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The development of a new tool to understand and access markets for the poor:  
Participatory market appraisal.  
Annex H of the Final Technical Report of project R8084.

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**NRSP Production System**

Peri-Urban Interface

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**Annex H**  
**The Development of a New Tool to Understand and Access Markets for the Poor:**  
**Participatory Market Appraisal**  
**Subhas M.S., Sangeetha Purushothaman and Vasant Rao**

**Summary**

MOVE (Market Oriented Value Enhancement) was conceived in response to the failure of the project to find ways of helping the severely disadvantaged such as landless and illiterate women of low social status, for whom improved NR management meant little. Many previous projects have introduced new small scale income generating schemes for the poor, with varying degrees of success. A common story, however, is where people have been encouraged to produce a commodity and then attempt to sell. Market research, if done at all, is often cursory. Pricing of commodities is usually based on a fixed mark-up of, say, 10%, indicating a failure to understand the difference between cost and price. MOVE, conceived by Dr Subhas of the Institute of Management Studies at Karnatak University, Dharwad, was asked to design a course to help three SHGs consisting of poor women in Mugad. He had previously worked with literate women in urban settings, so this was a very different challenge. Initially intended to be only six months in duration, it eventually lasted two years, but the women stuck with it. They were trained in understanding markets, prices, profits and the value addition chain. A new tool, Participatory Market Appraisal (PMA) was developed for illiterate people, which used symbols instead of script, and was used in house to house surveys of product requirements in Mugad. After much research, the SHGs opted to make laundry detergent. After experimenting with recipes and market testing small samples, by the end of the programme they were making and selling 250 kg per month.

To answer the question about whether this programme was replicable, during the uptake promotion phase the concept was extended to all six project villages. Training was led by Dr Subhas in one village and attended by the NGO community officers, who then replicated it in the other villages in the days following the initial training session. Thus, this was a good test of replicability, in that it used the level of personnel who would be likely to be involved in training programmes such as MOVE. New enterprises were developed in all six villages within six months. The process was recorded, and a manual for implementing MOVE was compiled based on the experience. It is concluded that MOVE is a method that is applicable to the poor and illiterate, the first round of testing its replicability was successful, and is worth extending to other areas.

## 1. Introduction and the Rationale for Understanding Markets

Globalization has resulted in changing economic conditions and changing markets the world over (Kydd, 2002). These changes in markets are reflected in a demand for high quality produce, falling prices, the entry of many new players into the market resulting in far more competition and more varieties. This has direct consequences for the livelihoods of poor women who are now forced to deal with this new competition in the income generation activities that they undertake.

Traditionally business production models were production centered. NGO and government interventions consequently were also production centered with the focus on training the poor to become producers. Earlier the competition that women faced in their traditional occupations was, at best, from other local producers and women's groups. Today women's groups face competition in the form of local and multi national companies. Companies today are constantly innovating to produce lower cost goods through mechanized production systems reaping economies of scale making available to the consumer products that are both high quality but far cheaper. Women's traditional occupations as well as their traditional skills are quickly rendered obsolete in the face of this type of competition.

However, in the current context of changing economies, there are new economic opportunities as the business models themselves transform from production centered to service centered. In production centered economies the asset base of producers was important and thus benefits reaped from production was directly correlated to this asset base. The service sector on the other hand is less oriented and more skill oriented and thus affords increased opportunities for the poor, which a low asset base earlier did not allow.

Value addition traditionally was through a focus on the firm technology, plant scheduling, product quality, cost reduction, cycle time and efficiency (Prahalad, 2004). The banking sector looked at steady cash flow statements in the determination of investments. However, as the economy becomes predominately service sector based, this is no longer the case and value addition increasingly involves customer input rather than being purely production based. As C.K. Prahalad argues in *The Future of Competition* this firm centric value addition model will be replaced by a co-creation model of value addition between firms and consumers. Planning should incorporate services which includes the soft skills (service sector needs) not just assets. People should be grounded in their choices on manufacturing which is not as relevant as understanding what can sell as what can be offered to the market. In other words manufacturing today needs to be grounded through consumer inputs and therefore developing the skills to understand the market and the consumer. "The pendulum has now swung from standardization to mass customization of products and services (pg 48)." (Prahalad and Ramaswamy, 2004) Customers are increasingly involved in value addition and creation.

Pricing models has changed consequently. In traditional production oriented models, pricing was based on a mark up over the cost of production. In the service oriented models, pricing should be based more on what the consumer is willing to pay.

Urbanization in the context of globalization, through exposure changes customer tastes, increases the demand through rising consumerism, and changes demand through the introduction of new goods and new types of services, which radically changes markets. With a high premium on time, urban dwellers today would rather pay for domestic services and value addition to products (such as butter) rather than do it themselves. New demand for services such as bundling and packing of banana leaves for use in marriages and flower decorations in functions can easily be outsourced as it works out too expensive for urban producers to produce. Urbanization has also resulted in the growth of what has been termed the peri-urban interface, a new fluid space around cities where increasingly production will be centered.

The Peri-Urban Interface (PUI) cannot be seen as a geographical location to be identified in terms of a fixed distance from any given city. It is better conceptualized as a dynamic process defined by constant and changing interaction between the rural and the urban. It is characterized first and foremost by change, resulting in opportunities and threats to the existing ways of life of peri-urban communities. The peri-urban interface thus conceptualized can be characterized by a series of flows of labour, capital, natural resources to the city and urban pollutants from the city into the PUI (Brook, Robert, Sangeetha Purushothaman and Chandrashekar Hunshal, 2003).

With the high premium on space increasingly industries are relocating into the PUI. The changes expected in the PUI include the setting up of:

- Aggregation centers where commodities are brought together from rural areas at a nodal point for processing, packaging or simply for further distribution
- Production centers which concentrate processing, especially agro-processing, for export to both urban and rural centers. These are centers where value is added to products.
- Distribution centers which act as points at which urban produce is distributed back to rural areas.

These changes along with the fact that the peri-urban communities can tap into servicing the urban population lead to the opening up of a whole new set of economic opportunities.

Therefore the ability to make use of these urban opportunities is what separates the poor from the very poor in the PUI. To help the very poor access these opportunities it is important therefore that they develop the skills to understand the markets (Sen, 1999). Poverty alleviation initiatives could take advantage of these changes in the markets and focus more on developing soft skills oriented to the urban service sector rather than the past focus of NGOs and government on production based skills and large scale asset and infrastructure investments.

## **2. Access to Markets and Participatory Planning**

Traditional PRA methods used by NGOs included resource mapping, social mapping, time line exercises helps people understand local resources, skill sets and their production-labour cycles. These methods are helping people identify income generation activities that are all production oriented. None of them help people understand what consumer demand is and what price consumers are willing to pay. None of these methods help the poor understand the market. Thus income generation activities that result out of traditional PRA methods channel local expertise and local resources into products for which often the market demand simply does not exist.

Traditional PRA methods also result in action plans and initiatives, which required a certain minimal level of asset such as agro-forestry, watershed development, dairy and animal husbandry initiatives (Purushothaman and Purohit, 2002). All these activities help only the landed or those with at least some capacity to maintain livestock. Because the very poor had no access to resources and shrinking access to public resources, they were often left out of the action planning process that resulted from traditional PRA tools. Thus there are few initiatives that are specifically directed towards the asset poor.

This article thus proposes the development of a new Market Oriented PRA technique geared to the asset poor, which focuses on markets and skills rather than production and the asset base. Such a PRA technique would aim to help the very poor choose products after a market assessment and clear identification of demand for any given product. This technique can also be adapted to producers with some asset base as a measure to help prevent producers from falling into poverty as markets and competition changes.

## **3. Key Areas of Intervention**

Two areas of intervention would be to

- Increasing the motivational levels of the women
- Providing women with skills to understand the market

In this project, this particular income generating training activity was given the single name 'MOVE' (market oriented value enhancement), although it consisted of several, albeit linked, components.

### *3.1. Achievement Motivation*

The first phase would be the achievement motivation program to raise the level of motivation of the women. Then women would be given first hand exposure- free and not guided into the kinds of service sector based enterprises that can be set up. This is followed by a first level of interaction- format free- to help them (and NGOs both) to understand the nature of business. This would be followed by practical exercises to help women come out with a basic Business Plan proposal, followed by the second field visit. This will be closely guided to ensure that the TG understands all the nuances and finer aspects of businesses. Even at this stage women would not have finalized the area of

business. This second visit would be followed by detailed discussion and finalization of the proposal. This would also include the financial institutions and other Government agencies to ensure that they get the required inputs and support. It is expected to take one whole year by the time the TG finalizes the proposal and decides to start the same.

### *3.2. Mobilization and Motivation*

Motivational training is done by the NGOs and is something, which only NGOs can do. What motivates a woman is different from what motivates a traditional entrepreneur. Women want to be seen as leaders in their communities, as being able to contribute towards household decision making especially financial decision-making and as leaders who can make decisions in their communities.

Mobilization of women into sanghas is a first step towards that and towards production that can share the risks and labour involved in production. Thus bringing them together and teaching them the value of unity among women, values that contribute towards building and sustaining communities is a first step, which NGOs do traditionally and do well.

Motivation oriented to the market is specifically what is needed. Women were asked to observe the markets in a format free design and it was found initially that they simply went to the market, bought what they needed, negotiated a bit in terms of price and returned. In the subsequent visit a clear format was given and women were asked to study various commodities, compare brands, and prices. This increased their sensitivity to the type of products available in different market, the variation in the product, the attributes of a product and the different brands.

Motivation is a general term applying to the entire class of drive, desires, needs wished and similar forces<sup>1</sup>. The members of self-help groups are potentially good producers. People in the group are the ones who are best able to identify what would enrich an activity and make it possible for them to be more productive. Factors such as challenges, achievement, recognition and responsibility are the motivating factors for SHG members. Two aspects, namely motives and goals, govern all studies in motivation.

An exercise to motivate SHG members in Mugad, a peri urban village was carried out by the project team during the year 2003. Thirty members from three SHGs belonging to the poor and very poor wealth class, identified through participatory wealth ranking method prior to the MOVE intervention were selected for the motivation exercise.

The objective of the exercises was to increase the motivation levels of the women, which was found to be very low when they were first selected for MOVE. The motivation exercise were scheduled for six hours per day for two days on leadership, two days on motivational games and three days on participatory action plans on enterprises (for details of the exercises refer to annexure 1). SHG members themselves scheduled the timings

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<sup>1</sup> Unpublished paper by Anasuya Patil entitled "Motivation Of SHG Towards Market – PRA Approach."

and days. Three weeks later experimental business games, market walk and participatory action plans were worked out on market intelligence and their performance was recorded through group discussions. Motivational scores were measured before and after the exercises (see Annex P).

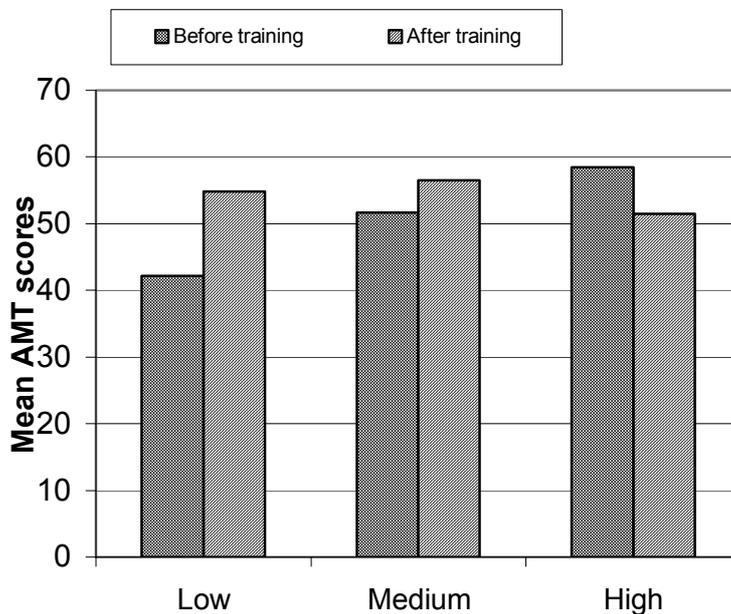
In general the maximum difference in motivational scores before and after the motivational phase of MOVE was completed was seen to be highest in the low motivation group category and a considerable difference was observed in the medium group.

**Table 1. Motivation scores**

	<b>Intervention I (n=30) (Mugad)</b>	
	<b>Before Training</b>	<b>After Training</b>
<b>Low</b>	42.17	54.83
<b>Medium</b>	51.68	56.50
<b>High</b>	58.50	51.50
<b>T test</b>	4.79**	

\*\* p< 0.01

**Figure 1. Graph of motivation scores**



### 3.3. *The Understanding of Markets*

For NGOs and women alike, the market remains a mystery. What aspects of the market have been identified as important to train poor women:

- Types of markets: Women were exposed to three different types of markets, a rural market, a city market and a peri-urban market. Women are exposed to these types of markets so they can distinguish between markets and identify the best market for them to sell their products.
- Developing the skills to identify a niche within the market for woman producers: This requires that they see the various products and can distinguish between qualities of products and choose to identify where they can best situate themselves. Should they situate themselves at a high quality, high price, low quantity end or large quantity, medium quality and low price end of the market.
- The value chain: The value of their production in the form of selling jowar at 8 rupees a kg to flour at a higher rate to rotis at 40 rupees a kg was explained. Entering the market at a higher end of the value chain will earn them more for their produce. This too was explained.
- Attitude towards marketing versus production: Women had the attitude that production was where their job ends. Today the market takes production and that too high quality production for granted. The issue is if women let go of control over marketing then they stand to lose a lot of money. Women are taught this by taking them to various retail outlets and asking them to identify which retail outlets are making the most money. Slowly it is expected that women learn that people are making money purely through retailing goods i.e. sales and not through production and some people are making a lot of money through retailing. Therefore they stand to make this kind of profit if they get involved in the marketing aspects.
- Negotiation with retailers: Women are taught that the margin between cost price and retailers price is that which the middlemen and agents take. Therefore negotiating what price they sell to retailers is an important determinant of their profit.
- Pricing and costing: Earlier women's attitudes were that you add ten percent to your cost and that is your price. They are taught that this is not the right attitude. Price is what the good is selling for in the market and is thus determined by the market and not by the production process. If it is lower than what women are able to sell at, then this is the price and if in the market price or the good is 100 percent more than cost then that is the selling price. Therefore it is what other producers get for their goods and is not 10 percent more than cost.
- Understanding the consumer: Through an exercise called the wedding card game, women are divided into three groups each representing a company. The three companies compete by producing one sample each of a wedding card which other women are asked to buy. The net result is often the one producing the best card may not be the sample selected by the sample selected. Often customers are not rational and can be fickle and you can do a very good job but your product may not sell. Very often customers will stick to a seller even if they are being

cheated in quality or price. So accepting the reality of an irrational market and the risks associated is part of the training.

- Establishing a relationship with the consumer: Understanding the consumer is really important for which establishing a direct relationship with the consumer becomes important. Women are taught PRA exercises on markets to help them understand their customers.

### 3.4. Key concepts

- Market Oriented Production: The primary difference in approach being advocated here is the need to gear production to markets. A better understanding of consumer preferences, developing customer relations, learning the skills to handle customers are all part and parcel of market oriented production.
- Market resilience: In the face of rapidly changing and dynamic market conditions, producers cannot just produce based on a one-time understanding of markets. Developing market resilience therefore requires equipping the poor with the skills to deal with a constantly changing market. Therefore when the market changes, the poor learn to change with the market.
- Equipping the very poor and the illiterate with skills to understand markets: This type of population, namely the very poor, who do not have assets, are typically illiterate and consist basically of the landless and asset poor women, requires a radical shift in how training is conducted. It requires time, a focus on process, a greater focus on ownership, and the development of visual tools which can be used in the future by this population independent of the presence of literate facilitators. It requires a conceptual shift from seeing market surveys as the domain of big firms and business management professionals to seeing the poor and illiterate as equally capable of conducting such research, albeit with different tools.
- Service sector orientation: With the rise of the service sector and new urban demands for services and processed produce there is a need to understand these changing demands from manufacturing to services. Therefore with the rise of new demands from consumers there is no simple need for just raw produce such as wheat. Instead today's housewives require wheat in the form of clean, ground and packaged flour or even in the form of chapattis. Therefore there is a whole range of services (such as cleaning, grinding, packaging and branding) outside pure production of wheat that now need to be provided in the face of this new demand.
- Gender: Women tend to be excluded from marketing and relegated to production, which is one of the factors that perpetuated the feminization of poverty (NABARD, 1999). If more involved in services and in marketing, women despite not having an asset base can take advantage of new economic opportunities. Even when involved in marketing, access to transportation and reproductive responsibilities restrict their mobility and therefore new government initiatives need to be designed taking into consideration these barriers.

### 3.5. Key principles

- There needs to be a *constant commitment and attention to the very poor*, an illiterate asset poor population, who are extremely difficult to work with, often fatalistic in their attitudes and have barriers which are difficult to overcome from illiteracy to mobility. Thus while it is easier to work with those with a minimal amount of assets, it is far more important for NGOs and government to focus on the very poor.
- In the face of increased competition NGOs working outside the context of the market is no longer practical and therefore *multi-sectoral partnerships* between civil society and the private sector that brings business skills to the poor becomes critically important in overcoming the existing barriers faced by the poor w.r.t markets. This is needed as NGOs themselves have no market expertise and women have developed fatalistic attitudes towards markets, which NGOs do not know how to counter.
- *Mobilization of the poor* has to take place prior to market-oriented production. This is because it is easier for a group to access credit rather than an individual, easier for a group to reap economies of scale rather than individual producers especially when faced with competition from companies. Women who have been saving for a while through sanghas have built up a certain capital base and typically have got out of old debts and therefore are more able to take risks in new investment. Finally mobilization builds trust and unity between women which is necessary because of the difficulties they may potentially face once production begins.
- *Developing local ownership over knowledge and market information*: Companies today are gearing up to take over rural markets (Gopalaswamy, T.P. 1997; Velayundan, 2003). They are building on local expertise and knowledge to tap into these markets. This local knowledge and expertise thus represents an opportunity, which the rural poor can capitalize on.

## 4. The Participatory Market Appraisal (PMA) Tool

### 4.1. Objective of the Market Oriented PRA

The objectives of the market oriented PRA henceforth termed Participatory Market Appraisal (PMA) are multi-fold. It aims to

- Understand the markets prior to production
- Understand the importance of the market in a co-creation model of value addition between producers and consumers
- Leaving the poor with a set of skills that they can use as markets change to understands these changes in the future
- Develop market resilience among the poor, especially among poor producers, in the context of globalization and rapidly changing markets with falling prices, bigger players, and larger varieties.
- Help the poor find economic opportunities to capitalize on existing market opportunities and strengths through value addition.

- Highlight opportunities for increasing incomes and diversifying livelihoods.

To meet these objectives, participants:

- Identified flows of products w.r.t. particular markets and flows of products made in the village to the various markets
- Better understood the markets for current products by mapping the various potential buyers, the prices offered by each buyer, the current quantities being sold, the reasons for which those buyers were buying products from the producers and to identify better markets in terms of prices and value addition, new avenues for sale of existing products, upgrading of products required to keep up with the market and so on
- Better understood and identified markets for new products by mapping product inflows or market demand of the village community, market sources of those inputs, prices and expenditures on different products. Thus to further identify whether there is potential in retailing or production of different products within the village itself. This therefore helps the poor understand their own local markets.

First there was a realization that pilots had to be conducted to develop the PMA tool. Also this pilot, unlike other pilots, had to be spread out over several visits and could not take place in a day.

- Two issues need to be dealt with here namely participatory approaches and illiteracy: since it was participatory and required an illiterate group to conduct surveys, visual symbols had to be developed by the women themselves.
- Capacity of facilitator to break the 'comfort zone' of women where they were more comfortable producing what they have been doing in the past. The facilitator has to force them to relook at their existing incomes and markets which implied the need for a business or marketing background
- Design different tools for producers in Gabbur to assess existing clientele and non producers in Mugad to assess market demand
- Identification of product and product biases
- Keep in mind that the initial choice of product may not be the final one where a more informed decision can come only later

#### *4.2. Steps for non producers to create a business plan*

Step 1: Product identification

Step 2: Design of surveys for several products and pilot testing among each other for familiarization

Step 3: Selection of sample by community organizers

Step 4: Data collection by the women for different products

Step 5: Compiling data visually for the different products and collective analysis and selection of product

Step 6: Understanding product range and value chain and identify which end of the value chain where they will locate themselves

Step 7: Exposure visit to production unit or factory

Step 8: Selling of samples of their own

- Step 9: Decision on type of product
- Step 10: Branding
- Step 11: Pricing and costing
- Step 12: Scaling up
- Step 13: Sourcing of Inputs
- Step 14: Formulation of the business plan

#### *4.3. Steps for producers to create a business plan*

- Step 1: Attitudinal shifts among NGOs on markets prior to entering the field
- Step 2: Orientation and introduction of participatory market survey to the male and female producers and discussion of current marketing and production patterns
- Step 3: Participatory design of visual survey for existing, past and potential consumers of the existing products. Exploration of design for products in the value chain for future expansion. Selection of symbols and design in separate sessions for men and women producers.
- Step 4: Participatory data collection
- Step 5: Compiling data visually for the different products and collective analysis
- Step 6: Formulation of the business plan

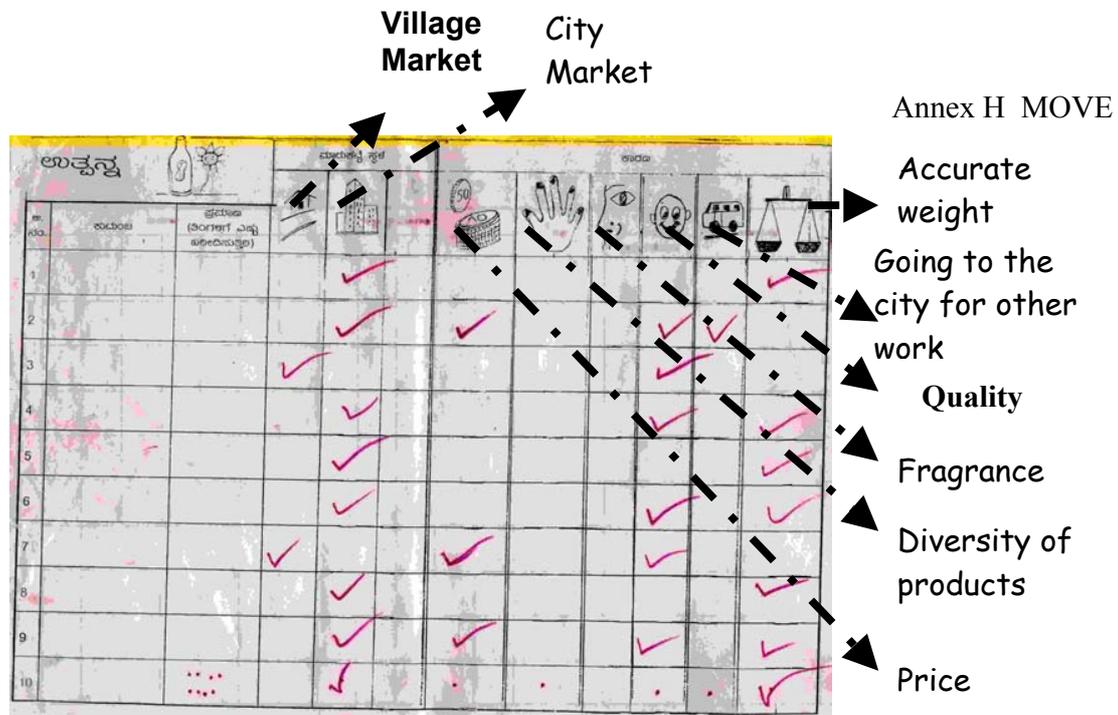
#### *4.4. Illustration of Participatory market Survey for non producers: Mugad*

##### Step 1: Product identification

- Two FGDs who chose nine products
- Women created symbols for each product
- These were short-listed through discussion to six products based on reasons such as competition, past experience with products, mobility.
- The facilitator needs to be sensitive to the fact that women may choose products they are comfortable with or may reject products they have had past bad experiences with instead of looking at the market demand for the product.

##### Step 2: Design of surveys

- The project team especially the business side of the team came up several areas for collection for several products, which included price, quantity, market and reason for buying from that market.
- Pilot testing for familiarization.
- In the pilot some areas such as price were screened out.
- Visualization of Surveys: Women took ownership over the symbols for the markets and reasons for purchase.



**Figure 2. Results compiled from participatory market survey (also see Annex B, plate B46)**

Step 3: Selection of sample by community organizers

Here wealth categories have been used to define the sample as women may have tended to interview only people they knew which would leave out a large segment of the market share occupied by better off communities.

- Participatory wealth characterization exercises with the villages had divided all households into five categories from very poor, poor, medium, well off, rich.
- A sample was chosen proportionate to populations in these different categories
- Women were informed about the households which should be surveyed

Lessons here included the fact that women seem to have interviewed people near their homes even when rich. This may have excluded the market for different communities (not based on wealth) but perhaps caste or religion.

Step 4: Data collection

- Women collected data for 10 households for six short-listed products by visiting households in the sample selected by the community organizers. This sample was representative of the entire village in terms of the five wealth ranking groups.
- Women were unable to get price information in this collection therefore price was calculated later through estimation

Step 5: Compiling data and collective analysis**Table 2: Participatory Compiling of Market Survey Data, Soap. Mugad village**

Village						City					
Price	Variety	Fragrance	Quality	Market Access	Accurate weight	Price	Variety	Fragrance	Quality	Market Access	Accurate weight
5	2	0	7	0	3	23	11	2	15	24	16
4	0	0	0	0	1	9	3	0	4	7	8
0	0	0	0	0	0	4	2	1	3	4	4
1	0	0	1	0	3	3	3	0	4	5	4
0	0	0	0	0	0	5	2	0	2	5	3
10	2	0	8	0	7	44	21	3	28	45	35

- Here the facilitators created a map to trace areas where the interviews had taken place and a table to summarize the data for each product
- Women filled up six different tables by putting dots under the different symbols for amount consumed, market from which product was bought and reason for buying the product (Table 2).
- The map was not as successful for helping women interpret the data but it did reveal that women had interviewed people near their homes, thus not capturing the entire potential of market demand in the village.
- The facilitators did the actual counting and this was not participatory.
- This amount was scaled up based on sample to populations' proportions where the facilitator multiplied the amount consumed per product per household in each wealth category by the number of people in that wealth category. This was how demand for the village was assessed which was then translated into a rupee amount for the product's demand. This could have been done in a more visual manner by using xeroxes of rupees notes. However the actual multiplication would have to be done by someone who knows basic mathematics, such as a sangha member's son or daughter who has studied.
- After looking at gross amount spent and assessing markets women chose the products they would like to produce. Women did not just choose the product for which there was the largest demand in terms of money but did so based on a variety of factors. These included their ability to produce the product, the perishability of the product, where the product could be sold, whether the product would fetch immediate cash or whether it has to be sold on credit and so on.
- The main outcome was that women finally chose detergent powder as the product to be produced by them.

The results of choice of detergent powder was based on a variety of factors that emerged from the PRA in markets

- Total volume sold which was estimated through the PMA was 212.5-425 kilograms for the village per week, which was seen as a significant enough market.

- Total earnings based on an estimated price of 20 rupees a kg amounted to 4,250-8,500 a week or 2,21,000 to 4,42,000 rupees per year.
- The PMA revealed that the reasons people would buy detergent powder included the correct weight and a price commensurate with quality.
- Women quickly estimated that if they were to undercut the market price, maintain quality and capture 10 percent of the market they could supplement their incomes.
- Other factors for choice of detergent powder included it was not edible and therefore not perishable, easy to handle, and used by all households on a daily basis.

#### Step 6: Understanding product range

- Samples of all detergent powder and detergent products in the market were bought and examined for quantity, packing, weight, colour and brand.
- Looking at the various prices and quantities of the different brands of detergent powder, women understood that the price per kg varied widely from 18.50 rupees to 115 rupees per kg. The variation they realized was based on a variety of factors including scent and colour.
- Based on the understanding of these product elements, women could now imagine what their products should look like.
- They understood the need for branding their products.
- Having understood the range of products (in terms of qualities and prices) available in the market women then asked for an exposure visit to understand the production process.
- Towards this first women were exposed to various samples of the product. Based on the samples the women realized the following:
  - That a wide range of prices existed for detergents
  - That they would produce at the low end of the price range
  - That they needed an exposure visit to learn how to produce detergent

From the PMA overall women were able to understand the current markets, understand the product, price, quality, quantity, brand name symbol logo and packaging.

#### Step 7: Exposure visit to a production unit or factory

- An exposure visit to an institution to learn the production process was conducted where they were taught the entire process of producing the detergent powder.
- Detailed information of the ingredients, their combinations and the production procedure was imparted to the women.
- Practically women then tried their hand at production of the detergents on an experimental basis.
- The interaction with the trainers gave them the confidence to try out production and assured the women that if they had problems they would come to their homes and help them, test the quality and provide inputs.

### Reflection on Exposure Visit

- In a follow up meeting women actually produced detergent powder, tried to use it and then tried to assess its production cost and its selling price.
- Being illiterate, women found it difficult to remember the names of chemical ingredients such as acid slurry, STPP, CMC, soda ash and so on. To help them, the facilitator made different women repeat the names several times.
- In the new context of having their newly made product right in front of them, women now discussed the different prices of different brands and realized the importance of branding to give their product value and recognition in the market.
- On the issue of pricing, women first costed their washing powder at 28-30 rupees per kg with packing with scent and colour. Women discussed pricing this product at cost plus 10 percent profit. The facilitator then reminded them that their pricing should be market oriented. While they should be aware of the cost of ingredients to not make a loss, the price should be comparable with the prices of the existing products in the market (which ranged from 18.50-115/kg). Based on the range women decided to try both ends of the price range,
- They further decided to sell both samples of their own product and of other brands to test the market.

This step provided women much needed exposure to production, and through their hands on attempts, the replication of production was also possible. After this women arrived at the strategy of buying from others and selling products first before entering production. This would take place through a sale of samples (their own and other producers products) to assess the market, only after which they would decide what to produce.

### Step 8: Selling of samples

- Training by the facilitator for selling: Considering the fact that the women were illiterate, the facilitator first helped them with selling tips like identification of the customer, the language of selling, time and energy to be spent on an identified customer, demonstrating the use of the product if need be, promoting and assuring the quality of the product (M.S. Subhas, 2003). Women were also told not to discourage or say anything negative about the existing brands that the customers currently use. Also they were made aware of the fact that initial discouragement was inevitable. They were told that open mindedness, self-confidence and communication was the key for their success. The facilitator also asked to collect feedback about their product from their customers.
- Women do the actual selling: After a brief discussion and interaction with the facilitator the women began selling their samples. Other existing brands weighed 20 Gms and were priced at Rs 1.50/-. Towards the creation of their own samples, women produced one kilogram of detergent powder. The women decided to make small packets weighing 30 Gms each and price it at Re. 1/- per packet. They tried their hand at selling first in their own village.
- Identification of customers: In the training, women were informed that there were three types of customers, one those who are known and have a relationship to the

- producer who will buy the product because of that relationship, the second who are flexible and could potentially shift, and the third who are loyal to other brands and will not buy for other reasons. The women would have to first identify which type of customer they were dealing with and then spend an appropriate amount of time with each namely, not waste time with the third and first type and spend more time with the second type. They were reported that they were able to identify their customers, and were able to sell their samples to those customers they had identified as types 1 and 3.
- Eliciting Feedback from Customers: By and large they received encouraging feedback from their customers about their product. And at the same time they also encountered some negative feedback about their product like the lower amount of foam, the fact that it was not a good stain remover, brand loyalty which deterred some customers from shifting brands to the women's product, and like wise, which the women imbibed as good learning. After getting this feedback 2-3 sangha women went immediately to the customer to talk to them saying they would improve the product and this helped them retain their customers. They were also able to distinguish between genuine feedback and feedback that was not sincere.
  - Reflection on Selling: The women sold all the samples they had produced and had collected feedback from their customers. The facilitator met them after two days and the women had some experiences and doubts, which they shared. As trained, each woman reported that each had reached her own identified, prospective customer and succeeded in selling the samples. They said that they were confident while selling and no one had any sort of fear in reaching or convincing the customer to buy their product. Some women said that in order to convince their customer, they first demonstrated the quality of the product by actual washing of an item of clothing and in this way were able to sell it. They said that it was a thrilling experience for them. The sample selling was an ice-breaking event for the women. After this the women were more open to try their hands at selling both other brands as well as their produce.

This step helped the women understand whether or not their product could sell at all, namely it first and foremost helped women understand their own local market. They learnt the process of identification of a potential customer and once they had identified the second type of customer, namely those willing to shift, they learnt the methods by which to convince these customers to buy their products, namely through demonstration and not bad mouthing the existing brand used by the customer. They were able to understand pricing and make a realistic decision about maintain a lower price of Rs. 1.00 for a higher quantity (30 grams) than the competitive brands prices (Rs.1.50) and quantities (20 grams). They were able to understand how to get feedback about the quality of their product and realized that there was room for improvement in both quality and marketing strategies.

### Step 9: Decision on type of product

After the market survey the women decided to take up detergent powder production and for this they underwent a day's training at the Small Industries Service Institution, Hubli. In the training session, with the resource person, they produced one kilogram of detergent powder whose quality was equivalent to detergent powder being sold at Rs 150/- per kg in the market. The production cost was Rs. 38 per kilo, which meant that the selling price would be Rs. 45 per kg. The women sold the sample locally and realized that they would not be able to sell detergent powder with such a high production cost. They decided instead to produce detergent powder which could be priced at Rs. 20 per kg, which they discussed the facilitator. The women went back to the resource person who had trained them earlier in production and emerged with the formula for producing detergent powder at cheaper price which meant a change in the type of product and a switch from detergent to washing powder.

### Step 10: Branding of the Product

Branding their product was an important process, which the women had to learn which was beyond their traditional knowledge of enterprise development. Women are aware of the different brands, but the process of branding was not familiar, namely the name, the logo, the symbols, price and other attributes of a brand.

- Familiarization with different brands of detergent powder: The facilitator made the women aware of the importance of branding through a series of exercises which included exposure to a variety of existing brands in the market. Here, women were asked to examine each brand for their quantity, shape of packet, size of packet, design of the packet, logos and symbols on each packet, colour of the product and the packet, specific properties of the brands (such as stain remover, whitening and so on), language used in branding (English or Kannada) and the pricing. The women identified the different products based on the colour of the product and the symbol on the packet.
- The decision whether or not to brand: This familiarization exercise made them realize how branding should be done and why it was important. Some women said that without a brand, their product would not have the profile that a branded product has. Some women said if they used other people's labels it would amount to cheating. This discussion resulted in women deciding that they should their own brand name for the product and their own label showing this brand name. Moreover the women decided not to have their brand names in any regional language other than English for the reason it would add more profile to their product.
- The naming of the brand: They then decided to try two brand names namely Surya (meaning sun) and Sugandhi (a white flower). The deciding factor for the brands was the colour and the specific property they foresaw in their product, which was stain removing where the clothes would be whiter. The women also decided not to add their sangha name on the labels because they thought in the worst case scenario if the product failed first time around this strategy would protect the name of the sangha. After two rounds of serious production and

selling women became more confident about the whole activity and their participation. They then zeroed in on one brand name, namely Surya. The women decided to print labels in three different sizes for three different weights namely 125 gms, 250 gms and 500 gms.

- Costing of labels: The facilitator helped the women by collecting information on costing of labels which vary according to the different methods used such as screen-printing, offset printing and polythene printing. Screen-printing resulted in the cost of each label becoming Rs.1.25. Offset printing costed about Rs.4500/- for 6,000 labels with each label costing about Rs. 0.75 and the cost for polythene printing was Rs. 18,000/- for 25,000 labels which amounted to Rs. 0.72 each. The women decided to go for offset printing at this moment in time as they could afford the initial investment. The women also decided to print different sizes of labels for three different weights of packets (125, 250 and 500 grams) to be sold.

This step enabled women to learn the importance and the process of branding. They realized that a brand name once given to their product, would increase the product profile. Moreover they came to a concrete decision on the colour of their product, the fragrance, the quality, shape and size of their packets and labels and the design on it. After the second round of selling the women collectively decided on Surya as their brand name for the reason it was a short and catchy name and for the brightness implied by the name that the clothes would get after the use of their product. .

#### Step 11: Pricing and Costing of the product

In the second round the women produced 5 kilograms of detergent powder and sold it locally. This time their production cost was Rs. 16 per kg. This cost did not include the labels and the packing, as it was a pilot. The raw materials were supplied from Hubli, arranged by the facilitator. When the lower priced product was sold to the same customers they were told that the quality was satisfactory. The feed back from the customers was not discouraging, despite changing the formula to producing cheaper powder. Now the women were confident about the production cost. They decided that if the production cost ranged between Rs. 14 to Rs. 15 per kg, then they would be able to sell detergent powder at Rs. 20 per kg.

In the third round they produced 15 kilograms of detergent powder. This time they spent more time processing the product thereby improving the quality and the colour. This time their production cost came to Rs. 16 per kg including the cost of packing but not the cost of labels. The facilitator arranged the raw materials this time as well. The three sanghas divided the produce equally among them and sold it in the village locally. The feedback they got improved this round.

#### Step 12: Scaling up

Encouraged by the market feedback, women confidently decided to invest in a fourth round of production of 130 kgs. They accompanied the facilitator to the dealer at Hubli to purchase raw materials. This time they aimed to produce 130 kilograms of detergent

powder. The total cost of raw materials came to Rs. 2,200. The women produced 130 kilograms of detergent powder in a day and distributed the produce amongst the three sanghas to do the selling. Within next 15 days the women sold all the produce. Their production cost remained at Rs. 16 including packing, but not the labels.

### Step 13: Sourcing of Inputs

The reason why the production would not go below Rs. 16 was that the raw materials were purchased in Hubli. Had the raw materials been purchased in Bangalore, the cost of the raw materials would have been reduced by 20 to 25 percent. The women realized that if raw materials are sourced at a lower price this would result in more profits. For the next round of production the women have decided to explore Bangalore market to find out dealers from whom they can buy raw materials at lower price. Thus an exposure visit was planned to Bangalore to source cheaper inputs. A preliminary exploration of prices by the team revealed much higher prices for inputs in Bangalore relative to Hubli after which women decided not to go to Bangalore.

### Step 14: The Business Plan

Business plans were then drawn up which were market and demand oriented in nature. A session took place which

- Facilitate the development of business plans from the market side
- Estimating market demand, segment wise
- Projecting profit and loss statements based on the market demand

*Facilitate the development of business plans from the market side:* Unlike conventional business plans where profit and loss statements are generation from a production plan, in this case women were encouraged to develop plans based on market forecasts.

*Estimating market demand:* Women identified three segments (SHGs, households and retail outlets). For each of these segments women were asked to assess demand. Women prioritized SHGs as their primary target estimating a demand of 10 kilograms of detergent powder per SHG. They decided they could contact 40 SHGs in all to sell 400 kilograms of detergent powder.

*Profit and loss statements:* women had already produced and sold three batches of 20, 128 and then 150 kgs. Based on their experience the format provided below was developed by women to create a business plan for their next batch of 400 kilograms.

Serial No.	Plan Components	Quantity per batch in kilograms	Rupees
1	Sale	400	8000
2	Raw Materials	400	6600
3	Transportation		400
4	Packing		280
	Sub Total		7280
5.	Gross profit		720

A comprehensive business plan could only be developed after the next batch of 400 kgs.

*Working capital:* Based on the above table women estimated their working capital to be 7,200 for one batch and one business cycle of 15 days. Women also expressed that in the past few batches whenever they have sold to customers in their own villages the sales realization was poor. They discussed and agreed that they should sell in neighboring villages where there would be no sale on credit and hence the interest component of the working capital is not included in the above.

*Human resources and Business Cycle:* Women estimated the time required for production 400 kilograms to be between 1-2 days. Women also estimated that they would need 2-5 days to sell all 400 kgs. Therefore the entire business cycle fro raw material procurement to sales realization would be two weeks.

*Wage:* some women were reluctant to take this on full time as they felt they would earn more as daily wage earners than by running this enterprise. However the core group of 4 women were very confident of taking this forward and were prepared to invest 7200 rupees for their working capital on their own and generate profit of 800 rupees.

*Return on investment:* Women discussed that their return on investment would be their 10 percent which was more than what they would get through other petty businesses. They also discussed how the return on vegetables fluctuated where sometimes they made losses and sometimes a profit. However in the case of detergent powder there were fewer fluctuations.

#### *4.5. Illustration of Participatory Market Survey for producers: Gabbur*

- Step 1: Attitudinal shifts among NGOs on markets prior to entering the field
- Step 2: Orientation and introduction of participatory market survey to the male and female producers and discussion of current marketing and production patterns
- Step 3: Participatory design of visual survey for existing, past and potential consumers of the existing products.
- Step 4: Participatory data collection
- Step 5: Compiling data visually for the different products and collective analysis

- Step 6: Dialogue on production based on analysis
- Step 7: Exposure visit to butter making unit
- Step 8: Negotiations with women to produce butter
- Step 9: Business plan formulation

Step 1: Attitudinal shifts among NGOs on markets prior to entering the field

Here NGOs too had to be oriented towards a change in their attitude from a production-oriented approach to a market sensitive approach. For instance BAIF's strategy to improving livelihoods was to increase yields through improving the health of the cattle stock and improving fodder practices and increasing the number of cows and buffalos of the poor so that they could increase production. Therefore they were resistant initially to the idea of exploring the market for niches in the value chain which people could make use of such as butter, sweets, curds or buttermilk. Later once discussions took place on how the market could change at any point and better quality milk could enter the market at a price that undercut the existing price of the milk producers and sellers and that there was a need for producers to develop market resilience, only then did their attitude towards the entire exercise change.

Step 2: Orientation and introduction of participatory market survey to producers

Male and female producers were introduced to the idea of conducting a participatory market survey to better understand their current consumers. Here it was found that women in Gabbur were not selling milk and were only involved in the production end. Men were the ones engaged in milk marketing. Thus it was decided to involve men in the market survey to expand their current sales and to explore new avenues in the value chain for milk for sale. Women's SHGs would get indirect access to the markets by building on what the market survey revealed through engaging in production for sale by the men's SHG.

Step 3: Participatory design of visual survey

Figure 3. Participatory market survey form used in Gabbur

The survey form is titled 'ಮಾತು ಹಾಲು ಕುಡಿಯುವ ಕುಟುಂಬದ ಸಮೀಕ್ಷೆ' (Survey of milk-consuming families) and is marked 'Completed'. It includes the following sections:

- Demographics:**
  - Rich, Medium, Poor (Social Class)
  - Adult Male, Adult Female, Child Male, Child Female (Gender)
  - ಮಾತು ಹಾಲು ಕುಡಿಯುವ ಕುಟುಂಬದ ಸದಸ್ಯರು (Family members who consume milk)
- Consumption:**
  - Quantity of milk consumed (represented by 6 circles)
  - Time and Taste (represented by 6 circles)
- Reasons for buying:**
  - ಕೊಳ್ಳಲು ಕಾರಣಗಳು (Reasons for buying)
  - Contact (represented by a cow icon)
  - Buffalo's milk (represented by a buffalo icon)
  - Cow's milk (represented by a cow icon)
  - Other Services (represented by various service icons)
  - Pure (represented by a glass of milk)
  - Facilities (represented by a building icon)
  - Utilization (represented by a cup of tea)
  - Tea (represented by a cup of tea)
  - Ghee (represented by a ghee pot)
  - Butter milk (represented by a butter churn)
- Product Utilization:**
  - Butter (represented by a butter churn)
  - Sweets (represented by a sweet pot)
  - Curds (represented by a curd pot)

Together men helped design the visual survey for existing, past and potential consumers of the existing milk products. The value chain was discussed and it was decided to explore avenues for sale for butter, buttermilk, curds and ghee for future expansion of markets and therefore of production. The selection of symbols and design was done in a separate session for men.

Step 4: Participatory data collection

Men then went out and collected data for about ten families each of existing consumers of their milk products (Table 4). Several men decided only to explore their existing consumers and were nervous about approaching new potential consumers or old customers. They basically explained to their customers how

Step 5: Compiling data visually for the different products and collective analysis

Next men went through an exercise of collating the data on a chart where all of them could look at the results together.

**Table 4: Sample Population Summary Characteristics of Participatory Market Survey on milk by Gabbur milk producers**

Rich	Medium	Poor	Man	Woman	Boy	Girl
29	47	8	150	138	135	112

**Table 5: Reasons for Purchase of Milk Participatory Market Survey done by Gabbur milk producers**

Association	49
Preference for Buffalo milk	81
Preference for Cow milk	5
Delivery on Time	60
Taste	59
Freshness	65
Other	0
Purity	64
Convenience	51
Credit	78
Cheapness	55
Home Delivery	80
Use for Tea	80
Use for Butter	32

Looking at the reasons why people bought milk producers saw that most people bought milk because of a taste for buffalo milk (Table 5). Most used this milk to make morning tea and because it was delivered at their doorstep. Timely delivery was important and so was the freshness and purity of the milk. This despite the fact that the milk was watered down. Based on this they realized that the relationship they had with the consumer and the faith the consumer had in the quality of the product they were being given was important and the relationship with the customer could be built on to sell other milk products. Here moving up the value chain was discussed and producers/sellers decided they could move to selling butter, though they did not have the time to produce butter. They could also recognize the difference between marketing and production and that the two could be separated out as functions which could be performed by different self help groups.

**Table 6: Amount Consumed of Different Milk Products:  
Participatory Market Survey done by Gabbur milk producers**

Curds	53
Sweets	11
Butter	32
Butter	8.5
Ghee	0
Curds	1.25
Khoa	0

From the charts they realized that customers were actually requesting butter from them (Table 6) and they were turning down these requests and directing them to other producers who could sell butter.

Men were also clear that they did not want to engage in the production of a new product such as butter. With some convincing and dialogue they agreed to sell this butter if women produced it. Here the concept of separating production and marketing had to be explained to men.

Men were equally clear that it was the market or consumer that had to evaluate the quality of the butter that based on their evaluation of the product only could they guarantee sales.

Each man provided a realistic estimate of how much butter each thought they could sell. They estimated total potential sale of butter at about 100 kg of butter.

#### Step 6: Building alliances with the women's sangha for butter production

The women's SHG was then met with and they were shown the results of the participatory market survey of milk and butter. Initially they were resistant to producing butter but after they were told that this did not mean they would have to stop producing milk but they could produce both milk and butter to buffer the risks of a changing market, they agreed to enter into butter production.

After this to formulate a business plan for the women's SHG it was decided that they would be taken for an exposure visit to an existing producer and seller of butter to understand the economics of butter production and sale.

#### Step 7: Exposure visit to butter making unit

Referring to their exposure visit to butter making unit at Channapur, the women found that milk was not selling well as a result of which the Channapur women switched to butter and curds. Moreover they have experience in butter and curd production spanning over 10 years.

Step 8: Negotiations with women in Gabbur and Channapur to produce butter

Men in Gabbur did a PMA from which they realized that they were not able to sell more milk for their existing clients. So the facilitator introduced the value chain and asked the men if they could sell butter along with milk to their existing customers. They will have an increased value in the market (Rs.140 per kilo of butter). The men were ready to sell butter provided it was of good quality, but were not ready to produce butter.

However, they were not willing to buy butter produced outside their village because they would have no control over the quality of the butter. So the facilitator asked them if they were ready to sell butter if the women sanghas in Gabbur produced the butter and supplied it to them. The men agreed to that.

Then the facilitator had a meeting with the women sanghas to find out if they were ready to produce butter. But the women were reluctant. Some women seemed to be satisfied with their sales of 5 litres of milk a week. Another woman said that she could not work as a labourer and also make butter. She felt there was also a chance of the milk getting spoilt. A third woman said that all the people in the village were selling milk and that they were not prepared to start butter production. She also said that selling 2 to 5 litres of watered down milk which was more profitable and enough for them. The facilitator tried to tell them that in the long run this would not help them as the market changed and better quality of milk was made available to consumers. But the women somehow were adamant about their decisions.

The facilitator said that while the older women do not feel the need for this change, why was it that the younger women were reluctant? For this the women said that they have no market for curds and butter, so why do it. The facilitator tried convincing the women that if they were ready to produce butter, then all sales will be taken care of by the men. But the women were of the opinion that if butter was produced then they will not be able to sell milk and within the existing milk production, there was not enough milk left for the production of butter.

The main constraint the women found for butter production was that there were not enough buffaloes to produce milk. Their demand was, given more buffaloes, they would keep, graze and milk them separately to produce butter. They also felt that once butter production starts, then selling of milk would stop. They found that milking activity was a much easier work compared to the butter making which was more laborious.

The facilitator then gave them the idea of taking loans from the sangha or project for buying buffaloes. Women responded that 100 kilograms of butter required 400-700 litres of milk which require 10 buffalo @ 7,000-10,000 rupees per buffalo implying a total investment of close to a lakh of rupees. Women then said that with a RF of 10,000 each member would be given only a few thousand each and not all women would get the loans either. This meant that only a few women will get loans for the buffaloes, while the rest of the women will sit idle. So the idea of making butter production as a sangha activity failed.

### Negotiations with the women from Channapur:

When the women from Gabbur refused to initiate butter making, the facilitator met the women from Channapur to ask if they could supply quality butter to the men from Gabbur. But these women too did not agree because they sell the butter themselves and did not need to depend on any body else to sell butter. Moreover they feel that if at all they can produce excess butter, they already have the market for it. Therefore why supply to Gabbur men at a lower rate, than the market rate. The other fact that was revealed was that they were not selling pure butter. They were mixing cheaper butter, which was available at Rs. 40 per kilo with pure butter at the proportion of 4:1, which gave them better profits.

### Step 9: Business plan formulation

From the PMAs in Mugad and Gabbur women and men were able to assess market demand based on which they made decisions on production.

## **6. Lessons and Recommendations**

### *6.1. Attitude towards markets*

The concept of MOVE was a total new idea, which threw new light towards enhancing the livelihoods of the very poor, illiterate and asset poor. Till date all efforts from the NGOs and the government were production oriented. They believed that by building capacities for production among poor people, their livelihoods would be enhanced. But every time they touched the threshold of the market, they were either rejected or unable to compete in the market very soon. There was no understanding among NGOs or the government as to why was this happening. It was for the simple reason that all livelihood activities were not perceived keeping in mind the changing markets. No study about market requirements and its dynamics was conducted.

And for the first time livelihood enhancement of the poor, illiterate and asset poor living in the peri-urban area began with a new concept and that was MOVE. The first basic lesson of MOVE was to bring in an attitudinal change among the people, a change in their focus. And in this theory the facilitating team had two different observations from the two different operational areas namely Mugad where they were dealing with non-producers and Gabbur where they were working with existing producers.

#### *6.1.1. Attitudinal change in Mugad.*

Initially in Mugad, when the facilitating team intervened, the women were totally demotivated, complete ignorant about the economy of the market and its dynamics. Illiteracy and a zero asset base were the main constraints, which the facilitating team faced to initiate economic activities. But with regular interactions and discussions with the women, things changed. Various exercises including Participatory Market Appraisal

gave these women a new understanding of the market and helped them to change their attitude. They began to think and speak in terms of the market and the goal was to give them the skills to gradually develop market resilience. With regular trainings and exposure visits, these women became oriented to the market, which was the basic aim of MOVE. One of the reasons why this attitudinal change happened so quickly in Mugad was that the mind of these women was like a clean slate. Their quick learning helped them change their attitudes.

#### *6.1.2. Attitudinal change in Gabbur.*

On the other hand in Gabbur it was totally a different experience for the team. The men and women here are already involved in dairy related activities. They have a minimal asset base and are not as illiterate as compared to the women of Mugad. Moreover the men from Gabbur were involved in selling milk, and so know some basic information about the market.

MOVE's approach towards these people was to make them aware of the changing pattern of the future market and develop market resilience accordingly. Here the focus was to help these people move up the value chain, to prevent them from being or wiped out by the market when it changes or when bigger players enter the milk market.

But it was observed that there was reluctance on the part of the men and women of Gabbur to understand the need for developing market resilience or to move up the value chain. They were not ready to change their mindsets or attitudes. The reason observed was that men and women from Gabbur have developed a sort of comfort zone and they were not ready to look beyond it. This risk about doing nothing is that tomorrow any big player entering the market and catering in the form of a quality product at a cheaper price will wipe these people's livelihoods out.

#### *6.2. Product fixation*

MOVE believes in three things.

1. To cater to the market requirements
2. To develop market resilience against any change in the market scenario.
3. To never produce first and then try selling, but instead to first understand the market and then produce.

But as said earlier various development organizations or government agencies have unfortunately gone the other way namely by encouraging production first with no prior homework done of the markets. In this process of building capacities in production amongst the poor, illiterate and asset poor, they never have the opportunity to understand where their products stand with respect to the market.

With an intense focus on production, on quality of the product and training only on the product and little or no training on the market, people's focus is on cultivating expertise in production without any knowledge of the market. This is how people get attached to a

particular product and become fixated on the product. On the other hand if a greater proportion of training is spent on selling, people get geared more to what sells and continuously tailor their product to what they perceive customers want. This helps them focus less on the product and more on selling.

This emotional bond between production and people becomes a constraint for these people to focus their activity with respect to changing markets. Moreover these people become dependent on others for marketing and fall easy prey to the middleman. In this manner, the poor will never understand the constant changing dynamics of the market and will never develop market resilience. If product fixation is removed from their mindset and they are oriented instead to the market, these people will be self-reliant and will sustain any change in the market in the long run.

### *6.3. Illiteracy*

As a principle, the concept of MOVE is applied to the poor, illiterate and zero asset based people living in the peri-urban area. Illiteracy is unquestionably a constraint in training these men and women about changing markets and developing resilience. Constraints here include reading or writing accounts, bank transactions, new rules or policies, tenders, price lists, programme criteria, loan contracts, among other written material. It makes it difficult in addition to write project proposals, understand written technical details about their products (where they have to rely completely on their memories), and it becomes difficult also to collect information from either newspapers, magazines and technical material and so on.

This makes it difficult for the poor people to be aware of their competitors and to get on top of constantly changing market dynamics. While illiteracy is a constraint, it does not mean that an illiterate entrepreneur cannot compete given the skills to understand the market. The team observed that if the qualities of an entrepreneur exist in an illiterate person and if he or she is given an opportunity, then sky is the limit for him or her to be a successful entrepreneur.

### *6.4. Fatalism*

Initially it was found that the motivation levels of the women were low. Dr. Subhas felt the need to conduct motivational exercises prior to beginning the real training on markets, to increase motivation levels. Accordingly, IDS conducted motivation exercises with the women in Mugad. Motivational levels were measured before and after the exercises and the results showed a rise in their motivation levels. Whereas in Gabbur motivation exercises were not conducted resulting in their motivational levels being low. This could be one reason why in Mugad women were able to respond more positively to the training. Although a second reason why women in Gabbur could not respond besides, low motivation and a more fatalistic attitude, was the lack of access to credit and insufficient number of buffaloes and milk to produce the butter.

*6.5. Lack of skills in the NGO sector*

When all attempts from NGOs or government failed to enhance the livelihoods of the poor, the team felt the need to design a new sustainable strategy to enhance the income generating activities for the poor, asset poor and illiterate people living in the peri-urban and so the concept of MOVE emerged. No doubt that one of the focus and intentions of developing organizations is economic self-reliance of the poor, especially of women, but their traditional approach of capacity building with respect to production was outdated when confronted with the constantly changing markets. And the concept of MOVE has proved it with its experience on the ground working with the same poor, illiterate, demotivated and zero asset based women and men living in the peri urban. Its applications and observations have some recommendations for the NGOs.

- Never to promote capacity building with respect to production without a prior homework of the market.
- To have a participatory approach through out the whole market orientation exercises.
- To help the poor understand the market, its constant changing dynamics and to develop market resilience.
- To develop necessary marketing skills, communicating skills and competence in the economic activity.
- To help them change their attitudes with respect to the market.
- To think less in terms of “labour or wages” and more in terms of profits and ownership.
- To encourage them to be an entrepreneur instead of just a worker.
- To develop the courage in them to dream big and motivate them to achieve it.

## Appendix 1

### Simulation games

1. **Communication game:** communicate the information from one member to another in order to make sangha members listen carefully while communicating any information.
2. **Play to make plan:** Four SHG members using 20 sticks (each member 5 sticks) make a plan which is meaningful. This game was played SHG members in order to show before taking up any activity planning is necessary otherwise it is difficult to implement.
3. **Role play:** Act like bank manager, doctor, old man, Police etc. by picking the slip containing the role. The concept behind this game was to develop confidence and courage to SHG members.
4. **Tower building:** SHG members asked to build the tower by using seven stones of different size and shape. The concept behind this game is to develop competition, unity and co-operation among the members.
5. **Number game:** Slip containing the numbers (1-60) which are not arranged systematically and SHG member asked to round up and link the numbers in ascending order in order to know the number concept.
6. **Picking the member:** Ten different slips containing 1 to 10 numbers (one number in each slip) were arranged on the ground. SHG members asked to pick up the number told by the team in order to recognize the number correctly. In this also the concept of addition, subtraction, division and multiplication told to SHG members in order to know business transactions while doing any activity.
7. **Game on co-operation:** one of the members should hold the first tightly and asked other the member to open the first of the members who holds tightly by using any method. This game was conducted to know the importance of co-operation among sangha members solving the problems.
8. **Game for reaching goal:** There is a circle marked on the floor by using chalk piece (Think it as a market) and members should stand 16 steps back and put the coin within the circle. Members have the concept of goal of putting coins in the circle which shows the capacity to reach goal and think once or twice whether it is possible or not while doing any activity

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## Annex H

### Appendix 1

#### Promotion of MOVE during R8084 uptake promotion phase

The promotion of MOVE took place from April to September 2005. The concept was extended to all six project villages. Training would be led by Dr Subhas in one village, attended by the NGO community officers, who then would replicate it in the other villages. Thus, this was a good test of replicability, in that it used the level of personnel who would be likely to be involved in training programmes such as MOVE. This appendix presents the process documentation emanating from the training sessions – the story from which the MOVE Manual was developed. This Appendix should be read in conjunction with the MOVE Manual.

<b>Introduction</b>
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Market Oriented Value Enhancement (MOVE) first began in Mugad village in 2003 and lasted approximately two years. As part of the uptake of the R8084 project, the MOVE process was replicated in Kotur, Mugad, Channapur, Gabbur, and Mandihal villages from April 2005 to September 2005. Each community organizer interpreted the modules differently and the women of the villages had unique reactions to the lessons. The experiences of the five villages were synthesized to create the MOVE manual, for other NGOs to use in other contexts.

The founder of MOVE, Dr. M.S. Subhas conducted each module in one village while the community organizers observed in order to replicate the process in their own village. This annex details how each module was replicated by the community organizers and received by the women. It shows the process the women went through in their journey toward becoming entrepreneurs.

<b>Module 1A - Number Game</b>
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#### **Kotur**

Kotur was the first village where the training took place and it also served as the site for the training of trainers. It was also where the modules were first tested, so many of the problems with the modules were revealed. The initial volunteers who participated in the number game were literate and therefore had no problem identifying the numbers. The CO then asked the women who knew the numbers and who did not. He grouped the illiterate women together and chose a participant from their ranks. The CO asked the women how much money was in their sangha savings. The woman replied, “Rs. 19,000.” The CO then asked her to make that number with the number cards available, but the woman could not do it. She explained, “My daughter keeps the records in the meeting.” This is a common practice in many sanghas, in fact, the member present at this session with the highest proficiency with numbers was also the youngest, a teenager.

Since the COs were given no instructions for this game other than to ask the women to try to put the cards in order, many different people tried many different strategies to help the women understand how to put the digits in order. Unfortunately the ultimate result of this was completely unsystematic and left the women bewildered. When participants could not put the number cards in order, one of the COs decided to use the photocopied money from the wedding card game as an aid. The women could not decipher the value of the fake money because they identified currency by its color, shape, and weight. Next, one of the coordinators said that each woman should be given a number card and wear it like a badge. After the cards were distributed, someone else intervened with another strategy that prevented this one from going forward. Rocks from the tower building game were put in front of the women and they were asked to count them. First they were asked to count two stones, then they were asked what the equivalent value was in money. Real money was given to the women so they could more easily identify it. The participant chose a 2 rupee coin and was then asked to draw the symbol on the coin. Then she was asked to identify the number amongst the cards that corresponded to the one she had just drawn.

Ultimately, this approach was successful, but so much time had passed that this strategy was not carried out further. The result was basically that the women were turned around and around by several different people asking them several different questions using several different strategies which provided them no logical foundation to understand the patterns of the numbers. The women recommended that next time they be provided with slates and chalk so that they could write the numbers out themselves to better absorb the information.

### **Mugad**

Some of the lessons of Kotur village were applied to Mugad, and a more systematic approach was used. The three illiterate women were asked to put the number cards in order, failing that, they were asked to identify coins and bills, then to identify the numbers on the coins and bills, and then to match the numbers on the currency to the number cards. The participants were taken to the same level of understanding during 5 minutes of this systematic approach as opposed to 45 minutes of the disorganized approach of Kotur village. Using currency, the women identified 1, 2, and 5, which served as guideposts for putting the other digits in order. After some trial and error, the volunteer put all the number cards in order, and was asked to try to memorize the order. The numbers were mixed up and then the volunteer attempted to put the cards in order again, this time with more success.

In both villages, the concept of how to make multiples of 10 was difficult to understand. When asked what came after nine, one woman put “9” and “1” together. Even after identifying the number on a 10 rupee note, the women did not immediately think of combining two digits to form the ten. In Mugad, the illiterate members got as far as memorizing the order of the digits. They asked for paper independently and practiced writing the numbers on their own. One woman said, “We have an ambition to learn the number concept. It will be helpful when we purchase things and for our sangha. There are only numbers in our pass book, no currency, so we have to learn the numbers.”

### **Channapur**

In Channapur, only two of the twelve present had attended school, and one of them wasn't even a member of the sangha, but only representing her mother, who could not make it.

The CO for Channapur also followed the lesson of Kotur village and laid out currency as the first step and asked the women to identify it. They laughed and then shyly identified each denomination correctly. The CO asked the women why they were laughing and they replied, "You are treating us like school children. These questions are so simple." The CO knew very well that the women were very familiar with money transactions and after the volunteer made the comment about the questions being too simple, he began to ask increasingly complex questions. He handed the women handfuls of bills and coins and asked them how much money it was. They answered quickly and correctly every time. Then the CO asked them hypothetical questions, such as asking them to make change for hypothetical purchases. They answered these questions, when framed in terms of money, quickly and correctly as well. The CO went further and asked them to calculate compound interest on a loan. The volunteer quickly calculated the amount in her head. Addition, subtraction, multiplication, division, and percentages were all easily within their grasp when they were asked the questions in terms of money.

The CO then asked a volunteer to put the number cards in order. The first volunteer put down 1,2, and 3 and then 5,4,9,7,8,10. After several tries and some advice from the others she finally got it right. One complication the volunteer faced was how to deal with the number "0". She sometimes placed it after the one, sometimes after nine, and sometimes at the very beginning.

The CO attempted to introduce the idea of "0" by asking the volunteer what numbers were on the 20 Rs. note. The volunteer identified the two separate digits of two and zero. When the CO asked the woman what number 2 and two zeroes makes, the woman said thirty rather than 200. This implied a definite logical thought process as opposed to random guessing.

### **Gabbur**

Similarly, in Gabbur when the women were asked to make 15, one volunteer laid out the number cards for 1, 2, 3, 4, and 5, the sum of which is 15. When examining their guesses, you can see that they are not random. The trick for any CO is to recognize the thought process and attempt to correct it.

The CO in Gabbur created a 10 x 10 grid with the numbers 1-100 in each box. He counted out each box in Kannada and showed the women the patterns that emerged. For example, he showed them that 10, 20, 30, and so on went in the same order as the digits, except they had a zero behind them. Then the CO asked the volunteer to find 23 on the grid. This was a very difficult concept to grasp in other villages. The woman counted 23 boxes and finally got to the 23<sup>rd</sup> box. The CO showed her that the number was a two and a three and showed how the number's position fit into the pattern, three boxes away from

the two and zero that formed 20, below the one and three that formed thirteen, and above the three and three that formed thirty three. The women seemed to make further progress in grasping these concepts and the volunteer even asked to keep the grid so she could practice at home. This woman and many others showed a willingness to work on learning the numbers outside of the immediate context of the MOVE session. Unfortunately trainers were not able to follow up this interest through extended lessons outside of the MOVE sessions or by starting each MOVE session with a review of the numbers.

### **Mandihal**

This independent effort to learn the numbers was already in existence in Mandihal village where the women in general are much more fluent with numbers than the women in the other villages. Even the ones who claimed to be illiterate put the digits in order, made two digit numbers, and even made numbers such as 900 or 567. One woman explained, “I haven’t been to school, but I have learned through my sister.” In total, three members could not identify numbers, three members could identify only half, and, of those, two could write the numbers in Kannada.

Because this activity was presented as a game, when some women had trouble putting the numbers in order or answering a question posed by a CO, the other women laughed, even those that didn’t know the numbers themselves. This made many reluctant to volunteer, and made the volunteers feel extremely embarrassed. It is important that the CO maintains a balance of fun, but also creates an atmosphere where the women are not too embarrassed to participate.

The CO concluded the game by asking, “Why are we doing this number training?” One of the women responded, “Now we are old, what will happen if we learn these numbers?” However, quickly the others intervened, and made comments such as, “We should become intelligent,” “It is important for money business,” “In the absence of the leader of the sangha, we should be able to give loans,” and “For marriage functions we should know how much we are going to spend. Even when I get an invitation, I have to go to the person’s house to ask her what day I should come because I can’t read the card.”

After the discussion, the CO explained further, “In order to go to the market and purchase things, you need to know numbers. In the future we will give you training on how to start a business. It will be up to you to manage expenditures, profits and sales.”

<b>Module 1B - Goal Setting Game</b>
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### **Kotur**

The CO drew a circle about 10 feet away from the group and asked for a volunteer. The volunteer was allowed any number of coins to attempt to throw into the circle. She was also asked how many she thought she would be able to get in the circle.

Some women took only two chances and others took six chances. Some women put many coins in the circle and others put only a few. Since the results were completely

random, it was difficult to tease out any one lesson from the game. The women were asked generally why they chose the number of attempts they did, why their efforts resulted in the number of coins they got in the circle and how they felt about it. After the majority of women had attempted the game, the trainer concluded saying, “You must have goal, you must be determined to win. You won’t succeed in all your attempts, but set goals, being aware of your limits.”

The trainer also asked, “How do you feel about the person who took the 1<sup>st</sup> chance?” One of the women replied, “We should learn from her.” The trainer asked the woman why she went first and she said, “I want to learn more than the others.” After she said this, all members said, the young woman would eventually become the leader. Then the trainer asked why the last volunteer waited. She replied, “The others came first. I wanted to observe the others and then try. After observing, I could learn how to do it. If other people are successful, I will want to try, but if they fail, I won’t try.” Exploring the reasons for why people volunteered was more fruitful than analysing the results of the actual game with the Mandihal group.

Next, the women were split into three groups and asked to set goals as a group. When asked to predict how many coins the group would throw in the circle, one woman said, “We can’t guarantee that.” She was more reluctant to make a prediction on behalf of the group than she was to set a goal when she was representing only herself.

The results of the game were as follows:

Group	Goal	Result
1	2/5	2/5
2	1/5	1/5
3	2/5	0/5

The results were basically completely random, and it was difficult to make any real sense out of how the results related to the goals or the groups. The trainer simply concluded, “In every work there is success and failure, but you should take care when reaching the goal, then there will be success.”

### **Mandihal**

The game went very similarly in every village with only a few fine-tunings. For example, in Mandihal the first volunteer was asked how many coins they could throw into the circle out of 10 tries. Giving the volunteer a definite number of attempts made the process of setting a goal much clearer and made comparative analysis with other volunteers who also had 10 tries easier as well. The woman said that she would try to get one in. The CO asked her, “Why just one?” and she replied, “I am not confident.” The woman managed to get two coins into the circle, and she is disappointed. She said, “My mind is not working.” The CO asked, “Why do you feel disappointed when you made 2 after expecting one?” The woman replied, “Because I am not perfect.” Although these reactions are interesting, they were not analyzed fruitfully in the context of a business.

The next woman set a goal for making two coins in the circle out of five. After throwing the coins, she only made one in. She said, “It is bad because Gangama said she would put one and put two and I said two, but put in only one.” She asked the CO, “Give me one more chance I will try and try until I succeed.” She then set a new goal to make six out of ten. She managed to get in four out of ten and said, “I feel good. Even though I tried for 6, at least I put 4.”

The CO summed up the women’s efforts, “If you have a goal, you should come forward by making efforts. Until we reach goal, we should keep making an effort.”

Next the CO split the women up into two groups and gave five coins to each group. He told them to set a goal for how many they would try to get in. The first group set a goal of making two in, and in the spirit of competition the second group doubled their goal to four. The thrower for the first group missed the first toss, but her teammates huddled around her to give her advice, “Throw slowly,” or “Bend down lower.” The second group’s thrower just threw the coins in rapid succession with no input from her group. She put fewer coins into the circle. The CO commented, “You should have support and unity in the group, only then you will reach your goal. This group was saying ‘Slowly.’ You were just sitting quietly. If you would give support she may have put 4 coins in the circle.”

Then the CO asked the women the differences between setting group goals and setting goals as individuals. Although their responses were not specific, one woman said, “When we are given to individually throw the coins it is bad. In a group it is better. The group should be supportive.”

The CO concluded by saying, “When you do any business, you should make your goals depending on your capacities.”

Throughout all the villages the goal setting game served primarily as an ice-breaker and a way for the women to relax and begin doing activities in the group. The specific applications to business were tenuous at best, but it was a fun way for the women to begin working together and in the end it was tied to MOVE through a few generalities about setting goals in a business.

<b>Module 1C - Tower Building Game</b>
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In the next game, the trainer distributed a set of rocks to the three groups. He told them to try to stack the rocks into a tower as fast as possible. Some groups designated one person to stack the rocks, others gave each member a rock and stacked the rocks one by one. The first goal was to stack the rocks within thirty seconds. After that, the CO asked the women to compete against each other. The basic lesson that the COs pointed out, no matter which group won, was that the women had to work in such a way that the task at hand was completed in the most effective way possible. Therefore, the lesson held true if

the women cooperated together or if one woman did all of the stacking. Again, not much time was spent on this game because it primarily served the purpose of a fun ice-breaker.

### Module 2A – Wedding Card Game

After the previous three exercises, the wedding card game began. After the sessions were completed, it was decided that the previous three exercises should have been one session focused on games and motivation, and the wedding card game should have been a separate session. This decision was made because the wedding card game typically took about three hours to complete. When combined with the previous motivations exercises, this made for an extremely long session in which many participants lost interest toward the final stages of the wedding card game.

#### **Kotur**

The sangha was divided into three groups, each to represent a wedding card manufacturing company. Each group had to buy the raw material from a shop which the CO had set up. Then the groups had to make a sample to show to the CO acting as shopkeeper because he also retailed wedding cards. Based on the samples, the CO/shopkeeper placed orders for higher numbers of cards and the companies filled the order. Each group was given a start up fund of Rs. 500 to buy the raw materials. They were asked to specifically keep in mind that the quality of the product. The groups had to decide how much they were going to invest in the raw materials, the size of the cards, and what the designs they were going to make on them. They were also told to keep in mind the amount they had invested when they fix the rate at which they want to sell. Based on the sample, the shopkeeper decided how much he wanted to buy and then the companies filled the order.

Given below is a table of the raw materials that each of the companies bought and the price.

Product	Renuka Devi		Pakirswamy		Taj Mahal	
	Amount	Cost	Amount	Cost	Amount	Cost
Cardsheet	10	40	5	20	4	16
Scissor	1	15	1	15	1	15
Sketch pen	1	25	1	25	1	25
Gum	1	5	1	5	1	5
Coloured paper	4	6	4	8	4	8
White paper	20	10	20	10	10	5
Total		101		83		74

*All three groups were asked to spend a substantial amount of their funds on items such as scissors, sketch pens, and gum, which inflated the costs of their raw material. These items made it difficult for the women to gauge how much they had actually spent per card since scissors, sketch pens, and gum could be used for many cards.*

Renuka Devi priced one sample at Rs 5 and another at Rs. 4. The shopkeeper was willing to give them only Rs 2 for the first sample because he said they were not professional, the paper was not folded properly, and the designs were not very good. The women negotiated the price up to Rs 3 for the first sample. For the second sample the shopkeeper was only willing to offer Rs 1. The shopkeeper also told them to make sure that the cards he ordered were of a better quality than the samples. The shopkeeper told the women, “You are just beginners be grateful for the Rs 1. In the future when you come with better cards I will give your Rs 4.”

Originally the plan for the wedding card game was to make each card represent 10 cards, so the orders could be on scale. Therefore, if the shopkeeper ordered 50 cards, the women had to make five. Therefore, the shopkeeper said that he would buy 100 cards for Rs 2 each from Renukadevi. Therefore the women had to produce 10 cards in 30 minutes. This idea was far too complicated for the calculations necessary, and although the order was placed originally for 100 cards, everyone soon forgot about the idea that each card represented 10 cards. During the rest of the session, and in subsequent sessions in other villages, the idea of having each card represent 10 cards was abandoned.

The Taj Mahal group priced their sample card at Rs 10. The shopkeeper felt that the design was far too simple and that he would pay only Rs 1. The women tried to negotiate him up to Rs. 2. In the end they agreed on a rate of Rs 1.10 for an order of 5 cards.

The Pakirswamy group negotiated a final rate of Rs 1 and were told to make 5 cards.

Then each of the companies came to sell the cards they had produced. When Renukadevi came with the cards the shop keeper tried to tell them that he would pay only 75% of what he had promised because they had written their company name right across the envelope, where he planned to write the addresses of the guests. The women defended their cards and said that their cards had a good design and that they were the first company to come to the shopkeeper. Therefore the shopkeeper finally decided to give them Rs 20 for their 10 cards.

The Pakirswamy company has not produced any envelopes. The shopkeeper said that he had asked them for one thing and that they have given him another. The product that they gave him did not look anything like the sample they had produced. The women were now demanding Rs 2 for each card and they had produced 7 cards. The shopkeeper then decided to just give them Rs 1 for only 5 cards, which was the order he had placed.

The Taj Mahal company's cards were substandard according to the shopkeeper, so he tried to negotiate them down to 75 paise per cards. They were able to negotiate and come back to the original price. They have made 7 cards but the shopkeeper had ordered only 5 cards so he gave them Rs 5, which was Rs 1 per card.

At the rates each of the groups have quoted the profit they would have made is as below:

Company	Cost per card	Price per card	Profit per card	Cards sold	Total Profit
Renukadevi	0.96	2	1.06	10	10.60
Pakirswamy	0.44	1	0.56	5	2.80
Taj Mahal	0.33	1	0.67	5	3.35

The cost per card was determined by adding the cost of the paper materials with a rather complicated calculation determining the cost of sketch pens, scissors, and gum per card. The trainers huddled together while the women were making their cards and estimated how many cards the scissors could be used for before wearing out, how many cards the gum would last for, and how many cards the sketch pens would be used for and divided each estimation by the cost of the item. This figure was then given to the women and the calculations in the table above were calculated by the COs and read out to the women. However, since the women were given Rs 500, spent close to Rs 100, and made back just a few rupees, the ultimate lessons of pricing and cost of raw materials was lost. The women had no real concept of how to price their cards because the calculations for the cost per card were done by the trainers and read to the women. Although the calculations showed that each group made a profit, the women did not seem to understand exactly how this could be.

### Mugad

In Mugad, the approach to the wedding card game was altered dramatically. Instead of Rs 500, each group was given only Rs 100 as a start up fund. When given the money one woman said, "Who needs to make cards? I'll just keep the money."

The women from each of the companies then went to the shopkeeper and bought the raw materials.

Product	Bheema Devi		Mahabubswamy	
	Amount	Price	Amount	Price
Cardsheet	3+1*	3+3	3+1	3+4
Coloured paper	1+1	0.5+0.5	2	1
White paper	10+1+4	5+0.5+2	10+12	5+6
Total		14.5		19

\*"+'" indicates additional trips to the shopkeeper. For example, Bheema Devi bought card sheets and coloured paper over the course of two trips and white paper over the course of three trips.

Mahabubsubani company was charged Rs 1 as tax the first time and for Bheema Devi 0.50. So the total cost for the former company is Rs 20 and for the latter is Rs 15. The manner in which the woman of Mugad purchased raw materials was in sharp contrast to Kotur for two primary reasons. The first reason is that the women were given less money, so they bought in proportion to their total funds of Rs 100 (In both cases, the women spent 20% of their funds or less). Also, the women of Mugad were given

scissors, gum, and sketch pens, so they only had to buy paper products to construct their cards. This allowed them to make reasonable estimates of the production costs of their cards, and thus they returned to the shop several times to buy raw materials as needed rather than buying a bulk amount initially.

When the women came back to the shopkeeper with the samples the shopkeeper was not happy because names of the bride and groom were already written on the card and therefore they could not be sold. The shopkeeper also said that the card was not cut properly. The women replied, “We are learning now, next time we will do it properly. It will be a professional card next time.” The shopkeeper said that he did not trust them. The women wanted Rs 4 per card but the shopkeeper was only willing to give them Rs 1 per card. The women argued with this saying that there were four of them and that each of them would only get 25 paise. The shopkeeper said that they could make a 1,000 a day. The women were still not convinced and they finally settled on a rate of Rs 1.25 per card. The women then turned around to the shopkeeper and said, “You have been simply sitting there and selling while we work all day making the card and you’re the one who ends up taking all the profit.” The shopkeeper ordered 15 cards, cleverly choosing an amount that would force them to buy more materials.

### **Channapur**

The groups in Channapur were Mahalakshmi, Siddarodh, and Mylarlingeshwara. The CO distributed Rs 50 to each group as a loan to start their company. The purchases were as follows:

Product	Price	Mylarlingeshwara		Siddarodh		Mahalakshmi	
		Amount	Total	Amount	Total	Amount	Total
White Paper	.5	5	2.5	5	2.5	4	2
Colored Paper	2	3	6	5	10	2	4
Card Sheet	2	4	8	4	8	4	8
Total Cost			16.5		20.5		14

Each group had a slightly different experience buying raw materials and selling their cards.

### Mylarlingeshwara

Two of the members asked for just two sheets of paper because that is all that they needed. The CO replied, “Don’t come back to my store if you want just two sheets. I sell in bundles, not sheets.” Since they weren’t making any progress bargaining with the individual items, they attempted to bargain down the total cost. The CO would not compromise on his prices. After finally buying their materials, the women made sample cards and showed them to the trainer. The trainer looked at the samples and decided neither of them were of good quality. He said, “Do you expect me to buy these pieces of garbage just because you made them?” The women had to sit the rest of the session with nothing to do because they had failed to make a product that the customer wanted.

Siddarodh

This group had by far the nicest, most ornate cards of any group in all of the project villages. It took the women approximately 15 minutes to draw the intricate design work on each card. The CO tried to hide the fact that he was very impressed and asked the group how much they would charge for the card. The representative confidently said, “800 Rs. for a box of 1000.” She was thinking about how much real wedding cards cost instead of about the cost of raw materials and labour during the exercise. The price per card, according to this offer, was Rs 80 per card. The CO agreed to this price readily. The group slaved away making the cards and despite their work and the outstanding quality of their product, they suffered a deep loss. These women learned a lesson they would not forget: no matter what the quality or the labour, if the pricing is not fixed correctly, you will make a loss.

Mahalaxmi

Out of the four women in the group, one woman was busy taking care of a child and two others were simply watching. Only one woman did all the work cutting, drawing, gluing and assembling. The other women had excuses, the main one was that they don't know how to draw. The woman making the cards complained, “These 3 aren't working. I am the only one doing anything.” She continued, “You should all help me, that's the only way we will get it done.” Unfortunately, she was not able to delegate responsibility efficiently and give the other women tasks – such as cutting and gluing – that they could accomplish. The group fell well short of producing the total number of cards that were ordered.

The CO asked the women what they learned. They said, “We didn't bargain with the shop, next time we will go to another shop,” to which another woman responded, “There is only one shop [the CO] in this village [of the game]!” The CO emphasized that not only did the women fail to ask the customer what he wanted in wedding cards, they also failed to take into consideration the cost of raw materials when fixing a price. They responded, “We made mistakes this time, but next time we will avoid them.”

**Gabbur**

Before the wedding card game began in Gabbur the CO gave a speech about MOVE. He said, “The customer will know what he wants and at what price he wants to buy at. Before doing any activity you should understand the market. Production costs, ways to sell the product, resources available, etc., After all this only then you should try to produce. If you produce without consulting the consumer, you may fail.” The three groups were Banashankya, Basveswara, and Siddarodh. Their purchases were as follows:

Product	Price	Basaveswara		Banashankya		Siddarodh	
		Amount	Total	Amount	Total	Amount	Total
White Paper	.5	2	1	1	.5	2	1
Colored Paper	2	2	4	2	4	2	4
Card Sheet	3.5	1	3.5	1	3.5	1	3.5
Total Cost			8.5		8		8.5

The game was not very successful in Gabbur because the women were not very enthusiastic. They arrived late for the session and the session lasted an extremely long time. No one in the Banashankya group wanted to participate complaining, “We’ve never done this before.” No time limits were imposed so the women worked on their cards for a very long time, and one woman said in frustration, “All day we have been working and we aren’t making anything.” When the trainer complained that the sample cards were not of good quality, the women complained, “We can’t make perfect cards.” The CO replied, “The market demands perfection. Don’t come to the market unless your product is perfect.”

The frustrations mounted as the afternoon wore on. Many women wandered back to their own houses because their interest waned. Most did not enjoy the game because they had never even held a pen before; therefore, the work they were doing was difficult with disappointing results. The game was stopped after the women presented the sample cards because no one was interested in continuing. The CO spent the rest of the session lecturing the women.

He pointed out that the group of women had already attempted to make soap powder, but made a bad loss because they chose to make a very expensive variety without realizing no one in the village would buy soap at such a price. The trainer admonished the women saying that this training was designed specifically to avoid problems such as the ones they faced with their failed soap powder business. The women were silent and hung their heads in shame. This was a difficult way to begin MOVE because the session lasted over four hours, the women did not enjoy the final game, and they were not even allowed to complete the game because they were told their cards were of poor quality. Then their previous failures in business was brought up. Furthermore, the trainer conducting the MOVE session was the one who assisted them in the failed soap-making business. ON top of this, sewage irrigation provides the women of Gabbur with agricultural labour throughout the entire year. Therefore the women in attendance had each sacrificed Rs 25 in wages to be at the session, only to be scolded. All of these factors combined for a very rough start to the MOVE process in Gabbur.

### **Mandihal**

After much haggling, arm-twisting, and gesticulating, the purchases in Mandihal were as follows:

## Japan

Product	Price	Amount	Total
White paper	1 Rs.	1	1 Rs.
Colored paper	1 Rs.	1	1 Rs.
Used cardstock	3 Rs.	1	1 Rs.

Total = 5 Rs. + 1 Rs. tax = 6 Rs.

## Kaveri

Product	Price	Amount	Total
White paper	1 Rs.	1	1 Rs.
Colored paper	1 Rs.	1	1 Rs.
Used cardstock	3 Rs.	1	1 Rs.

Total = 5 Rs. + 1 Rs. tax = 6 Rs.

Each group made two sample cards, one simple, and one ornate. The “shopkeeper” placed orders for each. One group made extra cards out of their excess material while the other group ran out of colored paper and was forced to fill the order with cards of lesser quality with the remaining white paper. The result was that both groups made a loss on their minimal investment. One woman commented, “We have worked from morning to evening and we didn’t earn anything.”

After the session, the CO enumerated several lessons, as follows:

1. Customer is fickle; he will change his mind no matter what.
2. Your product must be at least the same quality as your sample.
3. Keep in mind production cost, labour, and sale price.
4. Did anyone ask the customer what he wanted? What kinds of cards did he want? How much was he willing to buy them for? You can get all this information before you start production so you will have a better idea if you will be successful.
5. You have to tell your customer why your product is good. Describe all the good points; point out the bad parts of the competition’s product. Convince the customer your product is the best.
6. Starting a business is complicated. This was not to teach you how to make wedding cards. The objective was to show you just a few of the complications that will arise.
7. After this training we will teach you how to analyse the markets, know your customer, and get information before you produce so your business will have a better chance of success. It is better to make mistakes now in a game than in real life with real money.

After stating these lessons, the CO said, “I am not giving a speech. I am trying to give you knowledge.” One of the women replied, “You are much smarter than us, but now you have told us what we need to know.” This is a danger throughout the training process. Whenever sentiments such as this arise, the CO should emphasize that he is merely *facilitating* their learning. The women are the ones who went through the experiences, the women are the ones who are analyzing the outcomes. At every point, it should be emphasized that this is not a relationship where the CO gives nuggets of

wisdom from on high, but a process by which the women learn for themselves through experience.

Another danger is that the main conceptual ideas can get lost in the minutiae of the specifics of the exercise. In this session, the CO spent 10 minutes telling the women that they should have bought high quality new cardstock rather than used cardstock. At this point, this advice is irrelevant to any other context except within the confines of the game. Emphasis should instead be placed on the main ideas that arise that can be applied to any business in the future.

The CO concluded, “This training is not just for your business, but it has value in your daily life, whether you are doing it large or small scale, this training will help you.”

### Module 2B – Buying and Selling Game

#### **Kotur**

The session began with a brief review of what was learned in the previous session. The trainer had difficulty getting the women to answer questions. One woman explained the lack of response was due to the fact that, “We don’t have any problems, that’s why we don’t have any questions.” It was revealed later that the women in Kotur were intimidated by the trainer, the founder of MOVE, and were too shy to speak. In subsequent sessions, the founder of MOVE facilitated sessions in other villages.

The women were split into four groups, two selling groups and two buying groups. The selling groups bought materials for their shops from the CO who had set up a wholesale shop of various items including clothes, soap, biscuits, milk, and vegetables. Both selling groups in Kotur prioritized non-perishable items such as clothes, soap, and biscuits.

After the game was completed, one group earned a profit of 11 Rs. and calculated a profit margin of 3 Rs. per member for one hour work. They contrasted this to the Wedding Card Game when they worked for about three hours and made only a few rupees total. The women understood that there are different moneys to be made at different hourly rates. Producers work all day and earn little money, retailers sell all day and make more money, but only agents work for brief periods of time and still make substantial amounts of money.

Women compared the reasons for buying nighties and milk. Although the nightie provided the most profit at 10 Rs, it is only bought once a year. Milk only yields 1 Rs. profit, but it is bought on a daily basis. Although this was an important lesson in this session, the founder arrived at this point by estimating the total household consumption for the nightie as compared to the milk.

The COs who watched this session performed this same estimation in every other village, which revealed a flaw in the entire process. The COs were unfamiliar with the subject matter, and were not briefed about the larger scope of the MOVE process or the modules that would appear in the future. As a result, they imitated every nuance of the founder

when he conducted a session. The founder's style was extremely improvisational and he drew on his vast knowledge and experience as a professor of management studies to tailor each lesson he gave to the circumstances. Because the COs did not have the same experience to draw on and were afraid of any deviation from what the founder did, often lessons in context in one village were inappropriately carried over to other villages where the situation did not demand it. For example, although the estimation of household demand for products was only necessary in a later module, it illustrated a point in Kotur quite well. It was not as relevant in other villages, however, but the COs performed the analysis regardless because that is what the founder had done. This situation was exacerbated because the COs were unclear what concepts were more and less important because they were learning module by module, just like the women, and did not understand the broader context.

### **Mandihal**

In Mandihal, the strategies of the two selling groups revealed some of the basic ideas on pricing strategies. Group A said, "We should make 25% profit on each item." They attempted to accomplish this by any means necessary, and resorted to cheating. Group A told buyers that they should pay double the price for soap because it was a 4 kg packet when in fact it was only 2 kgs. The customers were furious, yelling at Group A and threatening to go to Group B. Group A apologized profusely, and after a lot of sweet talking, managed to get the customers to sit down again. But they did not learn their lesson. Next they attempted to sell undershirts for close to double the price, saying there were four pieces in a packet which only contained two. About 15 minutes of name-calling and threats being tossed back and forth followed. In the end, Group A ended up with heavy losses because customers did not trust them so they refused to buy from their shop. Group A was too fixed on achieving a 25% profit margin, which blinded them to the fact that this margin did not match market prices.

Group B, on the other hand, set their prices at one rupee above the wholesale price, and said, "Take it or leave it." They conducted business without any quarrelling, but their profit margins were tiny. Group B did not take market prices into consideration. Instead of setting the price based on market factors such as the prices of comparable products, how much the customer was willing to spend, and the prices of the competitors, they set a very simple price formula based on the wholesale price. This strategy prevented them from making larger profits.

However, most villages noticed a sharp increase in the profits made in just one hour of retailing compared to the previous session of an entire afternoon spent producing wedding cards. This lesson was an important one and it stuck with the women. They initially associated any business with production, but this game was the turning point when they not only realized that they could make money by simply buying and selling, but that it was also much easier. It is also possible that since the wedding card game was so long and making the cards became boring for most women, they associated the experience of the game with production. Because the buying and selling game was by comparison shorter, more lively, and more enjoyable for all participants, they may have associated these positive aspects to the actual act of buying and selling.

**Module 3 – Market Visit****Kotur**

Originally, the plan was to have another market visit to follow this one. Therefore, the facilitator insisted on a completely free-format market visit, and he gave the women little or no instructions before going to the market. The women came back with information on retail prices, how much shopkeepers were willing to bargain, and in some cases even wholesale and retail prices and profit margins, completely on their own accord. However, the information was not consistent and the facilitator pointed out the many different market aspects (shelf life, stock, distribution, relationships, targeted demographics, etc.) that they missed. Ideally, the gaps in their knowledge would have been filled by a formatted market visit in the following session, but other constraints did not allow for it. After the women came back, each group was asked to give information on five products, which yielded basic information for 15 –20 products.

**Mugad**

In an effort to add some concrete lessons to the otherwise format-less session, the COs asked the women to analyze the different types of sellers, and they identified roadside vendors, bigger middle men, and established grocery stores. Between these three they saw bargaining as possible only with the first two and the grocery stores as having fixed prices and fixed rates, but also as having standardized products with less room for cheating.

**Gabbur**

The format-free market visit was intended for the women to experience a sharp learning curve by allowing them to take in information unhindered by the strictures of specific assignments. Unfortunately, once the trainers realized they would not be going on a formatted visit the following week, a much more rigid and smaller scope was focused on. In Gabbur only three pieces of information were analyzed by the CO, namely wholesale price, retail, and profits, which was typically the only information the visit yielded.

**Mandihal**

The women who made a loss during the buying and selling game were determined to redeem herself. During the market visit, rather than going to shops to find out information about the market, she endeavored to gather some first-hand experience. She bought a variety of vegetables in the market wholesale and then laid out her own blanket and sold them to customers. She made 100 Rs. profit in an hour.

<b>Module 4 – Product Analysis</b>
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The participants were asked to choose five products from the list of 15-20 which they gathered from the previous session and analyze them. The main difficulty with modules four and five was that they both focused on product analysis, but it was difficult to separate what aspects of the products should be analyzed in one session or the other. As a result, the sessions were extremely long, with the COs talking and making calculations on a brown piece of paper for upwards of three hours, and they were often repetitive. In the manual, the two modules have been split up so that module four is focused on the simpler aspects of the product and module five examines the products more in-depth. The founder of MOVE was experimenting with how to deal with the analysis and originally intended to complete the analysis in both modules four and five in one session. He quickly realized this wasn't possible and instead simply held an improvisational question and answer session. This was not helpful at all to the COs who were looking to the founder for specific instructions on how to conduct their lessons. Again, they copied the founder as faithfully as they could, rather than experimenting with different ways to deliver the concepts in a more systematic way because they were not confident in their knowledge of business. This resulted in overlong, meandering, and unfocused analysis.

#### **Kotur**

The founder explained every aspect of the charts used in both modules four and five, so this session took on a lecture format with the women providing input only after long intervals. The facilitator began by explaining the questions and variables on the various charts and that in and of itself took over an hour. The COs emulated this style for this session in the other villages.

#### **Mugad**

To explain needs and wants the CO in Mugad said, "If I am very hungry, I *need* food, anything to fill my belly, so just a plate of rice will do. But what I *want* is curries, pickle, and papad. Needs are the minimum, and wants are anything extra." This is a simple way to get the message across that was very effective. The difference between needs and wants was difficult for the women and the COs to understand and this explanation was clearest for both.

#### **Channapur**

The CO mistakenly interpreted the customer's needs as what the customer wanted to buy when he went to the market. For every product he thought, "If a customer goes to the market for Agarbatti, he needs agarbatti."

Although the Channapur group is normally very enthusiastic, when there was no response to one of the CO's questions a woman said, "Somebody say something so this session will get over quickly." After three back to back lively sessions that involved games, hand

on activities and a field trip to the market, the women in all the villages were impatient and bored with the extended analysis of this session that did not seem to go anywhere. Most villages did not finish analyzing more than two products over three hours, so this was a very difficult session to sit through.

### **Gabbur**

In Gabbur, it was observed that motivation levels of the women were very low. In the initial meetings the women typically arrived at least an hour late and attendance was low. This was especially clear during modules four and five, when few people attended and those that did often left halfway through to attend to other work.

The reasons for this could be because unlike the other villages, year-round work is available to the women in Gabbur. Because of sewage irrigation, the women work sowing, weeding, and harvesting all year round in the mornings and the evenings and in the afternoons they do household work. Being peri-urban, they had less free time to devote to the sessions. Throughout all the sessions the team made an effort to give the women adequate space and time to insure that the training reached them. In this particular instance, while their space was being honored, it was difficult to accommodate the time constraints because the women simply had no time.

A second factor affecting motivation was past failure with Income Generating Activities. Without the aid of the MOVE sessions, the women attempted to make soap powder. They invested 5,000 Rs. and had only made 3,000 Rs. back. This experience was fresh in their minds, and was also connected to the current CO facilitating the MOVE sessions. However, the women did not want to analyze any product besides soap. It is common for the women to be fixated on a particular product, especially one they have experience with, even if that experience is negative.

Another peri-urban feature is the monetizing of the women's time. Although the participants in all the villages had to sacrifice time they would have spent doing household work, the women of Gabbur concretely viewed attendance at the session as sacrificing a day's labor wages of 20 Rs.

### **Mandihal**

In the other villages, a maximum of two products were analyzed because needs and wants were analyzed with other free form analysis on distribution, promotion, and other factors. Mandihal was the only village in which all five products were analyzed because the CO was very systematic and focused only on the needs and the wants without straying into other subject matter.

The women had a clear idea of different markets and which products sold in which markets. Their familiarity can be attributed to the peri-urban nature of the village. They were also aware of a range of profits that they could make and still be competitive.

**Module 5 – Product Analysis (cont.)**

Very little of the information that was supposed to be filled out as per the chart was actually covered during the session that the COs observed. Therefore the COs also had difficulty in distinguishing between Product Strategy, Promotion Strategy, Distribution Strategy, etc. Many of the questions to be asked this session were glossed over and much material from the previous session was simply repeated as a result. The primary difference with this session was that the COs were asked to bring examples of the five products being analyzed for the women to touch, feel, smell, and examine. This provided a break in the monotony of written analysis.

**Mugad**

The basics of the value chain were introduced by asking the women what other complementary products could be sold with each product they examine. The value chain was never discussed in-depth, but it was mentioned at several points during the training. This may be because an in-depth lesson on the value chain may be more appropriate after the women have taken up a business and are ready to expand or fill a more specific market niche.

**Channapur**

The women's promotion strategies utilized their existing connections within the village. When exploring the possibilities of selling stationery, the women went to the school and talked to the headmaster in the middle of the meeting. They came back with the information that the headmaster would tell of his students to buy their school materials from the sangha if they kept a price 1 Rs. lower than the price offered in the city market.

The women have decided that they want to create a grocery shop in their village. Therefore special attention in the future needs to be paid to considerations such as stocking, presenting products, location, rent, how many and how much of each product it is possible to keep on hand, minimum space requirements, etc. Although an analysis of these factors was attempted, the women in practice generally tried a trial and error process with amounts that were small enough to not result in significant capital loss.

**Gabbur**

In the previous session, the women only wanted to focus on soap powder and had no interest in analyzing other products. But after the women found out that the women in Channapur were planning to sell many products, they brought a list of six other products that they wanted to analyze.

This session was a turning point for the Gabbur group. They were originally very unmotivated, but as they saw the potential profits they could make, the prospect of beginning a business became more real. The numbers generated increased excitement and the whole meeting became lighter with women laughing and enjoying themselves for the first time since the training started. Usually the women would lose interest after

about an hour and several women would leave in the middle of a session without explanation. In this session, the attendance was not only much higher, but every single member stayed for the entire three hours and their interest did not wane. This shows how powerful a tool market estimations can be for the motivation of women.

### **Mandihal**

In the previous session the size of the market was not estimated, so this session was consumed with that and other aspects of product strategy was not explored in depth. Estimations of the sales of vegetables were not accurate because factors such as shelf-life and freshness were not taken into account. Rather, the amount of vegetables for one month were used for calculations without considering the necessary daily transportation costs to the city and spoilage which would make buying in such bulk impossible.

## **Module 6 – Design of the Participatory Market Appraisal**

The women were asked to identify the shops in their village on a PRA map. Some COs handled each product individually and asked the women where the products they chose were sold in the village. The other method was a general identification of all the shops and listing all the products that are sold there. The first is product specific and gives a focused view of the potential competition. The second method gives a more complete view of the entire commerce in the village.

The success of identifying the markets in the village is largely dependent on village size. In smaller villages it was easier for the women to identify all of the shops, but in larger villages the women did not have a complete view of their own village.

Then the women were asked to go through the needs and wants they had listed for the five products they analyzed and create a symbol for each one. The women wanted the COs to define the symbols for the needs and the wants for them. This contrasts sharply with the PM & E experience.

### **Channapur**

There are a total of eight shops and three hotels (tea shops). Below is the list of the shops including what each of the shops store and how much stock they have.

1. Anant's shop: He keeps small things including matchboxes, biscuits, chocolate, puffed rice, sugar, tea powder and bananas. He has about 5,000 worth of stock with him and earns about 500 per day (with a profit of only about 60-70). He sells sugar which the women are planning to sell.
2. Basavraj's shop: He has a hotel where he sells tea, cigarettes, banana, bread, a dish made of puffed rice eggs and omelette. [The women feel that because he sells omelette he also sells alcohol but they are not sure. All the men go there after they come back from work.] He has about 3,000 to 4,000 worth of stock in his shop and could make a profit of about 150/day.
3. Khadar's shop: He makes his money from the phone that he has and from his puncture repair shop. He also sell tea but does not make much money from it.

4. Muthanna: he sells tea, snack made of puffed rice, beaten rice, sugar, tea powder, biscuits and other small stuff. He has a stock of about 5,000 and makes 250/day
5. Hanumanth Gowda: It is a new shop so the women could not say how much he would make. He has about 10,000 worth of stock as he has also got a phone.
6. Hulmani: He has stock of about 4,000 and has items like rice, soap, betalnut and leaves, cigarettes, sugar, tea powder and other small items. He makes about 200/day.
7. Pattavva: She has about 5,000 in stock and sells jaggery, maida, rice, beaten rice, oil, rava and so on. She makes about 300/day. She treats her customers well. She gives a little more than the actual weight and has good quality items. Everyone likes going to her shop.
8. Babu's shop: he has about 10,000 worth of stock and has a lot of products including sugar, tea powder, dal, oil, a phone, Colgate biscuits and so on. He does not come by bus. When gets his stock he brings it in and auto.

The other two shops make about 600 and 150 per day. So totally there is about 50,000 worth of stock in the village and about 2500 is being made everyday.

### **Gabbur**

There are four shops in the village.

1. Shanker's Shop: He has stock of about 2,000. He has a lot of products. He keeps sugar, rava, tea powder, beaten rice snacks for kids and so on. He makes about 150/day.
2. Arvi's Shop: She has a stock of about 5,000 and he keeps items such as rice, kerosene, sugar, tea, shampoo, pens, chocolates and so on. She has everything in his shop and everyone goes to him. She could make about 500/day. The big farmers go to her shop only when they run out of supply. She gives credit. She has a book where she writes down who has bought what on credit.
3. Sawmi's shop: He has stock of about 4,000 to 5,000. He keeps sugar, rava, oil (two types), vegetables, Biscuits, bulbs and so on. He makes about 200 per day. The women do not go to this shop because they have been going to Arvi's shop all the time. He does not give credit but Arvi does. So if they go to this shop then Arvi gets angry saying that when you have money you go to the other shop but when you need credit you come to me.
4. Hotel: The hotel makes a lot of money as he feeds people well. Our kids go there often but we do not go there. He must be making about 800 per day. [The women then discuss all the delicious things he makes]

In Mugad, Kotur and Mandihal, an in-depth analysis of the shops was not completed, only a mapping.

<b>Module 7A – Market Survey</b>
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After the forms were created and distributed, the women were given time to survey 10 households. The women were each assigned families from every wealth category. Most women did not want to survey the richer households because they were intimidated. However, after some trading of households between members, every member surveyed every type of household.

When practicing the surveys the women have a tendency to go through every picture and ask a question relating to it. For example, “Do you want your puffed rice to be clean? Do you want it to be cheap? Do you want it to be crispy?” Instead the women should ask where the household buys the product and why. It was emphasized that the women do not have to check every box, even if the respondent gives only one reason, it is enough and they should move on without leading them into responding to more of the factors. Despite this, most of the checkmarks for the survey were largely uniform across all the needs and wants.

Since every product will have different units per time associated with it, every effort was made to be extremely clear with the women on the units used for each product. For example, bangles will be measured in dozens per year whereas puffed rice will be measured in cups per day and cattle feed will be measured in kgs per month.

<b>Module 7B - Analysis of PMA</b>
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### **Mugad**

The founder of MOVE trained the COs at this session, so there were six facilitators present. Even so, consolidation data on large sheets took several hours. After all the information was entered there was some difficulty because some women had entered dots and others numbers and a few quantities were wildly off, implying that a participant used a different unit of quantity or time. The founder of MOVE quickly made estimations of the different products. The only real surprise was that cattle feed yielded unexpected profits according to his calculations.

### **Channapur**

The trainer then put the wealth category numbers on each of the charts so that the women could identify where to put each family, which made it easier for him, as a single facilitator.

The trainer demonstrated one chart and said once you finish filling in all the families in a chart then you have to tick the form so that you know that you have finished it. The women wanted to sit in one place and watch, but the trainer made them get up and go to the chart.

It is very important that the women fill in the charts in twos. One reads out the information and the other marks it. This way it gets done faster and the women have

some support. The number of rows on the charts should correspond with the number of rows on the form. Also the division between the city and the village should be the same on the form and the chart. Also either all the family data should be collected on one sheet or it should be ensured that all the forms have the data on it. The women get confused going back and forth between the forms.

Rava:  $214\text{kg/week} \times 15 = \text{Rs } 3,210/\text{week} \times 52 \text{ weeks} = \text{Rs } 1,66,920/\text{ year}$ . They can make about Rs 1/kg profit on this

Rice:  $655\text{kg/week} \times \text{Rs } 11 = 7,205/\text{week} \times 52 \text{ weeks} = \text{Rs } 3,74,660/\text{year}$ . This data is for 79 families only

Oil:  $100\text{kg/week} \times 52 = 5,200/\text{week} \times 52 \text{ weeks} = \text{Rs } 2,70,400/\text{year}$ . They can make a profit of Rs 2-3 per litre but not more than that

Notebook:  $48 \text{ dozen} \times 144 = \text{Rs } 5,760/\text{year}$ . They can make about Rs 1 per notebook as profit

Sugar: 263kg/week. The women say they will make very little profit, but they will use it to attract customers to buy the other products.

### **Gabbur**

The women got confused over the wealth ranking and did not understand that they had to filling in different households in different rows according to their wealth ranking. Another area where the women got confused here was that the women did not pay attention to the symbols on the data sheets and that they had to put the appropriate data in the relevant data sheets. One woman put the oil data in the sugar sheet. She had been instructed to go to whichever sheet was free and she misinterpreted it to mean that she could put any data in any sheet.

Gabbur, a village within the Hubli-Dharwad Municipal boundary is part of the city though it still functions as a village. Given this proximity to the urban market most of them seem to do their shopping in Hubli market then in their village.

In the analysis it was found that the village in a week needs about 688 kgs of rice, 255 kgs of sugar, 123.5 kgs of soap, 126 kgs of oil and 46 kgs of tea powder.

While doing the survey the women got feedback from the customers who said that if they set up a shop in the village they would buy from them. Also they had to sell it a Hubli rates. Through the discussion they realized that they could not make too much profit from sugar and oil, but they could with tea powder. They also realized that they would have problems while measuring out the loose oil and could lose out there. One woman, who had the experience of running a shop before was a little hesitant about everything. She did not think that they was a high margin on anything.

### **Kotur**

The women were told where to put the numbers and they did not try to figure it out on their own. They just wanted to be told what to fill where. One woman did get the point of the exercise but she still wanted help as her child had written the numbers in English and she could not read them. Another woman said she was too scared to hold the pen and do it on her own.

After all the data was put in the bigger sheets an analysis of the numbers was done for each of the products.

Agarbhatīs:  $1.3 \times 700$  families = 910 packets in 15 days  $\times 2 = 1,820$ /month  $\times 12$  months = 21,840 packets a year  $\times$  Rs 8 = Rs 1,74,720/year. Of the families surveyed 94 families felt that the fragrance is important, 89 families said that the stick should be good and 81 families said that there should be a variety for them to choose from. There are not many people selling this in Kotur. So if the women have to sell in Kotur then they have to ensure that these three needs are taken care of. Though people buy for fragrance in Kotur it is few (31) than in Dharwad (94). You have to keep satisfying the needs to cater to the market.

Flowers:  $2 \times 700 = 1,400$ /week  $\times 52 = 72,800$ /year  $\times$  Rs 3 = Rs 2,18,400/year. 10% = 21,840/year.

Bangles: It was decided to keep it at 2 dozen per year. So  $2 \times 700 = 1,400$ dozen/year  $\times$  Rs 15 = 21,000. More people buy in Kotur than in Dharwad.

Vegetables:  $1.5 \text{ kg/week} \times 700 = 1,050\text{kg/week} \times 52 = 54,800\text{kgs/year} \times$  Rs 10 = Rs 5,46,000/year. 10% = 54,000/year. For vegetables the families said that they should be fresh, correct weight and not expensive.

Soap:  $1.5 \times 700 = 1,050$  bars/week  $\times 52 = 54,800$  bars/year = Rs 5 = Rs 2,74,000. 10% = Rs 27,400. The women felt that if they buy a box (which has 60 bars in a box) then they could make a profit of Rs 30/box.

In Kotur the sangha thought of selling to their members first. They had to be reminded that though their sangha members were also clients they had a whole village they could sell to. The women said that they were shy and had not seen the whole village.

### **Mandihal**

In Mandihal, the situation was slightly more chaotic. One old woman had not filled in her forms at all and took the few minutes before the meeting to randomly check boxes. Others randomly assigned wealth rankings to the households they surveyed, while still other were confused because they did the survey with someone else who used numbers they did not understand.

Almost everyone bought most of what they needed from Dharwad. They only bought from the village if it was an emergency.

There was not enough time after the sheets were filled in. The community organiser took the sheets back and first analysed them and then analysed it with the women in the next session. The advantage here is that the community organiser is better prepared to facilitate the session.

## **Module 8 – Customer Feedback**

Based on the results of the analysis of the PMA, the women decided what business they wanted to enter. All groups initially chose trading as their first business endeavor, although many were open to the possibility of producing in the future. After a few rounds of buying and selling, customer feedback sessions were held in Kotur, Channapur, and Gabbur.

### **Kotur**

The monsoons blasted the area with the most rain it has seen in over five years. The constant drizzle, interrupted by bouts of heavy downpour, made every part of the MOVE process difficult for everyone. The translator was over 90 minutes late due to complications with the bus system from the excessive rain, so the session started long after its scheduled time. Even so, several women arrived late to the session. When the CO asked one woman, “Why did you come late?” she replied, “You have a car. I had to walk.”

Even though she had a very short distance to walk, her reply was valid. The village was so muddy that any movement – even from house to house – was very difficult. When walking the twenty feet from the car to the meeting, one member of the team slipped and fell on her back into the mud.

It was against this environmental backdrop that the customer feedback session occurred. The women of Kotur decided to sell soap cakes, soap powder, and incense sticks. Two of the SHG members traveled door to door to sell NIMA soap and in the future they plan to go to other villages. However, they have not made much progress with their business because it’s extremely difficult for them to walk from door to door with heavy boxes of soap in the constant rain and the thick, deep mud. Therefore, they have not made much of a profit.

Four members went to the city to purchase the products over two trips. The total transportation cost was 84 Rs. IDS paid this cost this time, but they won’t in the future. This was a significant cost that really cut into the profits. In the future, four people will not have to go to the city.

Product	Wholesale Cost	Amount	Total Investment	Retail Price	Total Revenue	Profit
Nima Trip 1	253 Rs/box (60 pc/box)	4 Boxes	1012	5 Rs/pc	1200	188
Nima Trip 2	254 Rs/box (60 pc/box)	6 boxes	1524	5 Rs/ pc	900 (only three boxes sold)	Loss of 624 as of now, but three boxes, left to sell.

The latest batch of soap remained unsold until the weather improved. The original wholesaler the women bought NIMA soap from no longer exists because all illegal construction in Dharwad was demolished. They were forced to find another wholesaler, and as a result, paid a higher price for the second batch of soap.

Product	Opinion	Amount Weekly	Rate
Nima	-- Good Quality -- Time Saving -- Supporting the SHG -- Near the house	1. 4 pc 2. 4 pc 3. 5 pc 4. 4 pc. (Before these same women said they would only buy 2 pieces per week, now they are saying four)	The rate is the same in market. One woman asks for the price to be reduced by .50 Rs. This is not profitable.
Life Buoy Soap	-- Quality is good -- Support the SHG	1. 2 pc 2. 1 pc 3. 1 pc 4. 1 pc 5. ½ pc	Market rate: 10 Rs. SHG rate: 11 Rs.
Incense sticks	-- Smell is good	1 packet	Market rate and SHG rate is the same. (SHG gets 2.5 Rs profit/packet)
Soap Powder	-- Quality is good -- Smells good -- Cleans		Market: 10 Rs/kg SHG: 11 Rs/kg (the women justify this because the customers don't have to pay busfare, and they do)

Three to five customers took the time and the effort to cycle in and out of the meeting amidst the mud and the rain to give their feedback, which was generally positive. The main advantage that the customers cited was convenience, “The SHG is on my street so I’ll buy what I can from them.”

The CO pointed out that the price of soap powder is high compared to the market. Since soap powder is a product that the women can make themselves, the CO recommended that they cut costs by producing the soap powder themselves. In fact, another SHG in the village is producing soap powder, so they may even be able to learn from that group.

Despite this, the women were reluctant to start producing. The CO continued to press them, “But why not? You are selling soap powder at a higher price than the market. By producing yourself you could sell at a discounted price and make more of a profit.” The women admitted, “At the very beginning, sir said that if we wanted to produce anything he would take us somewhere so we could learn how to do it. But we’re not ready to produce yet.” The CO continued, pointing out that another group in the village was already making soap powder, but none of the women were confident enough to start production. One woman said, “We’ll finish selling this first and then we’ll think about it if we’re ready. After the rains stop, we’ll think about it.”

### **Gabbur**

The CO set up a large brown sheet and drew a table that looked like this:

Product	Value Input	Process Value Addition	Final Value	Customer Feedback

His plan was to fill in each box with information related to the product, but in the actual process, only the column with customer feedback was filled out. The women of Gabbur sold sugar, tea powder, oil, dal, and soap powder, so they couldn’t think of many (or any) avenues for value input.

The only value input that the customers seemed to suggest was offering more products such as different types of oil, rice, soap cakes, dal, onion, garlic, etc., and they eventually suggested that the SHG provide all the products that they need so they don’t have to go to the city for anything at all. The customers brought up a relevant issue, namely if the people of the village have to go to the city to buy certain products anyway, how much of a “service” is it to provide only certain products in the village. Ostensibly customers save busfare when they buy, for example, tea in the village, but if they have to go to the city to buy vegetables every week anyway, they could just as easily buy tea as well, thus making the “service” of the SHG moot. However, providing a full grocery store in the village would be a huge investment with a host of logistical problems for each product added to their repertoire.

Sugar

One customer purchased 2 kg of sugar and summed up why she thought it was a good deal, “In the market sugar is sold for 20 Rs/kg but the SHG is selling it at 19 Rs/kg. The busfare to the city is 8 Rs. Customers saved time, 8 Rs. busfare, 1 Rs. on the price, and the quality is also good.”

The SHG purchased 50 kgs of sugar. In two days all of it was sold, next time they want 1 quintel (100 kg) for one week. This is very impressive turnover, but there is very, very little profit with sugar.

Tea Powder

According to customers it is good quality, but sold at a higher rate than at the market. The customers say they want the price to be lowered. The tea powder is 2 Rs. cheaper in the market. The customers want the price reduced by 1 Rs.

¼ kg of tea powder is being sold ...

By the SHG	25 Rs.
In market	23 Rs.
Customers want	24 Rs.

Dal

Dal was sold for 32 Rs/kg or 8 Rs for ¼ kg, which is the same rate as in the city. The customers want the rate reduced. They sold 3 kgs of Dal and made minimal profit. Despite this, they were willing to continue selling dal at the same price. Their logic may have been that if the customers buy items like Dal and sugar from them, they may buy more expensive, profitable items, such as tea powder.

Soap Powder

This SHG has had some experiences producing and selling soap powder. Originally they used an old Surf formula for 40 Rs/kg and there were no customers because people living in the village cannot afford such expensive soap. In March of this year, the women produced 200 kgs of NIMA soap for 20 Rs/kg. They continued to sell the leftovers from that session of production. The customers said that the quality is good, even better than the quality of store-bought NIMA soap.

For vegetables and other household items people are still going to the city. One customer recommended that they sell everything in the village, such as, Wheat flour, Masala, Rawa, Flat puffed rice, Salt, Grams, Green Gram, Groundnut, and Jaggery.

Profits by product

Product	Profit/kg	Sold	Total Profit
Sugar	1 Rs/kg	20 kg	20 Rs
Tea powder	20 Rs/kg	5 kg	100 Rs.
Puffed Rice		1 bag	25-30 Rs.
Dal		3 kg	20 Rs.

The women didn't want to go house to house because they work all day in the fields, therefore they wanted to continue to store all the products in one member's house. They promoted themselves by going to other sangha meetings and telling them about the products they are selling. The women were enthusiastic about including all the products that the customers suggested. They wanted to add value to the products by making packets for materials that are sold loose. The CO warned them that they should only provide products for which there is customer demand and for which they can make a profit.

**Channapur**

The session took place at about 8:30 pm. Because of the rain, most families started dinner late, so it was difficult to find customers for the customer feedback session. For about an hour several members of the SHG went out into the village to try to find customers.

The women laid out two mats on one side of the room and one mat on the other side. Six customers spread out on the spacious area of the two mats while 8 SHG members crowded themselves in half the space on the tiny single mat. Viewing this scene, the CO commented, "Make way for the gods!"

The bulletin board paper tacked to the wall was not divided into a chart as the others were. Instead, it was blank and as they examined each product, the product was used as the heading and all the information was put under it. Since most of the women attending the session are illiterate, the papers are mainly a way for the CO to keep track of what has happened in the session and therefore the CO should organize the charts in a way that makes sense to them. The only downfall to this system is that it is easier to forget certain information. In this session the CO had to be reminded to ask the customers how much they would consume in a week for every single product.

The SHG members were completely silent as the customers spoke; they did not argue, protest, or respond in any way. The room felt as if the customers were the only ones present, and as a result the customers were more open and gave more detailed feedback than the other villages.

Sugar

## Good Quality

1 Rs. cheaper than market (Market: 20 Rs/kg, SHG: 19 Rs/kg)

The products are kept in one house, not delivered door to door.

Sugar is given in packets.

The SHG bought 20 kgs and in four days it was all sold.  
The customers weekly use 1 kg, 1kg, 1.5 kg, and 2 kg.

According to the records, the minimum bought was 1 kg and the max was 3 kg.

#### Rice

Good Quality  
Enough quantity  
Same as market price  
Interested in having broken rice available also.

SHG bought 100 kg and sold 58 kg so far

Most people get ration rice from PDS, which comes every 21 days and delivers 15 kg.  
One woman said that in between ration deliveries, she consumes 40 kgs.

The customers suggested selling rice 10-12 days after the distribution of ration rice.

#### Oil

SHG: 13 Rs/ ¼ kg  
Market: 14 Rs/ ¼ kg  
But the customers said that the quality is no good.

The SHG asked the wholesaler for groundnut oil, but he cheated them and gave them palm oil. In one of the few moments that the SHG members spoke, they assured the customers that next time this will not happen.

Customers want to buy in liters, but the SHG is selling in kgs.

Weekly people buy 1 kg, 2 kg, 0.5 kg, 1.5 kg, 0.5 kg, 1.5 kg.

#### Rawa

Bought 15 kg  
Sold only 2 kg

In the PDS system, they bought wheat and made rawa, so very few people need to buy rawa. More will be sold when the festival comes in a few days.

The customers recommended that the women sell Dal (people will buy about 1 kg/week), Bengal Gram for the festival time, Soap and soap powder, Soap cakes, and Mustard

The customers suggested that the SHG made one shop with all the products that they need. This way everyone doesn't have to pay for busfare to buy groceries. This is the ultimate goal of the women, and the customers themselves suggested the same thing. The women are extremely pleased with the reaction of the customers and have the confidence to continue.

**Module 10 – Business Plan****Mugad**

The women of Mugad decided to sell clothes and dress materials. They went to different villages together and then fanned out to cover different areas individually. Each woman took a specific product with her, one had saris, another had children's clothes, another was selling materials. All the women have fixed the rates for the different products so one isn't inadvertently undercutting another. All the women except for the one selling dress materials have made a profit. The women have taken a loan together and they share the profits with each other.

The woman who was selling materials was forced to sell the materials at a wholesale rate because of a lack of customers. In the village there is no demand for dress materials because most women wear saris. Additionally, most women are not willing to pay for dress materials because they have to pay an additional cost to get it stitched, and if the material is thin they have to pay an additional cost to get it lined. This makes buying dress materials impractical for most village women. The woman who had the dress materials was noticeably quieter than the others and had much less self-confidence. The others made very large profits and were confident in continuing.

It is vitally important that the women experience an initial profit so they have the confidence to continue. Inevitably the women will experience loss at some point, but if they don't get the initial confidence of a little bit of profit, their entrepreneurial spirit will die. The facilitator was afraid that the woman who had to sell the materials at wholesale will quit because she didn't have the flush of confidence from initial success that the others had. To encourage the woman, the facilitator tells the other women that the only reason that she didn't have the same success is because she had a product that the customers didn't want. He tells the other women to let her have some saris to sell as well. They view this as a favor they are doing for her, but he says that it was just blind luck and she is as good as the rest of them, she just unluckily was assigned the dress materials.

They sold 20 Dhoom (designed after the movie of the same name) saris and they are getting orders for more. The facilitator emphasized that the women are going to have to keep up with the fashions. This month Dhoom saris are selling very well, but next month it may be something else that sells; to be successful they must not be afraid to change and they must keep an eye on the latest trends.

One CO recommended that the women attempt to sell the dress materials at the NGO headquarters or at the university. His reasoning is that poor people will not pay a higher price for higher quality materials, but urban dwellers will. He recommended that all they should try to sell all the saris over 160 Rs. In the city.

Before the meeting, the CO has created a table that is set up like so, with each box detailing the amount, the wholesale price, the fixed price, and the eventual sale price:

Name of Woman	Sari	Sari w/ blouse	Blouse pc.	Readymade slip	Nightie	Material	Kids Readymade Dress	Lungi	Banian

This was a good way to analyze which products garnered the most profits and which women were most successful selling. By just looking at profits, one may initially think the woman who was selling material was the least successful, but the chart revealed that no one was able to sell dress material. This type of analysis can answer many different questions.

The most successful products were the “Dhoom” sari and the “Open Order” sari. The villagers told the women to visit on Tuesdays or Sundays, since these are their days off, and when entering a village they yelled, “Saris! Saris!” to make their presence known and get people out of their houses. The CO recommended that when showing one item, they take out all the items so a customer can see the whole inventory and buy from all the available stock. When a woman paid the fixed price the SHG complimented and flattered them, saying, “You are a very good woman.” These types of customer relations are important, especially for clothing, because if a customer buys just a few items of clothing, the SHG could make 200 Rs. from just one person.

Next, the facilitator asked the women to make a one-month projection of their sales, based on the sales they had just achieved:

Item	Quantity	Wholesale Rate	Minimum Sale Price	Profit	Total Profit
Open Order Sari	5	135	160	25	125
Dhoom	10	100	150	50	500
T-Shirt	10	43	60	17	170
Mini	10	51	60	9	90
Kids T-Shirt	10	16	30	14	140
Panties	10	43	60	17	170
Bras	25	20	40	20	500
Kids Panty	20	10	15	5	100
					1795

The facilitator told the women, “You must have an idea of profit and loss before you start selling.” But the women replied, “We can only know what the profit and loss is after we sell.” This is true, but with every month there is new turnover and a new cycle. Every

month they should make calculations to become more business savvy and aware of what customers are buying and how much is made off each product. This is the type of analysis that will insure success for the future.

The primary restrictions that they will face will be bus charges and an interest rate of 2% per month, or a yearly interest rate of over 24%.

The women defined their future initiatives to increase their business as making labels and handbills for a nominal extra cost.

The main idea that the women internalized is they must learn to adapt. One woman wanted to increase the high priced stock because of the upcoming festival. The facilitator said that in addition, to these concerns customers demand selection. If three saris sell, the only way to sell the other two is to add two or three more saris. No clothes should be over one month old, otherwise that will be dead stock. When a new film comes, a new sari will come out and the women must be able to adapt to the changing trends. Once they have established their business, the facilitator recommends finding a cheaper wholesaler. A wholesaler will try to move his dead stock onto the women, but as they become more savvy, they will be able to recognize clothes that will move quickly and clothes that will become dead stock. The key is that with each rotation, they must be observant and open to change.

### Gabbur

The women have tentatively moved into selling just a few items: Tea Powder, Sugar, Red Gram, Puffed Rice, and Soap Powder. The women use sanghas savings to buy the materials and all the profits go back into the sanghas. One buying and selling cycle was completed and all the products were sold. The results are as follows:

Product	Amount	Wholesale Cost	Total Revenue	Profit
Tea Powder	5 kg	360 Rs	520 Rs	160 Rs
Sugar	49 kg	910 Rs	931 Rs	21 Rs
Red Gram	3 kg	90 Rs	96 Rs	6 Rs
Puffed Rice	11 chitis	115 Rs	144 Rs	29 Rs
Soap Powder	51 kg	846 Rs	1020 Rs	174 Rs

The women decide to abandon Sugar, Red Gram, and Puffed Rice because of the low profit margins and they decide to take up Edible Oil and Soap Bars. Their one month projected business plan is as follows:

Product	Amount	Wholesale Rate	Total Investment	Retail Price	Total Sale	Profit per Unit	Total Profit	Profit Margin
Soap Powder	50 kg	14 Rs/kg	700 Rs	20 Rs/kg	1000 Rs	6 Rs/kg	300 Rs	42%
Tea Powder	5 kg	72 Rs/kg	360 Rs	96 Rs/kg	480 Rs	24 Rs/kg	120 Rs	33%
Soap Bars	60 pc box	4.2 Rs/pc	254 Rs	5 Rs/pc	300 Rs	0.8 Rs/pc	46 Rs	18%
Edible Oil	15 kg	38 Rs/kg	570 Rs	40 Rs/kg	600 Rs	2 Rs/kg	30 Rs	5%
Totals			1884 Rs		2380 Rs		496 Rs	26%

The women estimated that bus fare and other expenses would be 30 Rs.

### Channapur

The Channapur group had a very successful initial experience buying and selling basic grocery items. They have sold everything that they have bought. At the time of the meeting they had not bought more raw materials because they were not sure if they wanted to continue with the shop. An extra room in one woman's house served as the shop and all the women agreed to take turns sitting and selling. Unfortunately in practice, everyone gave an excuse and left the woman who lived in the house to do all the work. After a heated debate on how to share the profits if one person was doing all the work, it was decided that the woman who did all the work and who kept all the materials in her house would carry forward the business with one other woman. The first few rounds of selling used sanghas funds and the profits went back into the sanghas.

They would continue to do the next round of buying and selling as a group, but after that the two women who would go forward would take a loan and take both the risks and the profits on their own. This arrangement suited everyone since the other women were not interested in going forward with the business, even when they saw the monthly profits that could be made. The results are as follows:

Product	Amount	Wholesale Price	Total investment	Retail Price	Profit/Unit	Total Sale	Total Profit	Profit Margin
First Round								
Rice	100 kg	10.5 Rs/kg	1050 Rs.	12 Rs/kg	1.5 Rs/kg	1200 Rs	150	14%
Sugar	20 kg	18 Rs/kg	360	19 Rs/kg	1 Rs	380 Rs	20	5.5%
Edible Oil	13.5 kg	40 Rs/kg	600 Rs	52 Rs/kg	12 Rs/kg	702 Rs	102 Rs	17%
Suje Wheat Powder	15 kg	14 Rs/kg	210	16 Rs/kg	2 Rs/kg	240 Rs	30 Rs	14%
Second Round								
Sugar	20 kg	18.75 Rs/kg	375 Rs	20 Rs/kg	1.25 Rs/kg	400 Rs	25 Rs	7%
Third Round								
Sugar	10 kg	18 Rs/kg	180 Rs	20 Rs/kg	2 Rs/kg	200 Rs	20 Rs	11%
Jaggery	10.75 kg	19.9 Rs/kg	214 Rs	22 Rs/kg	2.1 Rs/kg	236.5 Rs	22.5 Rs	10.5%
Edible Oil	10 kg	43.5 Rs/kg	435	52 Rs/kg	8.5 Rs/kg	520 Rs	85 Rs	19.5%
Tea Powder	0.5 kg	60 Rs/kg	30 Rs	120 Rs/kg	60 Rs/kg	60 Rs	30 Rs	100%
Beans	3 kg	16 Rs/kg	48 Rs	20 Rs/kg	4 Rs/kg	60 Rs	12 Rs	25%
Totals			3502 Rs			3998.5 Rs	496.5 Rs	14%

These rounds also had associated expenditures of 250 Rs from several members going back and forth on the bus, therefore the profit was actually 246.5 Rs. In the future only one trip per month will be necessary and fewer women will go to get supplies. In addition, the women have taken credit from many customers, and a few have not paid after weeks of carrying the debt. The women going forward decide that in the future they will conduct a cash-only business. When making their business plan, they provide conservative estimates and cut prices wherever possible to prepare for the loss of business they will suffer from refusing credit. The women are willing to do a lower volume of business to avoid spending weeks trying to collect money from customers.

Their projected one-month business plan is as follows:

Product	Amount	Wholesale Price	Total Investment	Retail Price	Profit/unit	Total Sale	Total Profit
Edible Oil	10 kg	41 Rs/kg	410 Rs	52 Rs/kg	11 Rs/kg	520 Rs	110 Rs
Sugar	20 kg	18 Rs/kg	360 Rs	19 Rs/kg	1 Rs/kg	380 Rs	20 Rs
Tea Powder	1 kg	60 Rs/kg	60 Rs	96 Rs/kg	36 Rs/kg	96 Rs	36 Rs
Jaggery	10 kg	20 Rs/kg	200 Rs	21 Rs/kg	1 Rs/kg	210 Rs	10 Rs
Rice	50 kg	10.5 Rs/kg	525 Rs	12 Rs/kg	1.5 Rs/kg	600 Rs	75 Rs
Totals			1555			1806	251

### Mandihal

In Mandihal, each woman takes a loan to buy the material she will sell, sells the material by herself, pays the interest on the loan, and keeps the profit. The women take turns taking loans for buying and selling. The women of Mandihal have focused on Puffed Rice. Their results are as follows:

Date	Total Loan	Product	Quantity	Total Cost	Expenses	Total Expenditure	Interest	Profit
6/9/05	600 Rs	Puffed Rice and Snacks		530 Rs	30 Rs	560 Rs	18	100 Rs
12/9/05	150 Rs	Puffed Rice	1 bag	125 Rs	15 Rs	140 Rs	3	42
17/9/05	500	Puffed Rice and Soap	Two bags of puffed rice and one bag of soap	500	30	530	Still selling	Still selling

At the time of this session most of the women were ill from the dampness, however when they are healthy they say they can sell six bags of puffed rice in one week. They also said that the rain made it difficult to travel, they had agricultural work, and there is not much of a supply of puffed rice during the rainy season.

The women are interested in making snacks out of the puffed rice in addition to selling plain puffed rice. They calculate that from an investment of 160 Rs in ingredients and puffed rice, they can earn 400 Rs. profit. Most women regard the business as something they will do on their own when they have free time and not as a job that they should commit to everyday.

### Kotur

The women of Kotur have decided to start manufacturing incense. They have spent a total of 570 Rs. but they have not kept detailed records of their accounts. Their raw materials expenditures have been written on the back of an incense box by the retailer of raw materials. The women have sold in bulk to shops in the village with some initial success, but they have just finished manufacturing and have not begun selling in earnest. They will begin selling door to door at retail prices in addition to selling to the stores at wholesale prices. The women are already traveling every day to the surrounding villages, visiting each locality once every eight days, to sell soap so they will begin selling incense as well.

The women of Kotur have already sold Nima Soap, Life Buoy Soap, Fena Washing Powder, Readymade Incense Sticks, and Hair Oil. The results are as follows:

Product	Amount	Price	Expenses	Total Cost	Revenue	Profit	Profit Margin
Nima Soap	19 boxes	4788 Rs	96 Rs	4884 Rs	5700 Rs.	816 Rs.	16%
Life Buoy Soap	36 pc	378 Rs	(with above)	378 Rs	386 Rs	18 Rs	4%
Fena Washing Powder	10 kg	195 Rs	(with above)	195 Rs	220 Rs	25 Rs	12%
Readymade Incense	12 packets	90 Rs.	(with above)	90 Rs.	120 Rs.	30 Rs.	33%
Hair Oil	5 kg	300 Rs.	(with above)	300 Rs.	400 Rs	100 Rs	33%
Totals				5847	6836	989	16%

If the women sell the incense sticks they have begun manufacturing at wholesale to local retailers they will spend a total of 659 Rs and make 1008 Rs for a profit of 349 Rs, which is a 50% margin. However, the scale at which they can sell their manufactured incense sticks may be limited because another sangha is already very successfully manufacturing incense sticks.

<b>Conclusion</b>
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The second iteration of the MOVE process was overall highly successful. No group made a loss, every group chose to move forward in business, and all exhibited a new understanding and confidence about the market.

As opposed to the previous iterations of MOVE, this round resulted in all five groups initially choosing to trade. This may be due to the fact that the timeframe this process was conducted within was so short, which resulted in the women not deciding to take on the extra time and effort to learn how to produce a product. This also may be evidence of an initial stage of the MOVE process, so the current moment when all the groups have begun trading is only a snapshot of a continuing evolution. There is evidence for this, namely the Mandihal group looking into the production of puffed rice snacks after selling plain puffed rice for several months and the Kotur group deciding to manufacture incense in addition to selling Nima soap. In both cases, the women were initially not sure that a market existed for their products and tested the waters through trading before diving into the effort of production.

Although every group ended up trading, the strategies they have undertaken are diverse. In Mugad the women travel to a village together, but each one carries different products and goes to different areas. In Mandihal, each individual takes a loan for any MOVE activity and keeps the profits. In Channapur what began as a group endeavor will evolve into the enterprise of one entrepreneur.

Most of the difficulty that occurred with this process was the result of a non-systematic approach that caused the process to flag during modules four and five. This problem is remedied in the manual, which clearly delineates the analysis for the two modules. Also, given that the process hinges on market research, further attempts at refining the PMA could have been tried if more time had been available. In the end, the *process* of surveying provided the women with a more valuable – if intangible – market orientation, rather than much useful data. The women ended up trying different products through a trial and error process. It is a testament to the success of the MOVE process that the women did not give a second thought to switching products and reacted simply as the market demanded.

The MOVE process results in a change in mindset, an orientation to the market, and the effects of this change will continue to yield dividends beyond the life of this project. During this uptake we have only sown the seeds of entrepreneurship and observed the tender shoots successfully poke their way toward the sun. In the coming weeks, months, and years, we will see the true harvest of MOVE ripen as the women continue to adapt to the market, serve niches, and expand their businesses.