

CHALLENGES FACED BY THE MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) WITH REFERENCE TO COIMBATORE CITY

Abstract

Micro, Small and medium enterprises (MSMEs) are considered as pillars of the Indian economy because of their significant contribution to GDP, exports and job creation. MSMEs started with the establishment and growth of the Indian card and coir industry, as well as various rural industries. The following are the objectives of the study. (i) to find out the challenges facing by the MSME and to offer suggestions to the MSME to overcome the issues and for their development. The researcher had taken Coimbatore for this present study. Because of Covid – 19 lockdown many industries were closed. After the third wave in Tamil Nadu, all the business have come-up with the same production and sales. Researcher had taken 70 micro, small and medium enterprises, adopted convenient sampling method. **The study concluded that** very few MSME are having sub contract from the large scale organization for materials, machines and labour. They may not have the material issues, they are having some other issues like qualified labour. The suggestion which given by the author will be use full to the MSME owners to develop their business.

Keywords: small scale, medium scale, business opportunity, employment and business growth.

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I. INTRODUCTION

Micro, Small and medium enterprises (MSMEs) are considered as pillars of the Indian economy because of their significant contribution to GDP, exports and job creation. MSMEs started with the establishment and growth of the Indian card and coir industry, as well as various rural industries. Most small and medium enterprises belong to food and agriculture sector. Medium-sized firms belong within the automotive, pharmaceutical, textile and chemical industries.

The MSME sector has integrated and worked with the relevant services, provincial governments and stakeholders to develop the rural Indian economy. India has an estimated 633.88 lakh MSMEs, with 324.88 lakh MSMEs in rural areas and 309 lakhs from urban areas. MSME's contribution to the national development is more; also in creating more employment opportunity. By understanding the role of MSME in Indian Economy, the researcher has focused in the challenges faced by the MSME.

II. OBJECTIVES

The following are the objectives of the study.

- To analyse the challenges faced by the Micro, Small and Medium Enterprises sector.
- To offer suggestions to the MSME sector to overcome the issues and for their development.

III. SAMPLING

The researcher had chosen Coimbatore for the present study. After Covid – 19 lockdown, many industries were closed. After the third wave in Tamil Nadu, all the business were come-up with the same production and sales. Researcher had chosen 70 micro, small and medium enterprises, adopted convenient sampling method. Structured questionnaire was designed for collecting the data.

The following were the challenges faced by the micro, small and medium scale enterprises: The variables were taken for this paper based on the existing studies. All the micro, small and medium scale enterprises are taken 3 point scale. i.e. low, medium and high level of problems. The problem differs from business to business. The following tables show the level of problems faced by the business enterprises.

- 1. Sales:** A sales is a transaction in which a buyer receives real or tangible products, intangible services, for money. Out of the sales, the seller makes a profit.
- 2. Marketing:** Marketing is the process by which a company promotes sale of a product or service.
- 3. Finance:** The process of accumulating funds or capital for any type of spending is known as finance. It is the act of diverting various funds in the form of debt, loans, or investments to those economic institutions that need them most or who can use them in the most beneficial way.

4. **Work:** Work refers to work performed by a group of workers or a single employee for compensation in the form of monetary or non-monetary benefits.
5. **Raw Materials:** The materials used or materials used in the main production or manufacture of goods is called as raw materials.
6. **Transportation:** Transportation refers to the movement of products and people from one place to another, to achieve their common goal.
7. **Government Programs:** The Indian government introduces government programs to address the social and economic well-being of its people. These programs are important in addressing the many social and economic problems plaguing Indian culture, so everyone should be aware of this.
8. **Product Development:** Product development refers to the whole process of taking an idea from design to finish. The product development cycle starts long before anything is developed, whether it brings a new offering or an existing upgrade.
9. **Technology:** Technology is the application of scientific knowledge to the practical purposes of human life, or, as it is sometimes called, the deception and manipulation of the human environment.
10. **Production Target:** The process of producing key performance indicators. Production target usually determines the amount of production per ton, units, or other units of production volume in a given period of the industry, process, or production line.

Table 1: Sales and Marketing Issues

Level of sales / Marketing issues	Number of enterprises	Percentage
Low	8	11.43%
Medium	24	34.28%
High	38	54.29%
Total	70	100

Source: Survey data

The above table showed the level of sale and marketing issues of the MSME's in Coimbatore. Out of seventy sample, 11.43% of having low level of sales / marketing issues. Twenty four(34.28%) are respondents having medium level of sales or marketing issues and remaining thirty eight (54.29%) are respondents having high level of sales or marketing issues. Majority (54.29%) of the respondents are having high level of sales or marketing issues.

The below table showed the level of finance issues. Out of seventy respondents, twenty two (31.43%) respondents have low level of finance issues. Eighteen (25.71%) respondents are having medium level of financial issues and remaining thirty (42.86%) respondents are having high level of financial issues. Majority (42.86%) of the respondents are having high level finance issues.

Table 2: Finance

Finance	Number of Enterprises	Percentage
Low	22	31.43%
Medium	18	25.71%
High	30	42.86%
Total	70	100

Source: Survey data

Table 3: Labour

Labour	Number of enterprises	Percentage
Low	8	11.43%
Medium	29	41.43%
High	33	47.14%
Total	70	100

Source: Survey data

The above table showed the level of labour issues. Out of seventy respondents, eight (11.42%) respondents have low level of labour issues. Twenty nine (41.43%) respondents are having low level of labour issues and remaining thirty three (47.14%) respondents are having high level of labour issues. Majority (47.14%) of the respondents are having high level of labour issues.

Table 4: Materials

Materials	Number of enterprises	Percentage
Low	31	44.29%
Medium	17	24.29%
High	22	31.42%
Total	70	100

Source: Survey data

The above table showed the level of material issues. Out of seventy respondents thirty one (44.29%) respondents have low level of material issues. Seventeen (24.29%) respondents are having low level of material issues and remaining twenty two (31.42%) respondents are having high level of material issues. Majority (44.29%) of the respondents are having low level of material issues.

Table 5: Transportations

Transportations	Number of enterprises	Percentage
Low	23	32.86%
Medium	31	44.28%
High	16	22.86%
Total	70	100

Source: Survey data

The above table showed the level of transportation issues. Out of seventy respondents twenty three (32.86%) respondents have low level of transportations issues. Thirty one (44.28%) respondents are having medium level of transportation issues and remaining sixteen (22.86%) respondents are having high level of transportation. Majority (44.28%) of the respondents are having medium level of transportation issues.

Table 6: Government Schemes

Government Schemes	Number of enterprises	Percentage
Low	16	22.86%
Medium	35	50.00%
High	19	27.14%
Total	70	100

Source: Survey data

The above table showed the level of government schemes issues. Out of seventy respondents, sixteen (22.86%) respondents have low level of government schemes issues. Thirty five (50.00%) respondents are having medium level of government schemes issues and remaining nineteen (27.14%) respondents are having high level of government schemes issues. Majority (50.00%) of the respondents are having medium level of government schemes issues.

Table 7: Product Development

Product Development	Number of enterprises	Percentage
Low	12	17.14%
Medium	45	64.29%
High	13	18.57%
Total	70	100

Source: Survey data

The above table showed the level of product development issues. Out of seventy respondents, twelve (17.14%) respondents have low level of product development issues. Forty five (64.29%) respondents are having medium level of product development issues and remaining thirteen (18.57%) respondents are having high level of product development issues. Majority (64.29%) of the respondents are having medium level of product development issues.

Table 8: Technology

Technology	Number of enterprises	Percentage
Low	14	20.00%
Medium	22	31.43%
High	34	48.57%
Total	70	100

Source: Survey data

The above table showed the level of technology issues. Out of seventy respondents, fourteen (20.00%) respondents have low level of technology issues. Twenty two (31.43%) respondents are having medium level of technology issues and remaining thirty four (48.57%) respondents are having high level of technology issues. Majority (48.57%) of the respondents are having high level of technology issues.

Table 9: Production Target

Production Target	Number of enterprises	Percentage
Low	9	12.86%
Medium	21	30.00%
High	40	57.14%
Total	70	100

Source: Survey data

The above table shows the level of production target issues. Out of seventy respondents, nine (12.86%) respondents have low level of production target issues. Twenty one (30.00%) respondents are having medium level of production target and remaining forty (57.14%) respondents are having high level of production target issues. Majority (57.14%) of the respondents are having high level of technology issues.

IV. SUGGESTIONS

The following are the suggestion given the author.

- The MSME’s owners should aware of the market trend and market condition while produce the products. Analysing the market demand before production will be much better.
- Technological development is another important to the business peoples. The MSME owners should use smart technology for production and marketing.
- Financial assistance is another important factor to the business, MSME owner should find the suitable financial assistance to maintain the working capital of their business.
- MSME owner should recruit talented and qualified labour for their production unit to handle the machines and materials effectively.

V. CONCLUSION

The present study was conducted with 70 sample in Coimbatore. There are lot of MSME running in Coimbatore. Nine major challenges were considered for this study; analysed and presented. Very few MSME are having sub contract from the large scale organization, for getting the materials, machines and hiring labour. MSME owners should focus, their attention to convert the challenges into opportunities formulate effective strategies for business service in the long run.

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