

PM Challenges Faced by Small and Medium Businesses (SMBs) & NGOs in Western India- and how PMI Methodologies can Help

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by

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Pune-Deccan India Chapter
The Award Wining Chapter of the World – Year 2007

Overview

- Objectives
- Brief intro to Pune Chapter

SMBs:

- Facts about Pune city and vicinity
- Challenges faced by SMBs
- Operating environment for SMBs
- Limitations of SMBs
- Potential solutions
- What can we do for SMBs as part of C2C program?

NGOs (Time Permitting):

- Challenges faced by NGOs
- What can we do for NGOs as part of C2C program?

Objectives of this Presentation

Objectives:

- To give a brief overview of PMI Pune-Deccan Chapter
- To present the challenges faced by SMBs within Pune and vicinity and to seek potential solutions:
 - Challenges faced by Small & Medium Businesses & implementation of PMI-based ideas and project management practices
 - Challenges faced by Non-Government Organizations (NGOs) in Pune and implementation of PMI-based ideas and project management practices
- To seek collaborative avenues through the C2C program between PMIWDC and Team India to address these issues with leadership role taken by PMI Pune-Deccan chapter

Intro to Pune-Deccan Chapter

2007-2008: Recognitions for the Pune Chapter

- **FASTEST growing chapter in Asia Region**

Over 600 members

Participated in

- Leadership Institute Meeting in Hong Kong (Jan 07)
- Team India Leadership Summit in Hyderabad (Jan 07)
- PMP Preparatory Workshop launched (Jul 2007)

- **The Winner of 2007 PMI® Component of the Year Award**

Participated in Leadership Institute Meeting in Atlanta (Oct 07)

- **Volunteer of The Year 2007 Award given by PMI**

Vice President – Shantanu Bhamare, PMP®

Leadership & Outstanding Commitment to PMI Pune chapter

Some Facts about Pune city

- **Pune is one of the oldest mid-size cities in India**
 - The city is more than 800 years old
 - Area of the city: 450 sq Kms
 - Current population of Pune and vicinity: roughly 5 Million
- **Pune is considered cultural capital of Western India**
 - Pune is well known for its leadership in the country for many new initiatives in terms of cultural reforms and advances
 - Pune has provided national leaders and renowned thinkers and reformists in India
 - Pune has a place of pride in terms of Manufacturing & IT industries in India
 - Pune is rightfully considered as cultural capital of Western India
 - Pune is considered as The Oxford of the East and is the most sought after Educational Center in India

Some Facts about Pune City (Cont)

- **Pune is a hub for education & engineering activities**
 - 5 major universities, 100 affiliated colleges (include 28 engineering colleges, 5 medical colleges)
 - over 300,000 college students population in Pune
 - Half a dozen National Research Organizations
 - Center for design of Super Computer CDAC
 - Software Technology park that is one of the largest in India
 - New Biotech Park is being set up in Pune

- **Important center for defense activities for India**

Pune's Shaniwarwada Fort



Skylines of Pune, Population 5 Million



University of Pune



Operating Environment for SMBs

- **Manufacturing hub in India**
 - **Over 250,000 people involved in manufacturing activity**
 - **Auto Industry Hub for India / Asia**
 - **Many ancillary units supplying parts / components to Large units**
 - **Largest two wheeler manufacturing facilities in India (2nd largest unit in the world)**
 - **More than 100 large engineering industries**
 - **More than 10,000 small size business units**
 - **About 500 medium size business units**
 - **Examples of manufacturing activities:**
 - **Diesel engine/ power generators**
 - **Complex engineering machinery**
 - **Project engineering activities related to manufacturing**
 - **Electronic equipment**
 - **Pharmaceutical units**

Operating Environment for SMBs

- **Important Hub for a growing IT / Software Industry in India**
 - Pune has over 100 large IT units / 500 medium size units & 2500 small units
 - Over 100,000 qualified IT personnel
 - IT Pune has surpassed Mumbai (Bombay) in terms of software exports in the last few years
- **In and around Pune there is a high concentration of small & medium businesses (Manufacturing / Services / IT & ITES)**
 - Small units - more than 10,000 (average revenue 1 to 5 Million USD)
 - Medium units - more than 500 (average revenue 6 to 10 Million USD)

Limitations of SMBs

SMBs are generally set up by technocrats using their own money out of personal savings and family fortunes. Their limitations are:

- **Supply components only to Large Manufacturing units or Multi-National Companies**
- **Dependent on entrepreneurial spirit**
- **Entrepreneurs lack business background**
- **Dependent on orders from large customers**
- **Not in a position to employ & retain highly qualified and professionally trained people, since large units tend to attract such professionals after their initial training**
- **No access to direct marketing, which restricts their volumes and make them ever dependent on larger companies**
- **SMBs are generally starved of funds and have to spend too much time on collections of Accounts Receivables & various funding arrangements through Banks / FIs**

Challenges faced by the SMBs in Pune

- **Lack of adequate management training**
 - **Poor or no business plans**
 - **Lack of business & financial discipline**
 - **Lack of cognizance that there is a better way to manage the projects**
 - **Too much time spent with Govt. / Semi Govt. agencies on bureaucratic matters**
- **Inability to attract & retain highly trained professionals**
- **Lack of succession plans and inadequate efforts for developing people**
- **Lack of awareness of modern management practices / tools and techniques – at times even if they have knowledge they have no time or resources to implement such methods**
- **Technocrats tend to avoid facing such issues head-on**

Challenges faced by the SMBs in Pune (cont)

- **Inadequate attention to financial disciplines**
 - Shortage of funds
 - Inability to pay competitive wages
- **Lack of awareness of legal issues (IPRs / Patents / Copyrights / Registrations)**
- **Need for training of the leadership and promoters of such units**

Such situations are very common for SMBs in and around Pune and in fact in similar units in Western India

The challenge for the Pune-Deccan Chapter:

- **How to provide professional help to such SMBs, and**
- **How to arrange for training and awareness, especially in PMI-brand management practices**

Potential Solutions for SMBs

- Organized group training for SMBs in PMI-based project management practices from PMI Pune Chapter with the help from Team India

- Help SMBs to focus on:
 - **Planning**
 - **Scope management**
 - **Cost management**
 - **Human resource management: Retain skilled personnel**
 - **Procurement management: contracts and finances**

- Your suggestions are welcome!!

What can we do as part of C2C program?

- PMI Pune-Deccan Chapter plans to conduct 2 seminars during Oct 08 to Dec 08 for promoting PMI thinking & methodology for these segments and enlighten the SMBs about current methodologies / concepts
 - We are confident that this will be of great value to all SMB units in Pune and surrounding areas.
 - These organizations need help and it will be a good gesture from PMI Chapters to come forward and provide a helping hand
- PMI Pune chapter has decided to address this issue boldly; but we are seeking help from PMIWDC through the C2C program primarily using “member-to-member exchange” over a period of about 2 years.

What can we do as part of C2C program?

- We hope that PMIWDC Chapter members, having expertise in SMBs will visit Pune-Deccan chapter in India through the C2C program for a two-week period on an annual basis,
- These experts can work with our members to develop solutions to the challenges faced by the SMBs
- PMI Pune would like to organize a competition for “Best Projects” especially for SMB units as an on-going activity (as part of C2C program) and thus help promote better project management practices

Any suggestions or questions?

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Backup Charts On NGOs

Challenges faced by the NGOs

- **Lack of adequate Management training amongst social workers / promoters of NGOs:**
 - Little or no planning resulting in ad hoc decision making
 - Loosely defined organization structure
 - Lack of financial discipline
 - Lack of Forward planning
 - No feasibility studies, thus leading to wrong choice of projects
- **Inability to attract & retain well trained personnel**
- **Lack of awareness of modern management practices**
- **Lack of training for the leadership teams of NGOs**

Challenges faced by the NGOs (cont)

- **Although there are lots of people who are willing to donate for social causes, NGOs are ill-equipped to reach out to these donors**
 - **NGO units do not have trained marketing personnel and do not know how to generate publicity for their efforts**
- **Lack of available funds and misuse of funds**
 - **Many projects are initiated; but get aborted due to shortage of funds**
 - **Inability to pay competitive wages / salaries to trained professionals**
- **Inadequate attention to financial disciplines and cash flow control**

The NGOs certainly need help from organized bodies and professional associations such as PMI.

Environment for NGOs in Pune

- **Pune has been one of the pioneering cities in terms of social reforms and new social initiatives**
 - **Women's reforms for the last 150 years**
 - **Maharshi Karve started a school for widows / women / girls that is more than 110 years old**
 - **Mahatma Phule started a school for girls 150 years ago**
 - **Women's education and their advancement**
 - **Rehabilitation of women & children**
 - **Pune is one of the leading centers for:**
 - **Child Adoption**
 - **Rehabilitation of prostitutes**
 - **Vocational training for women & girls**
 - **Rehabilitation centers for orphans**
 - **Nursing homes for senior citizens**

What can we do as part of C2C program?

- PMI Pune-Deccan Chapter will conduct 2 seminars during Oct 08 to Dec 08 for promoting PMI thinking & methodology for the NGOs, and enlighten these units about current methodologies / concepts and fundamentals with a view to help these units
 - **We are confident that this will be of great value to all NGOs in Pune and surrounding areas**
 - **These organizations need help and it will be a good gesture from PMI Chapters to come forward and provide a helping hand**
- PMI Pune chapter has decided to address this issue in a bold manner, but we are seeking help from PMIWDC in the form of participation by sending an NGO expert through “member-to-member exchange” of C2C program. Two visits, each lasting 2 weeks, over a period of 2 years, will go a long way in solving some of the NGO challenges

What can we do as part of C2C program?

- We hope PMIWDC and its members will support this NGO outreach program initiated by the Pune chapter
 - PMI Pune will announce a competition for “Best Projects” especially for NGO units as an on-going activity and help promote better project management practices in this segment

Your suggestions are welcome!!

Any suggestions or questions?

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