



**Providing communication services to Micro and Small
Enterprises
- A market survey -**

Client: Enter-Growth (ILO)

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Executive summary

In March 2007, the Enter-Growth project carried out a survey of the micro and small enterprises (MSEs) and the Business Development Service providers (BDS) in Kurunegala, Puttalam, Anuradhapura and Polonnaruwa districts. It covered 102 MSEs and 53 BDS providers in these four districts. This report presents the main findings. TNS Lanka was commissioned to carry out this study on behalf of the Enter-Growth.

One of the constraints found in formulating policies and programmes on the communication services is the paucity of information on needs of the small producers and the skills available with the BDS providers. Enter-Growth initiated the present survey to fulfill this information gap.

The survey consisted of two main components. The first component was carried out among 102 small and micro enterprise holders. The second component was carried out among 53 Business Development Service providers – communication centres, tax consultants and business lawyers in the particular districts. Representative samples sizes were pre-identified by the Client from each district respectively. Interviewer administered questionnaire was used to collect data from these groups. Data collection instruments were developed through a consultative process with inputs from the Client, Enter-Growth project stakeholders in these districts, planners and researchers.

Demand

The demand for the communication services is high, as 99% of MSEs mentioned that they need to communicate with the buyers/suppliers within or outside the district. 84% of them said that they would need help in communicating with the buyers/suppliers or Government officials with respect to expanding their business.

Majority of them go and avail some kind of communication services. 73% of them visit communication centres, they go to the Industrial Development Board, District Secretariats etc.

Only 5% chose tax consultants as their first priority to be contacted for communication services and. 2% of the MSEs chose lawyers as the first priority.

77% of the respondents say that little or no access to technology is the reason for them not to expand their business to other areas.

68% said that they were charged for the communication services they availed and 29% said that they were not charged for the services provided.

90% of them wanted help with regard to making calls on their behalf, 75% of them wanted formal letters being written in Sinhalese or Tamil, 36% of them needed faxing services.

65% of them needed to make phone calls every day, 33% needed research on data base every day, 19% wanted information from the internet every day and 16% need faxing services every day.

97% of them were ready to pay for the communication services if it was reasonably priced. 96% said if the communication services were available they would be able to perform better in business but conversely the majority did not come up with the important answer as to how would it benefit their business?

Supply

100% of the BDS providers are interested in providing communication services. As 94% of them felt that it was a good source of additional income. 96% of them felt that they had the verbal skills to be able to provide the required communication services, 92% felt they had the knowledge to write formal letters for business purposes. 83% had the knowledge to handle computer and internet and 85 % felt they had the ability to network. 79% of them said that they had the office space available to be able to cater to the needs arising by providing communication services.

64% of them felt that they did not lack any skills to be able to provide the communication services. The ones who felt they lack skills faced it with written and spoken English and on the know-how of using the computers.

Although 70% prefer English as the language for communication and 75 % are comfortable with it, their number one priority for communication purposes i.e. 80% is Sinhalese.

In this survey we have come across that there is already a demand for communication services and these BDS providers are catering to it in an unorganised manner. 80% of the BDS providers faced the demand to write the letters in Sinhalese, 98% had been contacted to make calls on behalf of the small producers, 86% of them were contacted for faxing services. All the services listed are required either daily, weekly or fortnightly by the small producers, the ones required by the majority daily are the phone calls and the faxing services.

Although faxing services and phone calls are most in demand, 87% of the small producers don't pay or are charged for making phone calls on their behalf by the BDS providers 53% don't charge or get paid for drafting a fax, 21% said charging for drafting letters for the purpose of faxing is not applicable. For writing formal English letter 57% would charge less than Rs.100, 28%

responded by saying that it was not applicable and 6% said they were not paid for this.

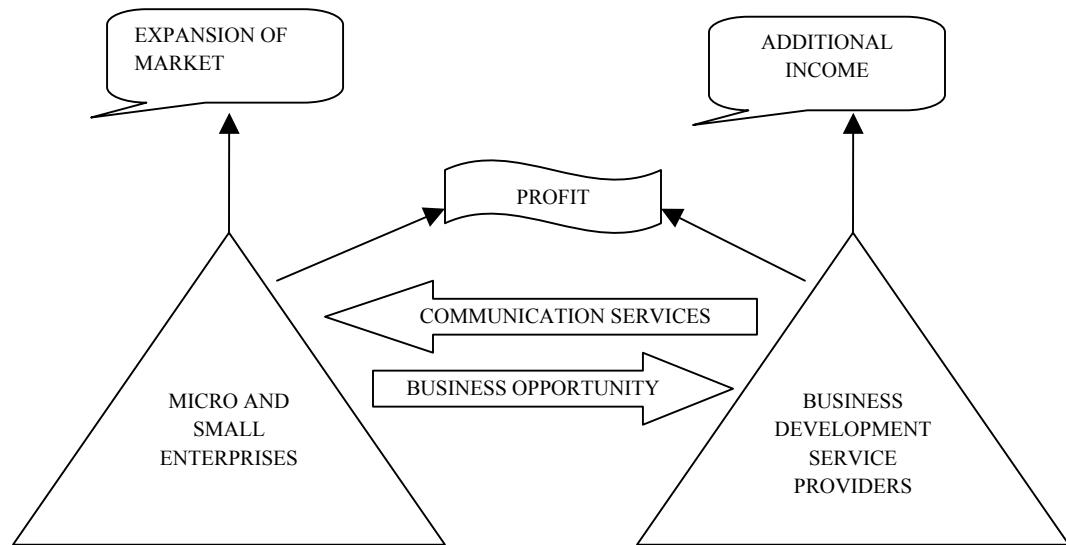
When the BDS providers were asked about the skills/knowledge they would require for providing business communication services 87% of them stated that there should be an organization for business communication service providers to receive updated information. 81% said they would need training on communication services like formal letter writing etc. 83% said they would need knowledge on using the internet. 75% said knowledge about the needs of the MSEs would be important to provide communication services and 74% wanted inputs on marketing the communication services available with them.

1 BACKGROUND

1.1 BUSINESS COMMUNICATION SERVICES - A BRIEF

Business communication services are business development services targeting an improvement of communication between producers/service providers and buyers (market) and other relevant stakeholders e.g. government authorities, banks, industrial development boards etc.

This survey is predominantly looking at how micro and small enterprises (MSEs) communicate or would like to communicate with medium and large buyers within and especially outside of the district. The purpose of which is to assist them spread out their businesses to other areas.



The business development communication service provider could play a significant role here as they could become the link between the MSEs and bigger buyers etc. They could render support to the MSEs in expanding their business by providing communication services to them and on the other hand give additional source of income to the BDS providers.

Better communication will ultimately lead to improved linkages between business stakeholders and further enhance the prospects of growing the market for the products of MSEs. There might be situations where a MSE would want to expand his market but lacks the business know-how and communication skills such as writing formal business letters, emailing, faxing and telecommunication etc. They may lack physical resources like telecommunication equipment, computers etc. This research is being done to find the needs of MSEs with regard to communication knowledge/skills and to

assess the availability of business communication services. The survey is thereby looking at small one-by-one services (e.g. writing ONE business letter, making ONE business phone call etc.) rather than service packages that only medium scale enterprises can afford.

1.2

OBJECTIVES

The objective of conducting this survey was to understand the overall availability of the communication services in the four survey districts, to assess the market demand and supply for such communication services and then based on the findings of the survey to enhance the access of small producers to communication services.

This survey was designed based on the requirements mentioned above and all the points are addressed in the following report.

2 METHODODOLOGY

2.1 STUDY DESIGN

This descriptive cross sectional survey included two components.

Component one –A survey of MSEs

Component two – A survey of BDS providers

Study Area

This survey included subjects from 4 districts in the country. The MSE and the BDS component was designed to represent chosen MSE and BDS providers in the Enter-Growth project area which will give a sector estimate, in addition to need parameters.

Study Population and Sampling

Study population pertaining to both the components was considered as the MSEs in all the 4 districts of Sri Lanka i.e. Puttalam, Kurunegala, Polonnaruwa, Anuradhapura .Each district was sampled using the sampling frame.

Sampling Method

A random sampling was done based on the numbers, availability and as per the list provided by the Client

Sample Size

25 MSEs were interviewed from each district .20 BDS providers were interviewed from Kurunegala and 10 BDS providers each from Polonnaruwa, Anuradhapura, Puttalam.

2.2 DATA COLLECTION TECHNIQUES AND QUESTIONNAIRE (APPENDIX -1)

Face to face interviews were conducted; to collect the data an interviewer administered Questionnaire was used. This method was selected considering the intensive nature of the information sought in the study and the familiarity and ability of MSEs and BDS providers to respond to questionnaires. The questions covered a fairly wide area of communication issues. The variables included were identified after considering the requirements set forth by the Client, opinions of stakeholders in the work-shop conducted.

The questions were made very simple and most were provided with structured responses. However, questions that were believed to generate diverse responses were provided with an open option which was later coded. The questionnaire was originally formulated in English and later translated to Sinhalese by subject expert. These were then reviewed by the Client, opinions of the field staff during the training session were also taken for clarity of the questions, and for the comprehensiveness in terms of objectives.

The final questionnaires included 4 sections.

Component One- A survey of MSEs

The section one included the general questions on a) business requirements, b) communication needs; c) information on what stops them from expanding business, d) information on their links if they already avail communication services. Section 2 included simple questions on demand for communication services and how frequently would it be used if available. Section 3 was intended to find out the prices which they are willing to pay to avail these services. Section 4 was intended to find out the benefits of communication services as per as their understanding.

Component two – A survey of BDS providers

The section one included the questions on a) willingness to provide communication services, b) reasons that deter from providing these services; c) Knowledge/skill shortages/availability of physical resources available/not available. d) Information on preferred language. Section 2 included simple questions on demand for communication services and how frequently is it required. Section 3 was intended to find out the prices which they are willing to charge to provide these services. Section 4 was intended to find out the training needs to provide communication services.

2.3 SUPERVISION AND QUALITY CONTROL

As the subject matter is crucial to the entire Enter-Growth project, normal form of quality checking by re-visiting or contacting 20% of the sample did not take place. Instead, 30% of the sample was checked by accompaniments and spot checks by the supervisor.

Fieldwork Experience

Quantitative field research for the Enter-Growth Communication project was completed over a time period of approximately one week (15th March – 21st March).

Training of Investigators

Intensive two-day training was given to the investigators in the Kurunegala centre for both components of the study. The training on the first day was conducted in presence of the Project Coordinator and stake holders for Enter-Growth from the Clients side. The teams with enumerators were then called in for the main briefing session to TNS centre in Kurunegala. They were trained by the field manager and by the research executive and the team leader on the questionnaire and the objectives. An elucidation was given about the research project, and all the questions in the questionnaire were explained to them including the understanding of the subject matter, background information about the subject matter, how the respondents should be approached and the sampling methodology. Mock interviews were also organized to observe whether they had clearly understood all the details and to correct them if necessary.

On the second day they were trained by the field manager on fieldwork methodology and rules. In addition field work was supervised in a systematic fashion by the project consultant. The supervisors and district coordinators also participated in these training sessions and then the supervisors provided a brief training to their teams in the respective areas.

In most of the areas the survey was carried out smoothly without any interruptions but only one stake holder from Puttalam provided assistance in contacting the BDS and MSE holders and not all stake holders helped in arranging for the interviews as promised.

The BDS and MSE holders were not informed about the interviews etc but there were no major difficulties in conducting the interviews.

Data Analysis

Equal sample sizes were taken from each district except Kurunegala where 20 BDS providers were interviewed. SPSS 7.5 statistical software was used in the analysis.

3 SURVEY RESULT

3.1 COMPONENT ONE

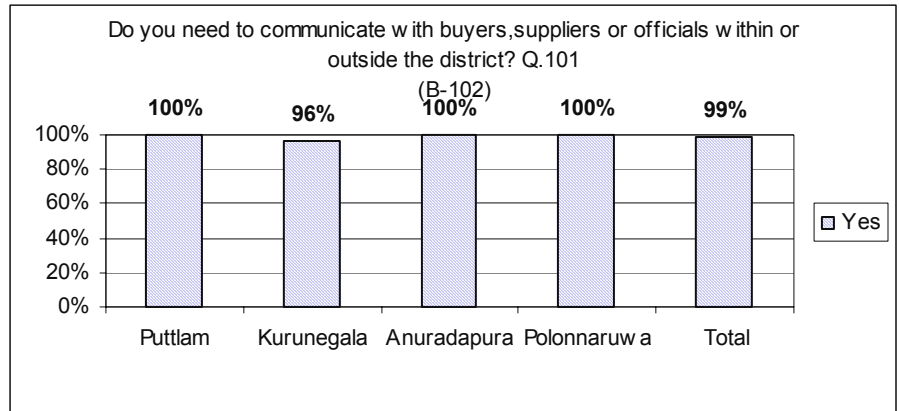
DEMAND: MICRO AND SMALL ENTERPRISES

As a section of the survey on communication needs with regard to expanding business in other areas, 102 MSEs representing Puttalam, Kurunegala, Polonnaruwa, and Anuradhapura were interviewed.

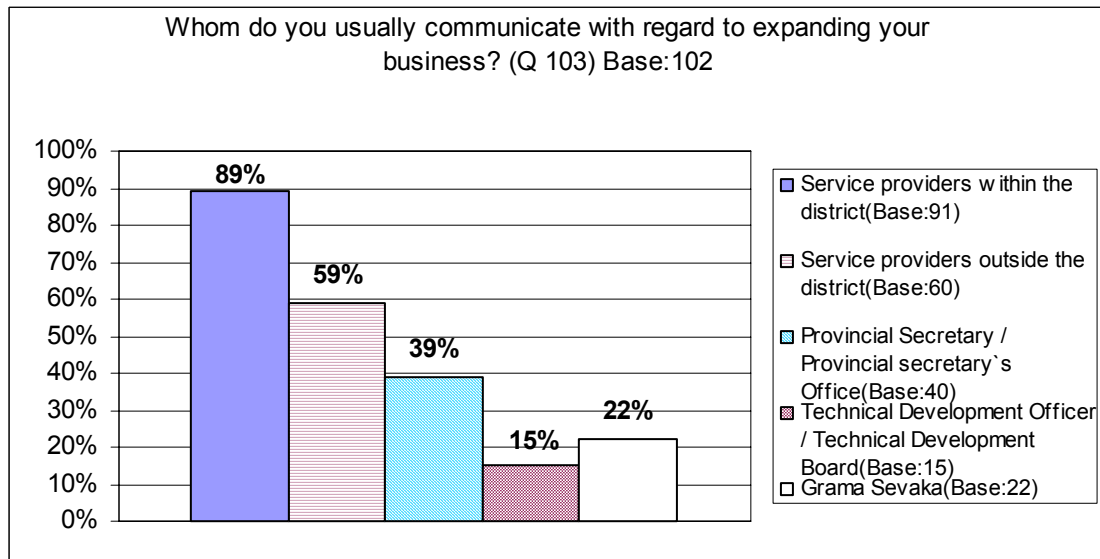
For the purpose of analyzing the business situation with regard to the availability of the communication services, one should keep in mind that awareness among the people about communication services will have to be generated and the needs would have to be addressed and realised.

3.1.1 WILLINGNESS

When the MSEs were asked about their need to communicate with buyers/suppliers and officials outside the district 99% of them responded by saying yes, which means there could be a demand for communication services but which will have to be realised by the providers and the beneficiaries themselves or certain communication services are already used and which will have to be known.



The 1% which said no when asked about the need to communicate ended up saying yes, when asked would these services be required in the future.



This chart represents the people or the offices MSEs contact for expanding their business

The 89% of the MSEs communicate with the business service providers within the district. 59% of them communicate with business service providers outside the district. 39% communicate with the Provincial Secretary's office, 15%

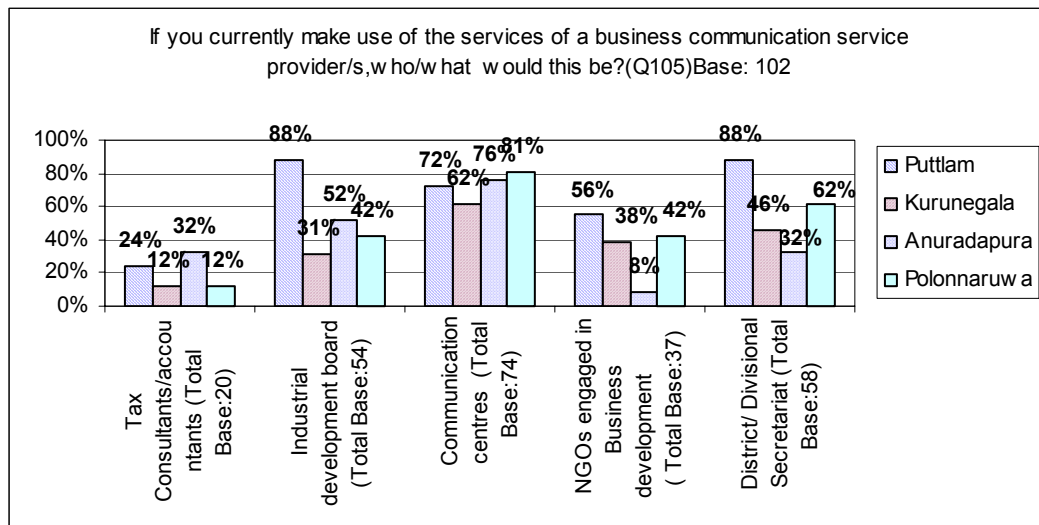
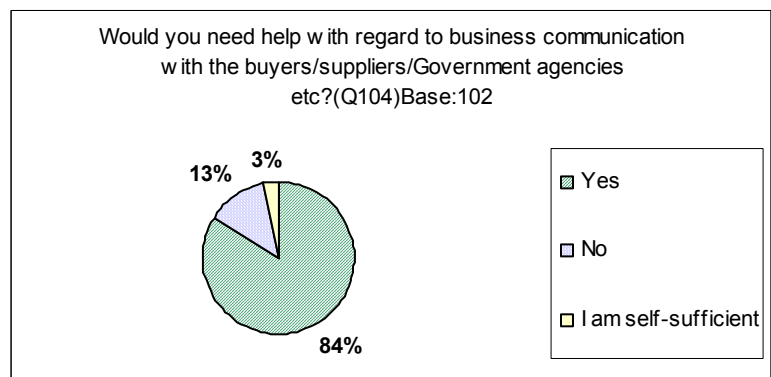
communicate with the technical development board and 22% with Grama Sevaka's.

Remaining respondents i.e. 9% communicate with the agriculture department and 7% with the small industries officer. Others contacted people according to their individual needs with regard to expanding their business for e.g. 1% each contacted labour department, foreign buyers, tax consultants, lawyers etc.

It can be said that Communication is the need of the MSEs within or outside the district, no matter who they communicate but communication is required.

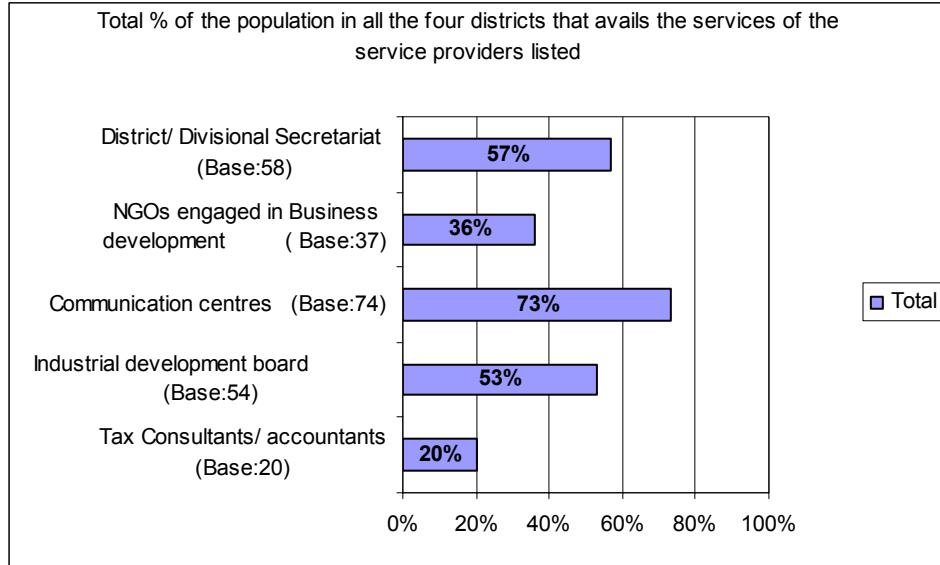
The chart below illustrates the need of communication amongst the MSEs.

84% of the respondents said that they would need help with regard to business communication with the buyers/suppliers/Government agencies.



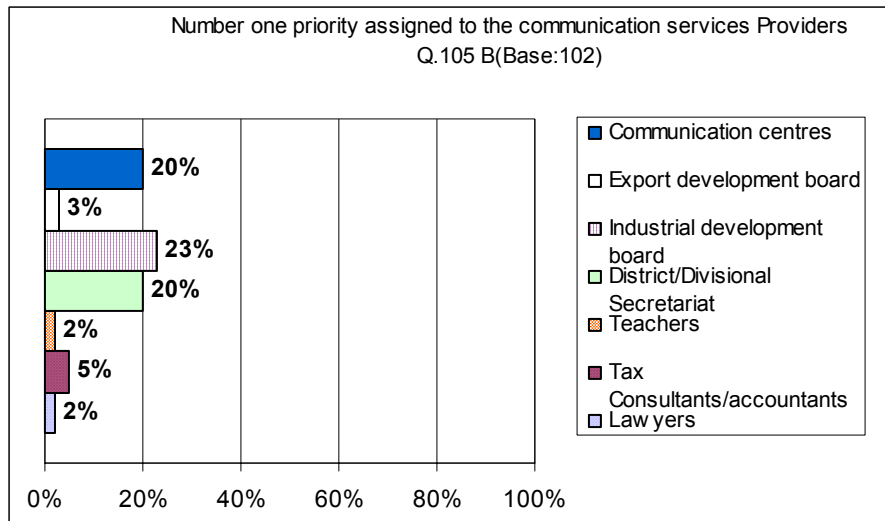
This chart illustrates the percentage of the people district wise that makes use of these services and has answered with the options mentioned in the chart. These options were pre-listed in the survey tool.

20% of the over all respondents go to the Tax Consultants, 53% go to the industrial development board, 73% go to the communication centres, 36% go to the NGOs engaged in business development and 57% go to the District/Divisional secretariat.



Apart from the ones mentioned in the chart 10% go to the Business chambers and 9% go to the Banks and another 9% go to the lawyers. Hence, once again this table shows the importance of communication.

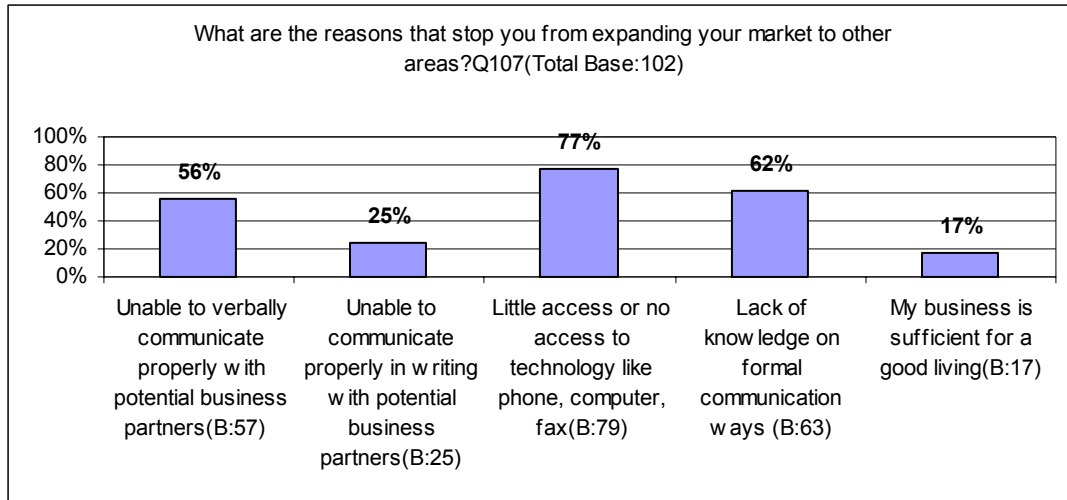
When asked to prioritise the potential business service communication providers on the scale of 1-6. 2% choose the lawyers as their 1st priority, 5% chose tax consultants as number one priority, 2% chose teachers, 20% for District/Divisional Secretariat, 23% for Industrial development board, 20% chose communication centres.



The responses to the priority of availing communication services from the service providers vary may be due to the fact that the requirements of each MSE differ according to their profile.

When asked whether the business service providers charge for the communication services provided 68% said yes and 29% said that they did not charge for the services provided.

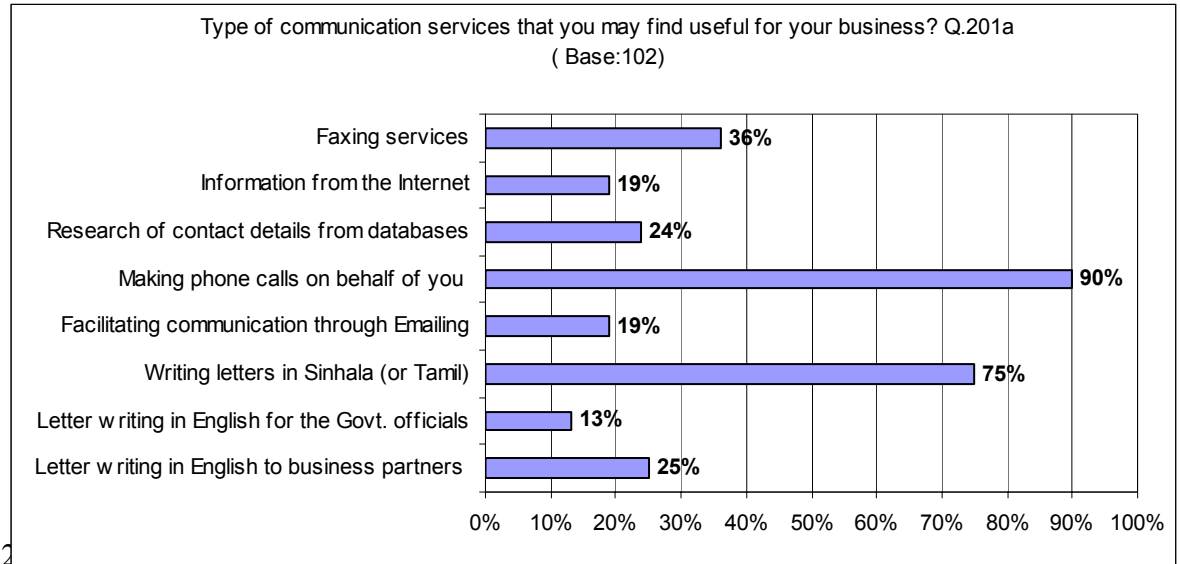
The table below illustrates the reasons for the MSEs not to expand their business to the other areas. Majority i.e. 77% of the respondents say that little or no access to technology is the reason for them not to expand their business to other areas.



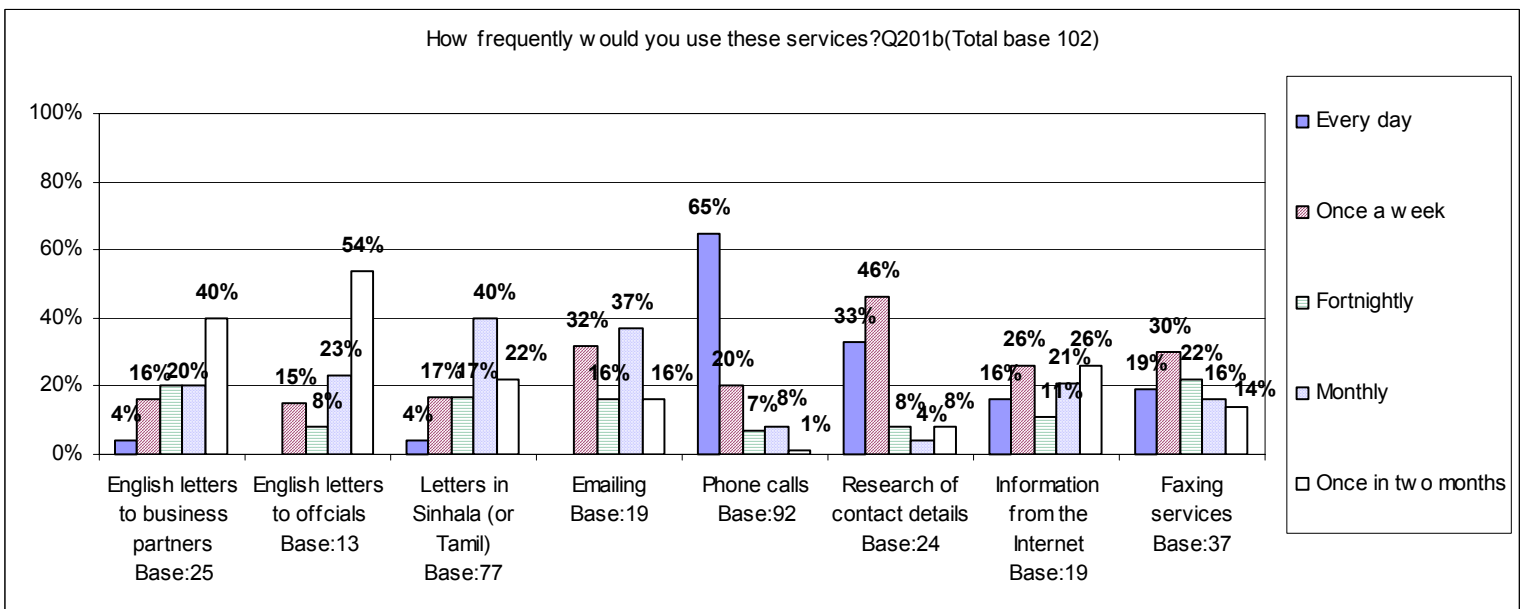
62% of them stated that lack of formal communication ways i.e. writing formal letters, proposals etc act as a hindrance in expansion of business.56% stated that lack of verbal communication skills was the draw back, 25% said they were unable to communicate properly in writing and 17% stated they need not want to expand their business and were happy with their present life style.

3.1.2 DEMAND

This chart illustrates the major requirements in the field of communication by the MSEs. 90% of them want help with regard to making calls on behalf of them, 75% of them want formal letters being written in Sinhalese or Tamil, 36% of them need faxing services.



25 % need letters to be written in English to business partners, 13% wants letters in English to be written to the Government officials. 19% want information from the internet and E-mailing facilities and 24% want research on databases for contact details.



This chart gives an overview of the frequency of demand of the most sought after communication services amongst the people who would like to avail the particular communication services. Their demand ranging from every day to once in two months is illustrated in the graph. All together responses of 102 MSEs were taken; they all have given various options for this question.

4% need help to write letters in English to the business partners every day 16% said they would need it once a week, 20% said fortnightly, 20% said monthly and rest 40% said that they would need it once in two months.

15% said that they required assistance to write letters to officials once a week, 8% said they need it fortnightly, 23% need it monthly and 54% need this service once in two months.

65% need to make phone calls everyday, 20% need it once a week.

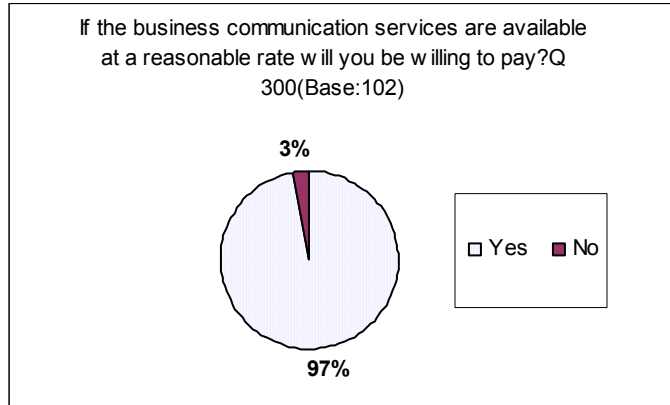
33% need research on contact details every day, 46% need this service once a week?

16% need information from the internet every day and 26% need it weekly and another 19% need fax services on a daily basis, 30% on a weekly basis and 22% every fortnight.

3.1.3 PRICES

Majority of the respondent’s i.e. 97% of the respondents were willing to pay if the services were available at a reasonable rate.

The prices for each of the selected communication services were set after carrying out the interviews with the service providers in the first phase. It was done to find out how much were they willing to charge and after taking their views and analysing it the prices were quoted in the questionnaire for MSEs.



Questions(Base:102)	This service is not	Its available free of	Do not know
How much would you pay for writing/typing/editing a letter in English? (Q301)	67%	1%	19%
How much would you pay for writing/typing/editing a formal letter in Sinhalese (or Tamil)?(Q302)	39%	4%	24%
How much would you pay for translating a letter in English or Sinhalese? (Q303)	69%	5%	24%
Apart from the fixed call charges how much would you pay for making a phone call on your behalf to the Suppliers/buyers/officials? (Q304)	21%	15%	63%
Apart from the fixed internet charges how much would you pay for writing, typing and sending the email? (Q305)	69%	2%	20%
Apart from the fixed faxing charges how much would you pay for writing, typing and editing the fax? (Q306)	53%	3%	24%
How much would you pay to the service provider for researching information in databases and internet? (Q307)	69%	1%	24%

In most of the cases as the table displays that the respondents did not quote the price and the majority opted for saying that the particular service is either not required or is not available.

For a Sinhalese formal letter 21% were ready to pay between Rs.30-50.For faxing services 21% were ready to pay, out of which 11% were ready to pay between Rs.30-40. For making phone calls only 2% were ready to pay that to less than Rs.30.

Majority i.e. 63% mentioned that they did not know how much to pay for making calls on their behalf either because they get these services free or they do not require it very often.

67% mentioned that they did not require the letters to be written in English, 19% said that they do not know how much to pay for this service.

The respondent seems to be confused about the pricing structure both because the effective demand is less and hence they were unable to quote the prices. At the same time 15% said that making phone calls on their behalf was free of cost, 1% to 5% responded by saying that getting letters written was free of charge. This data also suggests that only few numbers got these services free.

Either they are unable to avail these communication services because of lack of knowledge about the availability or they do not require these communication services very often.

We can conclude by saying that very few MSEs have tried to expand their business hence the demand for these services has been low.

3.1.4 BENEFITS

When the respondents were asked if Communication services would be available, do they think this would improve access to markets and general business performance?

96% responded by saying yes to this question.

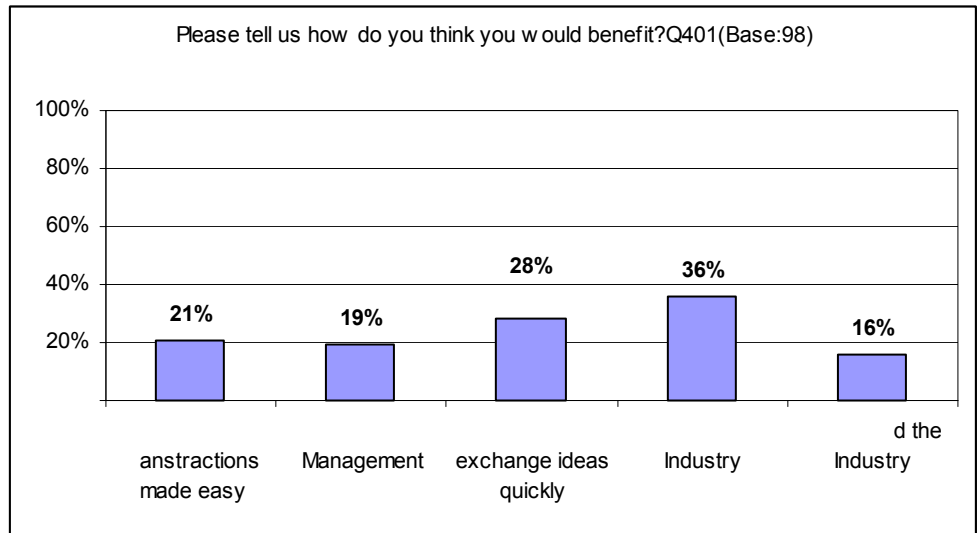
Then they were asked as to how they would benefit? Some of the views of the respondents are illustrated in the chart below.36% of them said it would help them

develop their industry.

28% said they would be able to exchange ideas quickly.

21% said that the business transactions would be made easy,

19% said it would be good time management and 16% said it would help them expand the industry.



3.2 COMPONENT TWO

SUPPLY: BUSSINESS DEVELOPMENT SERVICE PROVIDERS

In this section we are looking across various BDS providers in all the four districts. All together 53 people were interviewed .As a section of the survey on communication needs with regard to expansion of business of MSEs in other areas, BDS providers representing Puttalam, Kurunegala, Polonnaruwa, Anuradhapura were selected by the Client. Most of them were tax consultants and lawyers who were selected on the basis as potential communication services provider. The interviews were conducted amongst the service providers from 45 communication centres and 7 tax consultants were also interviewed.

A closer look in to the requirements of the MSEs and proper selection of the Communication service provider is a key to the implementation of this project.

3.2.1 BUSINESS NEEDS

All the 53 respondents in this category were interested in providing communication services to the MSEs.

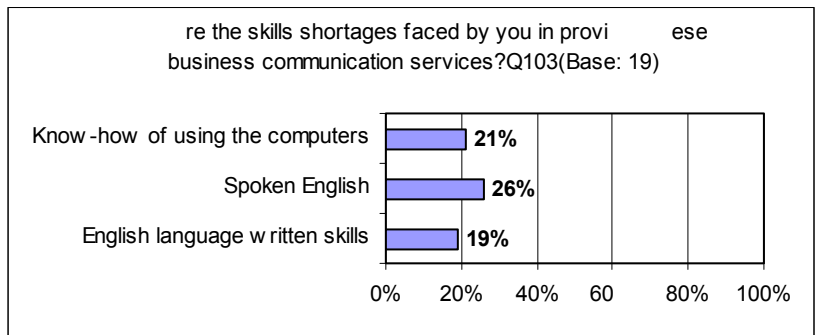
What knowledge and skills do you have that could be useful for providing communication services?
Q105(Base:53)

English language skills	77%
Knowledge on how to write formal letters or writing skills	92%
Ability to handle computer and internet	83%
Verbal communication skills	96%
Research skills	75%
Ability to network	85%
Access to Government officials	83%
Business knowledge and experience to explain the procedure of business development	75%
Project report/Proposal writing skills	47%

This could mean that they have the resources available with them to provide these services and at the same time they are looking at an alternate source of income.

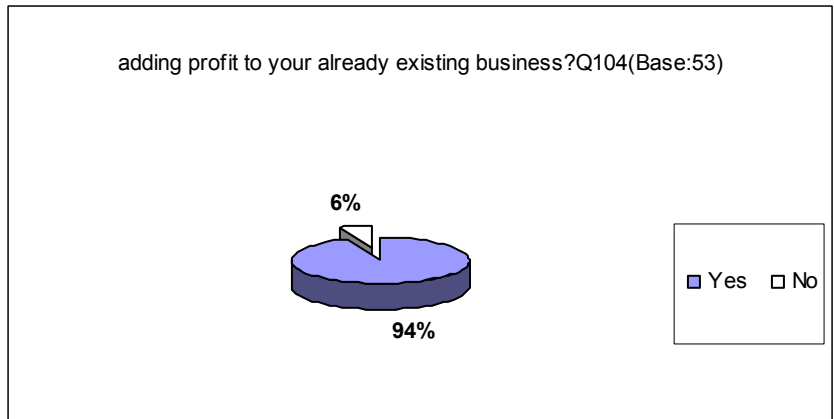
We will look at this trend in this section.

This chart illustrates the skill shortages faced by the BDS providers in providing communication services. 19 out of 53 felt that they face skill shortages. The remaining 64% said that they don't lack any skills to be able to provide communication services providers.



Out of the ones who said that they lack skills 21% said they need know-how on using computers, 26% thought their spoken English knowledge and 19% felt English language writing skills acts as a obstruction to provide communication services.

This graph illustrates that 94% see providing communication services to the MSEs as an additional source of income which is very encouraging. 6% did not think it was a lucrative enough business opportunity.



This table illustrates the knowledge and skills possessed by the BDS providers according to their views.

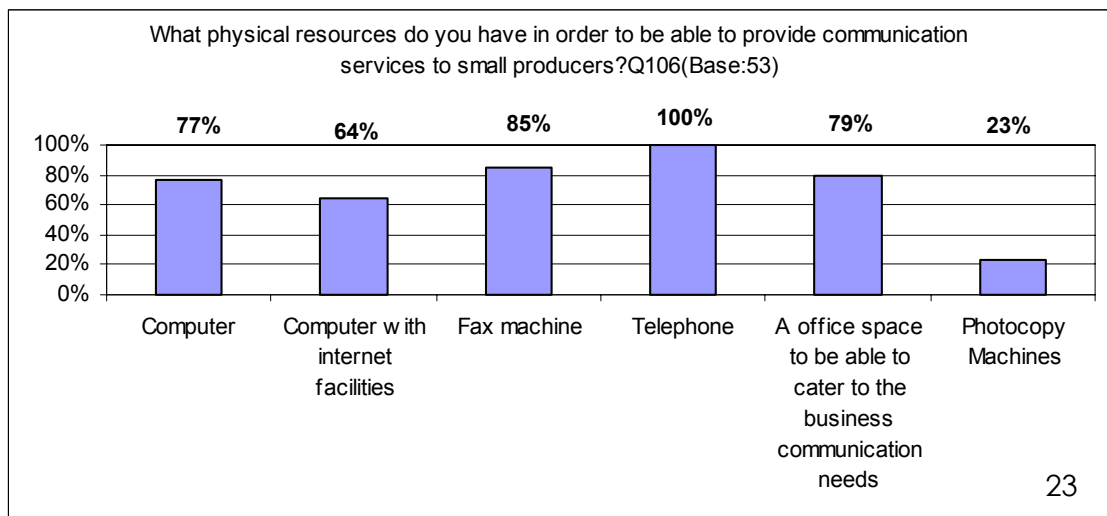
92% said that they have the skills to write formal letters.

96% felt that they had the verbal skills to be able to provide communication services, 85% felt they had the ability to network, 77% had English language skills.

Knowledge and Skills	Percentage
English language skills	77%
Knowledge on how to write formal letters or writing skills	92%
Ability to handle computer and internet	83%
Verbal communication skills	96%
Research skills	75%
Ability to network	85%
Access to Government officials	83%
Business knowledge and experience to explain the procedure of business development	75%
Project report/Proposal writing skills	47%

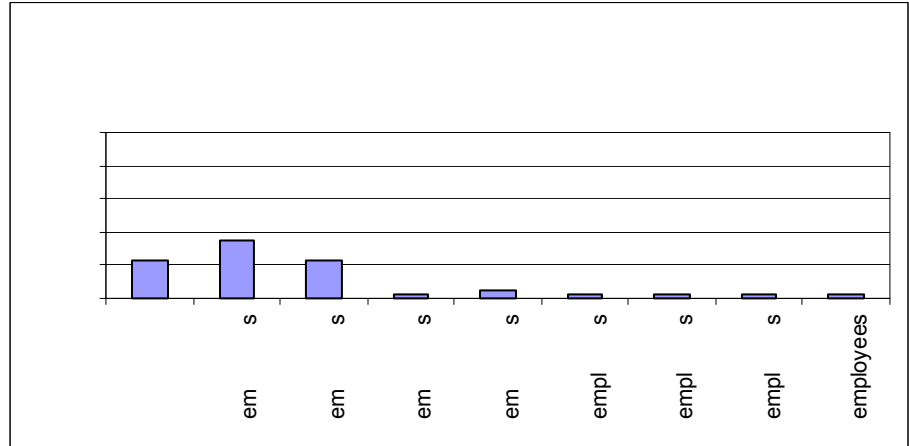
The response is a very optimistic one but during the execution and selection of the prospective communication service providers for the project, cautious screening will be a requisite.

The graph below illustrates the availability of physical resources with the BDS providers to be able to provide communication services.



All of them had telephones, 77% had computers, 64% had internet facilities, 85% had fax machines, 79% had an office space to be able to add the communication services in their fold and another 23% had photocopy machines.

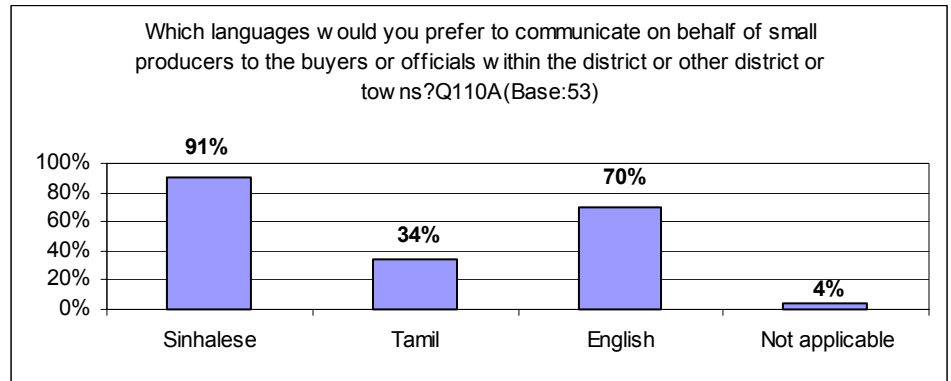
75% of the total BDS providers said that they had human resources available with sufficient skills to be able to provide communication services.



This table illustrates the number of employees available with each BDS provider who said they had human resources available. 23% of them had one employee, 35% had two employees another 23% had 3 employees each, 5% had five employees and 3% of each had 4, 6, 7, 8 and 9 employees respectively.

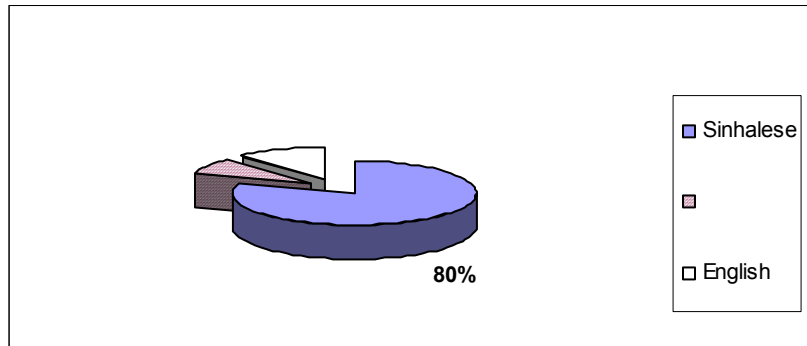
When the respondents were asked about the usage of English as a language to provide communication services, 75% felt comfortable using English.

The table here represents the preference of language to communicate on behalf of the small



producers. 91% preferred Sinhalese, 34% preferred Tamil, and 70% preferred English.

The respondents were asked to prioritise the languages on the scale of 1-6. This graph illustrates the number one priority to the languages like Sinhalese, Tamil and English. 80% gave assigned number one priority to Sinhalese, 12% responded by stating that English is their number one priority.



Although 75% were comfortable with English still their number one priority for communication purposes i.e. 80% is Sinhalese.

3.2.2 DEMAND

In this section we will look at the demand faced by the BDS from the small producers with regard to communication services.96% of the BDS have experienced the demand from the small producers to avail business communication services.

The table below depicts the demand faced by the BDS providers against each service.

80% of the BDS providers faced the demand to write the letters in Sinhalese, 98% had been contacted to make calls on behalf of the small producers, 86% of them were contacted for faxing services.55% and 43% of BDS providers faced the demand for writing

If yes, what type of communication services do they generally demand?? Q201A(Base:51)	
Letter writing in English to business partners (buyers or suppliers)	55%
Letter writing in English for the Government officials	43%
Writing letters in Sinhalese (or Tamil)	80%
Facilitating communication through Emailing	47%
Making phone calls on behalf of the small producer	98%
Research of contact details from available databases	61%
Information from the Internet	49%
Faxing services	86%
Type Settings	2%

letters in English to business partners and Government officials.49% were faced with the demand to provide information from the internet, 61% to research contacts from the available data base. This is a very encouraging trend.

The chart below illustrates the frequency of the demand of these services and cross-checks the findings in this table.

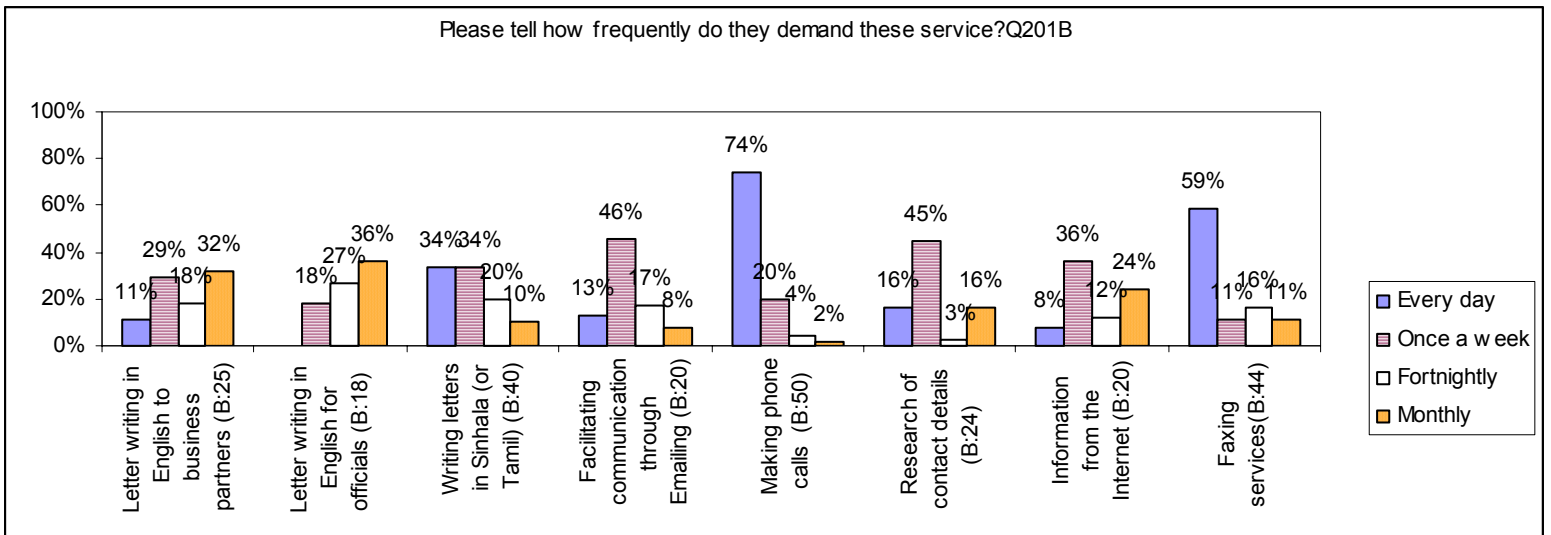
59% of the BDS providers reported that they received the demand for faxing services every day, 11% said it was demanded on a weekly basis , 16% said fortnightly and 11% said monthly.

8% of the BDS providers faced demands to search information from the internet/computer on a daily basis, 36% were faced with the demand on a weekly basis, 12% fortnightly and 24% monthly.

16% of the BDS providers were faced with the demand of research on contact details from database on a daily basis, 45% on a weekly basis, 3% and 16% on a fortnightly and a monthly basis.

Phone calls seems to be the most required communication from the data available,74% of the BDS providers were asked to make phone calls on behalf of the small producers every day and 20% of them faced it every week.

13% of the BDS providers said that the small producers contacted them for Email facilities every day, 46% said they received such demands every week.



34% each said that they were approached to write letters in Sinhalese/Tamil on a daily and a weekly basis. 18% and 27% respectively were faced with the demands to write letters to the officials daily and weekly. 37% were faced with this demand fortnightly.

11% said they were contacted to write letters to the business partners in English every day, 29% said it was every week, 18% said fortnightly and 32% said monthly.

All the services listed above are required by the small producers, the ones required by the majority daily are the phone calls and the faxing services.

3.2.3 PRICES

This section gives an indication of the charges the BDS providers would expect in return for their services by providing business communication services.

Questions(Base 53)	less than Rs.100	Not applicable	No money is paid
How much would you charge the small producers for editing/typing and writing a formal letter in English? (Q301)	57%	28%	6%
How much would you charge for writing/editing/typing a formal letter in Sinhalese (or Tamil) (Q302)	62%	19%	9%
Apart from the fixed charges of the calls how much would you charge for making a call on behalf of the micro & small producers? (Q304)	6%	2%	87%
Apart from the fixed internet charges how much would you charge for writing, typing and sending the email? (Q305)	9%	40%	43%
Apart from the fixed faxing charges how much would you pay for writing, typing and editing the fax? (Q306)	25%	21%	53%
How much would you charge for gathering Information in databases and internet? (Q307)	14%	42%	26%

Although faxing services and phone calls are most in demand, only 87% of the small producers pay or are charged for making phone calls on their behalf by the BDS providers, 53% don't charge or get paid for drafting a fax, 21% said charging for drafting letters for the purpose of faxing is not applicable.

For writing a formal English letter 57% would charge less than Rs.100, 28% responded by saying that it was not applicable and 6% said they were not paid for this.

62% of the BDS providers would charge less than Rs.100 for writing a formal letter in Sinhalese/Tamil, 19% said it was not applicable and 9% mentioned they were not paid.

43% were not paid or charged for sending an email, 40% said charging was not applicable for emails.

For gathering information in databases and internet 26% would not charge, 42% said it was not applicable and 14% would only charge less than Rs.100.

For translations in English or Sinhalese 25% would charge less than Rs.300, 57% said it was not applicable and 13% said no money was paid for this service.

Although the demand for these communication services is high, the BDS providers are negligent about using their softer skills to make profit.

As the table interprets a lot of the BDS providers provide services for free, the reasons could be varied first and foremost the demand are little.

Secondly, since majority of the respondents are communication centres a lot of them could be providing letter writing, fax writing, making phone calls on the behalf of the MSEs, free as customer service, to build a personal rapport and keep the clients hooked to their communication centres.

Thirdly they have not realised the full potential for their soft skills like, English language, knowledge on formal letter writing, know-how of computers etc.

3.2.4 SUPPORT FROM OUTSIDE

If you are to provide business communication services to micro & small producers, what skills and knowledge would you require? Q400(Base:53)

Access to databases	64%
Knowledge about the needs of micro& small producers	75%
Having an organization for business communication services providers in order to receive updated information	87%
Training on communication services (e.g. formal letter writing)	81%
Communication skills required to communicate with (large) buyers and Government Officials	64%
How to research information through internet	83%
Inputs on marketing the business communication services available with me to the producers	74%
Knowledge about the business procedures at the banks	62%
Knowledge about the business procedures at the Government Institutions	64%

When the BDS providers were asked about the skills/knowledge they would require for providing business communication services 87% of them stated that there should be an organization for business communication service providers to receive updated information.

81% said they would need training on communication services like formal letter writing etc.

83% said they would need knowledge on using the internet.

75% said knowledge about the needs of the MSE would be important to provide communication services.

74% wanted inputs on marketing the communication services available with them.

62% wanted knowledge on business procedures at the banks and 64% on business procedures in the Government institutions.

64% wanted to learn the soft skills like the business communication skills to be able to communicate with the buyers/suppliers/Government officials and another 64% wanted information on databases to be able to search for contacts or information.

After this the BDS providers were asked if they need any training which we might have missed on the topics related to communication services .28% did not mention anything rest all mentioned various things according to individual needs, some wanted knowledge of English Language, some Tamil. Approximately 21% wanted computer literacy related to internet, they wanted knowledge on small industries, data bases etc.

4 CONCLUSION AND REMARKS

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The survey results visibly state that business expansion or development needs communication through proper or experienced channels.

Most of the small producers require communication services related to the softer skills, as per the survey conducted with the MSEs, lack of verbal communication skills (56%) and formal ways of communication (62%) were the crucial difficulties faced by the small producers in order to communicate and expand their business. No access to technology (77%) was also mentioned as one of the main reasons for not being able to expand to other areas for business. This could act as a hindrance because no access to technology could mean that the MSEs are not updated with the current changes in the industry. Since distant communication is limited or not available the growth in business is restricted.

In spite of difficulties faced in availing these services, MSEs have been using these services and need to use these services frequently. If they had easy access to these services, their business performance could be enhanced.

At the same time the BDS providers felt that they had the skills and would be able to provide the communication services, like 92% said they have the skills to write formal letters, 96% had the verbal communication skills, 85% stated that they would be able to network for business purposes. This trend shows that there are resources readily available but proper information needs to be divulged amongst the people who need these services.

As pre-conceived during the development of the tools that English language could act as a hurdle in communication for business purposes but on the contrary the survey results show that English language does not act as a hurdle either for the small producers or the providers and majority wanted the letters to be written in Sinhalese and 80% of both the small producers as well as the BDS providers preferred the formal letters to be in Sinhalese.

Firstly, the reason could be that Sinhalese is easy as the majority understands the language including the MSEs.

Secondly, the MSEs would be trying to contact the small producers in their own districts or outside.

Thirdly, the 20% who wanted the letters to be written in English would be trying to contact the big buyers/suppliers in cities for expanding their business on a large scale.

Providing communication services could be a lucrative business but the present trend shows that these services are available, still there is a need gap which needs to be fulfilled. How vital is the need? This question will have to be answered.

The need cannot be fulfilled by just tying up with the communication centres or training the BDS providers to be able to provide these communication services.

It is very important at the same time to inform the MSEs of the availability of the communication services with the BDS providers.

The need of communication services in expanding business will also have to be explained.

The BDS providers should be made aware of such needs and marketing skills too should be imparted to them along with other communication skills.

It shows in the survey that the BDS providers are equipped to provide these services but nor the small producers or the BDS providers are using this opportunity because they are either ignorant about the availability of such services on one hand and on the other hand the BDS providers are unable to market the skills.

When asked about the prices the respondents seemed to be confused about the pricing structure either because the effective demand is less hence they were unable to quote the prices.

At the same time 15% mentioned that making phone calls on their behalf was free of cost, 1% to 5% responded by saying that getting letters written was free of charge. This data also suggests that only few numbers got these services free.

The ones who got the services free could be the regular customers at the communication centres or of the tax consultants. They might need these services occasionally.

We can say that very few MSEs have tried to expand their business hence the demand for these services has been low.

Either they are unable to avail these communication services because of lack of knowledge about the availability or they do not require these services very often.

A forum of small producers will have to be made where they would need to be briefed on the importance of proper communication, if they want to expand and the survey shows 97% were ready to pay for these services if these services are available at a reasonable rate.

Providing one single service at one place will neither attract the producers nor will it add to the profit of the BDS providers.

A complete package will have to be made available at a location considering the strength of the MSEs in that place and easy accessibility to that place.

Although the tax consultants and the lawyers had almost all the resources to be able to offer the services, only 2%-5% small producers favoured them because they do not know to use these services.

The demand also exists and the supply is also readily available. One communication centre or the chosen BDS provider should be able to cater to all the communication needs of the MSEs under one roof by promoting easy access to an integrated range of effective services through "single window" arrangements.

The designing and implementing will have to be done with the full involvement of the organizations of employers and workers concerned, awareness campaigns to promote:

- (a) Higher productivity and improved quality of goods and services if communication services are used properly;
- (b) Through appropriate means, the BDS providers should be encouraged a more positive attitude towards risk taking and business failure by recognizing

their value as a learning experience while at the same time recognizing their impact on the MSEs

It is also vital to encourage a process of lifelong learning for all categories of service providers.

Members should adopt measures, drawn up in consultation with the most representative organizations of MSEs to create and strengthen an enterprise culture which favours initiatives, enterprise creation, productivity, sharing the technical know-how, good industrial relations etc.

The Enter-Growth should provide the following assistance to the BDS providers

- (a) Business pre start up, start up and development assistance;
- (b) Business plan development and follow up;
- (c) Information services, including advice on government policies;
- (d) Consultancy and research services;
- (e) Pre-templated formal letters
- (f) Developing databases on the requirements of the MSEs and updating the database regularly (once in two years)
- (g) Marketing skills

The following assistance should be given to the MSEs:

- (a) Inform them of the growth potential available in expanding business
- (b) Information on availability of the communication services as an important tool to help expand business
- (c) MSE associations in particular areas with a close tie-up with the BDS providers in the same areas

4.1 MAIN SURVEY RECOMMENDATIONS FOR THE MSEs AND THE BDS PROVIDERS WOULD BE:

- **For the MSEs**
 - Create awareness through communication centres, District/Divisional Secretariat and the Industrial development Board (as they are the most approached destinations)
 - Organise a workshop to discuss the survey results and take their opinions
 - Have a common platform or a forum with the BDS providers to discuss their needs and assess the supply
 - Understanding of the cost-constraints: i.e. make them realise that if they themselves get involved in doing the communication work, they would lose on the business which could yield them much more monetary gains than spending money on availing the communication services. The basics of time-management will have to be realised.
- **For the BDS providers**
 - To provide assistance to develop a forum with continuous dialogue between the BDS providers and the MSEs supported by Enter-Growth initially
 - Workshop to discuss the survey results and take their opinions
 - Make them understand the potential communication market and assist them market those skills

