

# EMPOWERING INDIA'S GROWTH

Unlock AI's Potential for Tech-Enabled MSMEs

**nasscom**

Knowledge Partner



Together with

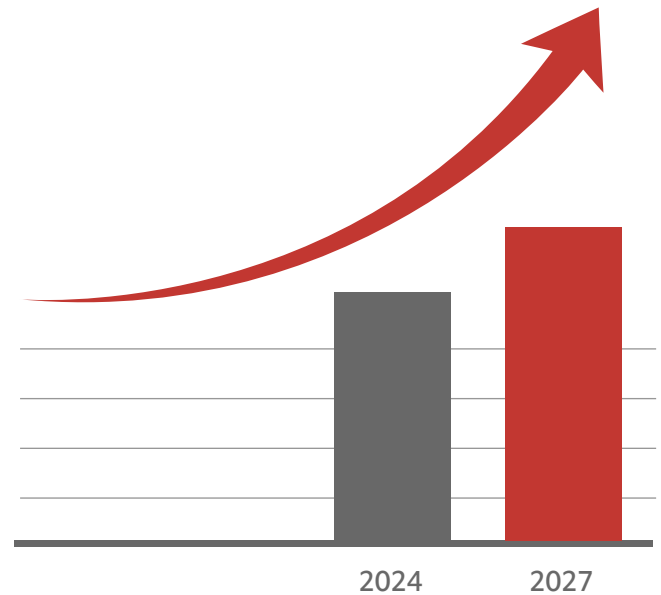


# Executive Summary

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**India's AI market is projected to touch \$17 billion by 2027<sup>1</sup>,**

growing at an annualized rate of 25%-35% between 2024 and 2027.



This presents India with an opportunity which requires consistent and concerted efforts from different stakeholders to recognize AI's transformative potential and actively supports its development through strategic initiatives.

Micro, Small, and Medium Enterprises (MSMEs), which play a critical role as the engine of the Indian economy, stand at a crucial juncture in this era of rapid technological change. Integrating AI will help them to stay relevant and offer them a unique opportunity to unlock unprecedented growth, enhance productivity, and fuel sustainable innovation.

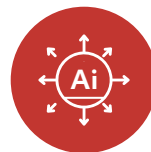
However, for MSMEs<sup>2</sup> to fully tap into the growth opportunities provided by AI, and for India to reap the AI dividend, it is crucial to understand where MSMEs currently stand in their AI adoption journey - what are the key challenges and opportunities faced by them.

To delve deeper, nasscom and Meta have come together with a commitment to thoroughly explore the contours of these issues. They partnered with Nvidia to launch the 'AI Enablement for MSMEs' program for tech-enabled MSMEs with following objectives:

## AI Enablement for MSMEs



Promote AI awareness and capacity building for MSMEs



Understand challenges and potential solutions



Catalyze adoption of AI technologies to improve productivity and business growth



Provide a competitive edge in an AI-centric global environment

1. <https://www.nasscom.in/knowledge-center/publications/ai-powered-tech-services-roadmap-future-ready-firms> | 2. MSMEs here refer to only tech-enabled MSMEs for the purpose of this white paper.

# The program targeted two types of tech-enabled MSMEs:

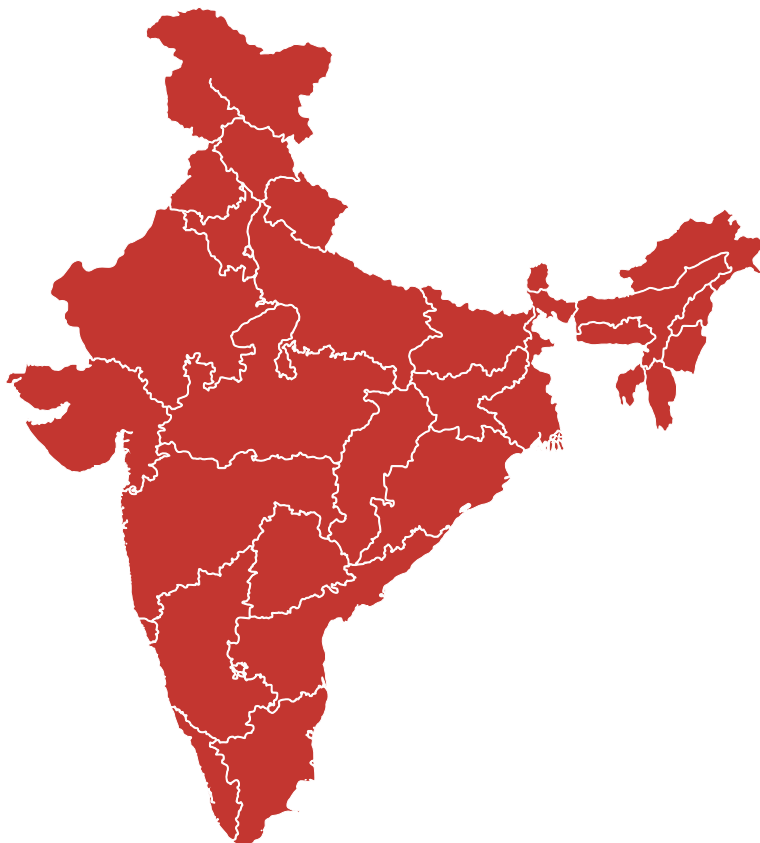


Already equipped with resources and manpower



Just starting their AI journey

The awareness and capacity-building workshops were organized across Gurugram, Hyderabad, Bengaluru, Mumbai, and Pune.



CXOs



Tech developers



Digital marketers

where they learned about deployment of responsible AI practices, technical aspects around computing, foundational models and other AI products to drive business growth through digital marketing, and enhanced customer support. These convenings also gave MSMEs an opportunity to network with other industry leaders like Intel, E2E networks etc.

# Nasscom also conducted a comprehensive sentiment analysis of the tech-enabled MSMEs



Assess awareness levels



Capture approach towards AI tech

The findings from this analysis offer a promising glimpse into the current state of AI adoption among tech-enabled MSMEs in India. For example, the analysis highlights that there's a

## Strong belief in potential of AI

94%

MSMEs acknowledging its ability to drive business growth

87%

confident that it can improve overall productivity

However, a significant gap exists between this belief and actual adoption.

## Hurdles in Adoption

65%

MSMEs are unaware about the right tools and resources to leverage

91%

Don't feel technology is widely accessible and affordable for all

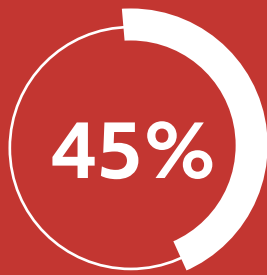
59%

cite budget constraints

# Need of the Hour - Practical Demonstration of AI improving businesses



Emphasize on AI training & upskilling programs for the workforce to improve adoption



Stressed on access to industry-specific use cases

This highlights the need for practical demonstrations showcasing how AI can specifically benefit their businesses.

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This white paper draws heavily from the findings of the sentiment analysis. The subsequent sections present a broad picture of the AI ecosystem as well as challenges and opportunities for intervention to empower MSMEs in utilizing AI tools to transform their business.

# Research Objective and Methodology

“Empowering India's Growth: Unlocking AI's Potential for Tech-Enabled MSMEs” is a first-of-its-kind publication aimed at enabling adoption of AI among MSMEs. NASSCOM and Meta have forged a strategic partnership to gain a deeper understanding of the challenges faced by MSMEs in leveraging AI for improving productivity and business growth. NASSCOM and Meta together launched the ‘AI Enablement for MSMEs’ program, with focus on tech-enabled MSMEs with the following objectives:



Promoting AI awareness and capacity building among MSMEs



Understanding challenges in wider AI adoption and solutions to overcome these challenges



Catalyzing AI technology adoption to enhance productivity and business growth, thereby providing a competitive edge in an AI-centric global environment

The program included awareness and capacity-building workshops across major cities, including Gurugram, Hyderabad, Bengaluru, Mumbai, and Pune, engaging over 300 CXOs. These workshops targeted two MSME categories: those well-equipped and those starting their AI journey. Attendees gained insights into responsible AI practices, technical computing aspects, foundational models, and AI products for business growth. Additionally, these events facilitated networking opportunities with industry leaders like Nvidia, Intel, and E2E Networks.

## Methodology

The insights for this paper have been gathered from workshops conducted across 5 cities in India with representatives from MSMEs, and a comprehensive sentiment analysis involving approximately 220+ tech enabled SMEs. We have also captured impact stories of MSMEs which are at different stages in their AI journey to provide a glimpse into the power of AI in propelling MSMEs forward in an increasingly digital economic landscape.

## Participant Profile

MSMEs that have participated in the survey represent a diverse pool of companies having different business models, number of employees in the firm, nature of their key product offering, etc. as highlighted below:

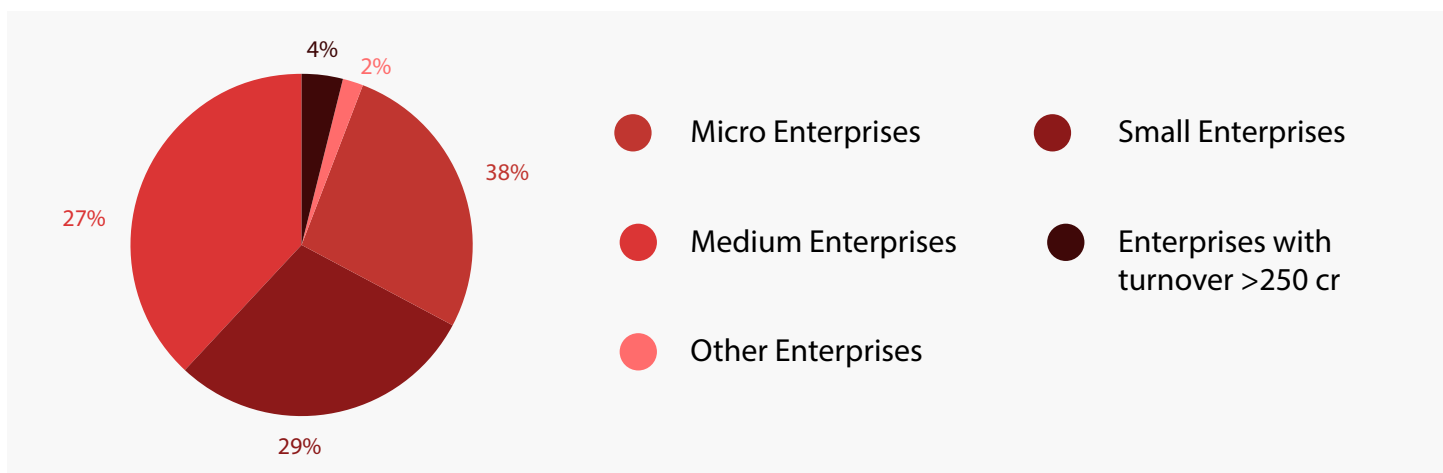
## Business Model

The business model followed by the 220 MSMEs highlights the cohort's diversity, with 47% engaging in B2B interactions, 11% in B2C, 1% combined in B2G and B2B2G, and 7% involved in B2B2C interactions. Additionally, 34% of MSMEs demonstrated a diverse portfolio, combining various business models.

## Company Size

In line with the Government of India's definitions, micro-enterprises are characterized by investments in Plant and Machinery or Equipment not exceeding Rs. 1 crore and an annual turnover of not more than Rs. 5 crore. On the other hand, small enterprises have investments in Plant and Machinery or Equipment up to Rs. 10 crore and an annual turnover of not more than Rs. 50 crore. Medium enterprises fall within the investment range of up to Rs. 50 crore in Plant and Machinery or Equipment, with an annual turnover not exceeding Rs. 250 crore.

Within our MSME cohort, 38% represent micro-enterprises, small enterprises constitute 29%, and medium enterprises make up 27% of the cohort. Additionally, 4% of the enterprises in our cohort exceed the turnover threshold of Rs. 250 crore, reflecting larger-scale operations. A further 2% comprise other enterprises, such as not-for-profit organizations, highlighting the diverse nature of the MSME landscape encompassed in our study. This distribution highlights the varied scales and structures within the MSME sector, each contributing uniquely to the economic ecosystem.



## Key Business Activities

Amongst the MSMEs, application development, product development, and system integration are the major revenue-contributing activities. Additionally, Business Process Management (BPM), and engineering services, among others, also play significant roles in revenue generation, showcasing a diverse range of core business activities driving financial success of these businesses.

## Analysis - Broad Themes

Our analysis focuses on three key themes that are central to understanding AI adoption among tech-enabled MSMEs in India. We have tried to assess the level of awareness among MSMEs regarding AI tools, infrastructure requirements, use cases, and deployment strategies; perceived value of AI for improving business productivity and impact of AI on business growth. These themes collectively shed light on the challenges and opportunities faced by MSMEs as they navigate AI adoption and integration into their business operations.



# Voice of MSMEs

on AI as an opportunity for business productivity and growth.

MSMEs are the backbone of the Indian economy, contributing significantly to employment and GDP of the country.

## Transformative Opportunity for Indian MSMEs

AI presents a transformative opportunity for Indian MSMEs, offering solutions to their resource constraints and enhancing their competitiveness. By leveraging AI tools and technologies, MSMEs can automate processes, improve decision-making, and tap into new growth avenues. However, as reflected in the findings of the sentiment analysis as well as focused interactions during workshops, Indian MSMEs often grapple with a myriad of challenges that hinder adoption of AI for improving business productivity and growth. Limited resources, restricted marketing reach, and a scarcity of technical expertise are among the primary pain points faced by these enterprises.





# Key Findings from Sentiment Analysis

1

## PILLAR 1

### Impact on Business Growth:

- Competitive Advantage
- Market Expansion
- Revenue Generation



2

## PILLAR 2

### Enhanced Business Productivity:

- Improved Operational Efficiency
- Optimization of Resources



3

## PILLAR 3

### Lack of Awareness:

- AI Tools
- Infrastructure Requirements
- Use Cases
- Deployment Strategies



1



PILLAR 1

**PERCEIVED VALUE  
OF AI FOR IMPROVING  
BUSINESS GROWTH**

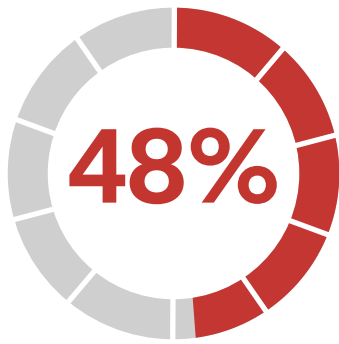
94% of tech-enabled MSMEs believe  
in AI's potential to build & grow their business



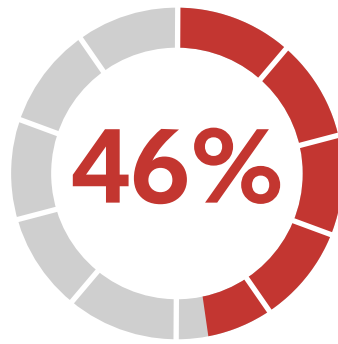
Business growth is a fundamental goal for all enterprises, including tech-enabled MSMEs.

It encompasses the expansion of market share, increased revenue, and overall advancement in the organization's capabilities and offerings. MSMEs can leverage AI tools and technologies to achieve these objectives more efficiently, effectively, and sustainably.

## Key Contribution Areas



**Content creation  
& marketing**



**Customer engagement**



**Developing new products  
& services**

This high level of confidence highlights the widespread recognition amongst MSMEs regarding the transformative power of AI in driving business growth.

Despite the optimism surrounding AI's potential for business growth, tech-enabled MSMEs face several challenges in realizing these benefits. These challenges span from resource constraints and limited access to specialized AI talent to concerns about data privacy and security. Understanding and navigating these hurdles are crucial for MSMEs to effectively leverage AI for sustainable business expansion and competitiveness in the market.

### Challenge 1 Lack of Contextual Use Cases



45% of tech enabled MSMEs emphasized the importance of gaining access to industry and sector-specific use cases to understand the practical applications and benefits of AI. Without such use cases, MSMEs struggle to grasp the tangible advantages that AI can offer to their businesses. Understanding how AI has been successfully applied in their specific industry context is crucial for MSMEs to envision and implement effective strategies, making this issue a key concern for their AI adoption journey.

## Challenge 2

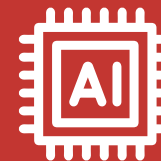
### Lack of Toolkits and Focused Training



While tools may be available, the lack of toolkits and training materials for marketers hinders their ability to effectively utilize these tools for business growth. This challenge restricts the full potential of AI adoption, as MSMEs may not have the necessary resources or knowledge to leverage these technologies optimally.

## Challenge 3

### Low Adoption of AI Solutions



There is low interest in adopting solutions developed by tech-enabled MSMEs among medium and large enterprises, leading to limited wider adoption of AI technologies. Overcoming this challenge requires building trust and showcasing the value proposition of AI solutions developed by MSMEs to larger enterprises.

## Challenge 4

### Inability to Scale Up



AI solutions often require scalability to accommodate growing business needs and increasing data volumes. MSMEs struggle to scale their AI infrastructure and applications, particularly if they lack the resources and technical capabilities to do so. This scalability challenge can hinder the long-term success and impact of AI adoption in MSMEs.

## Challenge 5

### Data Governance



**Lack of understanding of existing Data Protection Laws of India:** There is a lack of understanding of data protection laws of India, making it difficult for MSMEs to manage data effectively and comply with regulations.

**Data Privacy and Security:** 56.4% of MSMEs have raised concerns regarding the protection of sensitive data and the implementation of robust security measures, underscoring the importance of data privacy and security in their operations.

## Challenge 6

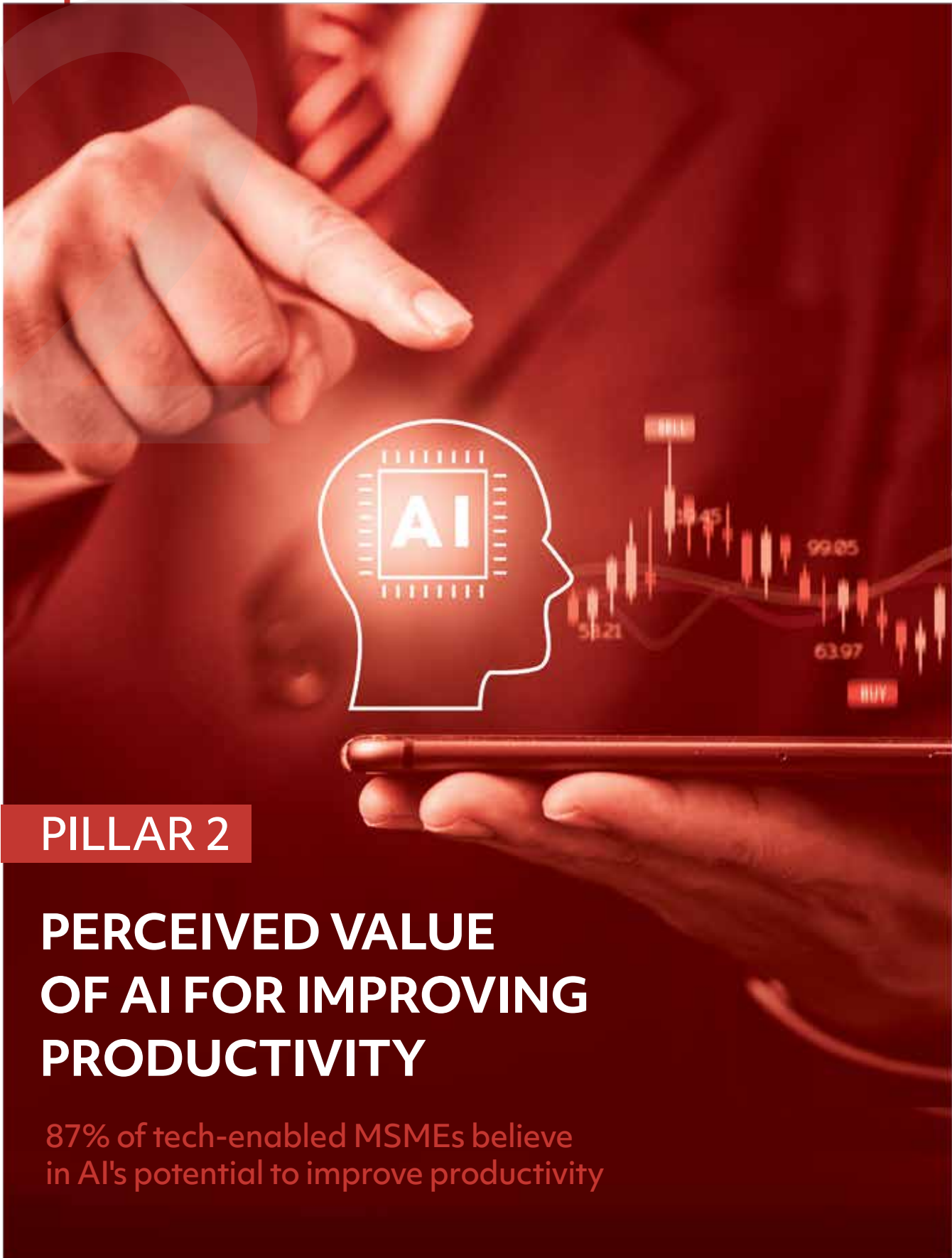
### Resource Constraints



Resource constraints pose a significant challenge for tech-enabled MSMEs in adopting AI technologies. Financial limitations affect 59% of these enterprises, hampering their ability to invest in necessary tools and resources.

Another key impediment in adopting AI technologies is the high cost of compute infrastructure, as highlighted by tech-enabled MSMEs. 91% of tech-enabled MSMEs believe that AI technologies should be democratically available.

Additionally, limited access to training resources, as highlighted by 72% of MSMEs, present a critical issue in developing the necessary expertise within their workforce to effectively implement and manage AI solutions.



**PILLAR 2**

**PERCEIVED VALUE  
OF AI FOR IMPROVING  
PRODUCTIVITY**

87% of tech-enabled MSMEs believe  
in AI's potential to improve productivity

Attaining productivity is a cornerstone of business success, encompassing the efficient utilization of resources to achieve optimal outputs. For tech-enabled MSMEs, productivity translates to streamlining processes, reducing operational inefficiencies, enhancing output quality, and ultimately maximizing profitability. Leveraging AI tools and technologies to automate tasks, streamline workflows, and empower teams to work smarter and more effectively, aligns perfectly with the goal of enhancing business productivity for tech-enabled MSMEs.

Despite the high expectations of improving productivity through AI adoption, tech-enabled MSMEs face significant challenges in areas such as technical integration, and data quality.

## Challenge 1 Data Quality Issue



Low-quality data undermines the accuracy and reliability of AI models, leading to flawed insights and decision-making. Inconsistencies, incompleteness, or biases in the data impede the effectiveness of AI algorithms, necessitating rigorous training in data cleaning and maintenance to optimize the potential and precision of AI solutions.

## Challenge 2 Integration with Existing Systems



Integrating AI solutions into established business frameworks poses challenges, particularly for MSMEs operating with legacy IT infrastructure. The integration process often encounters compatibility issues and technical complexities, requiring significant time and resource investments to effectively address and resolve these obstacles.

## Challenge 3

# Lack of Expertise



Despite 74% of repetitive task performers recognizing AI's potential for automation, a challenge remains in identifying suitable processes and tools for seamless integration into existing workflows. A common hurdle for many MSMEs lies in their limited in-house technical expertise to effectively develop and implement AI solutions. This often translates into difficulties in understanding complex algorithms, data science methodologies, and the intricacies of integrating AI into established systems.





PILLAR 3

**LACK OF AWARENESS  
AROUND AI**

65% of tech-enabled MSMEs  
are unable to leverage AI  
due to lack of tools & resources

The exploration of AI awareness as a part of sentiment analysis of MSMEs delved into understanding how well-informed tech-enabled MSMEs are about AI tools and technologies, practical use cases across their industry, and the strategic methods for integrating AI into business operations. This analysis aimed to uncover awareness gaps that could impede optimal AI adoption and utilization among these enterprises.

It was identified that limited awareness poses a critical challenge for MSMEs to unlock their full potential in AI adoption. They struggle due to a lack of peer guidance, inadequate understanding of AI tools and technologies, and insufficient knowledge about the practical applications and benefits of AI in their specific business contexts.

## Challenge 1 **Blindspot on AI Tools**



65% of tech-enabled MSMEs report a lack of awareness about the deployment of AI tools and resources as the top challenge in adopting AI technologies. This lack of awareness hinders their ability to identify suitable AI solutions and effectively integrate them into their business processes.

57% of tech-enabled MSMEs struggle with a shortage of technical expertise necessary for implementing AI solutions. This skill deficit hampers their ability to fully utilize these advanced technologies, as they often lack the in-house capabilities to develop, integrate, and manage AI systems.

## Challenge 2 **Lack of guidance and awareness in complying with the existing legal frameworks**



More than half (52%) of tech-enabled MSMEs highlight the need for guidance and support to ensure they can build compliant businesses from the start.

## Challenge 3

# Insufficient Peer Support



Tech-enabled MSMEs in India face a hurdle in knowledge sharing and collaborative learning due to the limited availability of strong industry networks and peer mentorship programs. This insufficiency in peer support significantly impacts AI adoption, with 78% of businesses indicating they would be more likely to implement AI within the next three quarters if adequate peer support was available.



**IMPACT  
STORIES**





# Sneha Gcharge

Q Hills Technology Pvt Ltd

<https://www.qhills.com/>

Sneha is a scientist turned entrepreneur from Satara, Maharashtra where Q Hills Technology was started. It specializes in leveraging a comprehensive suite of data services. This includes expertise in data mining, extracting valuable insights, and applying cutting-edge AI and machine learning for tasks like image recognition and Natural Language Processing (NLP).

For one of their deliverables, Q Hills Technology initially set out to build its own Natural Language Processing (NLP) model for resume screening from scratch. Unfortunately, Q Hills Technology's initial model did not meet their standards for efficiency and accuracy. A shift occurred when Q Hills Technology decided to adopt Meta's Llama 2. By leveraging Llama, 2 Q Hills Technology was able to develop a more robust and accurate resume screening API. The results were impressive – not only did the accuracy of candidate selection improve significantly, but the entire process became efficient.



## Rahul Miglani

Netsmartz

<https://netsmartz.com/>

2

Rahul spearheads the Centre of Excellence for Generative AI at Netsmartz with a team of over 250 software professionals, dedicated to developing innovative and high-quality solutions for a diverse clientele. This role allows him to explore the frontiers of AI, implementing intelligent systems that streamline and enhance various business functions.

Netsmartz, a software company, caters to global clients with innovative solutions. Their specialty lies in secure, scalable SaaS products. They boast a pool of software developers across 10+ regions. Beyond standard offerings like SaaS development and support, Netsmartz also stands out for its expertise in DevOps, cybersecurity, AI-powered solutions, etc. They cater to clients across several industries including media and entertainment, finance, telecommunication, transport and logistics, manufacturing, etc.

In the Talent Acquisition department, Netsmartz has revolutionized its hiring process by implementing three innovative AI solutions to streamline initial candidate screening, significantly reducing the reliance on HR for first-level clearance. This strategic integration of AI tools has enhanced efficiency, objectivity, and overall effectiveness in the recruitment process.

The first AI solution conducts automated interviews, posing 5-6 questions to candidates. This tool evaluates speaking skills across six parameters, providing valuable insights into candidates' communication style and potential fit within the company culture. By automating this initial interview stage, Netsmartz ensures a consistent and unbiased assessment, saving HR professionals time while maintaining high standards in candidate evaluation. This approach guarantees uniform evaluation criteria across all candidates, reduces the time HR spends on preliminary interviews, and minimizes human bias, thereby promoting diversity and inclusion.

The second AI solution focuses on assessing candidates' theoretical knowledge by posing relevant, job-specific questions. This tool evaluates candidates' understanding of key concepts and their ability to apply this knowledge in practical scenarios. By leveraging this AI-driven assessment, Netsmartz can quickly and accurately gauge a candidate's technical proficiency. This method accelerates the screening process by quickly identifying knowledgeable candidates, provides a precise evaluation of their theoretical understanding, and handles a high volume of applicants without compromising quality.

The third AI solution presents candidates with a coding problem to assess their programming skills and problem-solving abilities. This hands-on evaluation ensures that only those with the required technical competencies progress to further stages of the hiring process. By employing these combined AI tools, Netsmartz empowers a more efficient and objective screening process, effectively managing a higher volume of applicants and ensuring that only the most qualified candidates advance.



## Vaibhav Gupta

FloData Analytics

<https://floodataanalytics.com/>

# 3

Vaibhav Gupta spearheads FloData Analytics where the team is dedicated to empowering clients in the digital age by translating their complex data into actionable insights. FloData Analytics was started in 2020, and provides solutions in analytics, visualization, process automation, AI-ML solutions, Quantitative Modelling, etc. Their expertise lies in geospatial analysis, finance, and web scraping, offering a customized approach for diverse data needs. FloData Analytics boasts a global presence, having collaborated with clients across 26 countries and 17 US states.

FloData Analytics is pioneering the use of GenAI to streamline its internal process which includes research, client communication, and sales process. GenAI acts as a powerful assistant, boosting both efficiency and creativity across the organization.

GenAI is revolutionizing FloData's sales funnel from start to finish. In the initial stage, GenAI acts as a powerful lead-generation tool. By analyzing vast amounts of data, it identifies potential clients who best fit FloData's ideal customer profile. This allows the sales team to prioritize their efforts on the most promising leads, significantly increasing conversion rates. Furthermore, GenAI personalizes the sales experience by crafting customized case studies and proposals tailored to each client's specific challenges. Finally, GenAI automates content creation for captivating sales videos and presentations. This frees up the team's valuable time for building relationships and delivering impactful presentations, ultimately propelling FloData toward greater sales success.



## Rahul Patel

Smarten Spaces

<https://smartenspaces.com/>

4

Rahul is a software Engineer with expertise in programming and in formulating and coding mathematical and statistical models to add value/derive insights. He is the Team Lead at Smarten Spaces. Smarten Spaces was founded in 2017, it is a global AI Powered SaaS company dedicated to building intuitive technology for Space Management and delivering an Enhanced Employee Experience.

Smarten Spaces is strategically adopting Generative AI (GenAI) solutions to ride the wave of the AI revolution and become a disruptive force in the industry. This bold move positions them to secure a first-mover advantage in the real estate sector and propel significant business growth.

Their embrace of GenAI has a profound impact on customer experience. Currently, clients receive downloadable content with static graphs, and any custom requests involve time-consuming manual processes. This can be frustrating for customers and inefficient for Smarten Spaces. GenAI changes the game entirely.

By implementing GenAI solutions, Smarten Spaces empowers users to interact with their data in a whole new way. Customers can now ask questions and receive customized visualizations on demand! GenAI eliminates the need for manual intervention, streamlining the service experience and boosting efficiency for both Smarten Spaces and their clients.





## Abhishek Gupta

Prismberry

<https://www.prismberry.com/>

5

Abhishek heads business development at Prismberry. Prismberry is a Next Generation technology partner providing consulting services in software design and development focused on digital transformation technologies like Artificial Intelligence, Cloud Technologies, Product Engineering, Data Analytics, DevOps, Internet of Things etc. Prismberry has a wealth of experience providing top notch software solutions and services.

Prismberry, has harnessed the capabilities of Artificial Intelligence (AI) and Generative AI (GenAI) to revolutionize customer interactions and operational efficiency. One of their standout implementations has been in the taxation sector, where they deployed GenAI-based chatbots for a taxation company. By leveraging GenAI-powered chatbots, Prismberry enabled personalized customer interactions for the client that were previously unattainable with manual processes. These chatbots understand customer queries in real-time and provide instant, accurate responses. The impact of this implementation was significant. The client experienced notable cost savings due to reduced operational overheads, as routine tasks were automated by the GenAI-powered chatbots. This automation also led to faster response times, enhancing customer satisfaction and loyalty. With the chatbots handling routine inquiries, human resources were liberated to focus on strategic initiatives, driving overall productivity and efficiency.



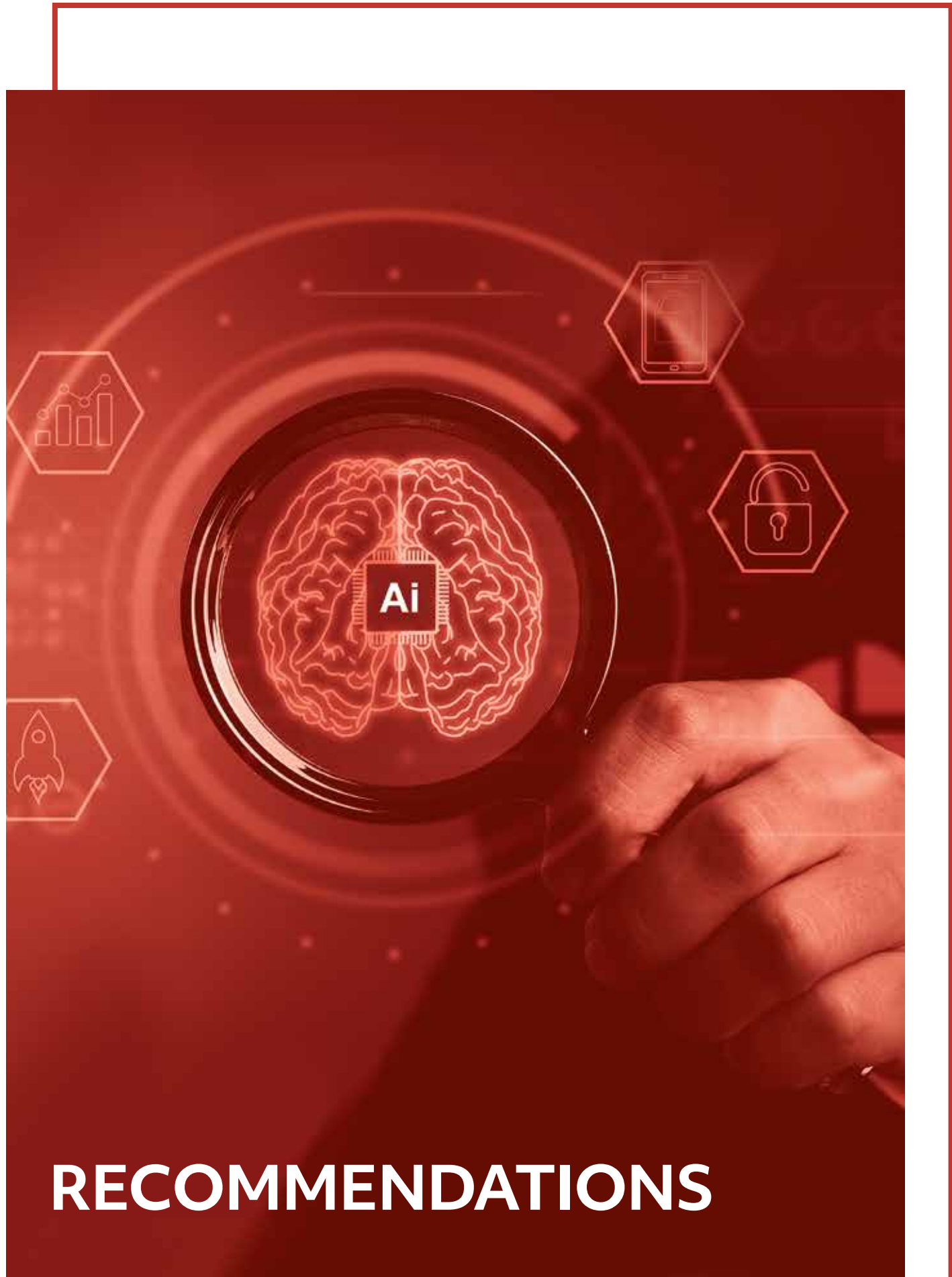
# Monica

BizAcquity

<https://bizacquity.com/>

# 6

BizAcquity is actively pursuing the potential of AI and GenAI to fuel business growth. Recognizing the transformative power of these technologies, BizAcquity has been dedicated to exploring and developing innovative use cases. This initiative involves rigorous research and experimentation to identify effective applications that can enhance operations, improve customer experiences, and drive overall innovation. Currently in the building and exploratory phase, BizAcquity is focused on leveraging GenAI and AI to create practical solutions that address specific business needs. Their proactive approach underscores their commitment to staying at the forefront of technological advancements and setting industry benchmarks. As they progress, BizAcquity anticipates unveiling successful use cases that showcase the tangible benefits of GenAI and AI, ultimately positioning the company as a leader in technological innovation and business transformation.



# RECOMMENDATIONS

# Recommendations

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To address the challenges discussed, it is imperative for key players to come together and support the MSME ecosystem. Collaborative efforts are essential to create a conducive environment for AI enablement, ensuring that MSMEs can effectively leverage AI tools and technologies for their growth.



## Awareness and Training Initiatives

### Campaigns

Launch targeted campaigns and initiatives to educate and build awareness among clients about the benefits, reliability, and transparency of AI technologies, aiming to boost trust and confidence in their adoption.

### Skill Development Programs

Offer training programs, workshops and online courses tailored to the needs of MSMEs to enhance their technical expertise in AI.

### Peer Learning Networks

Establish forums or networking platforms where MSMEs can share experiences, best practices, and challenges related to AI adoption.

### Partnership Certification programs

In partnership with IITs and other institutions of prominence we can establish a program with authority and authenticity.

### Awareness on data protection laws of India and compliance

Need for training and raising awareness for MSMEs on data protection laws implementation, and robust compliance mechanisms to help MSMEs build compliant businesses from the outset.



## Financial Support

### Hyper-local Accelerator Programs for Tech-enabled MSMEs

Given the significant budget and resource constraints faced by 59% of tech-enabled MSMEs, coupled with the 57% that struggle with a lack of technical expertise, it is crucial to deploy government sponsored accelerator programs and promote cost effectiveness through adoption of open foundational models and distributed compute infrastructure.



### **Grants and Subsidies for Technical Training:**

Provide grants or subsidies for MSMEs to access technical training programs and workshops. These practices allow for experimentation and innovation without the pressure of immediate high stakes. The necessity of these approaches is underscored by the sentiment analysis among tech-enabled MSMEs in continuation of Nasscom's AI Adoption Index, which revealed that 100% of tech-enabled MSMEs believe sandboxing and iterative development are essential for fostering confidence in AI adoption.

### **Government Aid:**

MSMEs require government help right from offering grants, subsidies, or tax incentives to funding opportunities for scaling AI.

Offer flexible pricing models and financing options to make AI solutions affordable for MSMEs. Provide access to government funding programs or venture capital for AI projects.

## **Partnerships and Collaborations**

Facilitate partnerships between MSMEs and AI solution providers, technology consultants, or research institutions. Government grants or incentives can incentivize such partnerships and foster innovation within the MSME sector.

There needs to be a platform supported by industry, trade and government where use cases from across sectors could be showcased. Industry bodies should run campaigns focused on tech MSMEs to disseminate use cases in regional languages.

Launch targeted campaigns and initiatives to educate and build awareness among clients about the benefits, reliability, and transparency of AI technologies, aiming to boost trust and confidence in their adoption.

### **Data Collaboration:**

Provide training for synthetic data generation techniques to supplement real data for training AI models. Focus on AI solutions that require less data for training, like open-sourcing learning models with requisite limitations. Data cleaning and management tools.

### **Focused Intervention related to Data:**

Conduct comprehensive programs focused on data governance, ethical data sourcing, and responsible use of AI. These programs should equip MSMEs with the knowledge and skills to handle data responsibly and leverage AI technologies effectively to improve overall productivity.

Creating a data governance playbook for MSMEs which includes industry-wide best-practices regarding data sourcing, processing and analysis. Create public-private partnerships to establish AI research and development funds for small businesses.



# Building for MSMEs

## Accessible Tools and Resources:

Develop or promote user-friendly AI tools specifically designed for MSMEs, with intuitive interfaces and documentation. These tools should prioritize ease of implementation and integration with existing business processes, reducing the technical barriers for adoption.

Develop scalable AI solutions that can accommodate the growth and evolving needs of MSMEs. Provide support for scaling AI infrastructure and applications as business requirements change.

Create incentives for technology vendors to develop standardized APIs and integration tools that facilitate the seamless integration of AI systems with existing IT ecosystems.

Recognize user enterprises which are championing the adoption of AI solutions to appreciate their role in the India AI story.

Building use cases for high impact areas vis-a-vis business growth such as content development, marketing, customer engagement, and new product development should be encouraged.



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