

# **Empowerment through Enterprise: Business Services for Disadvantaged Women**

**UDYOGINI**

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# *What is Udyogini?*

- Facilitator and provider of Business Development Services(BDS) for poor women.
- BDS include value chain studies, entrepreneurship training including business planning, market linkages, skill training, technology support, building business associations and networks (local & national)

# *Mission*

Udyogini's mission is to provide quality, appropriate and timely business development services (BDS) for training and promotion of poor women as entrepreneurs

# *Approach/Focus*

- Gender and Poverty
- Market-oriented capacity-building for producers
- Both subsector and multi-sector business services requirements
- Innovation, Learning and Change in business services content and delivery mechanism
- Knowledge-sharing through documentation

# *Activities*

1. Integrated BDS (group formation till marketing) in three grassroots programs (crafts in Bikaner, Rajasthan, Non-Timber Forest Produce in Mandla, M.P, urban services in UP)
2. Studies, Training, Event Management, Marketing Facilitation for own projects and other NGOs, govt. (paid services)

# *Strategy: Bottom-up*

- V Expansion and Outreach
- IV Ownership & Scale Up through systems and institutions
- III Enterprise Promotion and Incentives for Producers and Market Players
- II Creation of Enterprise Motivators/BDS providers from among Grassroots Women
- I Enterprise Motivation and Management Awareness for Grassroots Women

## *Women's Economic Groups: Characteristics and Levels*

- Level 3: Stage 1 Enterprise: Those with traditional skills, engaged significantly with local markets and agents in a major activity. Main source of income is that activity.
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- Level 2: Income-generation: Small, multi-activities generating income. Few or no skills. Market engagement limited. Wage labour in agriculture or other is still significant
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- Level 1: Labour-focused: Labour is most important. No skills or engagement with markets.

## *Moving from Level 1 to 2: Labour-focussed to Income-Generation*

- Moving from purely consumption credit to investment in income generation activities
- Absence of markets, resources, skills
- Caste considerations
- Willingness of support agencies to go beyond micro-credit
- Identifying women who are not just good group leaders but can be motivators for risk and undertake demonstrations of activities with potential for returns

## *Moving from Level 2 to 3: Income Generation to Enterprise:*

- Beyond welfare and livelihood security— motivation and capacity-building for risk-taking and market orientation
- Identifying local market demand
- Activities and skills to match
- Identifying one or two activities to upgrade if market demand and motivation exists
- Reorganising savings & lending groups into enterprise groups
- Changing mind-sets and increasing capacity of support agencies (NGOs, govt.)

# *Towards Growth: Stage 1 Enterprise and beyond*

- Demand-side: New markets identification and support to intermediaries, segmentation & access, promotion and demand generation
- Supply-side: product quality enhancement, new skills and upgrading skills, management skills & systems, exposure
- Ownership: access and use of institutional finance for investment, profits, performance incentives, capacity-building for leadership in enterprise
- Social: mobility, family-support.

# *Capacity-Building for Craftswomen In Bikaner District, Rajasthan*

## Area & People :Pugal

- Heart of Thar Desert
- Source of livelihood: Embroidery, Agriculture & Labour.
- Project area of 7 villages of Pugal block.
- 10 Self help groups of 15 women each.
- Migrated from Pakistan with traditional skills .
- Caste groups : Meghwal, Rajput, Suthar.
- Low Mobility among women, Literacy rate is as low as 5 %.

## *Demand-side: Market Opportunities*

- Large-volume, low-margin mass market (150 crore annual business in W. Rajasthan, largely operating from one district called Barmer) serving about 60,000 rural women. Majority of firms and supplying producers located in Barmer.
- Growth potential for individual firms & for the volume in the sector. 53% of firms have annual turnover < Rs. 10 lakh. They control only 8% of the volume. 7-10 large firms that account for only 4 % of total firms, capture most of the volume.
- Benefits of volume sales for more sustained employment and income throughout the year

## *Demand-side: Market Opportunities*

- Work for larger numbers of producers available through this market.
- Design and product requirements are not complex so enabling market for medium-skilled women
- Ability of the market to adjust to constraints of home-based production
- No rejections at the level of the producer and producers are paid on completion of production.

## *Supply-side: Opportunities*

- Better bargaining with smaller manufacturers vying to grow big since competition is severe. Demand outstrips supply.
- Existing skills easily upgraded to match marginal shifts in quality requirements even for selected upper end markets serviced by middle-market manufacturers.
- Women without traditional embroidery skills can easily be trained to meet the requirements of this market.

## *Demand-side: Constraints*

- Cash-flow problems impacting wages and causing delays along the chain.
- High-costs of sourcing from far-flung villages in districts along Western border where the embroiderers live (hence, Bikaner accounts for only about 25% of total production): result is wastage due to product deterioration in storage and transportation and overproduction to offset inefficient schedule maintenance by suppliers.
- Long chain of intermediaries for sourcing from outside Barmer accounting for low margins all along the chain and for the ultimate producer

## *Supply-side: Constraints*

- Timeliness of supply and consistency in quality is an issue even for this market.
- Market demand for embroidery coincides with the agricultural season so since latter is more sustainable, women unwilling to work during the agricultural season.
- Women in home-based production only willing to work on items that they can carry around with them while they do other tasks in the house. Large items, despite attracting higher margins, not favored, so problem of product diversification.
- Coordination and control systems at the producer level not efficient, despite involvement of local intermediaries.

## *Taking the Market to Women*

- *Incentives to manufacturers to source from Bikaner*
  - Udyogini as intermediary to ensure quality and timely production among producers for orders placed. Success indicators are repeat orders.
  - Cost-reduction through [proposed] central production & warehousing center at block headquarters
  - Identifying specific women willing to work on immovable items that provide bigger margins and motivate manufacturers to source from the area.
  - Possible separate interventions for improving market access and scale of small manufacturers

## *Addressing the Issues: Taking the Market to Women*

- *Making market less mysterious for producers and for Udyogini: Skill and design development training for women based on specifications given by buyers—identified buyers actually present at the training and consulting closely with the designer. Success indicators are buyers placing orders and providing a higher margin/piece.*
- *Making motivation to supply market efficiently (rather than skill levels alone), the basis of producer selection. Idea is also for it to be a demonstration.*

## *Addressing the Issues: Capacity-building of Producers*

- *Orientation to Entrepreneurship*—training in the villages for the producer groups on business management (costing/pricing, feasibility etc.), Orienting them away from piece-rate job work (wage-earning) to getting involved in business processes like procurement, organizing production and marketing.
- *Market Understanding and Negotiation*—observation of buyer-Udyogini-designer interactions at the design workshops; Direct interaction of urban buyer and producer; Exposure visits to upscale stores in Delhi; Exporter as resource person in business management training.

# *Addressing the Issues: Capacity-building of Producers*

## *Profiling, Selecting & Training Grassroots Business Providers:*

- Product Developers and Skill Builders—profiling women according to skill levels; monitoring their progress to higher levels; moving towards a longer term course; identifying and building capacity of select grassroots women as product developers and skill builders who will be teaching assistants to the designer and later faculty.
- Production Supervisors and Marketing Support--capacity building of profiled production supervisors and marketing support personnel
- Business Leaders—training business leaders and using them for outreach to more women and to develop the production base (seven women already identified for this role)

# *Addressing the Issues: Capacity-building of Producers*

## *Facilitating Entrepreneurship*

- Central production center to be owned and operated by women and to become the hub of production in the area.
- Business Plan for the center being drawn up including its needs for long-term capacity-building.

*THANK  
YOU!*