3. Access to Government Benefits:

- Priority Sector Lending (PSL) under RBI guidelines.
- Exemption from Earnest Money Deposits (EMD) and eligibility for various subsidies.

4. Ease of Doing Business:

- Participation in government tenders becomes easier with relaxed norms for MSMEs.



2. Practical Exercise

2.1. Live Demonstration Using the Portal

Objective:

To familiarize participants with the online registration process, ensuring they can navigate the portal independently.

Preparation:

- Ensure participants have access to laptops, mobile devices, and a stable internet connection.
- Provide a checklist of required documents:
 - Aadhaar card of the SHG leader.
 - SHG bank account details.
 - Approximate investment and turnover details.

Demonstration Steps:

1. Open the Udyam Registration portal and explain the homepage.
2. Walk participants through each registration step, explaining fields and dropdown menus.
3. Highlight key tips:
 - Double-check Aadhaar details to avoid mismatches.
 - Use accurate turnover data to ensure eligibility for benefits.
4. Generate a sample Udyam Registration Certificate to showcase the final output.

2.2. Common Challenges and Solutions

Challenge 1: Aadhaar Mismatches

- **Solution:** Ensure Aadhaar details are up-to-date and match bank records.



Challenge 2: Incomplete Information

- **Solution:** Provide participants with a pre-session checklist to gather all necessary data beforehand.

Challenge 3: Technical Issues on the Portal

- **Solution:** Encourage participants to contact the **Udyam Helpline** or use their local MSME Development Center for assistance.

Challenge 4: Understanding Classification

- **Solution:** Offer examples to clarify manufacturing vs. service-based classifications.
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3. Case Study: Successful Udyam Registration

3.1. Background

An SHG in Odisha, specializing in handwoven textiles, faced challenges in accessing government support. They needed formal MSME recognition to apply for loans and subsidies to expand operations.

3.2. Registration Process

1. The SHG leader attended a training session on Udyam Registration.
2. With the necessary documents (Aadhaar card, turnover data), the SHG successfully registered as an MSME.
3. The process took less than 30 minutes, and they received their Udyam Registration Certificate the same day.



3.3. Outcomes

1. Access to Benefits:

- Secured a collateral-free loan of ₹5 lakhs under CGTMSE.
- Availed a subsidy for equipment under the PMEGP scheme.

2. Business Expansion:

- Increased production capacity with the purchased equipment.
- Gained entry into government tenders for supplying uniforms to state-run schools.

3. Recognition and Growth:

- Enhanced credibility helped the SHG partner with urban retailers.
- Revenue increased by 30% within a year.

This session equips SHGs with a comprehensive understanding of Udyam Registration, empowering them to formalize their enterprises and access the full spectrum of MSME benefits. By combining an overview of the portal, practical exercises, and real-life examples, participants are better prepared to take actionable steps toward growth.

Session 4: Post-Registration Compliance and Benefits

This session focuses on compliance requirements after registering as an MSME, how to maximize benefits, and hands-on activities to reinforce learning. Below are detailed notes for each component.

1. Compliance Requirements

1.1. Importance of Compliance for MSMEs

Compliance ensures that the MSME maintains its status and remains eligible for various government schemes, tax benefits, and other support. Failing to comply can lead to penalties, loss of benefits, or deregistration.



1.2. Key Compliance Areas for MSMEs

A. GST Registration

1. Who Needs GST Registration?

- MSMEs with an annual turnover exceeding ₹40 lakhs (₹20 lakhs for service sector enterprises).
- MSMEs engaged in inter-state supply of goods or services.

2. Steps to Register for GST:

- Visit the GST portal: <https://www.gst.gov.in>.
- Provide Aadhaar, PAN, bank details, and business information.
- Obtain a 15-digit GSTIN (Goods and Services Tax Identification Number).

3. Benefits of GST Registration for MSMEs:

- Input tax credit to reduce overall tax liability.
 - Eligibility for e-commerce platforms and government contracts.
-

B. Income Tax Filings

1. Requirements:

- Annual filing of Income Tax Returns (ITR).
- MSMEs earning over ₹1 crore (or ₹50 lakhs for professionals) must maintain tax audits.

2. Process:

- File ITR-3 (for proprietors) or ITR-6 (for companies).
- Submit through the Income Tax e-filing portal: <https://www.incometax.gov.in>.

3. Penalties for Non-Compliance:

- Late filings may attract fines ranging from ₹1,000 to ₹10,000.
-



C. Annual Audits

1. When Audits Are Necessary:

- Mandatory for MSMEs exceeding specified turnover thresholds.
- Beneficial even for smaller MSMEs to establish credibility with lenders and investors.

2. Audit Process:

- Engage a Chartered Accountant.
 - Ensure books of accounts, invoices, and financial statements are maintained accurately.
-

1.3. Maintaining Eligibility for Schemes and Benefits

1. Regular Updates on Udyam Portal:

- Update turnover and investment details annually.
- Verify GST and IT integration to avoid disqualification.

2. Compliance with Scheme-Specific Requirements:

- For example, schemes like PMEGP require periodic submission of utilization reports for approved funds.

3. Renewals:

- Some benefits, such as export certifications or subsidies, may require renewal every few years.
-

2. Leveraging Benefits

2.1. Networking Opportunities

1. Access to MSME-Specific Forums:

- Join chambers of commerce or trade associations for MSMEs.



- Participate in government-organized exhibitions, fairs, and events like MSME Conclaves.

2. Building Partnerships:

- Collaborate with other MSMEs to share resources, technology, or market access.
 - Use online platforms like **MSME Sampark** to connect with buyers and financial institutions.
-

2.2. Tender Participation

1. Government Tenders for MSMEs:

- MSMEs are exempt from **Earnest Money Deposits (EMDs)** and enjoy concessions on tender fees.
- Access opportunities through the Government e-Marketplace (GeM) portal.

2. Preparation for Tenders:

- Maintain a detailed business profile, including turnover, GSTIN, and Udyam Registration Certificate.
 - Focus on quality certifications like ISO to enhance credibility.
-

2.3. Market Access and Expansion

1. Local and National Markets:

- Use MSME schemes like **Marketing Assistance and Technology Upgradation (MATU)** to participate in trade fairs.
- Partner with state-run agencies for distribution in rural markets.

2. Export Opportunities:

- Leverage subsidies for export promotion schemes like **Merchandise Exports from India Scheme (MEIS)**.
- Register with the **Export Promotion Council** for additional support.



3. Activity: Mock Compliance Checklist Preparation

Objective:

To provide participants with a practical understanding of compliance requirements by creating a checklist tailored to their SHG/MSME.

Steps to Conduct the Activity:

Step 1: Divide Participants into Small Groups

- Each group represents an SHG transitioning to an MSME.
 - Provide fictional business profiles (e.g., turnover, industry type, products) to simulate real-life scenarios.
-

Step 2: Introduce Compliance Categories

1. Basic Registrations:

- Udyam, GST, and PAN.

2. Financial Reporting:

- Maintain books of accounts.
- File GST and IT returns.

3. Eligibility Maintenance:

- Update Udyam details annually.
 - Adhere to scheme-specific conditions (e.g., fund utilization reports).
-



Step 3: Checklist Creation

- Groups list compliance tasks under each category, specifying timelines (monthly, quarterly, annually).
 - Highlight risks of missing compliance deadlines and propose mitigation strategies (e.g., setting calendar reminders).
-

Step 4: Presentation and Feedback

- Each group presents its checklist.
 - Facilitators provide feedback, emphasizing best practices and potential improvements.
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Sample Checklist for an MSME in Handicrafts:

Task	Frequency	Responsible Party	Remarks
GST filing	Monthly	SHG accountant	Ensure input tax credits are claimed.
IT filing	Annually	Chartered Accountant (CA)	Cross-check income declarations.
Udyam detail updates	Annually	SHG leader	Update turnover/investment records.
Scheme compliance reports	As required	SHG secretary	Attach necessary supporting documents.

By addressing compliance requirements and benefits, this session equips participants with the tools needed to sustain their MSME status. Activities like mock checklist preparation ensure that



SHGs/MSMEs can manage their obligations effectively, reducing risks and maximizing opportunities for growth.

Day 2: Skill Development, Branding, and Market Readiness

Session 1: Product Standardization and Quality Control

This session emphasizes the critical role of standardization and quality control in building market credibility, expanding market reach, and ensuring the sustainability of SHG enterprises transitioning to MSMEs. Below are detailed notes covering the **importance of standardization**, tools for quality control, and a practical **hands-on activity**.

1. Importance of Standardization

1.1. Why Standardization Matters

A. Enhances Marketability:

- Standardized products meet specific quality expectations, making them more appealing to consumers.
- Creates trust and confidence in both local and international markets.

B. Builds Brand Reputation:

- Quality consistency ensures customer satisfaction and loyalty.
- A strong reputation differentiates the business from competitors.

C. Enables Compliance with Legal and Industry Requirements:

- Adhering to standards prevents legal disputes and ensures smooth business operations.
- Compliant products can access government tenders and export opportunities.



1.2. Quality as a Key Differentiator in Markets

A. Competitive Advantage:

- High-quality products can command premium prices.
- Example: Handcrafted goods with superior finish and durability often outperform mass-produced items.

B. Consumer Trust:

- Consumers are more likely to purchase from brands known for consistent quality.
- Word-of-mouth recommendations boost sales.

C. Case Studies of Successful MSMEs:

1. A Rural Handicrafts SHG:

- Achieved success by introducing standardized designs, leading to bulk export orders.

2. A Food Processing MSME:

- Adhered to FSSAI and ISO standards, enabling product entry into major retail chains.
-

2. Tools for Quality Control

2.1. Certifications for Quality Assurance

A. ISO Certifications:

- **ISO 9001:** Focuses on quality management systems, ensuring customer satisfaction.
- **ISO 22000:** Applicable to food safety management systems for food-processing businesses.

B. Agmark Certification

- Ensures quality standards for agricultural and food products.
- Helps in branding as a reliable and high-quality producer.



C. BIS Certification:

- The Bureau of Indian Standards provides certifications for electrical products, textiles, and more.
-

2.2. Guidelines for Specific Industries

A. Food and Beverages:

1. FSSAI Guidelines:

- Mandatory licensing for food manufacturing units.
- Regular audits and hygiene checks.

2. Packaging Standards:

- Use of tamper-proof, biodegradable, or food-safe packaging materials.

B. Textile and Handicrafts:

1. Eco-Friendly Practices:

- Use of natural dyes and sustainable materials to appeal to environmentally conscious consumers.

2. Design Uniformity:

- Implementing design patterns and standard sizes across products.

C. Manufacturing Units:

1. Machine Maintenance:

- Regular checks to ensure accuracy and efficiency.

2. Standard Operating Procedures (SOPs):

- Documentation and adherence to consistent production practices.



3. Hands-On Activity: Quality Audit of Sample SHG Products

Objective:

To train participants in evaluating the quality of their products against industry standards and identifying areas for improvement.

Preparation:

- **Materials Required:**
 - A selection of SHG products (e.g., textiles, handicrafts, processed foods).
 - Checklist templates for quality audits.
 - Tools for measurement, such as callipers, weighing scales, and visual inspection aids.
 - **Session Setup:**
 - Divide participants into small groups of 5-6 members.
 - Assign each group a product category to audit.
-

Activity Steps:

Step 1: Introduction to Quality Audits

- Explain what a quality audit entails:
 - Visual inspection for defects.
 - Measurement against specified tolerances (e.g., weight, dimensions).
 - Packaging and labelling accuracy.
- Share examples of common quality issues and their impacts:
 - Defective stitching in textiles.



- Improper labelling on food products causing regulatory violations.

Step 2: Conducting the Audit

1. Visual Inspection:

- Check for defects such as irregular finishes, uneven coloring, or damaged packaging.

2. Measurement and Testing:

- For food products: Verify weight, volume, and seal integrity.
- For textiles: Measure dimensions and assess fabric quality.

3. Label and Documentation Review:

- Confirm that labels meet regulatory and industry requirements (e.g., manufacturing date, expiration, ingredients).

Step 3: Recording Observations

- Groups use the provided checklist to record findings for each product.

Parameter	Observation	Standard	Action Required
Visual Quality	Stitching uneven	Uniform stitching	Implement quality checks
Weight Accuracy	10% deviation detected	+/- 2% tolerance	Calibrate weighing scales
Label Compliance	Missing expiration date	Must include expiry	Update labelling process

Step 4: Presentation and Feedback

- Each group presents their findings, highlighting strengths and areas needing improvement.
- Facilitators provide constructive feedback and tips for rectifying issues.



Outcome of the Activity:

- Participants gain practical skills in conducting quality audits.
 - SHGs identify immediate actions to improve their product standards.
-

Conclusion

This session lays the foundation for SHGs transitioning into MSMEs to prioritize product standardization and quality control. By combining theoretical knowledge with practical application, participants are empowered to meet market demands confidently and enhance the reputation of their products.

Session 2: Innovative and Cost-Effective Packaging Solutions

This session explores the critical role packaging plays in product branding, marketability, and sustainability. It includes a discussion of best practices, an interactive exercise for designing packaging, and case studies highlighting the transformative power of effective packaging.

1. Role of Packaging in Branding and Sustainability

1.1. Packaging as a Tool for Branding

A. Visual Appeal:

- Packaging is often the first interaction consumers have with a product.
- Attractive designs can create strong first impressions, encouraging purchases.

B. Brand Identity:



- Consistent packaging reflects the brand's identity, values, and mission.
- Includes elements like logos, colours, fonts, and slogans.

C. Information Display:

- Packaging serves as a medium to convey essential details about the product:
 - Usage instructions, ingredients, manufacturing details.
 - Certifications (organic, eco-friendly, or fair trade).

D. Differentiation:

- Unique designs help products stand out on crowded retail shelves.
-

1.2. Functional Aspects of Packaging

A. Protection of Products:

- Ensures the safety of goods during transportation and storage.
- Prevents contamination, breakage, or spoilage.

B. Convenience:

- User-friendly packaging (resealable, lightweight) improves customer experience.
 - Examples: Easy-pour spouts for liquids or single-serve pouches.
-



1.3. Packaging and Sustainability

A. Why Sustainability Matters:

- Reduces environmental impact and attracts eco-conscious consumers.
- Aligns with government mandates for reducing plastic waste.

B. Sustainable Materials:

- Biodegradable: Materials like jute, paper, and plant-based plastics.
- Recyclable: Glass, aluminium, and certain types of plastics.

C. Cost-Effective Sustainable Designs:

- Minimalist designs reduce material usage and costs.
- Use of upcycled materials or locally available resources.

D. Certifications for Sustainable Packaging:

- Certifications such as **FSC (Forest Stewardship Council)** or **EcoLogo** indicate eco-friendliness.

2. Interactive Exercises: Designing Packaging

Objective:

To encourage creativity and practicality in designing packaging that aligns with branding goals and market requirements.

Activity Overview:

Participants work in teams to create packaging solutions for their products, focusing on sustainability, functionality, and aesthetics.



Step 1: Divide Participants into Groups

- Assign each group a sample product (e.g., handmade soap, packaged snacks, or textiles).
- Provide materials like paper, markers, cardboard, and recycled materials.

Step 2: Introduce Design Guidelines

1. **Focus on Branding:**
 - Incorporate elements such as the group's logo, colors, and taglines.
 2. **Emphasize Sustainability:**
 - Choose biodegradable or recyclable materials.
 3. **Prioritize Functionality:**
 - Ensure the design protects the product and enhances usability.
-

Step 3: Design and Presentation

- Groups sketch or create prototypes of their packaging ideas.
- Highlight how their design meets branding, functionality, and sustainability criteria.

Step 4: Feedback and Discussion

- Facilitators and participants discuss the designs, suggesting improvements and applauding creative approaches.
-

3. Case Studies: Packaging Transforming Product Appeal

3.1. Case Study 1: Traditional Snacks in Modern Packaging

**Background:**

An SHG producing regional snacks faced declining sales due to poor packaging that lacked appeal and functionality.

Packaging Solution:

- Introduced resealable pouches with vibrant, modern designs.
- Highlighted product authenticity with phrases like “Handmade with Love” and certifications (FSSAI).

Outcome:

- Increased sales by 30% in six months.
 - Attracted younger consumers and expanded into urban markets.
-

3.2. Case Study 2: Eco-Friendly Textiles**Background:**

A rural textile MSME packaged its eco-friendly fabrics in non-biodegradable plastic, contradicting its sustainable brand image.

Packaging Solution:

- Shifted to cloth bags made from scrap fabric.
- Added a tag detailing the environmental benefits of the product and packaging.

Outcome:

- Reduced packaging costs by 20% using upcycled materials.
- Boosted brand loyalty among environmentally conscious customers.



3.3. Case Study 3: Artisanal Soaps in Minimalist Packaging

Background:

An SHG producing organic soaps struggled with low visibility in high-end retail stores.

Packaging Solution:

- Introduced kraft paper wraps with hand-drawn designs and plant-based inks.
- Included seed paper labels that could be planted, reinforcing the brand's eco-friendly message.

Outcome:

- Gained premium shelf space in retail outlets.
- Positioned the product as a luxury item, allowing for higher pricing and increased profit margins.

4. Conclusion and Key Takeaways

1. Strategic Packaging Elevates Market Position:

- Thoughtful packaging improves consumer perception and enables access to premium markets.

2. Sustainability is a Priority:

- Eco-friendly designs reduce environmental impact while appealing to modern consumers.

3. Practical Exercises Foster Creativity:

- Designing packaging helps SHGs/MSMEs align their products with market expectations.

This session equips participants with the knowledge and skills to make packaging a powerful tool for business success.



Session 3: Branding and Identity for MSMEs

This session highlights the significance of branding in establishing a unique identity and creating market differentiation for MSMEs. Participants learn the key elements of branding, the art of crafting compelling brand narratives, and insights from successful rural enterprises. A role-playing activity ensures practical understanding.

1. Elements of Branding

1.1. Core Components of Branding

A. Logo:

- **Definition:** A symbol or design that represents the business.
- **Role:**
 - Creates instant recognition for the business.
 - Enhances memorability and communicates professionalism.
- **Best Practices:**
 - Keep it simple, memorable, and relevant to the product or service.
 - Use colors and fonts that align with the brand's identity.

B. Tagline:

- **Definition:** A short phrase encapsulating the brand's promise or mission.
- **Role:**
 - Acts as the brand's voice, expressing its value proposition.
 - Example: *"Empowering Handcrafted Excellence"* for a rural handicrafts SHG.
- **Tips for Crafting a Tagline:**
 - Keep it concise (3-5 words).
 - Focus on what makes the brand unique.



C. Visual Identity:

- **Definition:** The visual elements used to communicate the brand, including colors, fonts, packaging, and advertisements.
 - **Importance:**
 - Builds consistency across all marketing materials.
 - Enhances emotional connection with the target audience.
-

1.2. Importance of Storytelling in Branding

A. Why Storytelling Matters:

- People connect with stories, not just products.
- A compelling narrative differentiates the brand and builds trust.

B. Key Elements of a Brand Story:

1. **Origin:**
 - Share how the SHG/MSME started and its mission.
 - Example: “A group of rural women united to preserve traditional weaving techniques.”
2. **Challenges:**
 - Highlight obstacles overcome by the business to inspire consumers.
3. **Achievements:**
 - Showcase milestones, such as awards or certifications.

C. Market Positioning:

- **Definition:** The process of establishing a distinct place in the market relative to competitors.
- **Strategies:**
 - Focus on the product’s unique benefits.
 - Example: “Organic soaps crafted from locally sourced ingredients.”



2. Activity: Role-Playing – Drafting a Brand Narrative

Objective:

To help participants create a unique and engaging brand story for their SHG/MSME.

Step 1: Group Formation

- Divide participants into groups of 5-6 members.
 - Assign each group an SHG/MSME product category (e.g., food items, textiles, handicrafts).
-

Step 2: Guidelines for Crafting the Narrative

1. **Start with the Origin:**
 - Where and how was the SHG/MSME formed?
 - What problem did it aim to solve?
 2. **Introduce the Mission:**
 - What values drive the business?
 - How does it benefit customers or the community?
 3. **Add Human Touch:**
 - Include personal stories of members and their journey.
 - Example: A member's story of learning new skills and gaining financial independence.
 4. **Highlight the Future Vision:**
 - What does the SHG/MSME aspire to achieve?
 - Focus on innovation, growth, or sustainability.
-

Step 3: Role-Playing the Narrative



- Groups present their brand narrative to the audience, simulating a pitch to potential customers or investors.
-

Step 4: Feedback and Insights

- Facilitators provide constructive feedback on clarity, engagement, and alignment with branding goals.
 - Discuss how the narratives can be refined further for marketing purposes.
-

3. Insights from Real-World Case Studies

3.1. Rural Handicrafts Enterprise: Crafting Tradition into a Brand

Background:

- A rural SHG producing handwoven textiles struggled to find buyers in urban markets.

Branding Strategy:

1. Developed a logo inspired by traditional motifs.
2. Created a tagline: “*Threads of Heritage.*”
3. Focused on storytelling through social media, highlighting artisans and their craft.

Outcome:

- Attracted a premium urban customer base.
 - Expanded sales through online platforms.
-

3.2. Organic Farming MSME: From Farm to Brand

**Background:**

- An SHG involved in organic farming faced challenges competing with established brands.

Branding Strategy:

1. Designed eco-friendly packaging with earthy tones and images of rural farms.
2. Tagline: “*Nature’s Best, Straight to Your Table.*”
3. Highlighted the SHG’s sustainability efforts through video storytelling.

Outcome:

- Increased customer trust and loyalty.
 - Secured partnerships with organic food retailers.
-

3.3. Rural Dairy Cooperative: Positioning Purity and Freshness

Background:

- A dairy SHG needed to differentiate itself in a saturated local market.

Branding Strategy:

1. Created a mascot (a friendly cow character) to appeal to families.
2. Used a slogan: “*Pure Milk, Pure Smiles.*”
3. Positioned the brand as a community-driven initiative, emphasizing local sourcing and freshness.

Outcome:

- Gained a loyal local customer base and expanded into nearby urban areas.



4. Conclusion and Key Takeaways

1. Branding is an Investment:

- A strong brand builds recognition, trust, and loyalty, crucial for long-term success.

2. Storytelling Enhances Emotional Connection:

- Humanizing the brand helps customers relate to the business and its mission.

3. Practical Application Drives Success:

- Activities like role-playing enable participants to conceptualize and articulate their brand effectively.

This session equips SHGs/MSMEs with the knowledge and tools to create a distinctive brand identity, fostering growth and marketability.

Session 4: Market and Export Readiness

This session focuses on preparing SHGs/MSMEs to identify and leverage market opportunities while developing export capabilities. Participants learn key techniques for market analysis, strategies for export readiness, and apply insights through a group activity analyzing potential markets.

1. Market Analysis Techniques

1.1. Identifying Customer Needs

Understanding customer preferences ensures product relevance and increases sales potential.

A. Methods to Identify Customer Needs:

1. Surveys and Questionnaires:

- Collect feedback directly from potential customers.
- Questions should focus on preferences, buying habits, and price sensitivity.



2. Focus Groups:

- Small group discussions with target customers provide qualitative insights.
- Example: Asking participants about packaging preferences or product usage scenarios.

3. Observation and Trends:

- Analyze trends in local and global markets using tools like Google Trends or social media analytics.
 - Example: Rise in demand for eco-friendly or handmade products.
-

1.2. Analyzing Competitors

Studying competitors helps identify market gaps and differentiation opportunities.

A. Steps for Competitor Analysis:

1. Identify Competitors:

- Include direct competitors (similar products) and indirect competitors (alternatives).

2. Evaluate Their Offerings:

- Analyze their pricing, product quality, marketing strategies, and branding.

3. Learn From Their Strengths and Weaknesses:

- Understand what works and avoid repeating their mistakes.

B. Tools for Competitor Analysis:

- **SWOT Analysis:**

- Strengths, Weaknesses, Opportunities, and Threats of competitors and your business.

- **Market Research Reports:**

- Industry-specific insights from government or private agencies.
-



1.3. Pricing and Distribution Strategies

A. Pricing Strategies:

1. Cost-Plus Pricing:

- Add a fixed profit margin to the production cost.

2. Value-Based Pricing:

- Base prices on perceived value to customers. Example: Premium pricing for handcrafted products.

3. Competitive Pricing:

- Set prices based on competitors while highlighting unique features.

B. Distribution Strategies:

1. Direct Selling:

- Selling directly to customers via markets, fairs, or online platforms.

2. Retail Partnerships:

- Collaborate with local retailers or supermarkets for product placement.

3. E-commerce Platforms:

- Use platforms like Amazon, Flipkart, or niche sites for artisan goods to expand reach.
-

2. Export Readiness

2.1. Understanding Export Potential

A. Identifying Export Opportunities:

1. Assess Product Suitability for Export:

- Unique, high-quality, or culturally significant products often have better international appeal.



2. Researching Target Markets:

- Analyze demand, cultural preferences, and purchasing power in different regions.
 - Example: Exporting traditional crafts to regions with a strong interest in heritage products.
-

2.2. Export Documentation and Certifications

A. Essential Export Documentation:

1. **Commercial Invoice:** Details of the goods, pricing, and terms of sale.
2. **Packing List:** Information on the shipment contents.
3. **Bill of Lading:** A document issued by the carrier, acknowledging receipt of goods.
4. **Certificate of Origin:** Specifies the country of manufacture for customs.

B. Necessary Certifications:

1. **Quality Certifications:**
 - ISO, organic certifications, or fair trade labels, depending on the product.
 2. **Compliance with Importing Country Regulations:**
 - Example: FDA approval for food products entering the U.S.
-

2.3. Strategies for International Market Entry

1. **Participate in Trade Fairs and Expos:**
 - Showcase products to global buyers.
 - Example: India International Trade Fair.
2. **Leverage Online Platforms:**
 - Register on export-oriented platforms like Alibaba, Etsy, or Amazon Global.



3. Government Support:

- Utilize export schemes like **Niryat Bandhu** and financial support from the **Export Credit Guarantee Corporation of India (ECGC)**.
-

3. Case Studies and Group Activity

3.1. Case Studies: Successful Export Journeys

A. Case Study 1: Rural Handicrafts MSME

- **Background:** An SHG producing handmade jute bags.
- **Strategy:**
 - Attended trade fairs to network with international buyers.
 - Acquired eco-friendly certifications to appeal to European markets.
- **Outcome:** Secured bulk orders from retailers in Germany, increasing revenues by 40%.

B. Case Study 2: Organic Spices SHG

- **Background:** A rural group producing turmeric and spices.
 - **Strategy:**
 - Partnered with an export consultant to navigate documentation.
 - Branded products with authentic Indian heritage stories.
 - **Outcome:** Expanded sales to the U.S. and Middle Eastern markets.
-

3.2. Group Activity: Market Analysis for Participant Products

Objective:

Enable participants to apply learned techniques to identify markets and develop export strategies for their products.



Step 1: Divide Participants into Groups

- Each group focuses on a specific product (e.g., textiles, handicrafts, food items).

Step 2: Market Analysis

1. Identify Target Markets:

- Groups use provided templates to list potential customer segments and regions.
- Example: “Handmade jewelry – Ideal markets: Urban India, Europe.”

2. Competitor Evaluation:

- Analyze competing products and identify ways to differentiate.
-

Step 3: Export Readiness Checklist

- Groups create a checklist covering:
 - Required certifications and documentation.
 - Export channels (trade fairs, online platforms).
 - Pricing and distribution strategies for international markets.

Step 4: Present Findings

- Groups present their market analysis and export strategies to peers for feedback.
-

4. Conclusion and Key Takeaways

1. Market Knowledge Drives Success:

- Understanding customer needs and competitor positioning are critical for growth.

2. Export Opportunities Expand Reach:



- Proper documentation, certifications, and research enable access to international markets.

3. Practical Application Strengthens Learning:

- Group activities enhance real-world readiness for market and export challenges.

This session equips participants with actionable tools and strategies to confidently navigate local and global markets, fostering long-term success.

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