



## CLUSTER INTERVENTIONS

Cluster is an age old phenomenon in particular geographical concentrations known for specific product at National and International level which represents the socio-economic heritage of the country and has been in existence for decades and centuries.

The wonders of workmanship and traditional skill of craftsmen from different part of India are well known for its exquisite designs and unique categories to millions of people globally.

NIESBUD has intervened in various clusters under different schemes of Government of India to capacitate and enhance competitiveness of Cluster Actors (Artisans/ Entrepreneurs) through:

- Networking and Capacity Building
- Addressing Technological Issues
- Product Development and Diversifications
- Marketing Promotional Assistance

The key strategy for Cluster Interventions is to enhance the productivity and competitiveness through capacity building of the entrepreneurs. Bridging the technological gaps and thereby reducing the cost of production, improving the quality of the products and global benchmarking of the quality parameters, are the major challenges before the cluster actors.

The Institute is working in 24 Clusters under MSE- CDP Scheme of the O/o DC (MSME) and that of SFURTI for conducting Diagnostic Studies (DSRs), preparing Detailed Project Reports (DPRs) etc. These Clusters covering 63,000 SMEs with a total turnover of around Rs. 50,000 Crore (5 Billion) per annum, provide direct and indirect employment to about 7.5 lakh (0.75 million) persons.

### a. Soft Interventions in Clusters

The focus of soft interventions include capacity building of cluster actors; exploring new markets; improving infrastructure; product diversification and developing institutional

linkages. It was initiated by first targeting the cluster actors to be more responsive to new methods of manufacturing/ processing to reduce the cost of production and improve quality of the products. Attempts were also made to explore Joint initiatives with the cluster actors.

- **Networking & Capacity Building**

In most of the Artisans based cluster, enterprises were established without infrastructure development/ assistance from Government and thus the nature of the cluster activities is like unorganized sector. It is difficult for the suppliers of raw material, buyers of finished products to contact the right person in the cluster. Hence formation of Special Purpose Vehicle (Organization)/Association of Artisans, is a major challenge to be undertaken to provide an organized set up to the cluster. The details of the activities undertaken towards this end in the six clusters (BrasswareCluster, Moradabad;Scissors Cluster, Meerut;BonecraftCluster,Loni;Textile Printing Cluster, Pilkhuwa; Plastic Packaging Material Cluster, Ghaziabad and Auto Parts Cluster, Gurgaon) are as under :-

In Brassware Cluster, Moradabad, SPVs have been formed in many functional areas. For addressing the issues of capacity building and technological development of the Cluster, the services of Experts were provided for improving Casting & Ingot Making for Brass products. Theservices in the area of Lean Manufacturing such as 5-S implementation were also provided. An EDP was organized to motivate the artisans to adopt the new technology in raw material processing,casting and finishing the brass products. The cluster actors were also sensitized about the new methods and techniques to reduce the pollution, improve the productivity,reduce cost and improve quality of the product(s). The artisans were also impressed upon the necessity of reducing wastage of raw material during processing through improvement in their equipments with minor addition of specific tools. The Special Purpose Machine Developers interacted with SPV members and demonstrated the use of advanced tools.

In Scissors Cluster, Meerut regular meetings of SPV members were held to develop networking of the cluster actorswith Business Development Service(BDS) Providers. The Government officials were also invited to the meetings and efforts were made to dovetail the other Government Schemes to derive the maximum benefit for the cluster actors. With a view to facilitate credit from the nationalized banks, the issue of Artisans Identity Cards to about 100 artisans under the Scheme of the O/o the DC (Handicraft), Ministry of Textiles, Government of India, was also taken up.

In order to strengthen the artisans of Boneware Cluster, Loni, aSPV was formed in the name of Bonecraft Special Purpose Vehicle. The Artisans of the Cluster were also sensitized to form Self Help Groups (SHGs)to avail the benefits of credit & marketing

linkages. A number of female artisans have come forward to form the SHGs. An EDP on “Computerized Design Development and Value Additions” in Bone Products was conducted for the artisans, during the year. The programme was based on specific softwares on Jewelry Designs. The two types of skills required in the Cluster are: Jewelry Design Making & Beads Making. The Artisans were provided hand-tool kits and hands-on experiences to prepare beads of better quality.

In Textile Printing Cluster, Pilkhuwa, the SPV viz; Textile Printing Cluster Vikas Samiti, was facilitated to enroll approximately 200 members and it has been quite proactive in raising the issues of cluster actors. The SPV members are holding regular meetings for discussing their day-to-day issues.

Under the implementation of soft intervention in Plastic Packaging Material Cluster, Ghaziabad, the participation of Entrepreneurs in PLASTINDIA Fair at New Delhi was arranged. Besides, seminars and workshops were also organized to address the technological gaps which provided an opportunity of interaction not only with the unit holders but also with their managers, supervisors and workers. The entrepreneurs in the cluster were motivated to form the SPV and contribute its share towards the establishment of CFC to recycle the waste and prepare the raw materials (plastic and rubber granules) which are in great demand for meeting the requirements of plastic packaging units and growing auto cluster in the nearby areas.

In Auto Parts Cluster, Gurgaon, a workshop on Credit Rating was organized to highlight its benefits for developing linkages among the buyers, bankers, raw material suppliers etc. The training programme on export procedure and documentation was also organized to equip the manufactures with the techniques of promoting the export of the auto parts. However, the response from the manufacturer’s side was lukewarm. The units in SSI sector have installed traditional low productive machines and mainly work for the vendors of Maruti Udyog Ltd., M & M, Hero Honda and other automobile companies. These units are merely job workers for the Original Equipment Manufacturers (OEMs) and hardly adopt any change in their units unless instruction is given by the OEMs. However, these interventions have made them aware about their potential.

Besides, the Institute organized a series of Entrepreneurship-cum-Skill Development Programmes (ESDPs) for beneficiaries/ cluster actors from different Clusters with the financial assistance of the Ministry of MSME, during the year.



- ***Addressing Technological Issues***

The Artisans of Brassware Cluster, Moradabad were facilitated an exposure visit to Brass Cluster, Jamnagar. The participants visited various brass products manufacturing units and understood the process of higher quality product. The furnaces in Jamnagar work at 50% efficiency while those at Moradabad have the efficiency of 15% only. This prompted the Artisans to replace their furnaces based on obsolete technology by modern furnaces.

The Concept of Quality Manufacturing through the implementation of 5S was demonstrated in the Cluster. An awareness training program for the Concept was also organized which was followed by sensitization event of factory visits and base study. Model 5S units were created for the volunteering members. An Awareness Programme on ISO 9001-2008 was organized and services of Consultant were provided for the certification of interested enterprises.

On the request of the artisans of the Bonecraft Cluster, Loni and advice of the Consultant, an Exposure-cum-Study Tour for the Cluster Actors was arranged to three places namely Khurja, Purdilnagar (Aligarh) & Sambhal. This encouraged the artisans to replicate the advanced technologies being used at these places.

An Exposure-cum-Study Tour for SPV members of the Scissors Cluster was arranged for Ludhiana (Maler Kotla), Shahibabad, Faridabad and Mumbai. They were exposed to manufacturing of better scissors in other Clusters. The quality of such Scissors was world class. In order to motivate the enterprises to replace obsolete technology with modern one, in grinding and casting units, an EDP on Scissors Processing, was also organized. The Entrepreneurs were also facilitated to understand new methods of scissors manufacturing during the course of the programme. The participants learnt the advanced methods of heat treatment, forging by Friction Drop Hammers, testing procedures through use of Spectrometer and advanced methods of die making through CNC machines. The Special Purpose Machine (SPM) Developers also interacted with the artisans to explain as to how upgraded Grinders can increase the productivity and reduce health hazards.



In Textile Printing Cluster, Pilkhuwa, a seminar on world class manufacturing was organized to highlight the use of advanced machines to enhance the productivity and improve the quality as per the emerging market trends. The



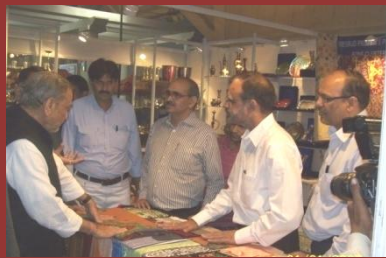


modern machines were also displayed in the Cluster. An Awareness Program was organized for the implementation and certification of ISO: 9001-2008 for the cluster units. The benefits of ISO certification on the global platform, were also highlighted. The enhanced production capability along with increased customer confidence were the key themes of the programme.

- **Marketing Promotional Assistance**

In order to strengthen the marketing linkages of the Clusters, a number of initiatives viz; Expo participation, Buyer Seller Meets, Training on Export Procedure & Documentations, Exposure Visits to similar Clusters etc, were undertaken during the implementation of soft interventions.

Presently, a large number of export orders of Bonecraft products of Loni and Brassware products of Moradabad are being procured by middlemen/exporters from Delhi/ Mumbai. With an objective to explore opportunities in exports and acquaint them with the concerned procedure/ documentation, training programme(s) on Export Procedures & Documentations, were organized in Brassware, Bonecraft & Textile Printing Clusters. Some of the Cluster Actors from these Clusters are in the process to complete the formalities for export registration so that they could export their products directly.



Cluster actors from Scissors, Bonecraft, Brassware and Textile Printing Clusters participated in IITF at New Delhi. This exposure brought an awareness among the cluster actors for developing their products as per the market trends. They also interacted directly with the customers and thereby learnt marketing techniques and developed marketing linkages. This immensely helped them as generally these artisans are job workers and get orders from middlemen, traders and exporters. They were also motivated towards product diversification as per the emerging market demands.

In order to cater to domestic as well as international markets, 35 new designs were introduced in Textile Printing Cluster, Pilkhuwa by the experienced Consultants. In home furnishing products, ethnic



designs with eco-friendly colours are need of the hour. A huge demand of these designs was felt during IITF Participation. The Cluster Actors are now replicating these designs and are making good profits.

A common e-commerce portal for the Clusters has been developed in the name of [www.craftvilla.co.in](http://www.craftvilla.co.in) to give a further boost to the marketing efforts of the artisans in these clusters.

### **Hard interventions in Clusters**

In this age of globalization, transfer of appropriate technology in the clusters, is a major challenge. Establishment of Common Facility Centre (CFC) is, therefore, required which may have all new high-tech machines which otherwise cannot be afforded by individual entrepreneurs. This would allow adoption of modern technology for all the artisans/entrepreneurs of the clusters. Therefore, apart from soft intervention, hard intervention is equally important to ensure the competitiveness of the clusters. Therefore, the institute took initiatives for setting up need-based CFCs in the clusters.

In Scissors Cluster, Meerut, SPV members were facilitated to arrange their share of Rs. 1.63 crore (16.3 million) towards establishment of the Common Facility Centre (CFC) including a Credit (C/C) Limit for Rs. One Crore (10 million) from Syndicate Bank. They have also procured 600 square meter of land from the Meerut Development Authority, Meerut where the basic structure of building and shed has been constructed for housing the CFC.

The Contractor for supply, installation and commissioning of machinery on Turn-key basis for the CFC has started ground work for foundation etc at the site.

In Brassware Cluster, Moradabad, one of the major problems, is the low efficiency of coal fired furnaces which are being used to recycle nearly 100 million kgs of scrap annually. These furnaces discharge nearly one hundred thousand metric tonnes of Carbon Dioxide (CO<sub>2</sub>) causing health hazard in the city. Accordingly, the Institute conducted a Study to understand basic problems with a view to preparing a Detailed Project Report (DPR) for the transfer of appropriate technology to the cluster. Thus, a DPR for Brass Ingot Making CFC has been submitted. With a view to addressing the issue of gap of Die-making Equipment which is presently not available at Moradabad, another DPR for setting up a Mini Tool Room was also prepared and submitted simultaneously.

In Textile Printing Cluster, Pilkhuwa, the DPR for setting up the CFC with modern printing equipments has been submitted.

Besides, the Institute, as Technical Agency, has worked to provide support to ten (10) KVIC and four (04) COIR clusters under SFURTI scheme through regular visits and

technical inputs to the Artisans, Cluster Development Executives and Implementing Agencies.

All these efforts have started showing positive results in these Clusters in terms of higher productivity and the position will further improve subsequent to establishment of the concerned CFCs.

**[For more Details: Click Here](#)**