

Self-Help Manual for Business Membership Organisations
Information Services

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1. Background

1. Background

This self-help manual has been developed by sequa gGmbH within the project 'Capacity Development of Business Membership Organisations in India' that is part of the MSME Umbrella Programme implemented jointly by GIZ ((Deutsche Gesellschaft für Internationale Zusammenarbeit), office of DC MSME & SIDBI in India.

The term “**Business Membership Organisations**” (BMOs) refers to various organisations where companies or individual entrepreneurs - and sometimes other - business organisations are members.

BMOs **provide their members with benefits and services**, which add value to their businesses and practices. They are able to do this in economic way by pooling collaborative expertise, knowledge and resources focused on a particular industry or sector. BMOs represent a platform where even competing members come together in collaboration to gain the advantages of:

- *Economies of scale*, for example when a law is proposed, rather than all the companies in membership having to contact lawyers and lobbyists independently, the association representing the common interest can do it once on behalf of all members, collating the information, suggestions and opinions, accessing more resource than any single member on their own could provide.
- *Sectoral /Regional/Industrial viewpoint* – BMOs are perceived as voices of the group or cluster they represent. They have the platform to speak on their behalf without favouring the viewpoint of any one member. BMOs provide Government and other authorities a considered macro perspective and not limited to commercial short-term bias and interest of any individual member. This influencing position of BMO's with governments then acts as a powerful asset with members as well. As the membership grows so does the BMO's authority, and with increased authority and influence BMO membership recruitment becomes easier.
- *Act as Trust Centres* – Due to the responsible and trustworthy position with their members, Government / Regulatory Authorities and other Organisations, BMO's being in a position to collect relevant information and provide services to the concerned, can act as Trust Centres.

Objective, scope and target groups

The objective of this manual is to help and guide representatives in management positions being Presidents, office bearers, committee members and administrative staff in their endeavours to add new services to their existing portfolio or to expand the existing scope. The self-help material can be used by all Indian BMOs and **Industrial Associations at District level**.

In this Self Help series five different manuals have been produced and made available covering the five service areas of BMOs namely 1. Management of membership base in BMOs, 2. Information services, 3. Training services, 4. Consulting services, 5. Services related to Trade Fairs and Exhibitions.

Not every recommendation will be applicable to every BMO. Regional or organisational differences, especially with regard to the specific stage of a BMO's development, will always have some bearing on the concrete form in which management is provided and the process by which new services are introduced. Similarly, the proposals made for solving the problems most commonly encountered in dealing with new services, will not lead to a clean sweep of every single problem. However, they have been tried and tested, proven in practice, as is the case with all other recommendations made in this manual.

2. Rationale

2. Rationale

The rationale behind BMOs providing information related services is directly linked to its functions, which primarily focus on:

- **Influence** – through various public relations activities, such as lobbying, advocacy, training and publishing, BMOs position themselves as a representative to influence public policy, legislation, regulation and standards.
- **Information** – collecting, collating, interpreting and distributing various forms of information ranging from industry statistics, news, developments and other specialised knowledge relevant to their industry or markets. These information services are meant to help the industry manage risks, be informed of opportunities and credit facilities and take advantage of recognised 'best practices'.
- **Implementation** – promoting high standards amongst its members and encouraging 'best practice' in the industry to improve positioning and competitiveness.

Today, the **internet** provides access to a **wide range of information**. Much of the business related information has become easily accessible to SME. The government portals like www.dcmsme.gov.in and www.clusters.dcmsme.gov.in provide business statistics and information on Public Support Schemes, which come free of charge.

Despite this, most SMEs repeatedly complain of not having information of relevance to them. They complain of an information overkill when they surf the Internet. It takes time and research experience to identify and find the desired information. **Providing meaningful information** to its members is a **challenging task for any BMO** as information needs of their members and even among groups of members can be different. The BMOs can facilitate as screened information provider, interpret it from the members' perspective and use it for both influence and implementation of requisite needs of the members.

The SME sector suffers from inadequacies in getting the required business information - which is available from stand-alone institutions; is overloaded, often slow and cumbersome to access; limited in scope; and not provided in an integrated manner. However, especially SMEs need to have access to **relevant, specific and meaningful information** to enhance productivity and to facilitate market access. The BMO establishment on the other hand can provide a value creating service by making available quality business information useful to SMEs.

Most Indian SMEs depend on established institutions, which provide **standardised information** applicable to all. They may not be particularly region specific or even industry specific, especially those in new areas and markets. Most of the information caters to needs of big establishments and not to small and medium enterprises. Information though available but access to information being not easy, creates inconsistent situation with the requirement for effective competition in global

markets. **SMEs need tailor-made information solutions** - i.e., business information services that access verify and apply information to a specific business problem/issue.

In order to respond to the specific requirements of their members, there is a need for BMOs to create value by bringing together **information from different sources**-both local and international. This enables the integration of SMEs into national and global value chains. It also adds another dimension to BMOs becoming an information service provider: a need for collaboration between various BMOs, professional bodies, private enterprises and government departments to provide SME members with a comprehensive range of business information advice and facilities. This implies that the issue of **quality information is an effective tool for increasing membership** and a mechanism of income generation for the BMO too.

It is imperative for BMOs to provide support to SMEs as part of their private sector promotion strategy. If information services pertain to the legal and regulatory environment, latest and authentic information regarding market trends and the economic variables that affect their business, it can be achieved. In fact, BMOs can be a platform for better investment climate for Indian SMEs by providing accurate market Information about industry potentials. Therefore, BMOs as Information Service providers also have customers beyond their members but in the exchange process, the value creation is significant. The benefits gained for BMOs would influence the membership base automatically.

From the BMO's side there are also good reasons for using information services for generating income:

- Developing information services could provide a **source of funding**. These might be offered to both members and non-members, keeping a differential rate. The differential higher rate could itself be a reason why non-members would be interested to become members and thereby increase the revenue generated by an increased membership base.
- Relevant, credible and professionally delivered services can thus **retain members and attract new ones too**.
- Fee-based services raise autonomy as BMOs can function independent of the economic political climate. If developed on base of members' demand/need analysis it will be a good option for **secured revenue generation** and help BMO's **financial sustainability**.
- **Members feel better supported** if they have access to various demand- oriented information services at their BMO. It is therefore better the information services delivery, greater would be the number of enterprises wanting to become members.
- They allow **cross-subsidisation** for other services. If sufficient income is earned from the services, then other activities aimed at attracting and serving members, e.g. advocacy or social welfare activities can be developed with the surplus generated from these information services.
- The development of information services may initially require external expertise, if not available within the BMO. However, with the introduction of any information service, the BMO also **develops capabilities** and the staff gears up to handle it soon.
- In order to be a strong and reputable representative of the private sector, BMOs should have the capacity to advocate the interests and concerns of their members; be strong organisations with a proper governance structure and respond to their members needs by delivering

required services and information. One of the ways of gaining this stature is by **gaining information power**. Moreover, what better way than to provide information services which in turn attracts more members and thereby more credibility for advisory services and advocacy.

Structure of the Manual

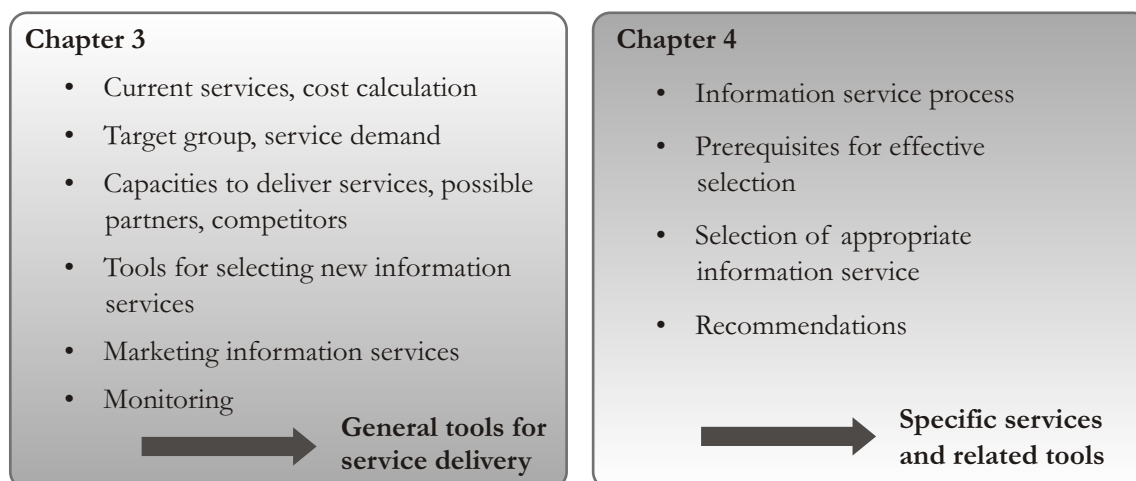
This manual aims at assisting smaller BMOs in India to initiate or further develop their capacity to provide **Information Services** as an income generating source. It is a fact that especially the smaller BMOs tend to restrict their source of funds to membership dues, subsidies and sometimes engaging in international cooperation programmes, although these sources do not have a self-sustaining potential. Moreover, BMOs believe or rather assume that members would not pay if additional services were offered at a cost. Nevertheless, in many cases they are willing to, if the service is beneficial, differentiating in terms of quality and helping to raise competitiveness, become more productive or efficient.

The term “**income generating services**” applies to introduction of new chargeable services and expansion of existing ones to better fit customers' needs and to changing from **free to fee based services**. Information Services is one value creating option available with BMOs to use them as chargeable services.

The structure of this manual is as follows:

- Chapter 3 deals with the whole process of Information Service development and delivery from analysing the current situation to monitoring outcome and success in more general terms.
- Chapter 4 identifies specific tools for selecting the information needs and its deliverable format, calculating competitive charges for it, criteria for selecting the source of information and presenting and delivering the information.

Figure 1: Structure of this Manual



3. Service Delivery Step by Step

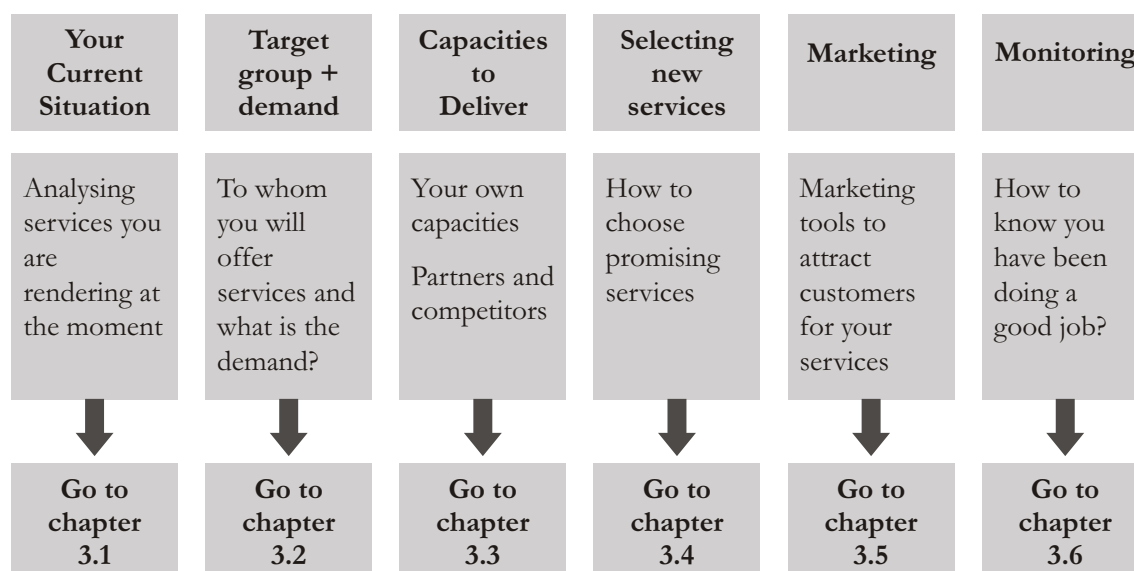
3. Service Delivery Step by Step

This chapter guides BMOs through the process of introducing income-generating services from the very beginning, facilitating a series of useful tools, analysis and supporting materials.

It starts sub-chapter 3.1, with an analysis of the services you are currently rendering, followed by tools on how to determine whether the services you are rendering to your members are profitable or not. In 3.2 some hints are given on how to determine which customers to serve and how to know their needs and expectations concerning information services. Sub-chapter 3.3 deals with a self-assessment of your capacities to render information services, the identification of possible partner and competitors to better determine which services could be most promising for you in the current environment. A tool how to choose adequate information services is presented in 3.4. Advice and proposals on how to market new information services you will find in 3.5. Monitoring process and results of service delivery will help you to constantly improve quality of your services. You will find some templates for monitoring in sub-chapter 3.6.

Don't worry it won't take too much time to go through all these steps.

Figure 2: Chapter 3: Service Delivery Step by Step



Chapter 3 will help you to answer the following to questions:

- Do the Information Services provided have a differentiating value addition different from what is available off the shelf?
- Are these services cost-effective?
- Are the new Information Services you have in mind required by your customers and in what context?
- Are these information providing a competitive edge and relevant in the current day context?
- With whom could you partner to make the information available or accessible and in the format demanded?
- Is there a duplication with other parallel information services?
- Are you adequately equipped to deliver these services – both in terms of capacity and competence? What are the most appropriate channels to market the prospective Information service?

3.1. Analysing Current Situation of the BMO

The first step is to assess the current range of all services vis a vis Information Services and see how this could be improvised and made more meaningful and relevant to the SMEs. Before attempting to develop existing ones or venture into new platforms, you should first have a careful look at your current activities.

Such stock taking has three main advantages:

1. It helps you to know whether the information service is cost effective generating income or losses.
2. It provides an overview on the information services currently offered free but could be made fee based and /or whether the fee can be increased by enhancing the range, quality and specificity of the information to its members.
3. In consequence, the analysis of the current situation makes it easier to determine fields for further development of information services and easier to decide upon concrete measures.

It is recommended to use the **stock taking grid** (chart 1, next page) for analysing the situation your BMO is facing at the moment. The stocktaking grid has a double function in this respect. Firstly, it serves as an important input to any discussion on the introduction of new services. Secondly, however, if you regularly complement and update the form it becomes an important control instrument for BMO management.

The stock taking grid helps you to summarise the range of services you are offering and their financial contributions providing a complete picture at a glance. Please note that there might be cases of information services that are not cost covering or may need to be given for free, but are considered as important to offer to the members. Then they could be cross-subsidised by other services earning profit. Overall, the entirety of your services should produce a surplus and not a loss.

Some **typical errors** when conducting a stocktaking exercise are these:

- **Short period for analysis:**

A too short period is sometimes dedicated to the analysis, leading to an unrepresentative view of the income/cost structure. At least one or two calendar years should be considered when doing this analysis.

- **Lack of communication between different hierarchical levels:**

There are two typical situations: In the first, the results of the analysis, conducted by office bearers, are not shared with the Secretariat. Consequently, decision making and action taking turns difficult. Second, elected officers decide on services without asking professional staff for detailed and reliable information on the current situation and might take wrong decisions. Therefore, please make sure all relevant persons are involved in the process to take into consideration all necessary information and details.

- **Lack of follow-up to analysis:**

A very common mistake is that the results disappear in a drawer, and are no longer used. Contrarily, the analysis should be used as a regular monitoring instrument, providing information on the financial contributions of the various services of the overall BMO's income. With information at hand, the BMO management can make more sound decisions which of the services to keep and which to leave.

Table 1: Stock Taking Grid

No	Service/Activity	Year xxx			Year yyy		
		Income	Costs	Surplus/ Deficit	Income	Costs	Surplus/ Deficit
1	Information Services						
	• Service 1						
	• Service 2						
	• Service 3						
	• Service 4						
2	Co-operation services						
	• Service / Event 1						
	• Service / Event 2						
3	Advice and consultancy						
	• Service 1						
	• Service 2						
4	Training						
	• Seminar 1						
	• Seminar 2						
5	Fairs and Exhibitions						
	• Event 1						
	• Event 2						
6	Office facilities and infrastructure services						
	• Secretarial services						
	• Rental of premises						
	• Internet / PC access						
	• Others						
7	Access to credit and business start-up						
	• Service 1						
	• Service 2						
	• Service 3						

Note: If you do not render any of these services, leave the corresponding part blank

The stocktaking analysis should integrate the cost effectiveness of all services offered by the BMO with regard to the content, volume, specificity and quality. Ask questions like:

- Are these services required by your members and in what context to assess the demand orientation?
- Is there a duplication with other parallel services? If so, do you add more value?
- What has been the feedback received from the members on these services?
- Is there a method of gauging the value contribution of these services?
- Do the members feel better supported having access to the service?
- Do these have a universal appeal or are they specific to certain segments?
- Is providing this service cost effective?
- Is there a better way of providing this service?
- Are they competitive and relevant in the current day context?
- Is the BMO adequately equipped to deliver these services – both in terms of capacity and competence?



In essence BMOs need to **assess the strengths and weaknesses** of the services they offer, their positioning vis a vis their competitors, their own capacity and competence to deliver value and the **cost effectiveness** of the same. This chapter addresses all these issues. The grid also enables to gauge the cost effectiveness among all the Information services offered and help at evaluating the reasons why it is not income generating both in absolute terms and also in comparison to another.

This analysis is used to **clarify the status of the existing BMO Information Services**. Such stocktaking is recommended because it can reveal deficiencies that have to be overcome before a BMO expands its scope of providing additional information services.

If you already provide some Information Services, you should ask these questions:

- Does the present information focus adequately on demand and needs of the member enterprises and business community in general?
- Is the BMO information service guided by an underlying business requirements strategy?
- Are customers unwilling to pay for such information services because they may consider its interpretation or utilisation time consuming and consider it as not useful enough in their particular situation?

How to know whether you are making profit or loss with a service?

Next step of the situational analysis is to determine the **cost-side of your services**. Assessing the financial sustainability of the **existing services** is a precondition before deciding on other services such as fairs that the BMOs can consider for income generation and increasing membership base.



It is a fact that many BMOs do not consider all cost items of the services they are rendering to their members, just because they are not aware of all of them. In consequence, some BMOs do involuntarily make a loss as they calculate fees that are not cost-covering. Before you determine fees for any new information service you want to introduce, you should first carefully review all costs related to that particular service. If not, you might offer your service at a loss. The following case study visualises such a situation.

Table 2: Cost Effectiveness-Case Study on Providing Country Profile Database as an Information Service

<p>You could facilitate country profiles at one place in your BMO's website with the secured access to its members. This country profile database helps the SMEs to explore market potentials in that country and about the fairs happening, machinery suppliers etc. A useful integrated information source that can be sub-categorised by sector and industry as well.</p>							
The cost of the information service:	Income:						
<p><u>Variable costs*</u>:</p> <p>There would be costs for the person handling but since the BMO secretariat would have people for other activities, they could have various duties. If you wish to have a precise calculation, you should attribute the hours worked for this particular service as variable cost</p> <p><u>Fixed costs*</u>:</p> <table border="0"> <tr> <td>i. Cost of subscription to a database of Country profiles</td> <td style="text-align: right;">20,000 INR</td> </tr> <tr> <td>ii. Service charges for handling</td> <td style="text-align: right;">5,000 INR</td> </tr> <tr> <td>Total cost incurred on the service</td> <td style="text-align: right;">25,000 INR</td> </tr> </table>	i. Cost of subscription to a database of Country profiles	20,000 INR	ii. Service charges for handling	5,000 INR	Total cost incurred on the service	25,000 INR	<p>Subscription to members @200 INR per member x 50 members</p> <p>Total income per year:10,000 INR</p>
i. Cost of subscription to a database of Country profiles	20,000 INR						
ii. Service charges for handling	5,000 INR						
Total cost incurred on the service	25,000 INR						

* Variable costs: normally the part of the costs that varies with the use of the service. In the case of information service, typical variable costs are customized information subscriptions from partner sources, persons deployed specifically. Compared to fixed cost, they tend to be much lower.

* Fixed costs: comprise costs such as subscriptions to information portals, computers, advertising, insurance and office supplies, which tend to remain the same regardless of number of users. Fixed costs normally represent the bulk of all costs. Fixed costs and variable costs together comprise total cost.

Currently, the service is not cost-covering; the BMO is obviously incurring a loss of 15,000 INR.

How much would you need to charge to achieve cost-coverage? The following table 3 shows how to calculate:

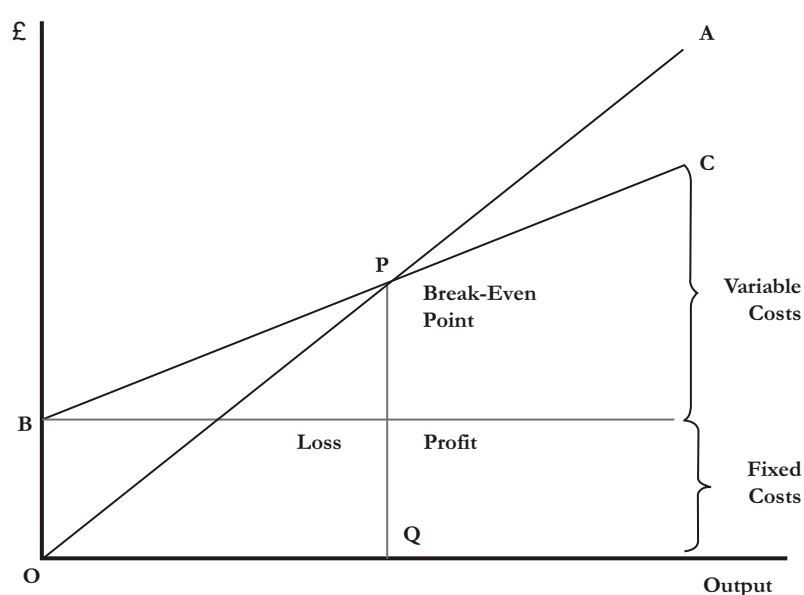
Table 3: Break-even Calculation

Costs	Fixed cost = 25,000 INR Computer and Manpower which is part of BMO Secretariat and hence no separate cost is taken for this service	+ Variable cost =+ 3,750 INR In this case: monthly salary of the person who would be assigned to work on this is INR 15,000 and the man hours used is only for one week on an average in a month $15,000 / 4 = 3,750$
Total of fixed and variable costs		= 28,750 INR
+ Profit margin (10 %)		= 2,875 INR
Total cost covering operational cost plus profit margin		= 31,625 INR
Fee per member		250 INR
No. Of members to take up this service		200
Total revenue earned		$250 \times 2,000 = 50,000$ INR

It is clear that to create a profit margin the number of users has to increase but this can happen only if the content, quality and delivery of the Information service is worth the price.

The graph in figure 4 visualises the relation between fixed costs that keep the same, variable costs that depend on the number of products / services and the profit.

Figure 3: Break Even Analysis



How to determine that an adequate price for the information service you want to facilitate, is high enough to cover the costs and low enough so that enterprises are willing to pay for it? Besides the costs, you should also take into consideration where else the same information is available and in what format. Comparing with your competitors' prices based on the value addition you make can help you avoid establishing an unrealistic fee for the information you might provide. **What competitors charge or the price for comparable services will influence your member's willingness to pay for the service.**

Another important factor is the **price image of your target group**. Do they consider low prices as standing for low quality? Expensive services as not having been created for SMEs? And what about free services? Could they be perceived as insignificant, optional, unessential, etc.? Such deliberations might help you to set service fees that cover your costs and are still competitive in the service market you are in or want to serve.

After having completed this analysis of all services you are currently offering, you are now in a better position to decide realistically on the effort you can make to expand your information-related services or to introduce them to your members and other entrepreneurs.

3.2 How to Define Target Group and Information Service Demand

First of all, think about the **criteria** you want to use when identifying your target group. Here are some examples:

- Would you like to offer your new information services **only to smaller enterprises** or are they meaningful for the **whole range of your membership**?
- Are there **subgroups of members**, e.g. branches for whom a particular information service is better suited than for others? And if yes, could you design a tailor-made information service for these specific groups of enterprises or will your information services be more generic? Then you should define your target group broader.
- Do you want to render your information services predominantly to **your members or do you wish to attract non-members** with your services as well? Non-members will require additional information e.g. about your organisation.

In principle, you might wish to apply one of the following instruments for conducting an analysis of service demand:

1. Visit to enterprises:

This is the most intensive form of analysis of demand. The advantage is that needs of the member enterprises can be evaluated in a more first-hand manner. Sending own staff to visit member enterprises will increase the visibility of the BMO and will be appreciated very much by the members. However, this instrument is very costly as much time has to be invested and travel cost might be considerable.

2. Feedback from service and event users:

Usually, service users should regularly evaluate these services. Even an online feedback or suggestion box can be created and members asked to indicate specific information service required or topics of interest that they would like to be developed/shared with the members. Every other event organised by a BMO

such as business lunches, exhibitions etc., might be used to poll the needs of members. When doing so, the following factors should be taken into consideration:

- Always conduct the survey in writing.
- Don't modify the form for a period of at least one year. This permits a documentation of changes in the opinion of members on the information services.
- Design the questionnaire in such a way that it can be completed in 5-10 minutes. Otherwise, respondents may not be willing to answer all questions.

3. Feedback from working groups / committees:

Many BMOs are running working groups or advisory committees on certain topics. These groups or committees usually comprise of member companies that are experts in the topic. Consequently, these groups provide a realistic input on the information service needs of member enterprises.

4. Feedback from yearly members' survey

A regular survey on members' satisfaction can also be used to ask them for information service needs, to identify a growing demand and to get a feeling for new information areas to be developed. You might use the survey as well to ask members the fees they are willing to pay for a specific new service.

3.3. Determining Your Capacities for Providing the Information Service

Your capacity to deliver certain information services needs to be assessed not only in terms of collating or building expertise in the area but also in terms of infrastructure, equipment, software, manpower resource (both financial and non-financial) and time availability.

Now you might know the demand of your current services and potential for more information services. Nevertheless, what about your capacities to broaden information service delivery, introducing new ones and expanding the existing ones?

You as a BMO can assume **4 basic roles**:

Referral point

You can act as a referral point, which connects members to existing service providers, both private and public. You can play this role in either an organised or a relatively ad hoc manner. Some BMOs produce newsletters and business directories, which may include information service providers. A more focused approach could consist in developing a directory of information service portals and publications that may be of use to its members. Take care, however, to provide broad representation of the business services community avoiding unfair competition. Publications can be made available in the library and a rental charged for its usage.

Collaboration with external information service providers

The main advantage of cooperating with an external information service provider is the access to broader information and knowledge expertise so a wider range with focussed depth can be offered. Updated database on economic and business environment and market research analysis can be made available through gaining access of paid portals.

Contractor (or partner)

You can contract a firm or other organisation to deliver a service. It is possible, however, to allow a provider to offer and deliver a service to members, i.e. in the context of a BMO forum and require the provider to set the price and bear the financial risk. You may offer some assistance in terms of advertising the event. This arrangement lies somewhere between “referral point” and “contractor”. You should also be aware that their membership lists are very valuable to outside providers for the marketing of their services. Access to the lists can be sold to these services providers.

Direct provider

The staff of your BMO can provide information services themselves. This is possible only if adequate trained efficient staff is available to handle the delivery in a responsive and responsible manner. Responsive in terms of the content demanded, time, and responsible in terms of credibility of the information. This would make the service centre (can be called so if it emerges as an income-generating unit by itself) strive to become financially sustainable and, act as a profit centre, contributing funds to your other operations. Possible disadvantages of this solution are: difficulties in building-up internally the required knowledge and know-how on a virtual platform due to small number of staff or equipment etc. needed.

The following assessment gives you a clearer picture for your own resources:

Table 4: Assessment of your own Capacities for Service Delivery

Criteria / Indicator	Capacity		
	High	Medium	Low
Tick where appropriate			
Human resources			
Unused capacities within BMO			
Expertise of staff as information providers			
Experience with organising the information in desirable formats			
Financial resources			
Overall financial situation (secured for the immediate future =high, currently breaking even=medium, running at a loss = low)			
Income from services			
Revenue streams generated from sponsor			
Other:			
Information Service facilities			
In-house equipment for rendering information services in terms of computer and software /hardware required			
Co-operation possibilities with external partners (e.g. universities, government agencies, consultants to complement existing capacities) government agencies and schemes, different sponsors) and payments that may be required for the same			
Library facilities if needed/available			

The assessment helps you to answer questions like:

- Do you have the financial resources to support the service? If not, is external funding available?
- Does the secretariat have the expertise to develop the service using existing manpower resources? If not, is external expertise available? Can it be made available on part time basis?
- Once established, does the secretariat have the work force to staff the service? Is there a need to recruit more staff? Can the BMO afford additional staff?
- Can the service be outsourced to a third party?
- Is there a need for specialised equipment for the service?

Choosing partners

You might need partners for professional service delivery. That might be public or private research and information portals/institutes, private service providers that could provide you with specific information or research expertise to gauge the credibility of the information you don't have. Although cooperation might be useful and recommendable, you have to be careful when choosing a partner. Is he really an expert on the services or aspects you require? Does the expertise really provide additional assets? Is it suitable for your target group? Is the delivery on time? Is it reliable? Does it have a credible reputation? What about the fees charged? Do you feel they are justified?

Competitor analysis

The competitor analysis focuses on the strengths and weakness of your BMO compared to other service providers (other BMOs, Government Portals, Training Institutes, Private Firms and Independent Consultants etc.) in the market. To conduct a competitor analysis, use the institutional assessment form that you have completed earlier for your own BMO, and screen the strengths and weaknesses of those service providers offering the same or similar services. Fill in one assessment form for each competitor. If you lack the information to qualify a particular question on the form:

- ✓ Conduct some market survey about your competitors and the information quality, access and delivery of the same
- ✓ Talk to friends in the business community who have availed of similar services,
- ✓ Study the website and promotional materials of others providing same or similar information services; Try using it to assess its utility, credibility and quality.
- ✓ Inquire about their charges, and
- ✓ Make a snap survey in your target member groups for a particular information service to understand your potential customers –both members and non-members

To summarise, capacity assessment for information service delivery would be based on the following:

- i. **Competence** and availability of human resources to facilitate the delivery
- ii. **Infrastructure** including computers and related equipment and stationary
- iii. **Time availability** and its cost effectiveness in terms of value creation if engaged in any other income generating service

3.4. Criteria for Selecting New Services

A comparison of the analysis of current situation with the results of the demand of your customers and your competition as well, now permits a decision on how to expand the existing range of information services. However, be sure to stay focused! Many BMOs lose direction by trying to introduce too many new activities/services at one time. Instead, one should **concentrate on 2-3 services**, basing the decision on the following criteria:

- Are the information services going to raise income for your BMO or are they just an add-on to your membership? Your members' decision would depend on the cost of providing these services and access to same or similar information elsewhere.
- Do your members demand that service or are they likely to need it in the near future?
- What resources are required (capital, know-how, personnel)?
- Are new information services interrelated to the ones you are already offering and can synergy effects be achieved? A lot of the information services can be inter related to consulting services.
- Are the services in line with the mandate of your organisation, the annual plans and the declared objectives of the Board?

The decision-making grid below will help you to make your choice.

Table 5: Decision-making Grid for Introducing New Information Services

Decision-Making Factors	A Complete yes	B Predom- inantly	C Not really	D Complete No
Information Service is highly useful to members				
Information Service will be profitable within 1-6 months				
Information Service will be profitable within 12 months				
Similar information not available elsewhere				
Service can be fully introduced with available staff				
No need to build up additional know-how				
No additional investments necessary				
Total				

Possibly, you have been providing information services free of charge or at low rates in the past. Changing from free-to fee-based services might provoke some concerns in your BMO. Here are some key points for discussion:

Table 6: Charging Fees for Information Services

What are the concerns?	What are the solutions?
<ul style="list-style-type: none"> There is not enough demand. 	<ul style="list-style-type: none"> Check whether definition of target groups, demand analysis and assessment of competitors have been done properly. The target groups should also look at non-members. If there is still no demand, withdraw the service.
<ul style="list-style-type: none"> During an introductory phase, the information service may be started lower or discounted offer price. 	<ul style="list-style-type: none"> This is feasible if used as a promotion tool. However, you should define right from the start how long the service will be introduced at the discounted price and what date you will introduce what fees.
<ul style="list-style-type: none"> Members expect services for free in return for their membership fees and are not willing to pay an additional service fee. 	<ul style="list-style-type: none"> Establish a clear-cut policy which services are free of charge for members and which services have to be paid for. For fee-based services, make a difference between members and non-members, thus creating an incentive to become a member.
<ul style="list-style-type: none"> Other similar organizations are offering the same service also for free. 	<ul style="list-style-type: none"> Do not enter the market or make clear what difference is there in your service offer.
<ul style="list-style-type: none"> The service has always been offered for free, members will not be willing to pay. 	<ul style="list-style-type: none"> Give reasons for your new policy (e.g. better quality, reduced revenues from other sources like public subsidies, trying to avoid windfall gains). Be aware that a reduction of clients due to introduction of fees is not necessarily a problem. The core issue is to have enough demand to cover the cost of your service, which is of value to users.

Once a decision has been taken to expand services, it is important to have a system of permanent search on new information topics. There is no need to always introduce new instruments. Previously discussed steps of service development can also be used for systematically identifying new service topics:

- The results of the analysis of demand can as well be used to identify new information topics.
- Client's evaluation: As explained before, clients should be regularly asked to evaluate the usefulness and impact of services offered. This evaluation should always be used to ask clients for proposals regarding new information services.

Finally, it is recommended to prepare an action plan for developing new information services, whether it is about adding new aspects to existing ones or introducing complete new ones. You might use the following template to adapt it to your own need.

Table 7: Action Plan for developing Information Service

Strategic Action	Action Steps	Together with	Respon-sible	Time Frame	Preliminary Budget Items
Service 1					
Service 2					
Service 3					

3.5. How to Market new Information Services

As you are a membership-based organisation, consider starting from the already established ways to reach out to your members. For instance, those could include the following:

- Include a banner or description on your website/ information board;
- Add a box to a Newsletter, that is regularly being circulated;
- Present a promo of a new information service on the occasion of annual/monthly gatherings of your organisation;
- Organise a knowledge-sharing seminar for enterprises who might be interested in your new service.

There are different ways of marketing, but using suitable platforms creating a need or demand for a particular information service and explaining how it could be used by the SME would be the most cost effective marketing tool.

Direct Interaction

- Face-to-face promotion and selling of BMOs services in meetings and shared platforms;
- Can promote the association while simultaneously educating members, responding to their questions, demonstrating care and obtaining information that can be fed into future business activities;
- Have access to supporting information materials, even if they come from your competitors.

Direct marketing through newsletters, website and business directories

- Directly links an association with potential users;
- Flexible, low-cost and creative strategy that is less visible to competitors;
- Has most impact when applied by associations with databases that allow market segmentation and analysis;
- Potential users given an easy opportunity to respond/buy;
- Usually more effective when it is preceded by a promotional demonstration of its utility so that potential users are made aware of its value.
- Examples: direct mail, email, leaflets, inserts in training/consulting brochures etc.

Use of other communication channels

Depending on budget and other resources available, it is advisable to stick to more narrowly targeted and focused media, such as specialized magazines, dedicated events, editorials, and success stories.

The table below compares the advantages and disadvantages of different communication channels. The ones recommended for smaller BMOs are highlighted.

Table 8: Options of Communication Channels for Marketing Information Services

Communication Channel	Pros	Cons
Announcements on your BMOs website*	<ul style="list-style-type: none"> • Flexible, for instance, last minute announcements might be placed • Not expensive • Easy to produce • Good for your positioning 	<ul style="list-style-type: none"> • Depending on how often your members visit your website, might be not very effective • Maybe not all of your members are used to check the internet for information
Monthly newsletter	<ul style="list-style-type: none"> • Direct access to target group • Official tone • Excellent positioning 	<ul style="list-style-type: none"> • Has only effects if the newsletter is interesting enough to be read by your members?
Social media*	<ul style="list-style-type: none"> • If carefully chosen, you might reach a huge number of customers at the same time 	<ul style="list-style-type: none"> • Due to information overkill, your message might not reach and get due attention
Print ads in the general press	<ul style="list-style-type: none"> • Must be in local not national press • More tangible, older target group • Can reach larger than intended audience • Easy to switch out • Different rates and sizes 	<ul style="list-style-type: none"> • Not a targeted approach, informing the general public isn't the goal of the campaign • Limited readership • Poor printed image quality • No control over placement
Print ads in specialized press	<ul style="list-style-type: none"> • Most direct access to target group • Ads are relevant longer because people do not discard the magazines on first reading • Positioned in a proper context, placed next to relevant content 	<ul style="list-style-type: none"> • Also visible for the competition • Trickier to control the timing, because of frequency • Easier to synchronise with dedicated events (trade fairs, association gatherings etc.)
Advertorials	<ul style="list-style-type: none"> • Cheap, • More in-depth, • More context • More personal • Timely and easily coordinated with other initiatives 	<ul style="list-style-type: none"> • Could be considered opinionated, less reliable and less accessible • Harder to retain the message (for the audience)

Communication Channel	Pros	Cons
Radio advertising (possibly through sponsoring)	<ul style="list-style-type: none"> Cheaper, could be a nice supplement to a broader media advertising campaign, but generally not effective by itself Interactive, when in a program with people calling 	<ul style="list-style-type: none"> May have difficult intended target reach Does not last, exposure to message is only during its immediate delivery
Television ads (possibly through sponsoring)	<ul style="list-style-type: none"> Illustrative If local, could be reach wider audience, who in turn could pressure SME owners to find out about it 	<ul style="list-style-type: none"> Expensive Too centralized Have a shorter life span
Power points + posters + brochures + pamphlets	<ul style="list-style-type: none"> Easier to produce globally and pass on Ready to be used when occasion presents itself 	<ul style="list-style-type: none"> Tend to be more descriptive and less catchy More appropriate for Middle management than CEO level
Information sessions + client referrals (socialization)	<ul style="list-style-type: none"> More effective Closer to target Familiar and trusted, Influential Allows two way discussion Adds credibility to stories 	<ul style="list-style-type: none"> Difficult to organize, May lose control over message

* *These services are recommended for smaller BMOs*

Some other recommendations:

Minimise interference

It is necessary to bear in mind that Information service is very need based but a demand for the same can be created by highlighting the differentiating value addition that it makes to the SME business. It should not be an overkill or tied with any other promotional activity. If it interferes with other marketing / promotional activities, it creates interference and noise and their attention is likely to be distracted. As a result, they might not comprehend the contents of your own message, or, they might not be induced to respond to it.

To maintain the noise level at sustainable levels, carefully choose communication channels (“frequencies”) that are not already overloaded with messages from other providers. Make sure too that your message cannot be easily confused with messages sent by other provider. To avoid confusion, clearly distinguish your offer from the competition.

Tone and style of your messages

The overall tone of the campaign should match the target group: business persons and SME owners. A preferred tone would be personal, business oriented, ideally from a peer of the target group and focussing a lot on the value the information service would provide both in the short and long term.

Personal stories (interviews with CEOs of successfully rendered services) advertorials, speeches, experience sharing activities, advertisements in specialised press and industry newsletters are all options.

Small-scale entrepreneurs are usually not receptive to information overkill. In most cases, their prime interest is how they can access relevant information at affordable rates, in the shortest period of time.

Have a time frame and be patient

If you have done a promotional campaign, do not expect them to come back to you themselves. They simply might be too busy to respond, or will contact when they see an emergent need. Therefore, you need to continue your efforts in creating a demand or need in your members. Take the initiative and contact your potential users after you have first contacted them.

Do not expect your customers to readily accept your offer. Your service requires the client to make a serious investment, both in terms of money and time. You will have to persuade them that the initial investment will pay off shortly, and that you will be around to assist in the implementation process. Even if you convince your potential clients initially in right earnest, expect some more effort to convey the message to their superiors!

Given below is a success story of a BMO offering Information Services

Trade offers were provided through Bulletin Board service wherein a world renowned organisation was providing offers to buy and offers to sell from all over the world. The details are being posted in the paid portal and the BMO was a subscriber to this service and providing this to its members regularly.

The BMO assists in posting the details of its SME Members. One such company, which was manufacturing candles, came for posting their sale offers. After giving the details, he went out for lunch. By the time he came, he got an enquiry from Spain that too a buy back enquiry, which sells raw materials for candles. He was really happy because he could also get an order for his candles and in addition, raw materials for them. Such is the value of information that too it should be correct and authentic.

3.6. Monitoring

BMOs usually spend little time on monitoring and evaluation when developing services. A systematic evaluation is often neglected during day-to-day-operation, even though this is highly significant for

- The quality of the future range of services and
- Income development.

Evaluation comprises first of all the process of obtaining feedback of the service users on the usefulness and the impact of a particular service, in order to determine the value of the service.

Questionnaires

Questionnaires are the most common technique used by BMOs to collect feedback from clients. In order to save time and resources it is recommendable to use standardised questionnaires that:

- Ask the service users to answer a series of yes or no questions, e.g. would you recommend the service to another member company of the BMO?
- Ask service users to rate certain aspects of the service, e.g. amount of knowledge and skills acquired, quality of hand-outs using a scale ranging from one (poor, very much below expectation) to five (excellent, very much above expectation).
- Ask clients at the end an open-ended question such as what do you suggest to improve the service or what other service should we introduce?

A model questionnaire is given below that can be modified suitably by the BMO. This kind of standardised questionnaires should always be distributed while a member avails of the service; otherwise, the number of questionnaires that are filled out and returned will be very low.

Figure 4: Questionnaire Seeking Feedback on the Information Services Rendered

Date:.....(Name of the BMO).....

Sl.No ().....Information Services Feedback Form

To be filled by the Customer

Name:Organization:

Address:.....Line of Business:.....

Phone:.....

Fax:.....

Email:.....

Information Requested On

Your Opinion about our Services:

Information Provided:

More than Sufficient Sufficient Not Sufficient Irrelevant

Timeliness:

Before Time On Time Average Delay

Executive's Approach:

Excellent Good Satisfactory Poor

Suggestions for improvement of service, if any

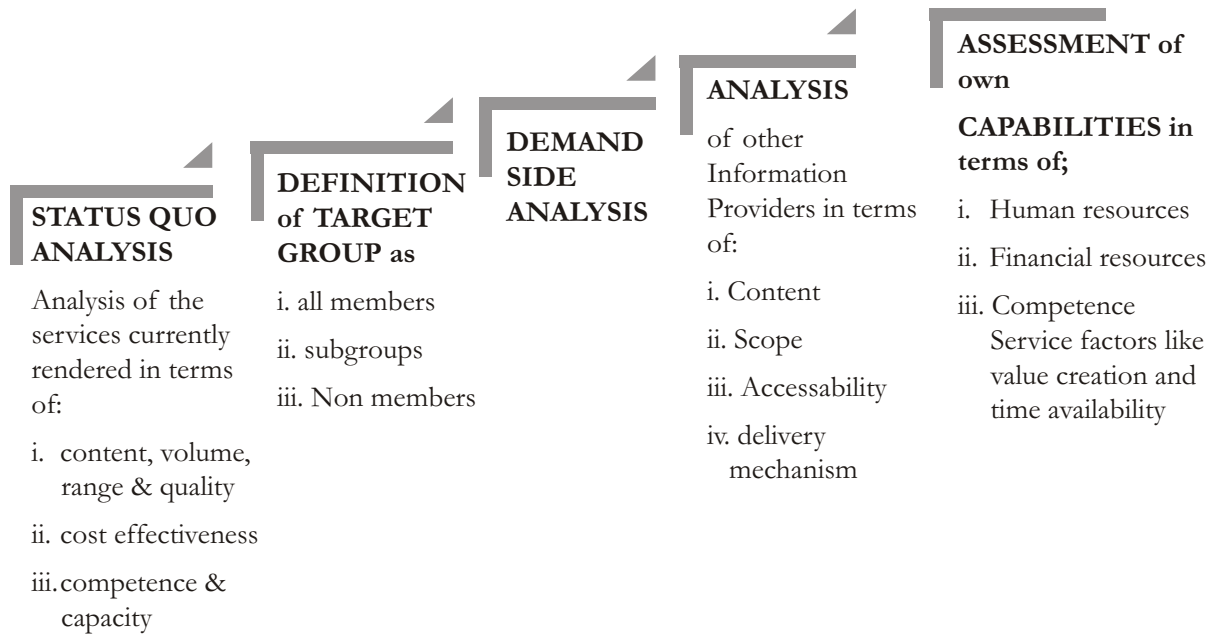
Customer Signature:

Remarks:

To recap BMOs must go through the step process to make Information Service an Income generating activity that makes it self-sustaining but also increases the membership base and span of influence within the industry and the government and associated agencies.

The figure below summarises chapter 3 in a flow chart.

Figure 5: Service Delivery Step by Step



4. How to Successfully Run Information Services

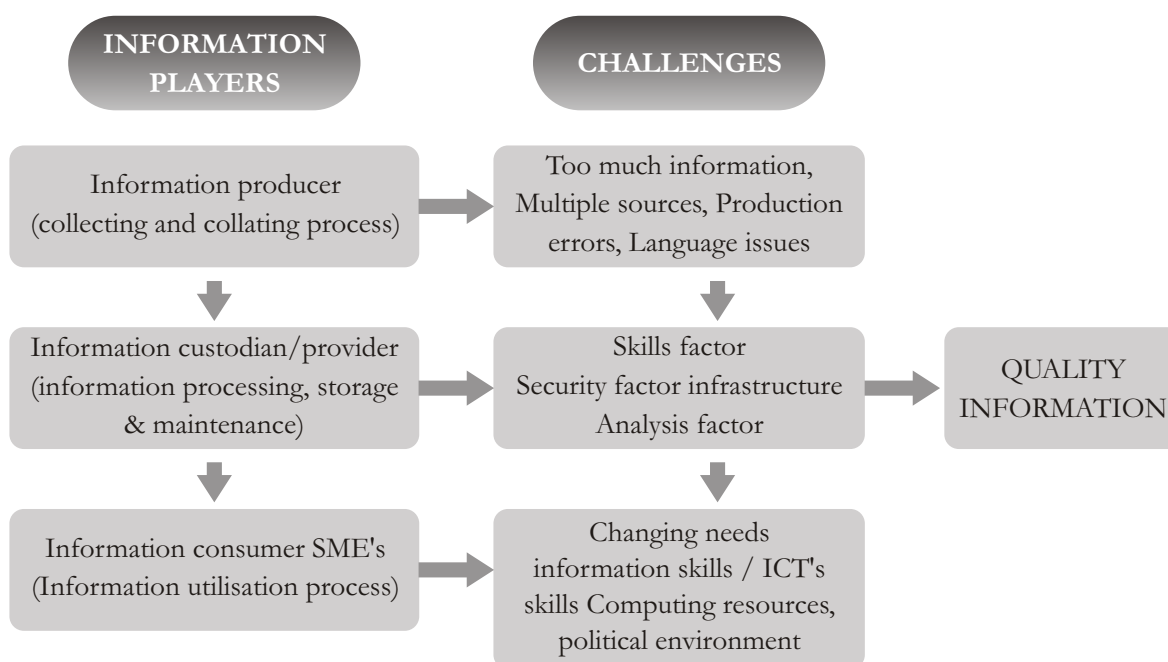
4. How to Successfully Run Information Services

SMEs have unique information needs that need to be addressed with a specifically designed information system. A multifaceted approach to information provision is necessary because of the variation in needs, literacy and business prospects. There is a need to broaden both the acquisition level of information going into the system and the distribution/dissemination points to ensure that quality business information from various sources is accessed by the different SMEs. **Please spend a considerable amount of time on designing strategies to address challenges faced in determining quality business information.**

4.1. Information Service Process

To understand the challenges faced in providing timely quality information, a conceptual framework of the processes involved in presented in the figure below.

Figure 6: Information Service Process



An analysis of the chart above shows that quality information is only achieved when proper strategic interventions are instituted. The different concepts, challenges and strategies at every stage of the information service delivery process are discussed hereunder.

Information Producer: Information producers sometimes produce information from the general use perspectives without a focus to any particular group like SMEs in mind. This poses a challenge in the selection and synthesis process. Associated with production is that there is sometimes too much information produced, using multiple sources, and generate production errors and language issues. To facilitate SMEs access to quality business information, you will have to address these challenges with appropriate interventions. For instance, how do you handle the issue of too much information being produced? An appropriate selection criterion is required.

The selection criteria to handle information overload would have to be customer responsive and hence need based. The need also would vary depending on the member's strategic business option, the size of the SME and its capacity and the time frame that the enterprise is working towards using the information. Some information that may be of no consequence may have a strategic importance for a long-term strategy. In effect, the problem of handling too much information floating around has to be filtered based on:

- The strategic requirements of the members or groups of members
- The time frame under consideration.

Information Provider: This stage has its own challenges that must be addressed so as to obtain quality information. For instance, the issue of the skills of the people handling information. How secure is the information so that a SME manager can refer to at any time of the business? Cases of theft of materials or unavailability of websites after sometime are common. For the case of Internet based resources, business information providers might need to have the skills of archiving business information resources. The availability of infrastructure and facilities like computers, telephone, Internet etc., is a crucial factor in contributing to access and utilise quality business information. Is the business information provider capable in the analysis of business information needs and sources to synchronise within the limited resources?

The BMO needs to become an Information provider of choice. Presently, there is also a heavy reliance on business colleagues, friends and relatives as sources of information. Apparently, this situation is attributed to a lack of systematic information skills on the part of business managers and insufficient knowledge or no knowledge of the true information needs of business managers on the part of information specialists. So the stocktaking grid and the questionnaire suggested in this manual gives you the inputs required to plan your Information service content, quality and delivery mechanisms. The credibility and timely responsiveness to information needs of the members would only establish you as an Information Provider of choice.

Information Consumer: SME's managers are conversant in different languages. This poses a challenge not only to the consumer but also to the information providers. Which language will you use? Do you have translation services? Other questions include: what are the changing needs of SMEs? Do the SMEs have the information search and retrieval skills? Are they competent in ICT's usage? What of the availability of computing resources? Does the political situation tolerate access to information easily?

You might support this issue with the training services that BMOs offer. You or associated BMOs could organise seminars, workshops and other activities to help create awareness in the utility of the Information services offered. This would also give you direct access to understanding your members' needs and help strategise the delivery of information services suitably.

The case below of a BMO is a good example where all 3 information players get entwined effectively and the challenges/concerns shown in the right side of figure 6 get taken care of through the focused approach taken to disseminate and deliver the service.

Case example

A BMO in Madhya Pradesh is an Apex body of Chambers & Associations and affiliated to all other leading chambers in the country.

- This BMO promotes business of its members by referring /writing about them to all embassies, consulates in India and in other countries.

This BMO floats business enquiries of Indian companies to foreign missions abroad

- This BMO regularly sends business enquiries, tenders, offers and calendar of events received from different sources including embassies in other countries to its members

4.2. Prerequisites for Effective Information Service

So what are the pre- requisites for an effective information service?

1. Content

- ✓ The RIGHT information
- ✓ Has to be need based
- ✓ Information has to be focused and precise
- ✓ Has to be constantly updated
- ✓ Must address challenges/complexities faced by SME's
- ✓ Right packaging of information- easily understood for correct decision-making. Hence, you have to take into consideration the educational, social and economic background of those who seek the information. Present the information in both written and spoken form, taking into account that vernacular languages may play an important role.

2. **Accessibility of information** - It is of equal importance as to where, and how, the information is made available. BMO may be too far away from the businesses, especially the regional ones. The form of presentation needs to take into account the learning styles of potential users. The SMEs get information from a variety of sources, such as their peers, competitors, suppliers and customers. Entrepreneurs are more likely to value and use information that comes from someone close to them who has a record of accomplishment of practical credibility. This raises the question of which sources of business information are required for the SMEs and the problems of accessibility to the required business information. Will the sources only be restricted to formal sources, like libraries, government and other private institutions etc., or will they include informal sources, like experienced business managers in the community, customers, etc.? Secondly, what measures should

be instituted to reduce the problems that might affect accessibility to business information by the SMEs? The notion of right information at the right time and from the right place may not apply today. It should be provision of information in the right form to the right user and using the right means. This is because of the complexity of means of information provision today.

- 3. Scope of Information:** Business information service provision is a very broad field that overlaps with many other activities of service provision areas. It is, therefore, important that business information services include the following:
- i. Provision of information on business trends and markets
 - ii. Provision of information on business organisation
 - iii. Provision of information on legal and regulatory aspects, business management, customer service, business expansion and diversification, technology, etc.
 - iv. Identification and communication of business opportunities
 - v. Provision of access to linkages, finance and markets. For example, trade fairs
 - vi. Facilitation of business partnerships and referrals
 - vii. Information on patents/trademarks and IPR related information

The users of the information in the SMEs may also be varied and the importance of the usage of the information may not only vary between members but also within the SME users. **BMOs must be clear about content and format of the information based on the level of the individual users of information.**

The issue of business information provision to SMEs should be taken seriously, giving it utmost importance. An analysis of the business information provision practices to SMEs points must consider the following factors

- i. The business community (the SMEs) has unique information needs to be addressed with a specifically designed information system.
- ii. A multi-faceted approach to information provision is necessary because of the variation in needs, literacy and business prospects.
- iii. There is a need to broaden both the acquisition level of information going into the system and the distribution/dissemination points to ensure that different SMEs access quality business information from various sources.
- iv. You should spend a considerable amount of time on designing strategies to address challenges faced in determining quality business information as explained in Figure 5.
- v. The use of computers, Internet and mobile phones in business information should be dovetailed in the information provision mechanism.
- vi. Training needs of both the business managers of the SMEs and information specialists should be identified and recommended as part of the business information system design.

4. Delivery mechanism of the Information service

It is manner in which information is communicated that will determine whether the community will understand and react to it or not. An issue to consider is the design of an information system. A strategy could be to integrate information available in business magazines, government portal and trade organisations. The information system in place seems to have a broader base at the distribution point of information to the SMEs than at the collection/acquisition point of information. In other words, business information is acquired by the government/ other agencies and distributed through a number of channels to the SMEs - depending on their information needs and interests. The case study elucidates the importance of the design of the information system.

Case Study: Creation and maintenance of a portal

The BMO in South India in India has created a separate cell to establish and maintain a portal. An expert in web development, hosting and maintaining is heading the cell, supported by 4 staff for telemarketing and updating the portal. The comprehensive portal gives latest information about:

- The association and its members
- Services offered by the Association
- Knitwear products manufactured and exported by the cluster
- Suppliers of machinery, raw materials and other utilities
- BDS suppliers
- Changes in policies and procedures as well as simple tools such as currency converters

The portal provides links to members so that foreign buyers wanting to outsource knitwear can have direct access to the manufacturers after registering with the portal. The members receive individual passwords to access their pages and look for enquiries received.

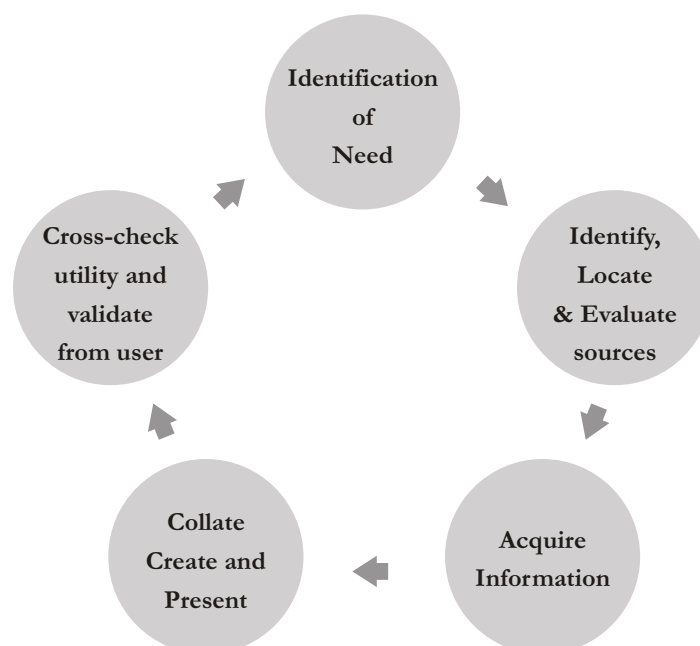
The banner advertisement opportunities in the Portal are a major source of income through advertisements. This income, besides meeting the expenses of the portal has been generating surplus for the Association.

Information Distribution and Delivery

Some of the suggestive distribution points to be considered are:

Information Search Service: BMOs can offer a search service for users with special requirements using specialised trained staff. This would attract many small and medium enterprises and start up entrepreneurs in the local area as well. BMOs therefore should be familiar with the search procedures. There are five stages in the search procedure. The staff engaged must be aware of the task appropriate to these stages that are summarised in the following figure 7.

Figure 7: Process of Information Search



The process therefore requires to be engaged in the process of data mining and data warehousing based on the member demand, needs, current and future requirements.

The process explained below in modular form highlights the importance of stage one to make it income generating. **Identification of the need and providing information based on demand analysis is the only way to attract BMO members to pay for the information service.** The fee structure would be based on the complexity, significance and delivery of the information. The BMOs have to equip themselves with the skills of data mining and warehousing it appropriately. They have to weed out unwanted information and replace it with currently needed information and subjects that may be of use as a long-term strategy for the SMEs.

The search service can be a simple referral service such as recommending a list of reference materials or providing the actual information. An example of such specialised search materials is the patent search service often used by companies to explore the types and range of technologies available internationally. Electronic online information search on local and foreign companies in a comprehensive consolidated format would be useful to members in determining the range of products and services they offer in another type of service.

Customised Information service: The BMO members may be clustered into specific industrial sector, selected business groups or companies playing a key role in the development of the economy. Based on their specific needs, BMOs can create specialised information platforms. Individual users can subscribe to this service by listing their subjects and topics of interest. The BMO information staff will scan for the required information and mail the abstracts to the subscriber at regular intervals. Interested subscribers will then contact the BMO for copies of the selected articles or information. This kind of service as a fee-based service has an income generating potential if the information is tailor made to the needs of the users.

Business Information Centre: Upon subscription, entrepreneurs can avail of free access to business information, business magazines, internet facilities-especially access to paid portals, library facilities etc. at the BMO's Business Centre. The subscription may be valid for specific periods of time (3 months, 6 months, 1 year).

Web based information Service: Even though access to information on the internet has become simple and affordable, BMOs can add value to the information overload by filtering the same and providing only that which is meaningful and relevant in a simple comprehensible format.

Impact of the use of ICTs to facilitate access to business information by SMEs

Availability of business information services has been enhanced with the emergence of various information and communication technologies. However, the information is mostly generic and not necessarily authentic. BMOs can filter and choose information with specificity and relevance to SME's needs. BMOs can enjoy easy access to business information services, with the use of well-developed information and communication technologies (ICTs) infrastructure and easy access to computer hardware and software. ICT enlarges the scope of information services with a proactive provision with the members.

BMOs also need to promote the use of ICT by SMEs as it would help in making information service delivery more cost effective. It has to be noted that mobile phones have emerged as the most widespread ICT that has made communication and information access convenient and timely to users from the comfort of their own homes and offices and from wherever they are while on the move with their cellular phones units or PDAs (personal digital assistants). The new ways of working afforded by mobile technologies are characterized in terms of access to information and people anytime, anywhere. The use of mobile phone and internet usage to conduct businesses among SMEs is growing every day.

The use of ICT to disseminate information electronically on a periodic basis can be implemented to provide current and up-to-date business news and information like:

- Newslines (Commercial news)
- Infoline (Information relating to government policies & regulations)
- Tradeline (Trade enquiry from around the world)
- Eventsline (Information about upcoming businesses /trade related events)

4.3. Selection of Appropriate Information Service

The following table identifies the various information services and how the BMO's can organise its delivery.

Table 9: Scope of Information Services and Delivery

Information Services		
Service	Resource	Delivery
Web designing	Local based expertise	Design and development of websites of the SMEs individually to promote their marketing
Trade/ Business Delegation	In built capacity of BMO's based on information services and networks	Sector and country specific delegations
Publishing of news bulletins	In built capacity of BMO's based on information services and networks	News bulletins with Themes of interest to the members. Eg. Energy and Environment
Handholding services	In built capacity of BMO's based on information services and networks	All information pertaining to start-up of a industry
Market Analysis and Trends	In built capacity of BMO's based on information services and networks	Focused sector specific market trends through emails
On line catalogues		Company catalogues with photos of the products manufactured by the member company.
Library services		Collection of books on all aspects of industry
Ask me services		Through email/person
State/Central Governmental policies		List of schemes pertaining to the SME from both Central and State Governments.
Country profiles		Through portal
Tenders		Through emails
Patents		Through emails.

The type of Information Services to be provided can be categorised as:

- A. Generic or data based information on economic, legal, socio-political and market environment. These are more in the form of Information Flyers that may be a one-time effort in consolidating information and periodic updating as when changes made or new information available.
- B. Business matching services: customised to member needs and requirements. This would require information search process, as will be explained further in the foregoing paragraphs.

- A BMO can provide the above information services under **four levels**.
Category A would be level I information, which is the simplest to render and is easily available from different sources as well. BMO needs to filter this information as per generic needs of the members and collate the same in a presentable form.
- Category B information can have 3 more levels of information, with level IV being the most sophisticated. Level II services are more focused, offering specific information to the enquirer. The BMO can charge for some of these services. Level III services normally require a market survey and the BMO would have to prepare detailed reports made meaningful to the user. As market research is time-consuming, the charges to be levied would be much higher than Level II. An example of Level IV could be a service of business matching with detailed negotiations in attempting joint ventures and business collaboration, but would not be so relevant to SMEs. It may require a large amount of legal services as well. In table 10 the different information services are listed detailing the characteristics of the service and the steps involved.

Table 10: Possible Level I Information Services

Type	Characteristics	Steps or service
State/Central Governmental Policies	Closely monitored regular updating through portal	<ul style="list-style-type: none"> • Comprehensive information on government licensing and certifications for running different kinds of business. • List of schemes pertaining to the SME from both Central and State Governments. This would be more relevant to new and young entrepreneurs and should be delivered at the BMO office. It would also be a good way of influencing membership base as well
Country profiles	Through portal. Updating as and when necessary.	<ul style="list-style-type: none"> • These could be sector specific or industry specific based on the member requirements. Local businesses need authentic updated economic and business information of other countries and specific products of their strategic interest. Market information by country, region, product demand with prices and foreign trade regulations would be useful for potential exporters. In addition, a good collection of technology and standards information can also help to improve the productive capability of the local companies.

Type	Characteristics	Steps or service
Library services – a wide range of business reference materials in the library, which any small BMO can float.	<p>As regular ongoing service for use of the BMO on 'as is where is' basis.</p> <p>Providing access to the information online can be the value addition cost effective way of allowing access to relevant information to the members. The information can also be query based which can be sourced within a time frame from the library's sources both internal and external.</p> <p>This would be on site with infrastructural facilities. ICT requirements for access to Online library facilities.</p> <p>The only scrutinised effort required is the choice of magazines/journals/research report/government reports.</p> <p>The librarian would require codification and computerisation of the inventory for easy retrieval. Updating would be a continuous exercise.</p>	<ul style="list-style-type: none"> • Collection of books on all aspects of industry • Business magazines • Business newspapers from across the globe(relevant countries) • Access to online library resources • Sector based publications/journals can be purchased for lending depending on the number of interested library resources with an additional service of a virtual usage giving login/password to members subscribing for it.
Free access to business electronic databases	ICT or purchased	<ul style="list-style-type: none"> • Online but on subscription basis
A user friendly website – a ready source to look for the SMEs interest information, services and facilities.	<p>Local based expertise can be used and some basic information needs of members can be provided free of charge and some detailed specific information on subscription basis.</p> <p><i>Information made available may be at any of the 4 levels and charges progressively increased with level 4 information being charged the highest. There should be a gradual hike in fees and members should get attracted to seek level 4 information subscription.</i></p>	<ul style="list-style-type: none"> • Design and development of websites of the SMEs individually to promote their marketing. Most of it can be provided online.

Table 11: Possible Level II Information Services

Type	Characteristics	Steps or service
Trade Information and business opportunities	<p>This can be made available from the In built capacity of BMO's based on information services and networks. Can be weekly, fortnightly publication of a trade information service circular or posted on website.</p> <p>Information Flyer are a good option, which can be used to disseminate information on special events/legislations/trade fairs. This would be particularly useful to those tradesmen who are not in the habit of using internet. Please ensure that these information flyers are no longer than one A4 page using BMO's logo and contact details. A double-sided printing in colour would make it attractive but please take care of cost effectiveness. Too many colours can be a distraction too.</p>	<ul style="list-style-type: none"> • Maintain a list of trade and business enquiries from local companies • Maintain a list of trade and business enquiries from foreign companies • Circulate the list to interested parties either in form of email, fax, telephone call, a circular or in newsletter.
Publishing of news bulletins	<p>This may have to be industry /sector or region specific</p>	<ul style="list-style-type: none"> • News bulletins with Themes of interest to the members. For instance, Energy and Environment
Handholding services	<p>BMO's can provide this information services based on their experience, expertise and networks</p>	<ul style="list-style-type: none"> • All information pertaining to start-up of an industry
Market Analysis and Trends	<p>BMO's collect, collate information from various sources and present it in the manner that is meaningful and relevant to its members.</p>	<ul style="list-style-type: none"> • Focused sector specific market trends through emails
On line catalogues	<p>The designing layout and standardisation effort has to be taken up by the BMO staff. This is a onetime effort and can be presented in the website and also in a summative form in the membership directory. The membership directory information should be presented in such a manner that the user is attracted to avail of the detailed information service on payment basis.</p>	<ul style="list-style-type: none"> • Company catalogues with photos of the products manufactured by the member company.
Ask me services- Business Enquiry Services	<p>Specific requirement of the members/subscribers to Information service</p>	<ul style="list-style-type: none"> • Through email/person as per requirement

Type	Characteristics	Steps or service
Business contact and Partner Identification	<p>Available as a data source but provided on need basis.</p> <p>BMO's may also charge an annual fee for this service as this is likely to make BMO's make use of this service through the BMO, thereby ensuring income generation for the BMO. Business Enquiries or information on government tenders are the most commonly used business enquiries made to BMOs.</p>	<ul style="list-style-type: none"> • List of potential contacts by Product categories of countries- provide a simple list of member companies to enquirers. This could take the form of a mailing list • Market Contacts Service- help the client to identify key market contacts specific to the client's needs and verify contact details and provide a brief description of each contact. To provide good market contacts, the staff of BMO's may have to spend 15 to 25 hours of research time. • The Right connections Service; provides the client with details of potential partners and market representatives; and an assessment of their interests in the client's business and recommendations for action. The time taken for research for the service is 40 to 50 hours. • The right Arrangements Service- provides the client with details of potential partners and arranges for business meetings. The chamber may also provide translation and interpretation services during the meeting.
FAQ's - Internet data base to answer most frequently asked questions	<p>This is useful both to entrepreneurs as well as to staff of the BMO as it helps them answer individual questions more simply and quickly.</p> <p>A simplified standardised information solution that can be answered to regularly encountered challenges and concerns. Useful to general public as well as it provides information on business operation in trades and is ICT enabled and can also be made available on mobile as well.</p>	<ul style="list-style-type: none"> • Could relate to procedures and rules pertaining to the legislative and regulatory requirements of the State or in particular the industry. • The more broad based the FAQ's the better it is for the BMO staff as it saves time in their daily work , as they are not repeatedly answering the same questions to different customers. • The leads from FAQ's lead to a demand on advisory services as well.
Tenders		<ul style="list-style-type: none"> • Through emails
Patents		<ul style="list-style-type: none"> • Through emails.

Table 12: Possible Level III Information Services

Type	Characteristics	Steps or service
Market Research Services	<p>These services normally require a market survey. And there will be a need to prepare detailed reports.</p> <p>Once the BMO has developed the necessary capability for market based services, then collaboration with private and foreign organisations can be considered which would enhance the income generation potential of this information service.</p>	<ul style="list-style-type: none"> • Market Selection-under this service, the business matching service will provide the client with information on market demand and possible market entry barriers affecting the product. • Market Knowledge-this is the most detailed and comprehensive type of market research. The research helps the client to understand the operations of the target market, the expected competition, prices of similar products, promotion and distribution. The research may require assistance from professional consultancy firms.

4.4. Tools to Calculate Costs and Determine Fees

Even though some form of information service may have to be provided free of cost, BMOs must attempt expanding the Information Service to Level II and III and introduce a fee for the same. Even Information Flyers which may be level I information should be financially self-supporting. Some of the suggestive mechanisms of calculations of expenditure and income is given below.

Table 13: Cost Calculation for Different Information Services

No	Cost Type	Total Cost (INR)	Income Type (INR)	Total Income (INR)
1	Work time in person -days or person hours	Payment based on competence level required and payment rates estimated accordingly. Can use monthly salary	Must break even initially and then income generation margins to be created. Initially sponsorship may be sought	
2	Stationary including printing if done for Information Flyers and newsletters	Actual costs	Must break even initially and then income generation margins to be created. Initially sponsorship may be sought	

No	Cost Type	Total Cost (INR)	Income Type (INR)	Total Income (INR)
3	Equipment maintenance and depreciation computer, photocopier, printer, fax machine)	AMC charges apportioned by time usage over the year		
4	Delivery costs- postage. Internet broad band charges by usage (hours)	As per actuals	Must break even initially and then income generation margins to be created. Initially sponsorship may be sought	Income (-) Costs

Cost Calculation of two sample Information service one under category A and one under category B using ICT is given below for easy understanding.

Table 14: Cost Calculation for Information Flyer

No	Cost Type	Total Cost (INR)	Income Type (INR)	Total Income (INR)
1	Work Time : I day (35,200 INR per month/22 working days	1,600	Support funds/sponsoring	6,000
2	Paper: 500 pages	250		
3	Depreciation of photocopier (cost: 30,000INR/30,000 (leaves of paper)= 1 INRx500 copies	500		
4	Postage costs	2,400		
5	TOTAL	4,750		6,000

How much would you need to charge to achieve cost-coverage? The following table shows how to calculate:

Table 15: Cost –Revenue Calculations for Information Service in the Form of Library

Costs	Income:
<u>Variable costs*:</u> Cost of subscription of journals/magazines 15000 INR <u>Fixed costs*:</u> ➤ Computer 25000 INR ➤ Books for SMEs 15000 INR Total cost per year: 65,000 INR	➤ 500 INR per annum Fee to be charged per member for the service ➤ 150 members are expected to avail the service Total income per year: 75,000 INR

4.5 Recommendations for Effective, Income Generating Information Services

In summary, BMO's must run through the checklist below to evaluate effectiveness of the Information Service provided.

1. Information must be current, correct, and precise and arranged/packaged in a format that is easily understood and accessible to the users.
2. Make sure the information provided is need based; otherwise, it would be a waste of time, energy and not income generating.
3. Make sure there is a value addition to the members /customers. This implies it should be more than what is made available by others.
4. Staff should periodically check from members and by themselves, the relevance of the information provided.
5. Timely delivery and response time of the information sought by the user must be ensured.
6. Continuous updating information provided through the Information flyers and those posted on the website.

Table 16 given below highlights the DO's and DON'T's of some sample Information services

Table 16: Do's and Don't when Providing Information Services

Possible services	Do's	Don'ts
Web designing	Develop in-house expertise on domain booking, hosting of websites, development of websites	Try to avoid outsourcing as far as possible, as otherwise, the service will be totally at the mercy of the outsider
Trade/ Business Delegation	Organise a proper group and organise it by availing a Government scheme	Ensure the group before availing the scheme to avoid last minute surprises
Publishing of news bulletins	Ensure a theme for every news bulletin	Do not a publish a bulletin without relevant contents in it
Market Analysis and Trends	Publish it with source	Review the sectoral trends every now and then before proceeding with the analysis
On line catalogues	Make it very user friendly	Keep updated every now and then
Library services	List out the books available in the library so that it kindles the interest of the members to use it.	Do not list outdated books
Ask me services	Keep it as a time bound service, so that more people avail this	Do not post the answers, unless you make sure the answers are correct

Possible services	Do's	Don'ts
Country profiles	Post the current profiles, from a proper and authentic source	Do not make it heavily chargeable as the profiles are mostly available in the web
Tenders	Sector wise tenders would be useful to the members	Tenders have very limited time period and hence remove the outdated ones

References

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