



# A Study On Small Scale Industry And Their Development Strategies

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## Abstract

This research study about of small scale industry and their growth and development strategies, aim of study help in appraising the common strategies that help to improve small scale industry. In this study we used literature review, primary data as well as secondary data methods to clarifies the characteristics of the study. This study reviews on the characteristics, challenges, and opportunities of SSIs, highlighting their contributions to employment generation, income generation, and poverty alleviation. Small scale sector has been assigned an important role in the economy of the country.

**Keyword** – small scale industry, types, growth, development strategy, economic development.

## Introduction

To define a small-scale industry effectively, it is imperative to first learn about the meaning of industry. The term industry refers to a group of companies that are related to each other, based on the primary business activities they undertake. Small scale industries, thus, refer to those partnerships, corporations, or sole proprietorships that function on a lower scale, employing a smaller workforce and generating less revenue than that by normal-sized industries or businesses.

Small scale industries are referred to as those industries in which the process of manufacturing, production and servicing are done on a small scale. The investment on such industries is one time and these investments are mostly done on plant and machinery, the total investment on such industries do not exceed 1 crore.

## overview of Indian growth of small scale industry:

Small Scale Industries hold an important position in India, in terms of contributing to the country's economy. As per the Ministry of Statistics and Programming Implementation Government of India, The small-scale industry sector constitutes 95% of the country's industrial units, It provides employment to more than 175 lakh individuals and SSIs contribute around 33.4% of manufacturing output in India and contribute over 30% of the GDP. They have become the backbone of the Indian economy. For developing countries like India, such industries play an important role due to their trade contributions and look after public welfare. Several initiatives such as Make in India have been launched by the Central Government to support the industrial sector in managing the demands and exploring growth opportunities.

## Types of small scale industry:

**1.manufacturing industry:** manufacturing industry is an industrial context refers to the process of producing goods on a large scale using machinery, labor, and resources. It involves several steps such as design, sourcing raw materials, production, quality control, and distribution. Industrial manufacturing plays a crucial role in the economy by creating products that fulfill consumer needs and drive economic growth. Each industry has its own unique processes and challenges, but the overarching goal is to efficiently produce high quality goods.

**2.Ancillary industries:** ancillary industry are those industries which help both primary and secondary industries. This industry manufactures spare parts, subassemblies etc. Any heavy industry depends on the machinery for its work to progress; the heavy industry always requires support of ancillary industry.

**3.service industry:** service industry refers to businesses that primarily provide services rather than tangible goods. This sector encompasses a wide range of activities, including hospitality, healthcare, financial services, education, consulting, transportation, entertainment, and more. Unlike goods-producing industries, which create physical products, service industries offer intangible benefits or perform tasks for customers. This can include anything from delivering meals to providing legal advice, managing finances, or repairing equipment. Service industries play a crucial role in modern economies, driving employment, innovation, and economic growth.

## About major companies in the industries:

Top growing small scale Companies like mama earth, bharatpe, meesho, policy bazar.

**1.Mamaearth:** Mamaearth's product range includes a variety of skincare solutions such as moisturizers, serums, face masks, and under-eye creams. They also offer hair care products like shampoos, conditioners, and hair oils, designed to address specific concerns such as dryness, dandruff, and hair fall. Additionally, Mamaearth has a dedicated line of baby care products, including baby shampoos, lotions, diaper rash creams, and insect repellents, formulated to be gentle and safe for delicate infant skin.

**2.Bharatpe:** BharatPe is a financial technology company based in India that provides digital payment and lending solutions to small merchants and businesses. The company aims to simplify digital payments for small businesses, enabling them to accept payments from customers easily and securely. Bharatpe platform allows merchants to accept payments using QR codes without the need for POS (Point of Sale) machines or card swipe devices. Additionally, BharatPe offers merchants access to working capital loans to help them manage and grow their businesses.

**3.Meesho:** Meesho is an online shopping platform owned by the Indian company Fashnear Technologies Private Limited. It is an online marketplace that facilitates trade between suppliers, resellers and customers, with heavy reliance of external social media platforms such as Facebook and Instagram.

**4.Policybazaar:** is an Indian insurance aggregator and multinational financial technology company based in Gurgaon It provides a digital platform website and an app where users can compare insurance policies and other financial services from major insurance companies.

The company is India's largest insurance aggregator and has expanded its operations to the United Arab Emirates.

### Product profile (major product)

#### Top growing small-scale industries products:

1. Chocolate
2. Toilet Paper And Paper Napkins
3. Disposable Napkins
4. Candles
5. Disposable Plates and Cups
6. Spices
7. Oils And Soaps

#### Top six strategies through develop the small scale industry:

**1.Expansion:** it is one of the forms of internal growth of business. It means enlargement or increase in the same line of activity. Expansion is a natural growth of business enterprise taking place in course of time. In case of expansion, the enterprise grows its own without joining hands with any other enterprise. There are three common forms of business expansion.

**2.Diversification:** it is the most common form of internal growth of business. As mentioned above, expansion has its own limitations of business growth. Diversification is evolved to overcome the limitations of business

growth through expansion. A business cannot grow beyond a certain point by concentrating on the existing product/market only.

**3. Joint venture:** it is a type of external growth strategy adopted by business firms. A joint venture could be considered as an entity resulting from a long-term contractual agreement between two or more parties, to undertake mutually beneficial economic activities, exercise joint control and contribute equity and share in the profits or losses of the company.

**4. Mergers and Acquisitions (M&A):** Merger and acquisition are yet other forms of external growth strategy. Merger means a combination of two or more existing enterprises into one. For the enterprise which acquires another, it is called 'acquisition.' For the enterprise which is acquired, it is called 'merger.' Thus, merger and acquisition are the two sides of the same coin.

**5. Sub-contracting:** system is a mutually beneficial commercial relationship between the two companies. This is known as Ancillarization in India and more generally as 'sub-contracting.'

**6. franchising:** In a sense, franchising is very much akin to branching. Franchising is a system for selectively distributing goods or services through outlets owned by the retailer or dealer. Basically a franchise is a patent or trademark license, entitling the holder to market particular products or services under a brand name or trademark according to predetermined terms and conditions.

#### **Objective of the study:**

To study of small scale industry.

growth and development strategy for small scale industry.

#### **Research methodology:**

The research design for this study will be primarily quantitative, utilizing a case study approach. The case study design will involve collecting data from multiple Sources, including interviews, documentation, and observation with in population. We prepared questionnaire and survey by using google form. A proper questionnaire is prepared regarding the small scale industry and their growth and development strategies and shared to peoples for conducting a research to get an Idea. In this Study the population of India, Gujarat College students, business group, job people, entrepreneur from all races age group, educational status, socio- economic status, residential areas and small scale industry employees who are requested to fill up the research survey.

**Hypothesis:**

Null hypothesis (H0): There is no significance relationship between small scale industry and large number of job opportunity.

Alternative Hypothesis (H1): There is significance relationship between small scale industry and large number of job opportunity.

Null hypothesis (H0): There is no significance relationship between small scale industry and their different problems.

Alternative hypothesis (H1): There is significance relationship between small scale industry and their different problems.

**Result and findings:**

According to the research 93% of respondents are aware of small scale industry like manufacturing, ancillary and service industry. 63.8% people say manufacturing industry through develop small scale industry. 75.9% people say expansion, diversification, joint venture and mergers and acquisition strategy through improving small scale industry. 100% people say small scale industry create economic growth and employment. Many people problem faced by small scale industry like finance, raw material, technology and marketing. people are not decided small scale industry create a large number of job opportunity.

**Limitation of the study:**

The research is likely to face limitations such as a small sample size that make the research unreliable and that qualitative research may not allow proper measurement of the examined problems. The study may face limitations, including potential sampling biases and Limitations in the generalizability of the findings. I.e. although efforts will be made to achieve Accurate and meaningful results, perfection cannot be guaranteed in this imperfect world. The number of participants in the study will be restricted. There may be some inaccuracies in the data collected due to time constraints during the Project. Conducting the survey may pose challenges in communicating with participants due to Geographical barriers. The responses provided by consumers in the questionnaire were assumed to be truthful.

**Conclusion/suggestion**

According to the research it can be proved that small scale industry grow in future. it found that small scale industry required create employment. Best strategy like expansion, diversification, joint venture and merger and acquisition through improving small scale industry and manufacturing industry are best types for growth and development of small scale industry.

I have request to government providing help of small scale industry like financing, technologically etc. so improving growth and development of small scale industry in future.

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