Dr Vivek Bindra: India's MSMEs Don't Have an Ambition Problem. They Have a Business Management Problem

Why India's next economic leap depends not only on creating more entrepreneurs but on building stronger businesses.

New Delhi, Delhi Jul 14, 2026 (Issuewire.com) - India's MSME sector has long been celebrated as the backbone of the nation's economy. It contributes nearly one-third of India's GDP, accounts for almost half of the country's exports, and provides employment to more than 300 million people. Every policy discussion rightly acknowledges that India's aspiration of becoming a developed economy cannot be realised without a stronger MSME ecosystem.

Yet despite decades of policy reforms, easier access to finance, rapid digitalisation and an expanding startup culture, one question continues to demand honest reflection:

Why do so many Indian MSMEs struggle to grow beyond a certain point?

The common answers are familiar, limited access to credit, rising compliance costs, lack of skilled manpower or increasing competition. These are genuine challenges and deserve continued attention.

However, after spending years working closely with entrepreneurs across manufacturing, retail, trading, distribution, services and family-owned businesses through **Bada Business**, I have repeatedly observed a different reality.

India's MSMEs don't suffer from an ambition problem. They suffer from a business management problem.

And unless we recognise this, we will continue solving yesterday's problems while tomorrow's opportunities pass us by.

The Real Growth Barrier Isn't Capital. It's Capability.

Every entrepreneur begins with a dream.

- Some build remarkable products.
- Others create loyal customers.
- Many establish profitable businesses.

Yet thousands of businesses plateau not because they run out of opportunities, but because they run out of management capability.

- Revenue grows.

- Customers increase.

- Employees expand.

- Operations become more complex.

But the business continues to function exactly as it did on day one.

- The founder approves every payment.

- Negotiates every order.

- Handles every customer complaint.

- Recruit every employee.

- Makes every strategic decision.

- The business grows.

- The organisation doesn't.

And eventually, growth slows, not because the market has become smaller, but because the founder has become the bottleneck.

Founder Dependency Is the Invisible Crisis Holding MSMEs Back

In my interactions with entrepreneurs across India, one pattern appears again and again.

Most businesses remain **owner-driven instead of system-driven**.

If the owner takes a two-week break, operations slow down.

If the owner falls ill, decisions stop.

If the owner wants to expand into a new market, the existing business struggles because there is no second line of leadership.

This is not a funding issue.

It is a management issue.

Businesses cannot scale when every important decision depends on one individual.

Many entrepreneurs unknowingly build businesses around themselves instead of building organisations that can grow independently.

That distinction determines whether a company remains small or becomes an institution.

Why Access to Finance Alone Won't Build India's Next Generation of MSMEs

India has made significant progress in expanding financial inclusion.

MSMEs today have greater access to formal credit, digital payments, government support and financial products than ever before.

Yet capital alone does not create scalable enterprises.

Investors don't just invest in revenue.

They invest in governance.

Banks don't evaluate only turnover.

They assess business discipline.

Public markets don't reward ambition.

They reward systems, transparency and execution.

This is why many businesses continue to struggle despite having access to funding.

Money accelerates a good system.

It rarely fixes a weak one.

The Missing Investment: Business Management Capability

India has invested billions in strengthening the MSME ecosystem.

The next investment should be in strengthening entrepreneurs themselves.

In my experience, five management capabilities will determine the future of Indian MSMEs.

1. Business Systems Before Business Expansion

Many businesses expand without documenting processes.

Growth without systems creates complexity.

Scalable businesses are built on Standard Operating Procedures (SOPs), clearly defined responsibilities and measurable processes—not on memory or personal supervision.

2. Leadership Before Hiring

Adding more employees doesn't automatically create a stronger organisation.

Businesses grow sustainably when founders build capable leadership teams that can take ownership and make decisions independently.

Delegation is not a loss of control.

It is the beginning of scalability.

3. Automation Before Administration

Many MSMEs continue managing finance, inventory, customer relationships and vendor operations manually.

Business Automation is no longer optional.

Technology allows entrepreneurs to improve productivity, reduce costs and make faster decisions based on real-time information.

The businesses that automate today will outperform those that continue relying solely on manual operations tomorrow.

4. Data Before Instinct

Entrepreneurial instinct builds businesses.

Data helps them scale.

Growth decisions should increasingly be guided by cash flow, profitability, customer acquisition costs, operational efficiency and performance dashboards rather than assumptions.

Businesses that measure consistently improve consistently.

5. Governance Before Growth Capital

Many entrepreneurs aspire to raise investment or list on the SME Board.

However, institutional capital follows institutional businesses.

Businesses seeking long-term growth must begin investing in governance, compliance, financial discipline and organisational structure long before they seek external funding.

Through initiatives such as **Idea to IPO**, **Bada Business** has increasingly focused on helping entrepreneurs understand that becoming investment-ready starts years before approaching investors or public markets.

India Needs Institution Builders, Not Just Entrepreneurs

Entrepreneurship creates businesses.

Institution building creates economic transformation.

This is where India's next opportunity lies.

The country doesn't simply need more MSMEs.

It needs MSMEs capable of becoming national brands, global exporters and publicly listed companies.

That transition requires a shift from founder-centric thinking to organisation-centric thinking.

From individual effort to professional management.

From informal decision-making to structured execution.

The Future of India's MSME Economy Will Be Built on Management Excellence

India has no shortage of hardworking entrepreneurs.

What many businesses need today is not more ambition, but better execution.

Not more ideas, but stronger business systems.

Not more effort, but better management.

Over the years, my interactions with entrepreneurs through **Bada Business** have reinforced one simple belief:

Every MSME has the potential to become a larger enterprise—but only if the business grows faster than the founder's ability to manage it alone.

India's next economic transformation will not be defined only by how many new businesses we create.

It will be defined by how many existing businesses we help become scalable, professionally managed and globally competitive.

When entrepreneurs begin building institutions instead of businesses dependent on individuals, they won't just create larger companies.

They will create stronger jobs, stronger industries and ultimately, a stronger India.

Media Contact

Deepak Jha

*********@badabusiness.com

8130881929

Source : Bada Businesss

See on IssueWire