

# 5 ways how technology can encourage the sme sector

[Life](#), [Emotions](#)



The SME sector is the backbone of India's growth contributing to 45% of manufacturing output, 40% of total exports and targeted to contribute to 20% of India's GDP by 2020. Backed by the government via the Digital India initiative, this sector is likely to embrace technology in a big way to promote growth. Irrespective of segment, there are numerous research reports that provide statistics on the link between technology adoption and the SME sector growth with some stating that SME's who were early adopters of technology could increase their annual revenue 15% faster than their competitors.

This article explores the five leading ways in which technology will encourage growth in the SME sector:

1. Creating a digital business: SME success depends upon creating early differentiators. Thinking through and executing a digital business model could mean getting that ticket to differentiation. This requires a fundamental shift in strategy in favor of leveraging digital, to either bring out a new offering or take the existing offering to market in newer ways. This means being able to explore technologies such as IoT for say creating a new business offerings, leveraging robotics for say faster plant output, analytics for a deeper understanding into the internal and external business environment to leveraging social for customer outreach or cloud for flexibility and lower capex. The options are numerous. It only requires very strong business understanding to be able to analyze the existing business models, analyze what the ecosystem looks like, have a very strong understanding of the

customer and their unstated expectations to then be able to devise an appropriate strategy to create the digital business model.

2. Hiring the right talent: Senior management of SME's need to change the lens with which they view enterprise talent. Digital talent is not only about technical skills, but goes much beyond permeating business processes, to deal with the new requirements brought about by changing customer expectations. As a famous quote goes " Even in such technical lines as engineering, about 15% of one's financial success is due one's technical knowledge and about 85% is due to skill in human engineering, topersonalityand the ability to lead people." Transforming business by leveraging digital is a huge opportunity provided that the SME equips itself with the right talent that is able to accelerate the pace of growth.
3. Information Management to increase productivity: With fully automated business processes, the SME creates a paperless office, where the right information to execute a business process seamlessly is available to the right user when they need it. No longer do they need to clamor for information - everything that they need to deliver process cycle time is available to them on their fingertips including complete automation of workflows and integration to the ERP or back end applications. What this really leads to is significant increase in productivity and doing more with less.
4. Understanding the customer / customer outreach: What used to be a last channel of resort for customers is now turning out to be the natural and most immediate touch point for progressive brands. According to

some studies, companies with social care experience see a 5.6% increase in the first contact resolutions, 6.5% increase in agent productivity and 17.5% increase in SLA attainment. Social is being leveraged by SME's like never before to gain a good understanding of the customer. With social and sentiment analysis, SME's in the B2C space are not only able to better understand customer's perception of a brand and their expectations, but also leverage it for generating leads, managing engagement with prospects to delivering customer service in newer ways.

5. Lower capex with cloud: Rather than owning assets, SME's can leverage cloud to be operators of those assets owned by an external provider. This enables quick readiness and faster 'reach to their enterprise goals', thereby making it a significant driver for SME growth.

The SME segment plays a very crucial role in the socio-economic growth story of the country, and technology is likely to become a sine qua non for driving business growth. Taking a lead early on in this respect will make a big difference between the also-rans to those who are really going to drive a new wave of growth enabled by technology.