



Basics of Digitalization

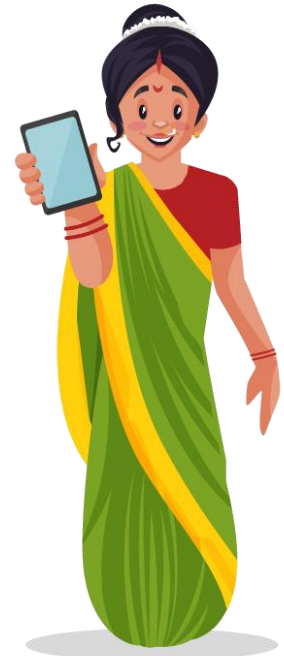
Index

- 1 Assessing Digitalization Needs of the Participant
- 2 What is Digitalisation?
- 3 Benefits of Digitalization
- 4 Government Schemes Promoting Digitalization
- 5 Key Takeaways



Objectives/Expectations

- To introduce the concept of Digitalization – Processes , Benefits and Government schemes promoting Digitalization; which will encourage the participant to adopt digital processes and tools to use for their business.
- To help the participants assess requirements of digital processes and tools for their business.



Confederation of Indian Industry

Digital
Saksham

Material Required

- Soft copy and hard copy of Basics – Digitalisation handouts and Self-Assessment Sheets.
- Blank A4 Size sheets
- Projector
- Laptop
- Whiteboard
- Duster
- Writing Pen (for Whiteboard)



Confederation of Indian Industry

Digital
Saksham

Index

- 1 Assessing Digitalization Needs of the Participant
- 2 What is Digitalisation?
- 3 Benefits of Digitalization
- 4 Government Schemes Promoting Digitalization
- 5 Key Takeaways





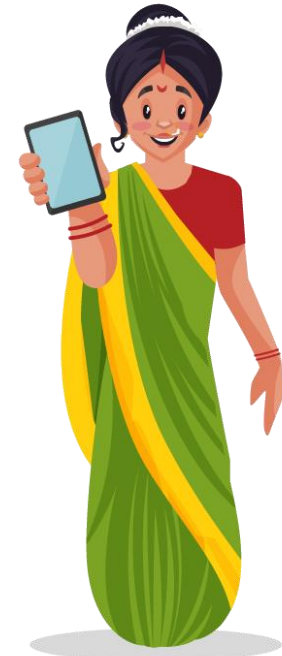
**Assessing
Digitalization
Needs of the
Participant**



01

Self Assessment

S.No	Digital Components	For Business
1.	Computer for Office use	<input type="checkbox"/> Yes <input type="checkbox"/> No
2.	Internet for Office use	<input type="checkbox"/> Yes <input type="checkbox"/> No
3.	Company Website	<input type="checkbox"/> Yes <input type="checkbox"/> No
4.	Company Email Address	<input type="checkbox"/> Yes <input type="checkbox"/> No
5.	Debit Card/Credit Card	<input type="checkbox"/> Yes <input type="checkbox"/> No



Self Assessment

S.No	Digital Components	For Business
6.	PoS Device	<input type="checkbox"/> Yes <input type="checkbox"/> No
7.	Mobile Banking	<input type="checkbox"/> Yes <input type="checkbox"/> No
8.	UPI	<input type="checkbox"/> Yes <input type="checkbox"/> No
9.	PAN Card	<input type="checkbox"/> Yes <input type="checkbox"/> No
10.	Aadhaar Card	<input type="checkbox"/> Yes <input type="checkbox"/> No



Confederation of Indian Industry

Digital
Saksham

Self Assessment

S.No	Digital Components	For Business
11.	Online GST filing and paying	<input type="checkbox"/> Yes <input type="checkbox"/> No
12.	Ecommerce(Selling on platform)	<input type="checkbox"/> Yes <input type="checkbox"/> No
13.	GeM	<input type="checkbox"/> Yes <input type="checkbox"/> No



Confederation of Indian Industry

Digital
Saksham

Self Assessment

S.No	Digital Components	For Business
14.	TReDS	<input type="checkbox"/> Yes <input type="checkbox"/> No
15.	Accounting Software	<input type="checkbox"/> Yes <input type="checkbox"/> No
16.	Digital Payroll Management	<input type="checkbox"/> Yes <input type="checkbox"/> No



Confederation of Indian Industry

Digital
Saksham



**What is
Digitalization?**



02



Introduction to Digitalization – Terminologies and Examples

Digitization refers to the use of digital technology for converting physical information into digital formats for increasing efficiency.

For example: Customer information can now be stored in a excel file and not on paper.



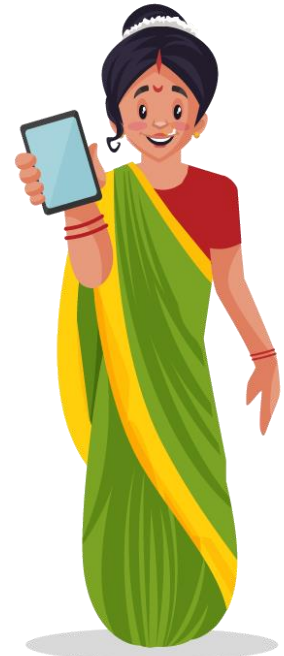
Confederation of Indian Industry

Digital
Saksham

Introduction to Digitalization – Terminologies and Examples

Digitization refers to the use of digital technology and processes to change the fundamental ways of doing business and adapt to new business models that would create better ways of serving clients and partners.

It is the process of moving to a **digital business**.



Confederation of Indian Industry

Digital
Saksham

Introduction to Digitalization – Terminologies and Examples

An example of basic MSE digitalization could be a hairdresser setting up a website with a scheduling function that allows customers to see available slots and make or change appointments.

An example of advanced MSE digitalization involving multiple organizations could be a farmer who has begun to document and track deliveries of produce in a cloud based database that is accessible via a dashboard, allowing the logistics company and distributors to verify and monitor stocks quickly and conveniently



Project Management Infographics



Digital Financial Services

Increased use of digital financial services – Paying salaries via mobile money

MSME's deployment of tax-compliant enterprise resource planning systems [ERPs].



MSME's Deployment

Digital Processes

Digital Accounting



Digital accounting and documentation

Creating an online presence by building websites and using ecommerce and social media platforms for marketing and sales.

Create an Online Presence

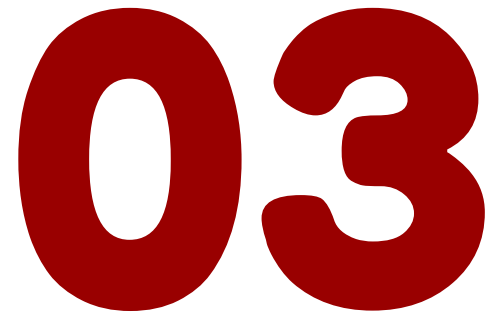


Confederation of Indian Industry

Digital Saksham



**Benefits of
Digitalization?**



03



Communication and Information Access

Digitalization gives MSME's an increased access to information and improved ability to communicate and receive information about the following:

- Market prices – Access to market information about prices increases the success of MSME's.
- New products and services – With the use of Internet, MSME can overcome geographical boundaries.
- Customer enquiries and feedback – ICT-enabled contact with customers and partners has a positive impact on labour productivity and profitability.

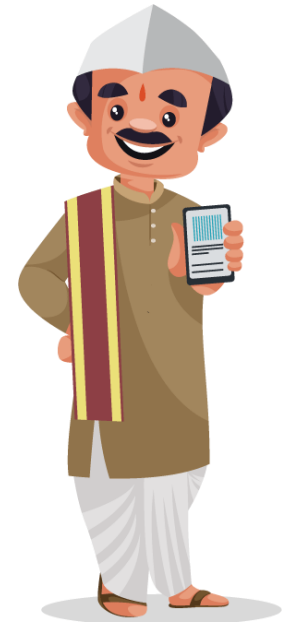


Confederation of Indian Industry

Digital
Saksham

Communication and Information Access

- Policy and support information – Positive impact of having access to information about government support policies and programmes.
- Monitor financial transactions – Digital accounting and bookkeeping can help identify any gaps in accounts or transactions.
- Digital platforms can become important sources of information for micro entrepreneurs, especially in connection with self-administered training.
- MSME's can make use of ICTs for supply chain coordination, especially for coordination with existing partners.



Confederation of Indian Industry

Digital
Saksham

Market Access, Platforms and E-Commerce

Digitalization gives MSME's an improved access to the market and ability to access and use digital trading platforms and ecommerce.

The MSME's can trade more easily and across greater distances by overcoming the geographical boundaries using the Digital Transaction Platforms, which have emerged as powerful and transformative market intermediaries for MSME's.



Confederation of Indian Industry

Digital
Saksham

Market Access, Platforms and E-Commerce

- Digital Transaction Platforms can help the business in the following ways -
- Reduced costs and provide better access to market information.
- Access to more customers by enabling outreach to new or vastly expanded markets.
- Platforms provide credibility and trust in the eyes of buyers through platform's brand recognition and through tangible services such as escrow accounts.
- Digital payment channels are enablers of online trade and digital platforms can efficiently integrate these channels, ensuring security and convenience for buyers and sellers alike.



Market Access, Platforms and E-Commerce

- Digital access to warehouses, logistics operations and customer support centres.
- Doorway to good business practices – Partnering with Digital Platforms may require business to comply with certain norms and standards such as Stock management or Responding to customer feedback/request.
- Skill Development: MSME's would be encouraged to train staff to be able to use platform interface and interact with customers.
- MSME's would be encouraged to upgrade their own digital capacities as a result of trading partners' digital usage, which ultimately increases the enterprises' overall competitiveness and business performance.



Digital Financial Services

- Digital Financial Services contribute to MSME productivity more directly than most other widely used types of digital applications (such as social networks), leading in turn to more pronounced impacts on MSE performance and hiring and significant economic development outcomes.
- It encompasses a wide range of applications such as accounts (or wallets), payments and other transactions, credit scoring, lending and investments, financial management and insurance.
- These services promote the resilience, formalization and stability of MSEs.



Confederation of Indian Industry

Digital
Saksham

Digital Financial Services

Digital Financial Services are offered to MSME via a wide set of technologies and interfaces, including:

- Basic USSD and text message-based mobile money services
- Smartphone and browser-based applications
- Unified Payment Interface (UPI)
- Digital banking
- Aadhaar enabled payment services (AEPS)



Confederation of Indian Industry

Digital
Saksham

Digital Financial Services

Some information about Digital Financial Services -

- It caters to the rural and poor populations who rely heavily on agent and kiosk networks, this creates physical “touchpoints” that promote trust and achieve a broad reach.
- Providers of these services comprise mostly of banks, mobile network operators and financial technology (fintech) companies, but also governments, co-operatives, and civil society actors.



Pathways to Formalization

The adoption of digital processes and technologies acts as a catalyst of formalization of a business since usage of digital services makes compliance less costly and incentives more accessible.

Further, from the perspective of customers, formalization of a business, where an informal business unit moves into the purview of state authority, involves registering the business at the relevant national institutions and ensuring that it complies with the applicable laws. This helps increase the trust among customers.



Confederation of Indian Industry

Digital
Saksham

Green Digital Business

Digital technologies can help MSEs to operate more sustainably since application of digital technologies can lead to increase resource efficiency, reduce wastage and collect and analyse data related to business processes.




Confederation of Indian Industry

Digital
Saksham



**Brief
Introduction to
Government
Schemes
Promoting
Digitalization**

04



PM JAN DHAN YOJANA (PMJDY)

Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, a basic savings & deposit accounts, remittance, credit, insurance, pension in an affordable manner. Under the scheme, a basic savings bank deposit (BSBD) account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet, by persons not having any other account.



Confederation of Indian Industry

Digital
Saksham

Digital India

A flagship initiative that was launched with a vision to transform India into a digitally empowered society and knowledge economy. It works by enabling services, bringing Government closer to citizens, promoting citizen engagement and empowering people.



Confederation of Indian Industry

Digital
Saksham

GeM Portal

GeM is a short form of one stop Government e-Market Place. It is a dynamic, self-sustaining and user-friendly portal for making procurement by Government officers.

Benefits for Sellers using the GeM portal are:

- Access to National Public Procurement market.
- No charges or fee for getting registered.
- Special provisions and sections for startups, MSMEs and Emporium products.
- Fully online, paperless and contactless platform.
- A list of prerequisites for the seller registration has been made available so that it becomes a guide to the seller during registration

<https://gem.gov.in/support/sellers/?lang=english>



GeM Portal

- Brand application and brand approval process has been revamped for sellers.
- Multiple invoice for single order.
- Easy access to participate in bids/reverse auction.
- Clock has been enabled in RA to display remaining time for seller participation.
- Online grievance redressal mechanism for quick resolution.
- All sellers will be shown reasons for rejection.



GeM Portal

- Seller friendly dashboard for monitoring supplies & payments.
- Business Cockpit has been enhanced with additional parameters in existing report as well as new chart widgets based on OEM and MAIT recommendations.
- Seller belonging to North East states and J & K are exempted from ITR at the time of bid participation.
- Dynamic Pricing- Price can be changed based on market conditions.
- Direct access to Government departments and their organizations.



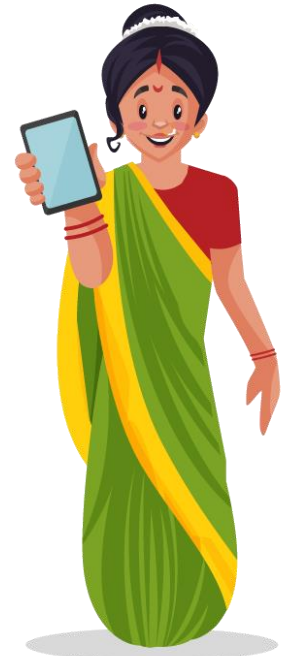
Digidhan Abhiyaan

The initiative plans to enable citizens and merchants to undertake real time digital transactions through the DIGIDHAN Bazaar. Through organising DigiDhan Mela's across the country, it aims to handhold users in downloading, installing and using various digital payment systems for carrying out digital transactions.



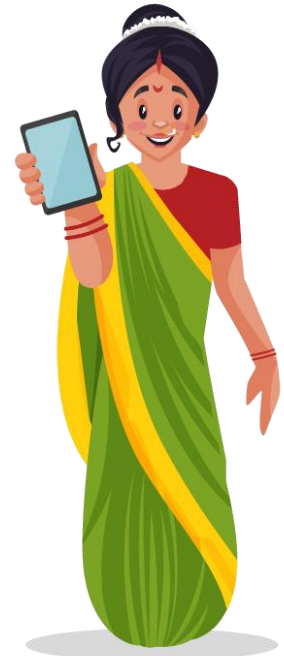
PRADHAN MANTRI GRAMIN SAKSHARTA ABHIYAAN (PMGDISHA)

The scheme would empower the citizens in rural areas by training them to operate computer or digital access devices (like tablets, smartphones etc.), send and receive emails, browse Internet, access to Government services, search for information, undertake digital payment etc. and hence enable them to use the Information Technology and related applications especially Digital Payments to actively participate in the process of nation building.



Key Takeaways

- MSME will be able to sell to more number of customers as going digital will expand reach.
- MSME will incur reduced costs due to using Digital Processes.
- Training about Digital Tools and Processes will lead to skill development of MSME owners and personnel.
- MSME can save time since using digital processes reduces the need to physically visit a bank or a customer.
- Going Digital will help MSME reduce usage of paper and make it easier to comply with government regulations regarding environment.





Thank You!!!

