

Promoting Business Development Services (BDS) for micro Enterprises through Existing Individual BDS Providers



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Most of the micro Entrepreneurs in rural areas, reveal the close involvement of specific individual (s) in starting and growth of their enterprises. He/She could be friend, relative, buyer/trader, raw material supplier, trainer or other co micro Entrepreneurs. Their involvement could vary with micro Entrepreneur and may include imparting training, market linkage, facilitation support to access credit, sourcing technology, helping to maintain records, linking to Government agencies and support in regulatory compliance. Most of these services currently available to micro Enterprises in an informal manner relate to BDS. However, in most of the cases, neither the micro Entrepreneur nor the BDS provider is aware that they are transacting BDS.

Recent efforts relating to micro Enterprise development, emphasizes on enhancing availability of BDS for micro Enterprises. As micro Enterprises require personalized hand holding services, BDS to micro Enterprises can best be provided by individuals at community level. Hence it is desirable to work with existing informal BDS providers. However, it is not so easy to work with existing BDS providers. This requires transformation of “informal BDS service” to “formal BDS service.

This transformation process would require BDS provider to appreciate BDS as a formal service. The BDS provider would require playing the role of a guide (beyond friend). In the interest of financial sustainability of BDS, they may have to offer BDS on fee basis. Currently, they may be good at specific aspects of managing enterprise. They would be required to acquire different expertise relating to managing an enterprise. Presently, they may be offering BDS along with their business (like in case of buyer). It may be difficult to distinguish BDS as separate from their regular business transactions. At times formalizing BDS as a service may negatively affect their core business. Hence, it is very tricky to steer the transformation process of converting “informal BDS” to “formal BDS”.

Promoting BDS for micro enterprises through existing informal BDS providers would require systematic process in selection of BDS provider, orientating them on benefits of formal BDS, imparting skills on BDS as a service and support in institutionalization of BDS. Facilitation through a local Civil Society Organization, introduction of fee for BDS, involving them on part time basis and reducing perceived threat of offering BDS on their own enterprises would motivate many informal BDS providers to offer BDS in a formal manner. This would lead to development of BDS market for micro Enterprises.

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