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SME Advisors: An intermediary website between MSME and Experts

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Abstract: MSMEs are an essential component of the Indian economy and have significantly aided in the socioeconomic development of the nation. It not only opens up work opportunities but also aids in the advancement of rural and underdeveloped sections of the nation.

The number of start-ups surged during Covid-19, and as we all know, start-ups require all financial support they can get. Smaller enterprises and firms in the Indian economy have long had trouble getting finance. Over time, it has been discovered that there are a number of regulatory challenges, such as problems with tax compliance and changes to labor legislation that have ended up costing the MSME sector significantly.

Despite constantly creating new goals and preparing to expand their current operations, many business leaders still lack the financial knowledge required to lead their organizations in the right way.

Despite these obstacles, if a business is persistent, it is still feasible for it to succeed, and if they have the correct support from the right people, these issues could be quickly overcome.

The answer we developed is SMEAdvisors, a website that strives to build a platform that links experts in many fields with entrepreneurs while also giving professionals opportunities to use their expertise. The website helps MSMEs get in touch with qualified experts, focuses on the business life cycle and all potential difficulties, and assists in finding solutions and taking the necessary steps.

Keywords: MSME, Needs of MSME, Financial Expertise, Tax compliance, labor reforms.

I. INTRODUCTION

Small and mid-size businesses (SMEs) are companies with revenues, assets, or personnel that fall below a particular level. A small and medium-sized firm (SME) is defined differently in each country. Certain size requirements must be met, and the industry in which the company operates may also be considered.

Small and mid-size businesses (SMEs) play a vital role in the economy, despite their small size. They outnumber major corporations by a substantial margin, employ a huge workforce, and are generally entrepreneurial in nature, contributing to the shaping of innovation.

MSMEs in India account for around 8% of the country's GDP, 45 percent of manufacturing output, and over 40% of exports. They might be referred to as the 'Backbone of the Country.'

In accordance with the Micro, Small and Medium Enterprises Development (MSMED) Act of 2006, the Indian government has launched MSME, or Micro, Small and Medium Enterprises. These businesses are generally in the business of producing, manufacturing, processing, or preserving goods and commodities.

MSMEs are a vital part of the Indian economy and have made significant contributions to the country's socioeconomic growth. It not only creates job possibilities, but it also contributes to the development of the country's backward and rural areas. According to the government's annual report (2018-19), India has roughly 6,08,41,245 MSMEs.

The Micro, Small and Medium Enterprises Development (Amendment) Bill, 2018, proposes to redefine MSMEs by classifying them as manufacturing or service-providing businesses depending on their yearly turnover.

The Ministry has published a composite criterion for classification of MSMEs based on investment in plant and machinery/equipment and turnover of MSMEs in notification number. S.O.2119 (E) dated 26.06.2020. The below table, however shows an older data from 2018.

| Kind of enterprise | Act of 2006 | | Bill of 2018 |
|--------------------|--------------------------------------|------------------------------|-----------------|
| | Manufacturing | Services | All enterprises |
| | Investment towards plant & machinery | Investment towards equipment | Annual Turnover |
| Micro | 25 lacs | 10 lacs | 5 Cr |
| Small | 25 lacs to 5 Cr | 10 lacs to 2 Cr | 5 Cr to 75 Cr |
| Medium | 5 Cr to 10 Cr | 2 Cr to 5 Cr | 75 Cr to 250 Cr |

During Covid-19, the number of start-ups increased, and as we all know, start-ups require all the financial assistance they can obtain. There is no disputing that our country's growth is heavily reliant on micro, small, and medium companies (MSMEs), which generate mass employment in every corner of the country and contribute significantly to the GDP. Given its importance, the government is expected to offer enough support to guarantee that MSMEs' growth is not stifled at any time, particularly in the midst of a pandemic that has brought major world economies to a halt. MSMEs were particularly hard hit by the shutdown, since factories were shuttered for more than two months between March and June. The current economic scenario is unfavorable to small businesses due to a lack of liquidity in the system, despite the government's efforts to keep the sector afloat. Despite the fact that the government has implemented a number of economic measures in terms of finance, there are still some loopholes that impede the sector from functioning properly.

II. RESEARCH RESULT AND DISCUSSION

Through research we concluded that there are certain problems faced by MSMEs which have some commonality, which helps us to narrow it down. Access to financing has always been a problem for smaller businesses and firms in the Indian economy. This is a significant barrier for both enterprises and the MSME sector. The fact that just 16 percent of SMEs have timely access to financing is what is most upsetting, as this forces small and medium-sized businesses to rely on their own resources. This issue affects not only small businesses, but also larger ones because even these bigger players have a tough time obtaining more affordable borrowing from conventional banks. A number of regulatory issues, such as issues with tax compliance and modifications to labor regulations that have ended up costing the MSME sector dearly, have been found over time. Some labor reforms were attempted years ago in an effort to increase this sector's competitiveness relative to others. Despite making MSMEs more competitive than larger companies, they did little to improve their situation. Due to the increased difficulty in complying with these rules and registering for tax compliance, many MSMEs are now running on very little cash or even closing their doors.

Despite being essential to the expansion of larger enterprises, the bulk of MSMEs in India lack professionalism. In India, there are standardized MSME policies, but people are not aware of it. As a result, there is no consistency in the programmes for promoting entrepreneurship and MSME development. Although Delhi has made some strides in the right direction over the years, more needs to be done on a national scale if Indian businesses are to compete globally for foreign investors and corporations.

Many business owners still lack the financial expertise necessary to guide their companies in the proper direction, despite the fact that they are constantly developing new plans and planning the expansion of their current operations. Entrepreneurs without a solid understanding of finance might not be able to make important business decisions with MSME financing. Without financial understanding, you risk making poor judgments that could harm your company until you seek outside counsel. Additionally, having a solid understanding of money is essential because you must rely on an MSME loan to get you through any difficulties that may arise. Even though the government has developed policies to make credit for businesses easily available to encourage entrepreneurship, the majority of firms consistently struggle to get money or obtain an MSME loan. The prospects of MSMEs are further hampered by the regulatory flaws that prolong the process of obtaining licenses, insurance, and certifications. Due to a shortage of capital, the majority of enterprises experience issues with manufacturing, timely raw material purchases, or even access to new technology or the development of new skills. The economic slowdown, which has caused a liquidity crisis, is another key issue, but the government has given MSMEs a break by instructing banks not to label any stressed loan accounts of MSMEs as NPA until March 2020 and work on recasting their debt. A lot of start-ups incurred losses as a result of the unanticipated COVID-19 epidemic, which followed, and were thus forced to close. However, many start-ups, including those that produce and market hand sanitizers, acquired pace as a result of the pandemic.

Due to a stringent collateral protocol, some businesses may find it challenging to obtain an MSME loan. Tiny business owners may choose unsecured business loans from lenders instead of worrying about providing collateral or assets to receive the MSME loan approval because small businesses may not have the property to satisfy the criterion to avail a loan.

In order to design a website, we must keep in mind a few important aspects, because we aim to make our website user-friendly, easy and appealing to use.

The component of the system known as the user interface (UI) serves as a conduit between the user and the system, enabling effective user interaction. Everything that the end user physically, perceptually, and intellectually interacts with when using the system is considered to be a part of the user interface. The user interface is the system itself to the end user. As a result, in assessing the overall quality of any software system, usability of a system continues to be one of the most crucial quality attributes. Building a natural dialogue sequence that enables the user and machine to exchange the messages necessary to complete a task is the challenge of user interface design.

An MSME that builds or purchases from a website must be able to evaluate the product's quality. Because some errors, like browser incompatibility and search engine efficacy, are subtle and because technology can hide the true potential that might be there to be exploited, it can be challenging for the business to evaluate the quality of the product developed for them. Any of the web site's quality must be assessed using a variety of different criteria, such as search engine exposure, usability, design quality, and ease of site upkeep and updating.

Despite these challenges, if a company is tenacious, it is still possible to be successful, and if they have the appropriate help from the right people, these problems could be resolved swiftly.

We looked at all of the demands of MSME, and after doing a lot of research, we came to the conclusion that they lack a platform that can help them with the majority of their diverse financial issues. As a result, we made the decision to develop an intermediary platform that will link MSMEs with knowledgeable people with a range of specialties.

SMEAdvisors aims to create a platform that connects people with experience in many industries to entrepreneurs while also providing possibilities for professionals to put their skills to use. The website connects MSMEs with trained specialists and focuses on the business life cycle and all of the challenges that may develop, as well as aid in obtaining solutions and taking the necessary measures. The goals of this website are to create a platform that assists in bringing together individuals with various areas of expertise and entrepreneurs, empowering them to make well-informed decisions, assisting in the creation of opportunities for experts, and assisting MSME to concentrate on the life cycle of their business. With the aid of tags and categories that are checked by the admin, it enables the MSME to generate jobs and categorize them. The specialists may apply for these positions, admin confirms everything once more, and after that, a connection is established between them so that they can communicate with one another.

III. CONCLUSION

SMEAdvisors is an intermediary website that connects both MSMEs and skilled experts, and we believe that this can be a solution to the aforementioned issues. Through this website, the focus is on creating a platform that aids in connecting experts in a variety of industries with entrepreneurs while providing possibilities for experts to put their skills to use. The website focuses on the business life cycle and all of its associated difficulties that may develop and require assistance to acquire solutions and take the necessary measures, and it connects knowledgeable specialists to MSMEs.

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