



# Technology:

Powering Opportunities for MSMEs



Technology is a catalyst for growth. In India, businesses at every level are adopting technology to reinvent their business models. Ongoing process and product developments are opening up newer opportunities for MSMEs in both manufacturing and services sectors.

In fact, some mid-sized businesses are harnessing technology to develop cutting-edge products and services that are allowing them to leap ahead of their global counterparts. With a clear focus on mobile technologies, Indian companies have demonstrated that they are ready to leverage local strengths and come up with uncanny innovations to develop globally competitive products and solutions.

Various stakeholders, including the Government, technology companies and business leaders are working towards eliminating the existing roadblocks in this journey towards technology-driven business supremacy.

## FIVE TECHNOLOGIES THAT CAN TRANSFORM INDIA'S SME SECTOR IN THE NEXT 5 YEARS:



SMEs today can access all the above technologies at minimum or no upfront/ fixed costs. They virtually can connect to global customers and suppliers, on the move, while managing their operations through digital platforms.

#### Fact file:



## Five Technologies That Can Transform the Global Business Scenario:

### IntelligentTransporta tion System

An EU directive defines ITS as systems in which information and communication technologies are applied in the field of road transport, including infrastructure, vehicles and users, and in traffic management and mobility management, as well as for interfaces with other modes of transport.

ITS technology applications varies from basic management (vehicle navigation, traffic signal control systems, etc.) to more complex systems that integrate live data and feedback from a number of devices (parking guidance and information, weather information, etc.).

### Internet of Things (IoT)

As per CISCO, it is estimated that by 2020, 50 billion devices globally will be connected to the Internet, gaining deeper insights with analytics and creating newer business models IOT will trigger huge requirements of sensory equipment, networking, communication devices and software development.

### Automation of Knowledge Work

By 2025, Automation of knowledge work will have a USD 5-7 Trillion impact across Routine cognitive processes will be performed by computers using complex analysis, subtle judgment, and creative problem solving subroutines. This technology has the potential to provide more timely access to relevant information and raise the quality and speed of decision making. (Ex: Apple Siri 9, Google Now.)

#### Renewable Energy

Solar is expected to contribute substantially to India's energy source by 2025, with the market share of solar power likely to be 5.7% (54 GW) by 2020 and 12.5% (166 GW) by 2025, according to KPMG's report.vii With competitive cost advantage and near zero emission, solar power will contribute about 4% to the country's 30-35% reduction target over 2005 emissions levels by 2030.

#### Next Gen Genomics

Combined with newer informatics approaches, researchers have been able to understand the genetic bases of drugs response and disease efficiently. Thus, the technology has a huge impact over industries such as medicine, biotechnology, anthropo logy and other social sciences.



Today's SMEs are increasingly depending on technology to manage their designs, operations, processes, purchases and sales. With emerging smart ways to manage things, SMEs can benefit from a cost-sensitive environment. Technology and industrial growth go hand-in-hand. Both complement each other in such harmony that resonance of benefits is always seen!

## FIVE DISTINCT ADVANTAGES OFFERED BY TECHNOLOGY TO THE MSME SECTOR



#### Scalability

With technology, one can exponentially increase the size of business without increasing input costs in the same ratio, improving overall profitability.



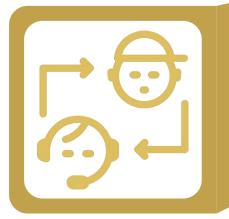
#### Reach

Technology has brought the customers, suppliers, bankers and operations together like never before.



#### **Agility**

With access to information and communication technology, decision making is real-time and error-free.



#### **Time to Market**

Product development and order execution has become easier because of seamless manufacturer/service providers and market existance.



#### **Cost Effectiveveness**

Access to global sources have provided cost effectiveness to the entire operations and supply chain.



#### OUTLOOK

SMEs with access to technology are in a better shape to respond positively to changing market conditions as well as keeping their operations within the regulatory framework.

As the Indian Government goes digital, it is critical for SMEs to adopt technology. With the right exposure and deep penetration of technology, SMEs can transform their businesses rapidly while controlling their operating expenses and increasing productivity.

#### Reference

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#### For More information -

http://www.digitalindia.gov.in/content/about-programme

http://www.smechamberofindia.com/

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Kotak Mahindra Bank Limited (KMBL) is a foremost banking and financial services company. It was established in 1985 as Kotak Mahindra Finance Limited and in 2003, became the first non-banking financial company (NBFC) in Indian corporate history to be converted into a bank.

Our professionals leverage the financial scenarios of the world and aid our customers and clients with extensive banking services. The Kotak Group offers comprehensive personal finance solutions from commercial banking, to stock broking, mutual funds, general and life insurance. The bank offers transaction banking, operates lending verticals, manages IPOs and provides working capital loans.

Kotak's footprint across the country consists of 684 branches, 1273 ATMs, covering 379 locations. With a vision to be the most preferred employer, and the most trusted financial services company, KMBL professionals reflect the ethos of the organization to deliver award-winning services. The KMBL symbol is representative of the infinite number of ways we meet our clients' needs, while maintaining a uniquely global Indian personality.