

Innovations in Enterprises (with References to Micro, Small and Medium Enterprises in Visakhapatnam District, India)

Authors : D. Lalitha Rani, K. Sankar Rao

Abstract : MSMEs, due to their unique characteristics, are found to have inherent capabilities to undertake technological and non-technological innovations successfully across industries and nations. While there is considerable empirical evidence to throw light on SME innovation contributions in the context of developed countries, there is hardly any evidence to reveal how innovative SMEs are in rapidly industrializing economies like India. Indian MSMEs are largely incremental innovators, prompted by their customers and involved in product and/or process innovations. But majority carried out innovations with internal efforts only whereas the minority which obtained external support, had better technical strength, indulged in more frequent and both product & process innovations. Such MSMEs achieved better innovation performance as well as better economic performance. Some of them internationalized themselves in the process. However such achievements are “an oasis” in the vast Indian SME sector. How to promote (i) innovations, (ii) quality of innovations and (iii) patenting culture among the SMEs is a challenge for Indian Policy Makers. However this paper examines what are the innovation practices which are being carried out in this sector and identified the barriers for innovations in this sector and concludes with proposing some policy recommendations for promoting innovations in MSME sector in India.

Keywords : MSMEs, incremental innovators, policies, non-technological innovations

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