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# SWOT ANALYSIS OF SMALL BUSINESS ENTERPRISE WITH SPECIAL REFERENCE TO KOKRAJHAR DISTRICT

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SWOT analysis is a method of analyzing the external and internal environment of a business enterprise. From the perspective of business enterprise, this article will discuss business enterprise by applying SWOT analysis. This will be like a tool for business enterprise to position themselves ahead of their competitors. The small scale industry is a vibrant sector in Indian economy. It has emerged and acquired a common place in Indian economy employing a large percentage in its sector and has significantly contributed to the growth of Indian economy. It acts as a thirst in the economic development of any country. Small scale industry serve the society by providing employment and can be started with minimum investment. Small scale industries are prominent in many countries and the way its defined in various countries are not same. Small business enterprise area source for many entrepreneurs to start up due to its low investment in setting a new enterprise.

**Keywords:** Business Enterprise, Competitors, Swot

## INTRODUCTION

Much has been done in the area of business enterprise using SWOT analysis. But the time series of analysis is different. This is a very common method used in every industry to know their positions in the present competitive world. In the study a brief analysis undertaken in order to highlight different parameters that may be factor in each and every industry. In SWOT analysis, the factor weakness of one enterprise may be advantage for other enterprises. The very aspect of these paper is to understand the different aspects of the enterprise that are located in the study area.

## Definitions of Micro, Small and Medium Enterprises in India

In accordance with the provision of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two Classes: (a) Manufacturing Enterprises: The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951) or employing plant and machinery in the process of value addition to the final product having a distinct name or character

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or use. The Manufacturing Enterprise are defined in terms of investment in Plant and Machinery. (b) Service Enterprises: The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment.

### MOTIVATION OF THE STUDY

Kokrajhar is a district which is located at very remote places of Assam, India. Geographic location is a hindrance in its development. The place is underdeveloped and economically backward. In industrial scenario, it is lacking behind other districts of Assam. Though it has abundant resources, its resources has not been fully utilized its resource. There has to be a mechanism to promote equal growth for all sectors of society. The scope of development is vast and there needs to be awareness of entrepreneurship. The people are risk averse not risk takers.

SWOT analysis is a tool to identify and evaluate Strengths, Weakness, Opportunities and Threats in any business enterprise or a project. In today's scenario, it act as a vehicle to find out the gap in any industry venture or project. It can be used a decision tool for management to solve any problem that may arise in their company or project. The technique is credited to Albert Humphrey who has used it in the year 1960s and 1970s using data from fortune 500 companies at

Stanford University. It is a type of assessment that provides a clear view of a firm strategic situation. It is an excellent tool for presenting roadblocks and identifying opportunities.

### OBJECTIVES OF SSI

There are numerous objectives of SSI. But some of the important objectives are for developing SSI are highlighted here.

1. To generate large scale employment with minimal employment
2. To solve unemployment problem of the country
3. To help rural areas people take up SSI
4. To change the standard of living of the country
5. To provide development throughout the country
6. To use the local resource in SSI

Categories of SWOT analysis are the following:

1. Internal Factor: The strengths and weaknesses internal to the organization.
2. External Factors: The opportunities and threats presented by the environment external to the organization.

The strengths and weakness may be viewed as internal factors to an organization. The external factors may include macroeconomic matters, technological change, legislation, and sociocultural changes, as well as changes in the marketplace or in competitive position.

Nomenclature and Classification of Small Industries under the MSME Act 2006		
Enterprise	Manufacturing enterprises(investment on plant and machinery)	Services enterprises(investment on equipment)
Micro	Does not exceed twenty five lakh rupees	Does not exceed ten lakh rupees:
Small	More than twenty five lakh rupees but does not exceed five crore rupees	More than ten lakh rupees but does not exceed two crore rupees
Medium	More than five crore rupees but does not exceed ten crore rupees	More than two crore rupees but does not exceed five crore rupees

## SWOT ANALYSIS OF SMALL FIRM

### Strength

- a. A small scale industry can be started with very low investment.
- b. Small Business Enterprise can adapt according to the demand in market.
- c. As the hierarchy structure of small business enterprise is not complex, it is independent in nature and decision can be taken as and when needed.
- d. It can cater to specific customer need. As the entrepreneur knows its market and demand.
- e. Customer relation is most important part in any business scenario. When the vendors, customers and clients will be satisfied by the overall business performance, then it may be that industry may get good retain their business counterparts.
- f. As the name indicates its small business enterprise, the people working will have sense of ownership and provide suggestion to solve their problem as and when it arises. The people will have tendency to succeed for their organization.
- g. The period of return of investment in SSI is very less.

### Weakness

- a. Due to its location constraints and its economically backward, the place is still dormant. Most of the business people hesitate to do business here.
- b. One of the most important factor for doing business is its brand name. As the name indicates brand and in modern business

scenario, customers go for product who has earned its place in market. The product with brand name is mostly preferred by customers because it is a trusted product for them.

- c. Finance is one of the difficult factor for setting up small scale industry. People are unaware of various schemes that exist in the modern era. Moreover government and banks are unwilling to provide loan facilities.
- d. There are lots of people in these are who have entrepreneurial spirit. But due to lack of security and financial assistance, they cannot set up industry.
- e. Lack of skilled managers and skilled employees, the productivity of the industry is slow. This is the factor of mismatch in smooth functioning of organization.
- f. Due to lack of knowledge in well equipped technology, the industry people are lacking behind other parts of the world.
- g. SSI do not use information technology even though it is required by the organization.
- h. Lack of awareness of obtaining trade license to set up industry from Industrial Development Board and various programs and schemes for development of industry.
- i. Marketing: This is one area where a business gains its market place and sell its product in today's world. Some of the major factors in this area:
  - Poor communication
  - Poor knowledge about the product
  - Low quality packaging
  - Due to lack of brand name of the product

Unable to identify the potential market and its customers

Poor marketing strategy

Unable to adapt competitors marketing concept

Lack of standardization in product/service

No service after sales concept

j. Due to its location, mostly raw materials are not supplied at delivery date time. There exists transportation issues.

k. There are some extra element which doesn't support for smooth functioning of organization.

### Opportunities

a. There are lots of opportunities provided by government to develop Industry. Some of the schemes are

- International Cooperation Scheme
- Performance and Credit Rating Scheme
- Marketing Assistance Scheme
- Prime Minister Employment Generation Program (PMEGP)
- Janshree Bima Yojana for khadi artisans
- Scheme for providing financial assistance to Khadi institutions under MDA
- Scheme for providing financial assistance to Coir units under REMOT
- Skill Upgradation and Quality improvement and Mahila Coir Yojana
- Development of Production Infrastructure (DPI) Scheme

b. No matter location of the plant or factory plays an important role in setting up industry. But still industry can grow and rise if there exist

potential to explore new market and make use of local resources.

c. There is huge untapped market which can be explored to serve those market.

d. There are number of talent unemployed people in the area and these unemployed people can be employed if industry is set up within the region.

e. The organizations who provide financial assistance to industry are:

- NABARD: NABARD – National Bank for Agriculture and Rural Development
- SFC's – State Financial Corporations
- NSIC – National Small Industries Corporation
- SFC's – State Financial Corporations
- SIDO – Small Industries Development Organisation
- SISI's – Small Industries Service Institutes
- KVIC-Khadi and Villade Industries Board.

f. Entrepreneurship Development Institute is a platform who conducts workshops on entrepreneurship development program. The people who has entrepreneurial spirit can avail knowledge on the subject matter of setting and running business.

g. Even Banks are providing financial assistance to deserving and promising entrepreneurs in the area.

h. District Industrial Institute provide various schemes for purchasing machinery and raw materials in the area.

i. Entrepreneurs can adapt the strategy of their competitors and try to implement in their industry

## Threats

- a. Most of the industry are small and has low capital, it becomes important if their payment on their product is received soon.
- b. Banks sometimes doesn't consider to provide loan facilities, as the industry is small and fails to grow over a period of time.
- c. The industry in the region are not ISO certified. So, it fails in state level to compete
- d. The industry doesn't have contract with vendor to provide service for a certain amount of time.
- e. As the industry is very less, so it becomes difficult if competitor produce or serve the same product in the market. Brand name plays important role in customer satisfaction.

In four areas of SWOT analysis, it is very much important to capture four critical factors which are important for any enterprise. The management or entrepreneur should be able to capture the important critical factors to highlight its areas of improvement. These small factors can make a big impact to the enterprise.

## SCOPE OF SWOT ANALYSIS APPLICATION

Referring to the SWOT analysis of the business enterprise, the major critical factors are highlighted. Therefore the enterprise can learn a lesson from the above technique and apply in their respective enterprises. Both internal and external environment of the business enterprise can be improved by the SWOT analysis technique.

## CONCLUSION

In the study attempt has been made to analyze

the various success and failure factors of business enterprise at Kokrajhar, Assam. The reasons of critical success factors are known and measures can be taken to improve the scenario of business enterprise at the locality. As small business enterprise is a reason for small entrepreneurs to survive in the society. These sector can create employment and set example for others to set up same business enterprise as a profession.

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