

Editorial

"Success is nothing more than a few simple disciplines, practiced every day, while failure is simply a few errors in judgment, repeated every day. It's the accumulative weight of our disciplines and our judgments that leads to either fortune or failure."
- Jim Rohn



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"To catalyze the efforts of technology upgradation, the Government of Karnataka will establish a corpus called The Technology Upgradation Fund of Rs.50.00 crores over a period of 5 years. The fund will be administered through a Government / Industry partnership and its deployment dictated by the logic of the market and by industry. In particular, this fund will focus on niche products and processes in the value chain of industries in which Karnataka has comparative advantages and reinforce best practices in technology and business."

- Karnataka Industrial Policy

Karnataka State Industrial Times

The Weekly Voice of Karnataka Entrepreneurs

A new growth strategy for MSMEs

The business confidence of small and medium enterprises has declined for the April-June quarter due to fears of further rise in interest rates by the Reserve Bank of India, according to the Confederation of Indian Industry. The CII said Business Confidence Survey of SMEs for the current quarter is estimated at 62.1, down by 3.1 points over the January-March period.

In another study conducted by the World Bank of 47,745 firms in developed and developing countries, the findings show that despite their significant contribution to employment, the SMEs have a low rate of productivity due to instability in the working environment and a high rate of attrition. Its conclusions are also corroborated by the trends in the US where smaller firms suffer net job losses. On the other hand, in developing countries "small mature firms have the largest share of job creation," says the World Bank survey quoted in the "Financial Express."

The two studies underline the need for a well-defined growth strategy that takes into account unpredictable factors in the financial market. Second, the low level of business confidence stemming from market uncertainties could be undermined further by a high rate of attrition that exists among MSMEs in the developing countries. However, such a trend does not exist across the board, according to the World Bank survey, which notes that small but mature firms stand high on the ladder of jobs creation. In other words, they invest in their work force and treat them as an asset.

When Anupama Sharma, 28, a venture capitalist with a Stanford degree chucked her job to join a small start-up company earlier this week, it was not a random decision, says a special report in the FE. Ms Sharma, who worked with firms like SoftBank China & India Holdings, took up an offer from Bangalore-based online bookstore Flipkart.com to work as a marketing executive. The icing on the cake was the employee stock option plan (Esop) she was offered at the fast-growing start-up.

In just one year of operations, Flipkart has seen revenue zoom from Rs 2.5 crore to Rs 25 crore, with its founders aiming for Rs 100 crore by end-2011. Ms Sharma's earnings will also spike from the trajectory of growth, besides fulfilling her cherished desire to dream big and deliver. The company has structured the Esops over four years, and, at the end of each year, the employee rakes in a quarter of the options.

Kolkatta-based Tega Industries is another company that rewards its employees through stock options. An engineering company that manufactures equipment for the mining industry, Tega Industries is a Rs.600-crore enterprise with offices around the world, including countries like the US, Canada, Australia, Brazil, Chile, Zambia and South Africa, among others. The company opted for stock options, so that its employees could actively participate in its wealth creation.

The message from these examples is transparent and clear. Let the employees fulfill your dream by also helping them realize their dreams. Use the modern tools of technology to work smart. Dell, the world's third largest personal computer maker, said it has launched a programme to provide financing option to small and medium businesses, large commercial customers and public sector in India for its products. Dell has signed an agreement with financial services provider Macquarie to provide easy financing solutions for its products. It is the first financing programme for Dell in India to address the financing needs of SMEs. With the new options now available, let there be a new beginning down the road to success.

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Spotlight

Dell to finance programme for small business in India

- KSIT NEWS SERVICE

Dell Financial Services India is the first financing programmer for Dell in India to address the comprehensive financing needs of our enterprise, public sector and small and medium business customers by providing a dedicated sales team to structure the most effective financing arrangements available in the marketplace.

The world's third largest personal computer maker DELL has launched a programme to provide financing option to small and medium business, large commercial customers and public sector in India for Dell in India to address the comprehensive financing needs of our enterprise, public sector and small and medium business customers by providing a dedicated sales team to structure the most effective financing arrangements available in the marketplace," Dell said in a statement. The proposal of financing products will be evaluated by Dell and Macquarie. It will depend from company to

for its products. Dell has entered into an agreement with financial services provider Macquarie to provide easy financing options for its products. "Dell Financial Services India is the first financing programmer

company, of customer with Dell. Customers will get a lease for 12-60 months to benefit from fixed regular payments.

The financing options would include low interest rate and promotional financing on key Dell products and other range of solutions that Dell offers. However, the interest rate and finance limit under this programme has not been fixed by the company. "Macquarie's expertise in this area, combined with Dell's existing products and programmes, will provide customers with robust technology solutions and structured financing capability," Dell India general manager Consumer and Small-Medium Business Mahesh Bhalla said in statement.