



**Entrepreneurship
Development
Institute of India**



ACHIEVEMENT SUMMARY AND IMPACT ON IMPROVEMENT IN INTRODUCING BDS TO ENHANCE COMPETITIVENESS OF CHENNAI LEATHER CLUSTER

Presentation by

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1. GOAL OF LOG FRAME

Target	Achievement as on June 2011	Achievement at the end of project period
Use of BDS providers by MSMEs to increase by minimum 10 %	93 MSMEs utilized, the services 43 BDSPs for the first time which is more 10% increase	More than 100 MSMEs utilized services of 45 BDSPs.
Business turnover and profitability of MSMEs participating would increase by about 10 percent.	<p>Interventions in all 7 voucher cost had resulted in increase of turnover and profitability by more than 10%.</p> <p>Example :</p> <p>Collateral Free Loan in 4 units resulted in turnover increase by more than 10%.</p> <p>Energy Efficiency in 15 units resulted in profitability due to saving energy cost by 5 to 20%.</p>	Will continue and upscale

GOAL OF LOG FRAME (Contd...)

Target	Achievement as on June 2011	Achievement at the end of project period
New skills acquired by 300 persons in BPL category and gainful employment prospect in the industry	240	285
Sales of 50 micro enterprises increased by 20%.	Increased in turnover more than 20% as per random sampling.	Will continue to increase.
Improved customer perception index	Based on involvement of BDSPs and MSMEs in voucher cost activities and common cluster activities, it is inferred that customer perception index has improved .	Will continue,,,

2. OBJECTIVE OF LOG FRAME

Target	Achievement as on June 2011	Achievement at the end of project period
<p>Importance of BDS for growth and development of business realized by more than 50 percent of the MSMEs in the cluster</p>	<ul style="list-style-type: none"> ▪ Voucher cost by 93 MSMEs ▪ Participation in Skill Development Programme 94 MSMEs . ▪ The above suggests that importance of BDS is realized by MSMEs & participation indicates it is more than 50%. ▪ Totally 900 persons participated in the awareness programmes. 	<ul style="list-style-type: none"> ▪ Voucher cost will increase to 100 ▪ Skill Development will increase by 124 ▪ Awareness Programme by 1000
<p>No. of MSMEs using BDS increased by 50% from the second year onwards</p>	<p>During</p> <p>2009-10 : 38 units</p> <p>2010 – 11 : 57 units</p>	<p>2011-12</p> <p>70 units (Cumulative)</p>
<p>At least 20 BDS Providers get an assignment in the cluster for the first time</p>	<p>31 BDSP utilized (Both Voucher & Non voucher cost activities) for the first time in the leather cluster</p>	<p>35 BDSP utilized</p>

3. OUTPUT OF LOG FRAME

Target	Achievement as on June 2011	Achievement at the end of project period
Business turnover and profitability of participating BDS providers would increase by 10%	<p>More than 10%</p> <p>Example : BDS Providers of SA-8000 (IBIS, Manoharan etc.,) Collateral Free Loan (PMS) ERP (Alpha System Pvt. Ltd.)</p>	Will continue ,,
5 new business development services introduced in 5 strategic interventions	<ol style="list-style-type: none"> 1. Joint procurement through SPV <ul style="list-style-type: none"> - 1 BDSP 2. SA-8000 - 6 BDSP 3. Collateral Free Loan- 3 BDSP 4. Productivity Improvement (LEAN/ERP) - 9 BDSP 5. New Enterprises Creation - 2 BDSP 	1. Will multiply
Cluster Business Portal launched and maintained	Cluster Portal indicates improvement in more visit and hits from 2009 to 2011.	Will continue
Business turnover of 20 MSMEs who uploaded their profile increased by 15%	<p>Sample survey indicates increase in turn over by more than 15% of 48 MSMEs supported for Website Development .</p> <p>Renewal rate is 70 %</p>	Will continue to increase

OUTPUT OF LOG FRAME (Contd...)

Target	Achievement as on June 2011	Achievement at the end of project period
30 tanneries procured chemicals at rates 15-20% less than market rates	22 tanners become members of SPV and started procuring chemicals and dyes at rates 30% less than market rates.	No. of members will increased to 50
One CETP directly and 80 tanneries indirectly reduced cost of environmental compliance by 20%	Both Central and State Governments had been addressed for support to install WEG for CETP. The proposal had been turned down & written reply is received.	BMO will be advised/pursued to become member of big brother TANSTIA-FNF and take up issue through them.
2 tanneries adopted full package of cleaner production technologies (CPTs).	<ul style="list-style-type: none"> ▪ 2 BDSP implemented CPT in 2 Tanneries. ▪ The outcome is saving of water by 20%. and saving in cost is Rs.1.12lakhs/annum. ▪ Saving in chemicals usage is Rs.14.40lakhs/annum. 	Expected 10 tanners to use CPT

OUTPUT OF LOG FRAME (Contd...)

Target	Achievement as on June 2011	Expected achievement at the end of project period												
Enhancing performance by access to Term Loan/ Working Capital	<ul style="list-style-type: none"> ▪ 3 BDSPs filed proposal for 10 leather units out of which 4 units were got loan of Rs.1.64crores and for 6 units loan of Rs.2 crores under process. ▪ IDLS application filed by 7 units, sanctioned & disbursed the loan 	<ul style="list-style-type: none"> ▪ BDS Clinic evolved an enquiry of Rs.5crores ▪ IDLS scheme 10 more units to avail 												
Leveraging of IT for Business Development	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 15%; text-align: center;">No.of units</th> <th style="width: 15%; text-align: center;">No.of BDSP</th> </tr> </thead> <tbody> <tr> <td>Website</td> <td style="text-align: center;">48</td> <td style="text-align: center;">3</td> </tr> <tr> <td>ERP</td> <td style="text-align: center;">3</td> <td style="text-align: center;">3</td> </tr> <tr> <td>IT/MIS (Persons Trained)</td> <td style="text-align: center;">49</td> <td style="text-align: center;">2</td> </tr> </tbody> </table>		No.of units	No.of BDSP	Website	48	3	ERP	3	3	IT/MIS (Persons Trained)	49	2	<ul style="list-style-type: none"> ▪ Renewal Rate 70% ▪ 5 More units going for ERP ▪ IT/MIS participants shouldering more/higher responsibility in their organizations
	No.of units	No.of BDSP												
Website	48	3												
ERP	3	3												
IT/MIS (Persons Trained)	49	2												

OUTPUT OF LOG FRAME (Contd...)

Target	Achievement as on June 2011	Achievement at the end of project period
<p>MSMEs expanding their presence in Domestic market</p>	<ul style="list-style-type: none"> ▪ An Association is formed for leather components to improve linkage. ▪ The Association is setting up an information and Display Centre at Central Footwear Institute, Guindy. ▪ One MSME unit is exploring to set up a showroom for Santinikethan products 	<ul style="list-style-type: none"> ▪ The display centre is expected to serve as a Single Point Resource to draw the components off-the-shelf. ▪ The display centre will network the suppliers of domestic and agents of Foreign Manufacturers. ▪ The centre aims to organize the sale of buffer stocks/unsold items with wide publicity.
<p>Training/ Skill up gradation of new and existing workforce</p>	<p>240 Persons acquired skill in Soft skill, IT/MIS, MDP, Designing etc.</p>	<p>285 persons</p>
<p>Upgrading skills of designers</p>	<p>Upgraded Skill of 26 person in Designs as under :</p> <ul style="list-style-type: none"> ▪Basic Goods Training for 6 weeks ▪Basic Leather Garments Training for 6 weeks ▪Advanced Shoe Design Training for 10 days. 	<ul style="list-style-type: none"> ▪ As of now one participant designed 5 new models for his unit. ▪ One participant got promotion in the design department.

OUTPUT OF LOG FRAME (Contd...)

Target	Achievement as on June 2011	Achievement at the end of project period
<p>Case Studies of Success / Failure of Interventions</p>	<p>Case studies completed by Project Team</p> <ul style="list-style-type: none"> ▪SPV for Raw Material (Chemical & Dyes) ▪Collateral Free Loan <p>Case studies assigned to BDSP</p> <ul style="list-style-type: none"> ▪Energy Efficiency ▪IT intervention ▪Cleaner Production Technology ▪Management Development Programme <p>Case studies for Drum Up gradation - BDSP identified. Work order to be issued.</p>	<p>Case studies will be circulated to all BMOs, uploaded in the Cluster Portal as well as in BMOs Website. They will be published in journals.</p>
<p>News Letter for Dissemination of Best practices in the cluster and industry</p>	<p>Publication made so far</p> <ol style="list-style-type: none"> 1.Brochure on BDS Market 2.News Letters 7 Nos. 	<ol style="list-style-type: none"> 1. Circulated to all MSMEs, BMOS and BDSPs. 2. Published in Journals 3. Uploaded in Cluster Portal

4. SUMMARY OF ACHIEVEMENTS

Activity	Type	Achievement as on June 2011	Achievement at the end of project period
Training/ Skill up gradation	Persons	140	170
Designers Skill	Persons	26	26
BDSP Trained	Persons	31	31
Staffs/Executives of BMO	Persons	35	35
Financial Linkage (Access to Collateral Free Loan)			
a) With project support	No. of Units	10	10
b) Without project support		-	5
Energy Conservation Measures	No. of Units	15	18
Marketing (SA-8000)			
a) With Project support	No. of Units	11	11
b) Without Project support		1	1
IT/MIS Leverages			
a) Website Development)	No.of Units	48	48
b) Enterprises Resource Planning (ERP) with Project Support	No. of Units	3	5
without Project Support		1	1

SUMMARY OF ACHIEVEMENTS (Contd...)

Activity	Type	Achievement as on June 2011	Achievement at the end of project period
Productivity improvement (Lean Manufacturing)	No. of Units	4	4
Environmental Compliance (Cleaner Production Technology)	No. of Units	2	3
SPV / Associations formed (BMOs created)	Number	2	2
Energy Saving (Drum Development)	Number	1	1
BMO revenue model (Energy Efficiency Cell)	Number	1	1
Government Schemes (TEDP & FDP)	Number	2	2
BDS Fair	Number	1	1
BDS Clinic	Number	5	5
Other Cluster visits	Number	2	2
Cluster Foreign visit	Number	-	1
Dissemination of Interventions to other cluster (SPV for Dyes & Chemicals and Energy Conservation Measures)	Number	2	2
Nexus among Training Institute, Industry and BMO (Association)	Number	1	1

5. SUSTAINABILITY STATUS OF EXIT VEHICLE

1. **A SPV formed to procure Chemicals / Dyes at a competitive price.**
 - Aimed to cover 120 units in the cluster.
 - Also take up to other clusters like Ambur, Ranipet etc.
 - Scope exists for SPV in other clusters.
 - Coverage in long run 550 tanners in Tamilnadu.
2. **PTIETC has taken over a common Energy Efficiency Cell and contributed 30% and will run for their members. A revenue model is being created.**
3. **Formation of Association for product group and components / accessories display centre in CFTI created and started functioning.**
4. **Pilot drum improvement and involvement of ILIFO to replicate in 120 tanneries and add in 3-5 BDS providers for new concept of modernization of drum.**
5. **For skill Development BDSP and MSMEs linkages established**

Designing	-	CLRI / NIFT
IT/MIS	-	SIPA
Soft Skill	-	Vision Unlimited / Cortex Consultants
Management Dev. Programme	-	Specialists in each subject

5. SUSTAINABILITY STATUS OF EXIT VEHICLE (Contd...)

6. Voucher cost intervention has already **created demonstration effect which is visible in SA-8000, CPT, Energy Efficiency** for its adoption by more units. This nexus will be there for other voucher cost activities.
7. **Use of BDSP directory & Success Case Study**
 - Directory furnished to all BMOs for circulation to all units / members and uploading in their website.
 - Case studies to be circulated to all BMOs and upload in their website.
8. **BDS clinics will be continued by BMOS**
9. **Capacity building of BMOs (PTA, AFCAMMI, MLFS)**
10. **CLRI shall work as nodal institute to bring BDSp-MSMEs on common platform at least once in a year whenever they are organizing LERIG in Chennai.**

6. ACTIVITY UPSCALLING

- ❑ Association PTA shall organize Skill Up gradation Programme in their Hall periodically and carry on voucher cost activities on productivity improvement etc. to at least 50 units.**
- ❑ Association PTIETC shall carry out Energy Audit for at least 20 units/year and also encourage to adopt Cleaner Production Technology to reduce effluents.**
- ❑ Association AFCAMMI shall enroll more members and provide space for more product units to display their products and also organize fair to expand market for member units & IMPROVE THE LINKAGES WITH DOMESTIC –INTERNATIONAL MARKET AS WELL AS WITH THE INSTITUTE**
- ❑ SPV (Pallavaram Tannery Cluster Company Pvt. Ltd.) shall identify new avenues for Raw Material and Optimize the price / cost.**
- ❑ ILIFO Shall facilitate the drum up gradation to all tanners for improving energy conservation & up scaling the production**

7. FUNCTIONAL BDS MARKET

Thematic Area	BDSPs introduced	Voucher to Firms	BDS Transaction without Project Support(october2011)	New BDS introduced
Website	4	48	Renewal rate is 70%	1
Collateral Free Loan	2	10	5 units	-
Energy Conservation	3	15	Will be taken care by EEC	-
SA-8000	6	11	1	1
Enterprises Resource Planning (ERP)	3	3	2	1
Cleaner Production Technology (CPT)	3	2	2	-
Lean Manufacturing	6	4	1	1
Total	27	93	11	4

7. FUNCTIONAL BDS MARKET (Contd...)

- ❑ With regard to BDS, project is able to add about 88 BDSP for the Directory and 172 for Designs & expect to cross 100 and 200 respectively.**
- ❑ Before the end of project, Proposed to create BDS Club for the BDSP and BDS Desk through the respective Associations in the cluster (BMOs).**
- ❑ All interventions are taken up by MSME in all thematic focus areas of the project. Initially MSMEs was paying 30% of the cost of BDS services but, now more than 30 % & some cases up to 80%**
- ❑ The need of Energy Efficiency Measure is increasing and will be replicated in almost all tanneries numbering 140 with the effective support from the energy efficiency cell.**
- ❑ Common Procurement of Chemicals and Dyes which were not present before the project was implemented now successfully started functioning & will expand in scale as well as scope.**
- ❑ No unit having SA-8000 in a Small and Medium Enterprise before the project was started. Now, 11 units have already taken the benefit with project support and one without support.**
- ❑ No small units gone for CPT earlier. Two units now implemented CPT and benefitted. This intervention is a “Break-through”.**
- ❑ Website intervention has helped MSMEs to adopt IT/MIS based marketing techniques and enhance the marketability of the products. The renewal is 70%**
- ❑ For Skill Development the linkages between BDS Providers and MSME have been strengthened, now MSME units make enquiries directly to BDSP.**

7. FUNCTIONAL BDS MARKET (Contd...)

MICRO LEVEL INITIATIVE CONTRIBUTE TO GROWTH AT MACRO LEVEL

No.	Particulars	Production		Exports	
		2008-09	2010-11	2008-09	2010-11
1.	All India	30,000	40,000 (33.5%)	14,918.70	17,400 (17.5%)
2	Tamil Nadu (including Chennai)	10,000	15,000 (50%)	5,385	6,960 (25%)
3	Chennai	2000	4000 (100%)	1,000	2,000 (100%)

CLE 2008-09 & 2010-11 REPORT

A butterfly with black, orange, and white wings is perched on a green leaf. Below the leaf is a field of pink flowers. The text "Thank you" is written in a stylized, purple font with a yellow outline, positioned across the middle of the image.

Thank you