

Technical Session AII – Management & Fisheries Industry

AII 01 Impact of business development services (BDS) on small and medium scale Enterprises (SMEs) in Sri Lanka: with reference to Hambanthota District

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This presentation investigates that in which level Business Development Services (BDS) impact on the development of Small and Medium scale Enterprises (SMEs). SMEs are taken a significant place in a developing economy. As a developing country, SMEs are contributed for approximately one percent of country's GDP in Sri Lanka while supporting to wealth creation and generating employment opportunities. In definition, BDS are to enhance the performances of an enterprise achieving their objectives competing with larger rivals. During this investigation both primary and secondary sources were used to gather relevant information and data. Primary data were collected through semi-structured interviews and discussions with small and medium scale Entrepreneurs. The survey conducted in the Hambanthota District. The population represented were all small and medium scale enterprises which registered at Divisional Secretariat office in Hambanthota District in the year of 2009. Among them, 50 SMEs were randomly selected as a sample of the research. Sources of secondary data include research papers, books and journals and BDS providers' progress reports. Based on the information and data obtained from both primary and secondary sources, explanatory qualitative data analysis method was applied. The paper concludes that the BDS has positively impacted on business performance of SMEs. Although, the researcher found some critical problems like lack of financial capacity, lack of awareness regarding the benefits of BDS, poor infrastructure facilities and weak managerial patterns of SMEs are hindered the accessibility with BDS. It was suggested that the need towards improvements to the BDS market (Development of BDS mechanism) in Sri Lanka and the accessibility of SMEs with BDS services while identifying the importance of BDS in order to gain the potential benefit from the BDS market.

Keywords: business development services (BDS), small and medium scale enterprises (SMEs),