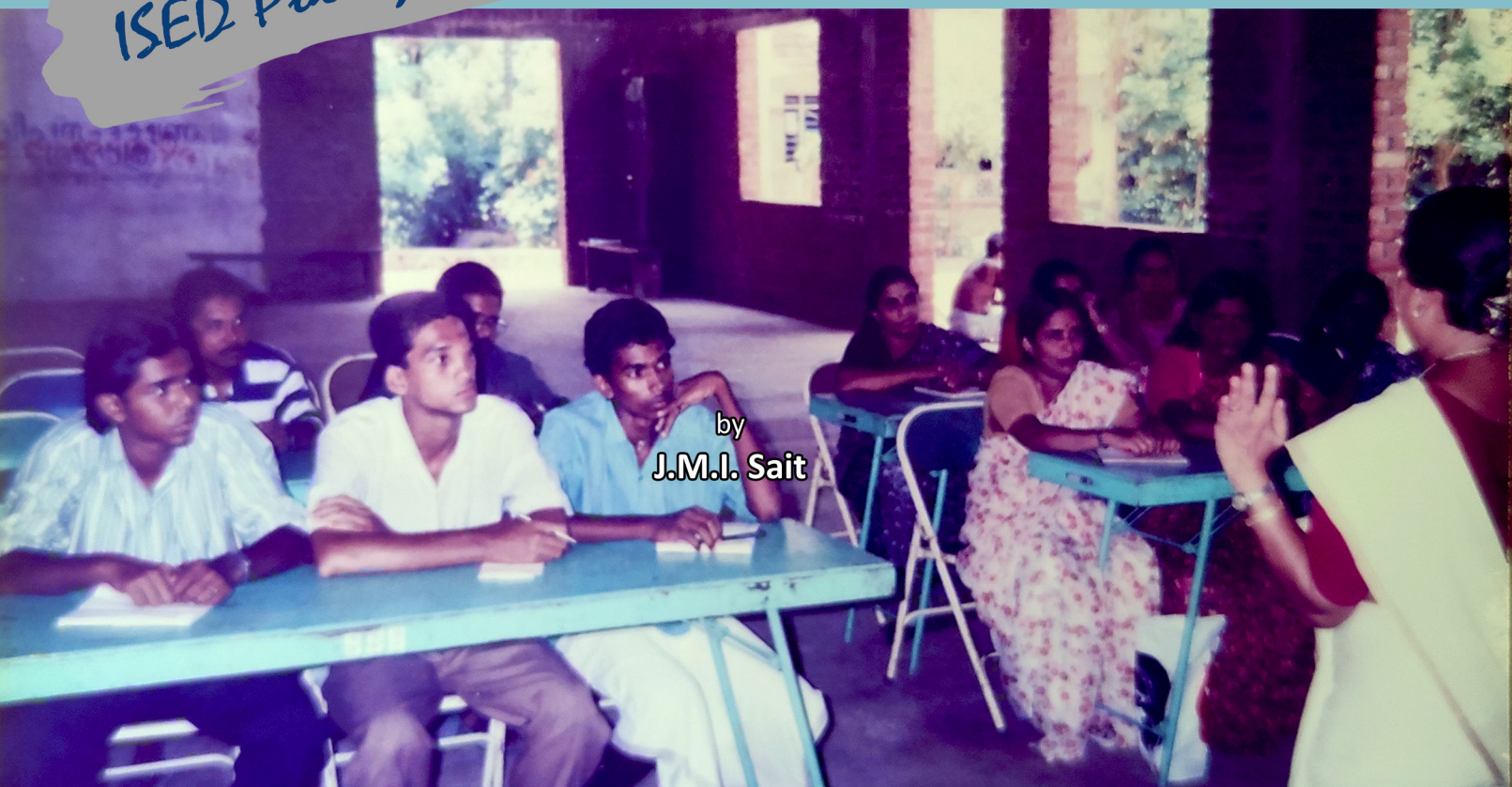


# Salvaging Women's Business under Pandemic: Business Development Services as a Critical Tool

*ISED Policy Briefs*



by  
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**ISED Small Enterprise Observatory**

*jointly with*

**ISED Centre for Social Development**

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# PREFACE

‘Business Development Services (BDS)’ are, undoubtedly, critical for enterprise development today. BDS providers play a very important role of support to the development of MSMEs by providing a range of business advice, information, and assistance to the sector, as well as stimulating sustainable enterprise development by improving the general business environment. BDS are effectively a range of services designed to assist enterprises and entrepreneurs to operate efficiently and grow their businesses with the aim of contributing to economic growth, employment generation and poverty alleviation. The definition of Business Development Services, put forward by the Institute of Small Enterprises and Development (ISED), is broader based. ISED proposes an alternative workable definition for business development services as follows: In the context of this study, business development services are defined as those services (both operational and strategic) and products offered, both directly and indirectly, for meeting the needs of individual businesses and the business community, at various stages of their business needs, and for other actors in shaping policies and strategies.

This study is based on a large research initiative at the ISED, on the theoretical and methodological aspects of ‘Gender and Enterprise’, as an evolving constituency. In a relative sense, considering their objective constraints, women need an integrated package of real services for ensuring the sustainability of the existing enterprises, and to attract new entrants. It is important that in the gender- based public programs, this element take a prominent place in the coming years.

As this title come out as a joint output of the Observatory and the ISED Centre for Social Development, the Institute wishes to thank, without fail, the pains and efforts of the authors, and all who have supported it through inputs and suggestions. ISED has taken best efforts to ensure the quality and reliability of this paper. However, for the findings and views, the authors alone are responsible.

Cochin  
November 23,2020

P.M.Mathew  
Director,ISED





# Salvaging Women's Businesses under Pandemic: Business Development Services as a Critical Tool

J.M.I.Sait

## ABSTRACT

*Business Development Services (BDS) providers play a very important role of support to the development of MSMEs by providing a range of business advice, information, and assistance to the sector, as well as stimulating sustainable MSME development by improving the general business environment. BDS are effectively a range of services designed to assist enterprises and entrepreneurs to operate efficiently and grow their businesses with the aim of contributing to economic growth, employment generation and poverty alleviation. The definition of Business Development Services, put forward by the Institute of Small Enterprises and Development (ISED), is more broad based. ISED proposes an alternative workable definition for business development services as follows: In the context of this study, business development services are defined as those services (both operational and strategic) and products offered, both directly and indirectly, for meeting the needs of individual businesses and the business community, at various stages of their business needs, and for other actors in shaping policies and strategies. In a relative sense, considering their objective constraints, women need an integrated package of real services for ensuring the sustainability of the existing enterprises, and to attract new entrants. It is important that in the gender based public programs, this element take a prominent place in the coming years*

*KEY WORDS: Business development Services, Women, entrepreneurship, India.*

## 1.0 Introduction

The role of 'real services', as a concomitant of enterprise development, has been widely recognized around the world. Though, in India, "training" for enterprise development has been widely recognized since the setting up of public Technical Consultancy Organizations (TCOs) in the early 1970s, the so called 'real services' necessary for start-up, growth, and performance improvement of MSMEs still remains a badly neglected area of policy attention. Some of the earlier expert committees have highlighted BDS as a focal area demanding immediate policy attention (e.g.: Chakrabarty Committee, 2008; Madhav Lal Committee, 2013). Despite such references by two such Committees, BDS still continues to be a concept mostly unintelligible even to the promotional agencies and planners. Business development services encapsulated in the generic concept of "consultancy", still continues to be an ambiguous concept.

The idea of 'Technical Consultancy Organisations (TCOs)' is based on a World Bank recommendation to Government of India, to create appropriate structures and systems to extend dependable and

affordable professional consulting services to Indian SMEs. With this background, Government of India has proposed and initiated setting up of the TCOs. IDBI pioneered the effort to set up the first TCO in Kerala (1972) jointly with IFCI, ICICI, Government of Kerala and the State Bank of India. Even today, institutionalised BDS is confined to the public sector TCOs. The BDS market is still in an evolving stage.

## 2.0. Meaning and Scope

Business Development Services (BDS) providers play a very important role of support to the development of MSMEs by providing a range of business advice, information, and assistance to the sector, as well as stimulating sustainable MSME development by improving the general business environment. BDS are effectively a range of services designed to assist enterprises and entrepreneurs to operate efficiently and grow their businesses with the aim of contributing to economic growth, employment generation and poverty alleviation. The definition of Business Development Services, put forward by the Institute of Small Enterprises and Development (ISED), is more broad based. ISED

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## 2.1. Scope

An important task before us is to have a clear understanding of the scope, and an effort to have an operational definition for the concept of 'business development services'. In available literature, the term has been used essentially in a narrow sense, often with or without a *ceteris paribus* clause. The assumption is that business development services are those services that are confined to the operational and strategic support services that are essentially confined to the lifecycle of the enterprise. This definition of the Donor Committee (1997), which has been widely quoted by most authors, confine to this limited area. However, for the sustainable growth of enterprises, the imperatives are not simply the life cycle based operational and strategic support services (OSSS) but also several facilitation services that are having an indirect bearing on the OSSS. In order to have clarity on these two categories of services, i.e. operational and strategic services, it would be instructive to arrange the various types of services according to the above two domains. They can be arranged in the following manner:

### 2.1.1. Services Provided by Facilitator

The facilitator largely operates in the external environment. The services provided by the Facilitator include the following:

- *Market access*: Market information, Trade fairs, Product exhibitions, Advertising,, Market research, Marketing trips and

meetings

- *Infrastructure*: Telecommunications, Internet access, Secretarial services,

- *Policy and advocacy*: Training in policy advocacy, Analysis of policy constraints and opportunities, Direct advocacy on behalf of MSMEs, Sponsorship of conferences, Policy Studies;

- *Input supply*: Facilitating or establishment of bulk buying groups, Information on input supply sources

- *Training and technical assistance*: Mentoring

- *Technology and product development*: Linking MSMEs and technology suppliers Services by Strategic and Operational Service Provider

The strategic and operational service provider is the one who offers services relating to start-up and growth, and performance improvement.

- *Market access*: Packaging Subcontracting and outsourcing, Market research;

- *Infrastructure*: Storage and warehousing, Transport and delivery, Business incubators;

- *Policy and advocacy*: Specialized knowledge Institutions, consultants, consulting companies;

- *Input supply*: Linking MSMEs to input suppliers, Improving suppliers' capacity to deliver quality inputs;

- *Training and technical assistance*: Feasibility studies, Business plans, Franchising, Conducting, Management training, Counselling / advisory services, Legal services, Financial and tax advice, accountancy and bookkeeping, Technical training, Mentoring;

- *Technology and product development*: Technology transfer / commercialization, Facilitating technology procurement, Quality Assurance programmes, Design services, Linking MSMEs and technology suppliers etc

- *Alternative financing mechanisms*: Factoring companies providing capital for confirmed orders, Equity financing, Facilitating supplier credit, insurance, Equipment