

Annual  
Report

2007-  
08

**Apex Cluster Development Services Pvt.  
Ltd  
New Delhi**

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## *Foreword by the Managing Director*



**Apex Cluster Development Services Pvt. Ltd (ACDS)** was started in 2004 around the idea of MSME empowerment through local Economic Development Techniques. With the experience of UNIDO's cluster programme and closely working with MSMEs for about 20 years the promoters uniquely poised the idea of ClusterKraft. In the past few years, ClusterKraft has emerged as an expert Cluster Development Research and Consultancy organization. The composition of the company's human resources is suitably designed to address challenges of MSMEs and has expert manpower pool such as ex-UNIDO Cluster Experts, Ex-Bankers, MBAs, Economists, Financial Analysts, Cost accountants, Engineers, and Social Scientists who have not only actually implemented and worked with MSMEs on research issues but also have experience and action at grassroots level with MSMEs cluster development programmes. The experience of action research is highly beneficial to regional, national and international policy makers. ACDS is well represented within Indian MSME domain with the capacity to reach out to one lakh MSMEs in a very short span of time. To manage large and efficient knowledge environment professionally, the company leverages on the Information and Communication Tools (ICT). There is in house MIS system connecting all field offices. The reports from action to research are automated for the immediate feedback and correction. The customization and documentation is our core strength. ACDS is well represented at major MSME locations within India like Maharashtra, Gujarat, Tamil Nadu, U.P., Punjab and NCR with head office in New Delhi.

The company's key role is to increase awareness in the area of MSME's major challenges and suitably capacitate them to face the challenges and to overcome the pressure points. There is special focus on clustering techniques through actual implementation and imbibing global benchmarks. This includes re-orientation and

fostering development of Business Development Services (BDS) to MSME clusters and integrating them with cluster development forces. The major tools to achieve this are awareness, training, advocacy, breaking of isolation of cluster based MSMEs, and most importantly, forging synergic growth processes of the cluster with that of the sectoral global changes.

#### **Constitution of the company**

**Apex Cluster Development Services Pvt. Ltd (ACDS), better known as ClusterKraft, started in 2004 around the idea of MSME empowerment through local Economic Development Techniques. ACDS was constituted as a Private Ltd. Company within the meaning of Section 3(1) (iii) and 2(35) of the Companies Act 1956. It was incorporated under the Companies Act, 1956 (No. 1 of 1956) on 4th November 2004 with the Registrar of Companies, NCT of Delhi & Haryana.**

The **Registered Office** of the company is at the following address :

153, Sector 'A' Pocket 'C',  
Vasant Kunj,  
New Delhi 110070

The **Head Office** of the Company is located at the following address :

New Light House  
A-246, Okhla Industrial Area Phase I,  
New Delhi 110020

With long years of experience of its Promoters in UNIDO's cluster programme and SME Banking – the bounty of more than 20 years of closely working with MSMEs crystallised uniquely into the idea of ClusterKraft. Over the past few years post inception, ClusterKraft has rightfully emerged as an expert Cluster Development Research and Consultancy organization.

#### **CURRENT BOARD OF DIRECTORS**

- a) RAJVEER SINGH, M.Phil (Regional Economics – JNU, New Delhi)  
(Date of Appointment 05/11/04)
- b) S SANKARAMOORTHY, AICWA  
(Date of Appointment 05/11/04)
- c) ANANT PRATAP SINGH, M.Phil (Regional Economics – JNU, New Delhi)  
(Date of Appointment 15/07/06)
- d) AVINASH GANPATRAO JOSHI  
(Date of Appointment 05/11/04)

## *Vision of the Company*

***“To emerge as a knowledge networker while catalyzing Local Economic Development and serve as a key enabler of sustainable growth.”***

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### *Role of Cluster Development in Local Economic Development*

One of the major issues raised in the international debate is how the small firms are able to compete with their larger counterparts. Recent focus through research on clustering has exemplified the power of collective efficiency of small firms clusters. It has been argued that a clusters of MSMEs have an advantage of flexibility and responsiveness which enable them to be even more competitive than large firms. The concept of the 'Third Italy', coined by Amaldo Bagnasco during the late 1970s drew attention to the rapid progress in the North-East region of Italy where clusters of MSMEs promoted fast non-agricultural employment. These clusters were able to establish a strong position in the world market in a number of so-called traditional products such as shoes, leather handbags, knitwear, furniture, tiles, musical instruments, food processing and also in the industries which supplied machinery to these sectors. The magic formula of having a close proximity to raw material providers, equipment suppliers, component producers, sub-contractors and final goods manufacturers, together with a combination of intense rivalry among firms and cooperation in producers' associations seemed to work.

### *Importance of Cluster Development in the Globalisation context*

Globalization has brought within its fold increased knowledge-intensity across all economic activities. Increasing number of knowledge intensive activities are needed such as product design, process engineering, quality control, new management routines and organization of production – so that firms compete not only in price, but also thru their ability to innovate. Innovation has thus become the keys to sustained competitiveness for MSMEs in a globalizing economy to achieve new efficiencies. Enterprise clusters and networks are of particular importance in developing countries because they offer specific market benefits to small firms. Cluster Development Approach thus, for MSMEs, has a unique potential for specialization, technological capability, adaptability, and innovativeness, in addition to facilitating tacit knowledge flows and through interaction processes.

## *About ACDS and its role*

Sl. No.	Area/Sector (s)	Cluster (s)
1	ICT Software	Bangalore, Chennai, NCR, Ahmedabad, Pune, & Kolkata
2	Leather	Agra, Chennai
3	Textiles, Hosiery & Readymade Garments	Bellary, Tirupur, Ludhiana, NOIDA-Okhla, Chanderi (Handloom Sarees), Maheshwar (Handloom Sarees),
4	Auto Component	Ahmedabad, Chennai
5	Drugs & Pharmaceuticals	Ahmedabad, 20 Ayush Clusters
6	Gems & Jewellery (Diamond)	Thirrusur
7	Auto Components	Pune
8	Food Processing	Pune, Muzaffarpur
9	Bell Metal (artisanal)	Khurda
10	Stone (artisanal)	Sikandara
11	Zari (artisanal)	Surat
12	Brass Products (artisanal)	Moradabad
13	Wood carving (artisanal)	Saharanpur
14	Glassware & Bangles (artisanal)	Firozabad
15	3 Clusters	Cambodia
16	General Engineering	Kannur, NOIDA, Jamnagar (Brassparts)
17	15 Craft clusters of Orissa	Handicraft

The company focuses on Local Economic Development (LED) and as such has undertaken a large no. of cluster related programmes

- ❖ The MSMEs have a financially weak wherewithal and lack professional expertise, and as such need to be capacitated through sensitisation, awareness & training workshops, and proof of successful demonstrable experience in various business

facilitation known as Proof of Concept (PoCs). Besides, the business and strategic planning of MSMEs suffer from want of social networking within the cluster (s). ACDS has been successfully dovetailing its business facilitation efforts in various clusters with networking efforts in converting the cluster group (s) into collective knowledge/information dissemination forums, through active participation of local associations & other meso organisations.

- ❖ BDS capacity building and their market linkages with the cluster firms has been one of the major initiatives in most of the cluster development programmes undertaken by ACDS. While in the MSME cluster development programmes the BDS focus orients towards building up demand from the MSMEs, in programmes specifically designed for BDS market development, BDS supply side economics occupies a prime place in the overall developmental strategy.

## *Cluster Level Activities*

The cluster level activities of the company in its various project interventions have centred upon the following activities :

### *Diagnostic Studies*

Preparation of Diagnostic Study and Business Plans - ACDS since its inception has undertaken by itself as also guided diagnostic assessment/studies of nearly 50 clusters.

### *Capacity Building of Local Associations*

Partnerships with active organizations/ associations in BDS Programme(s) Meetings, presentations & Focussed Group Discussions (FGDs) with cluster organizations (both BDS & Industry associations)

### *Implementation of Action Research*

Implementation of industry cluster related projects.

### *Business Development Services for MSMEs*

Creating business linkages of firms with various BDS providers. Involving lead BDS organizations in the project in various domains to trigger/induce BDS market related transactions

### *Creating knowledge base for MSMEs*

Creating cluster specific cluster portals to empower MSMEs. Also, use of cluster portal and handbooks for information dissemination and BDS reach out for firms

### *Facilitating ICT adoption*

Working with MSMEs on ecosystem improvement, ICT skill building, and adoption of ICT tools by firms. This is done by documentation and strategy building for pilot activities in order to showcase Proof of Concept (PoC) to other BDS/firms

### *Thematic workshops and seminars*

Organising workshop and seminars to sensitise on contemporary thematic issues useful for MSMEs

## *Policy Level Activities*

ACDS has been intervening in a large many governmental initiatives involving Policy formulations and feed back. Major consultancy assignments in the Policy domain are highlighted as under :

### *Ayush Cluster Scheme- Ministry Of Health, Government of India*

To harness the export potential of herbal and Ayurvedic products, a cluster-based approach for Ayurveda, Unani, Siddha and Homoeopathy is in place. Ten clusters for Ayush (Ayurveda, Unani, Siddha, and Homoeopathy) will be set up during the 11th Plan period with on outlay of Rs 100 crore. This Scheme was based on the study done by ACDS on 20 cluster profiles in Ayush sector (Ayurvedic, Yunani, Unani, and Sidha, and Homeopathic medicines) in 2007.

### *Project Vikas – Microsoft, NMCC- Government of India*

ACDS in partnership with Microsoft prepared & presented strategy paper on the use of Information and Communication Technology (ICT), to improve competitiveness of MSME industrial clusters in India, to National Manufacturing Competitiveness Council (NMCC). Some of the deliverables suggested were E- Readiness Centers, PoCs linking firms with Local Software Vendors (LSVs), Cluster Portals, and E-Learning initiatives. The project was conceived in 2006

### *Scheme for Integrated Textiles Parks, Ministry of Textiles, Government of India*

The assignment in partnership with ILFS & ministry of textiles included Review of Ministry's existing schemes and preparation of a more comprehensive scheme called Scheme for Integrated Textiles Parks (SITP). Information capsules on clusters were prepared including diagnostic of infrastructure related issues. An alternative model for a sustainable delivery mechanism for infrastructure facilities in the clusters was also prepared and comprehensive suggestions were also given. The scheme was prepared in 2005.

### *Cluster Development Policies in Cambodia- UNIDO Assignment*

The project related to 3 MSME cluster Locations within Cambodia and was directed towards an advisory role on SME and artisan development policies in Cambodia. Shri Rajveer Singh, the Managing Director of the company prepared a project document on cluster Value Chain based development for SMEs in Cambodia.

### *Asian Development Bank(ADB) project on Clustered City Development in the National Capital Region*

The Company is also involved in the ADB project on Clustered City Development. One of the centers where this project has been undertaken is the National Capital

Region of Delhi. ACDS has been involved in the development of the project structure and conducting various in-depth analysis on industrial SME clusters that need to be focussed in the NCR under this project.

## *Our Partners-National and International*

### *Small Industrial Development Bank of India*

Implementing Business Development Services Programme for SIDBI (Pune Fruit & Vegetable Processing cluster) under their “SME Finance & Development Project” funded by World Bank, DFID, GtZ & KfW. The nodal agency of the project is Department of Financial Services, Ministry of Finance, Government of India (2007-2011).

### *Microsoft*

Project Vikas – a project spearheaded by National Manufacturing Competitiveness Council (NMCC), Government of India and funded by Microsoft (2006-2011).

### *GTZ and Ministry of Information Technology, Government of India*

Integration of Small IT companies in E-Governance

### *NIUA and Asian Development Bank*

Project on Cluster based development of Cities in India

## *Our Partners-Cluster Level*

-  Mahratta Chamber of Commerce Industry and Agriculture - Pune
-  National Agriculture & Food Analysis and Research Institute- Pune
-  GOMUKH (Environment Trust for Sustainable Development)- Pune
-  Tirupur Exporters' Association –Tirupur
-  Ambur Economic Development Organisation- Chennai
-  Auto Cluster Development & Research Institute- Pune
-  Federation of Knitwear Textile and Allied Industries Association- Ludhiana
-  Agra Footwear Manufacturers' & Exporters' Chambers- Agra

## *Cluster Level Activities during 2007-08*

ACDS has been mainly involved in 8 MSME clusters under two major national level projects over the last one year, a) Project Vikas, and b) BDS Implementation Project in Pune Fruit & Vegetable Processing cluster. Both the projects are centred around

- i) Enhancement of MSME Competitiveness
- ii) BDS market development and facilitation themes

While Project Vikas has been mainly concerned with ICT related development in MSMEs, Pune cluster Project revolves around a holistic BDS development strategy.

### *Diagnostic Studies, Business Plans, and Profiling Studies*

Before actually going into the actual implementation of the developmental business linkages, it is pertinent to analyse the cluster synergies and its state of development and growth pattern. A quick analysis understood in the backdrop of different strategies being adopted across other successful clusters, allows implementation to be taken up in the right perspective leading to a gainful strategy.

#### ***Project Vikas***

- A total of four diagnostic studies were done under project for the three clusters, viz., Agra (Leather), Chennai (Leather), Ludhiana (Hoseiry garments), and Chennai (Autocomponents) followed by crystallising of their business plans.

#### ***BDS Implementation Project, Pune – processed Fruit/Vegetable cluster***

- A diagnostic study was completed on BDS market status based on a Value chain survey and PACA (Participatory Appraisal of Competitive Advantage) exercise. This was followed by a SWOT analysis of the BDS markets in the cluster
- Critical Success Factors were derived based on value chain & SWOT analysis to arrive at a business plan

#### ***Profiling of 20 AYUSH clusters for the Ministry of Health & Family Welfare***

- A major task undertaken during the past financial year has been the basic profiling of 20 AYUSH clusters for Department of AYUSH, Ministry of Health & Family Welfare, Government of India The study provides estimates on the size of AYUSH MSMEs working in 20 important clusters. It was largely based

on field visits with extensive use of secondary sources like internet. Consultations were also held with professional experts, government organizations and related institutions like ADMA and other local associations and entrepreneurs.

### ***Thissur Diamond Cluster***

- Another major initiative that has been started during the year was entering into a Agreement with All Kerala Diamond Artisans Association and TIDES (Thrissur Infrastructure Development Society) for kickstarting a cluster development programme for the Thissur Diamond Cluster. A diagnostic Study was kick started with a view to modernize the processing of diamonds.

### ***Capacity Building of Local Associations***

The role of the Local associations and Meso organizations is critical in sustainability of the cluster activities. Their capacity building and strong positioning & linkages within the cluster leads to continuity in achievement of the project objectives, after the project folds up.

### ***Project Vikas***

- Presentations and Focussed Group Discussions (FGDs) were held with major Meso Organisations in Chennai (Auto Components), Agra (Leather), and Ludhiana (Hoseiry) clusters
- MOUs were signed with ACDRIL(Pune), AFMEC(Agra), AEDOL (Chennai-Leather), and FEKTAA (Ludhiana)

### ***BDS Implementation Project, Pune – processed Fruit/Vegetable cluster***

- Meetings with leading associations, laboratories, government functionaries and NGOs was followed by presentations to them on project objectives.
- Cluster Coordination Committee was formed with around 20 members including participation from local associations, leading firms, BDS, government functionaries, and NGOs.
- Partnership was finalized with GOMUKH TRUST (in the backward linkages) through a MOU and another partnership draft MOU finalized with NAFARI (in quality domain), a leading laboratory in the cluster. The latter was signed in May 2008.

### ***Implementation of Action Research***

The Action Research during the FY 2007-08 was centered on two major projects "Project Vikas" and "BDS implementation project in Pune Fruit & Vegetable

processing cluster. The focus was increasing awareness and capacity building of the BDS stakeholders, thereby facilitating their services to the MSMEs in the cluster so as to increase the latter's productivity & profitability. While in case of Project Vikas, direct support initiatives were taken up through project support, in case of Pune BDS project, the emphasis has been more on inducing stakeholders from the BDS and the BDS end to forge demand and supply synergies by leveraging available local & institutional support.

### ***Project Vikas***

Apart from carrying forward the project mandate in the three clusters where the project had been launched in 2006-07, four more cluster locations were taken up for implementation of Project Vikas.

- **Agra** – The implementation of Project Vikas in Agra cluster consisted of sensitization of the firms, LSVs, and the Institutions. One of the highlights of the project in Agra during 2007-08 was proactive ICT training (in footwear designing with Aadhar- a local NGO) and IT benchmarking of the cluster through a study by Price Waterhouse Coopers, which identified the pilot areas. While AFMEC (Agra Footwear and Manufacturers' and Exporters' Chamber) was drawn into the project and has agreed for setting up of a mini e-Readiness Centre at their premises, 3 possible partners have been identified for e-Learning.
- **Ahmedabad** – Major initiatives in the cluster were training and awareness programmes on Sales Force Automation (SFA) so as a prelude to the POCs and for increasing ICT visibility in the cluster. To develop the software, project partnership with M/s Envision technologies was taken up. Some programmes were oriented towards encouraging the firms to adopt ERP – both hosted and On-premise. Two important PoCs demonstrated were Product costing application for pharmaceutical formulations, and Point solutions for IT usage in the business processes of medical disposables and surgical manufacturers. Further, mapping of all major cluster academic institutes, R&D institutes, ITI, IT Educational Institutes, LMS institutes, etc. was completed for upgradation in ICT usage.
- **Tirupur** – An important deliverable in the Tirupur cluster was the launch of the E- Readiness Centre which has evolved as a profit centre for TEA, partners for the cluster. It has been endowed with a capacity and infrastructure to equip 750 TEA members and 5000 apparel manufacturers with affordable ICT solutions. A technology up gradation exercise was undertaken to enhance the functionality of the existing TEA portal which is now functioning as a cluster portal.
- **Chennai (Auto Components)** – ICT was propogated in the cluster under Intensive sensitization programmes as a business simplification strategy.

- **Chennai (Leather)** – The cluster implementation has centered around intense sensitization programmes propagating the value to be generated by ICT solution pilots for on-premise ERP, Unified Communication and the Cluster Portal to be launched. The AEDOL (Ambattur Economic Development Organization Ltd) as a local partner was veered around to host the E- Readiness Centre in their premises. The Cluster ICT mapping was conducted by PwC after which pilot firms being identified for on-premises ERP, and Unified Communications PoCs. Leading leather related institutions were mapped for the E-Learning PoCs. The modalities for the Cluster portal are complete which is under construction by M/s Vishwak.
- **Ludhiana** - Alongwith FEKTAA, the local partners the Project has built up multifold ICT initiatives like firm level PoCs, training programmes and sensitization events. on e-action plans thus conditioning cluster eco-system. FEKTAA are quite enthusiastic to use ICT as a major tool and have agreed to host ERC at their premises. The firms are under identification for the ERP PoCs. 4-5 firms have already been identified. Sportking, a garment technology and fashion institute was partnered for a training programme for the supervisors and junior Mangers.
- **Pune** The E-Readiness centre was established at the premises of ACDRIL, the local partners and the infrastructure is complete. Wipro's ERP solution developed on the Navision AX platform now live. The firms for on-premise ERP solutions PoCs are being identified and interfacing with the cluster is on. A large no. of automobiles related institutions/organizations were visited & mapped for ICT intervention. A major success was that the chapters on CNC Machines & Safety with ITI were digitized to be utilized in class room teaching.

#### ***BDS Implementation Project, Pune – processed Fruit/Vegetable cluster***

- The objective of the BDS project on processed Fruit & vegetable cluster in Pune is to develop Business Development Services markets within the cluster. This is to enable the processed Fruit & Vegetable MSMEs to increase their competitiveness through project intervention in various value chain segments. The emphasis in the project implementation so far has been strengthening the Meso Organisations, orient them towards cluster development issues, and creating business linkages of the firms with various required BDS for enhancement of their competitiveness.
- Some of the BDS taken up for intervention are in the domain of backward supplies, quality & regulatory areas, export and marketing development, capacity building of local laboratories and training institutes, and knowledge dissemination through cluster portal development and information tools like handbooks & newsletters. Major implementation developments in the cluster have been linkage of micro firms/SHGs to retail chains, and training of these firms to meet the market requirements, strengthening the cold chain infrastructure by piloting with them pre cooling chambers & pack houses, and

partnering with a leading Laboratory (NAFARI) to conduct training programmes. This partnership has led to the turnaround of NAFARI with new clients coming to its fold thru these training programmes.

## Revival of NAFARI – a Success Story from training Partnership under the project

APEX Cluster Development Services is the project Implementing Agency appointed for the Project in Pune Fruit & Vegetable (F&V) Processing cluster. APEX has been working with NAFARI (National Agriculture and Food Analysis and Research Institute) through its Private Public Partnership (PPP) approach to help build capability of such institutions.

NAFARI was in financial crises during the Financial Year (FY) 2006/07. The losses were to the tune of Rs. 1.77 Lakhs

(approximately USD 4,500). However due to project support NAFARI has earned profits around Rs. 3.5-4.0 Lakhs (approx USD 10,000) during the last FY (2007/08). NAFARI's turnover during 2007/08 has been Rs. 39 Lakhs compared to Rs. 24 Lakhs in the previous year. Out of this turnover, Rs. 17 Lakhs have been generated during the period of Jan-Mar 2008.

<i>Profit &amp; Turnover In Rs Lakhs</i>			
NAFARI's progress	2006/07	2007/08	Last qtr. 07/08
Profits	(-) 1.77	3.5-4.0	
Turnover	24.0	39.0	17.0
Clientele	-	310	150
No. of samples	2103	2606	764

Under this Project 6 training programmes have been organised so far in partnership with NAFARI. This has resulted in an increase in their market reach in F&V processing cluster. These training programmes included workshops on 'Food Safety & Standards Act in labelling & packaging', 'Calibration Techniques', and awareness programme on 'Hazard Analysis & Critical Control Points' and 'SPS standards for small, medium industries'.

NAFARI has received enhanced publicity through these training programmes which has helped in NAFARI's technical credibility with the processing MSMEs. Their client base was of the order of 310 during 07/08 of which 150 have been in the last quarter of the financial year 07/08.

- Other initiatives set off are one to one business linkages between the firms and the BDS and cluster portal development.

### ***Thissur Diamond Cluster***

- Prior to the diagnostic study, a number of meetings were held with the various stake holders and joint meetings were also held with TIDES. Some

Diamond units at Mumbai were visited to study the latest technological trends in the industry.

- Discussions were held with Director, Southern Region, Gem and Jewellery Export Promotion Council and the Collector, Thissur in order to involve them into the developmental process.

### *Business Development Services (BDS) for MSMEs*

The effort of increased ICT & training related BDS reachout to the cluster firms has the effect of productivity growth and multiplier effect on the turnover and market reach. Some of such initiatives are highlighted hereunder :

#### **Project Vikas**

- Setting of the idea of Sales Force Automation (SFA) POC through awareness creation and trainings in Ahmedabad cluster
- Training of 85 footwear designers in basic computers skill usage I designing practices in Agra Leather cluster by AADHAR a local NGO cum training outfit
- Linking LSVs to the cluster value chain via hosted ERP solutions based on the Saas (Software as a Service) model in Tirupur, Ahmedabad Ludhiana, Chennai (Leather), and Ludhiana clusters
- Associating trainers through the project training programmes with the cluster firms in all the 7 clusters
- Creating networking with online BDS knowledge resources through E Readiness centers in Tirupur, Chennai (Leather), and Agra clusters

#### **BDS Implementation Project, Pune – processed Fruit/Vegetable cluster**

An important mission of the BDS development programme in the Pune Processed Fruit & Vegetable project is to create a viable market for BDS providers serving the Processed Fruit & Vegetable sector in and around Pune. The objective is to increase the competitiveness of the Pune cluster MSMEs in view of the ever unfolding global competition, though optimal use of such services. Some of the major value chain cleavages touched by the project initiatives during the first year of the project implementation (2007-08) were :

- Sensitising regulatory BDS to the demands of the micro & small firms, particularly with an eye on their market linkages. A workshop was held involving major NGOs and Micro firms with regulatory consultants extending training on their requirements for linkage with a major retail chain

- Sensitising Cold Chain players on the project objectives and picking up a strategic pilot initiative with a leading cold storage for setting up a centralized pre-cooling center cum pack house for supplier farmer bodies. This would be utilized for showcasing supply of quality raw materials to the cluster firms.
- Training the cluster firms on Food Safety & Standards Act 2006 requirements. A series of one day workshops were held to train the cluster MSMEs
- Creating awareness on export markets' requirements for the exporting and "wanna be" exporting firms, particularly with a focus on SPS, HACCP, and Market-Product requirements. A workshop was held roping in the prestigious Indian Institute of Foreign Trade (IIFT, New Delhi) in March 2008. The IIFT are to become the project's major partners in creating various market knowledge tools for the cluster.
- Creating awareness among the farmer bodies on possible pack house activities, quality checks and financing modalities. Various quality and regulatory experts were invited for a farmers' workshop for Mulashi and Junnar block farmer bodies in which the National Horticulture Mission (NHM) officials also participated. This was followed by a field visit of these aspiring farmers to a successfully operating pack house unit. The effort has resulted in disbursement of NHM subsidy to a host of SHGs in Junnar block, a large no. of which have already started marketing their produce.

### *Creating Knowledge base for MSMEs*

Knowledge dissemination leads to quick conversion of idle productive resources within a cluster into marketable outputs. Such knowledge may or may not be available within a cluster. In most cases, it is available in isolation with a couple of stakeholders only. Such a dissemination not only helps in productive gains for those who were so far bereft of this knowledge repository, but also those who were keeping this to themselves. The latter gain by virtue of intra cluster linkages in sourcing from and offloading the products into the markets.

### **Project Vikas**

- Development initiatives for cluster portals in Tirupur, Chennai (Leather), and Agra clusters have been important endeavours under the project for creation of knowledge bank and information dissemination on local cluster resources.
- Development initiatives towards creation of E Readiness centers in Tirupur, Chennai (Leather), Pune, Ludhiana, and Agra clusters are leading examples of knowledge dissemination efforts to cluster stakeholders using ICT resources which

are cost effective. Particularly, the center at Tirupur has evolved as a model into a profit center.

- Another important facet in developing knowledge resources in various clusters under the project is the E-Learning initiative. For this mapping of various related Institutes was completed in most of the clusters. E- Learning modules were implemented in Tirupur and Pune cluster.

***BDS Implementation Project, Pune – processed Fruit/Vegetable cluster***

- Capacity building of Village Resource Centers (VRCs) of GOMUKH through a software for direct raw material supplies from the farm end to the processing firms in Pune cluster

- Pune Cluster portal ([www.punebds.com](http://www.punebds.com)) was evolved as a Virtual BDS for transmitting BDS market information by creating BDS database for the cluster MSMEs. Thus the portal functions as a MSME interactive market place for BDS services

## *Facilitating ICT adoption*

ICT facilitation leads to versatility in end use of productive resources, by rapidly transforming their quick learning and adaptation process through online knowledge resources available. Besides, it facilitates fast connectivity with intra and extra cluster resources leading to indirect increments in their productivity, in addition to the obvious direct increases in productivity.

### ***Project Vikas***

- ICT adoption under the project was undertaken through PoCs (Proof of Concept) pilots. The modality includes sensitizing the MSMEs to create demand for software, and then linking up LSVs to customize the software and doing the pilot to showcase the same to other firms

## *Thematic Workshops and Seminars during 2007-08*

### **Project Vikas**

- **i) Agra** – 4 batches of footwear designers were trained on basic computer in which 85 designers received training.

- 10 other events were organized in the cluster and the participation strength was 226 :

1. Sensitization Session on “PROJECT VIKAS”- Enhancing the Competitiveness of Indian Manufacturing Clusters.
2. Interactive Session on Project Vikas with Technical & Academic Institutions
3. Sensitization Session on PROJECT VIKAS with Agra Shoe Manufacturers Association (ASMA)
4. Industry - Institute Interface Quality Management & Control in Footwear Manufacturing and Role of ICT
5. Workshop on Development of Inventory Control Software under PROJECT VIKAS
6. Sensitization Seminar on E-Commerce and Export competitiveness software in Association with IIFT for Leather Footwear
7. Workshop on Use of ICT in Shoe Retailing.
8. Workshop on VAT and TALLY in Footwear Industry
9. Use of Internet to Communicate with Chinese Firms for Material Procurement
10. PWC Study Report Presentation for Agra Cluster

- About 250 cluster firms/institutes were sensitized through one to one meetings.

- **ii) Ahmedabad** –

- 19 events were conducted at Ahmedabad cluster, and the total number of participants were 321 :

1. Project Vikas Introduction Meet
2. Project Vikas Launch Seminar
3. ISV SEMINAR
4. RAKANPUR EVENT
5. PWC Study
6. PoC study
7. PwC Report Presentation
8. Marketing Seminar
9. Business Intelligence Seminar

10. ProCost Launch event & Seminar "Cost Management Strategies"
11. Sales Force Automation Intro Meet
12. Sales Force Automation 2nd Meet
13. ProCost workshop
14. Portal meet
15. Seminar on ERP
16. Seminar on Unified Communications
17. Training of SFA PoC
18. Workshop on ERP
19. .NET Training for ISVs

- About 350 cluster firms/ institutes/ organizations were sensitized through one to one meetings.

➤ **iii) Tirupur** – A training module on hosted ERP solutions based on the Saas model was piloted.

- 9 events were conducted with a participation strength of 250 :

1. PWC Study on Business process mapping
2. PWC Presentation
3. Business Decision Making Models
4. Training seminar on Data Security
5. FE Exposure
6. Change Management and IT enabling Business Processes
7. Demo of Hosted ERP
8. Seminar on Unified Communications
9. Event on "ERP solutions" to disseminate the information on ERP

- About 300 cluster firms/ institutes/ organizations sensitized through one to one meetings

➤ **iv) Chennai (Auto Components)** –

- 8 events were organized with total participation of 94 delegates :

1. Sensitization Programme for SIDCO Tiny Sector Association at Korattur
2. Sensitization Programme at Balaji Industrial Association at Ambattur
3. Sensitization Prog. in Perungudi
4. Sensitization Prog in Ekkattuthangal
5. Sensitization Programme for TASS Members, Ambattur
6. Sensitization Programme to members of TATICS (an association for Tiny Sector in Ambattur Industrial Estate)
7. Sensitization Programme to members of CIDISSIA (an association at Guindy)
8. IT intervention for Small and Tiny Industries with Tanstia

- About 100 cluster firms/ institutes/ organizations sensitized through one to one meetings

➤ **v) Chennai (Leather) –**

- 7 events have were held with a total no of 250 participants :

1. Sensitisation Program at Vaniyambadi
2. Sensitisation Program at Ambur
3. Sensitisation Program at AISHTMA
4. PWC Presentation Program
5. Sensitisation of Project Vikas- PTIET-Pallavaram Tanners Association
6. Sensitisation Programme with - South India Tanners and Dealers Association at Ranipet.
7. Sensitisation Programme on Project Vikas with South India Tanners and Dealers Association at Ranipet.

- About 300 cluster firms/ organizations have been sensitized on Project Vikas through one to one meetings

➤ **Ludhiana** - A training programme for the supervisors and junior Mangers was initiated with Sportking Institute.

- 10 events were conducted with a total no of 150 participants.:

1. Event for Launch of Project Vikas
2. Presentation of e-action Plan to Other Influential members
3. ISV's Seminar for Ludhiana Knitwear SME's
4. PWC Presentation
5. Work shop On Role of ICT In merchandising.
6. Work shop On Opportunities in Retailing of Garment & textiles Product
7. Awareness programme on ERC, its structure and activities
8. Advancements in Data Security for EDP managers
9. Workshop on "Role of IT in Retailing"
10. Workshop on "IT Based Vendor Management"

- About 400 cluster firms/ organizations were sensitized through one to one meetings.

➤ **Pune** -

11 events (including workshops) were held with 230 delegates participating :

1. SME Day Function

2. 6 Sigma
3. E- Commerce
4. ERP – IOTA
5. SIBM
6. MCCIA
7. ISV
8. NRICCA
9. POC 2
10. Wipro Study
11. Seminar on Unified Communication

- About 260 cluster firms/ organizations were sensitized through one to one meetings

***BDS Implementation Project, Pune – processed Fruit/Vegetable processing cluster***

- 12 events were held including 7 training programmes, one field visit and three sensitization programmes – a total of 110 MSMEs, 120 BDS providers, and 96 Meso Organisations/NGOs were sensitized/trained during these programmes. Prominent domains of the workshops & events were sensitization, Pack houses and Cold Chain development, Regulatory and Quality issues, and Market linkages, and Portal development.

- Training/Awareness Prog. For SHG Women for linkage to Retail Chain
- Sensitisation Programme for Cold Chain stakeholders
- Training Programme for potential Pack House farmer groups in Mulashi block
- Training & Awareness Programme on FSSA for Pickles, Spices and Condiments group
- Training & Awareness Programme on FSSA for Jams, Jellies, & Sauces group
- Workshop on Calibration and Measurement in Fruit & Vegetable processing SMEs
- Field trip for Mulashi block farmer groups to Junner block Pack Houses
- Project Awareness meeting for Agriculture Officers
- Training & Awareness Prog. on FSSA for Women Micro & SHG firms
- Training & Awareness Prog. on HACCP and SPS standards
- Structured meeting with cold storages stakeholders in pilot initiative
- Structured meeting with farmers’ representatives/bodies

21 MSMEs, 63 BDS and 22 other National and International bodies were sensitized on one to one basis the project initiatives prior to Business Plan implementation.