



DOCC Project Report



Grameena Abhivruddhi Mattu
Adhyayana Kendra (GRAMA)

S P Jain Institute of Management and Research, Mumbai

Proposing and Implementing a sustainable business model for the bags stitched by the women of SHG

By

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SPJIMR, DOCC-2016,
GRAMA

S P Jain Institute of Management and Research, Mumbai

2016

Proposing and Implementing a sustainable business model for the bags stitched by
the women of SHG | 2

Preface

The Development of Corporate Citizenship (DOCC) is an innovative initiative of SPJIMR, Mumbai that aims to inculcate social sensitivity in its students through a 5-week internship with an NGO. During this course of time, the participants are expected to understand issues plaguing the NGO and come with business inputs and managerial insights to help the NGO solve the problems.

DOCC focuses on solutions to issues pertaining to diverse heads such as Microfinance, Infrastructure development, Health, education management and income generation for women empowerment. The participants are expected to perform critical analysis of the issues at hand. The process of interacting with the rural poor and the experience of working on the field in an unstructured environment ensures that social development happens in tandem.

This project was undertaken in collaboration with an NGO, GRAMA (Grameena Abhivruddhi Mattu Adhyayana Kendra) located in Chitradurga district in Karnataka.

GRAMA has been a pioneer in the areas of Water shed management, women empowerment and organic Farming.

During the project we worked on creating a sustainable business model for the bags stitched by the women of the SHG. We studied the training programme under PMKVY, met the women who underwent training, created a marketing campaign and got orders for the bags. We also proposed the path ahead for the product.

Acknowledgement

I, Arjun Harish would like to express my deepest and sincere gratitude to the members of GRAMA for their constant support and overwhelming hospitality. I would like to take this opportunity to thank Mrs. **Girijamma Rudraiah** and **Mr. D M Sridhar** for providing me an opportunity to work at the grass root level and contribute to the society.

My heartfelt thanks to **Mr. Govindraju** (DOCC Coordinator, GRAMA) for his unparalleled support and guidance during the projects. My special thanks to **Mr. Sulthan** and **Mr. Vijay** for providing insights at various stages of the project.

My sincere gratitude towards **Prof. Nirja Mattoo**, Chairperson, Centre for DOCC and the entire DOCC Committee for enabling me to work with GRAMA.

I would like to extend my gratitude towards my teammates without whom the DOCC project would not have been as successful as it has been now.

Table of Contents

Preface

Acknowledgement

1. Project Definition

Introduction
Purpose of Study
Problem Statement

2. Methodology used in the project

Scope of Study
Limitations
Methodology used

3. About GRAMA

About Staff
Vision
Mission
Facilities
Effectiveness

4. Observations and Insights

SWOT Analysis
Observations
Insights

5. Ideation and Implementation

Marketing Mix: Study of Rural and Urban areas
Trademarking of GRAMA Logo
Digital Marketing Campaign
Cost Analysis

6. Field Implementation of recommendations

7. Conclusion

8. Recommendations

9. Annexure

Annexure 1: Story for Marketing
Annexure 2: Link to the movie used for marketing
Annexure 3: Brochure
Annexure 4: Facebook Page of GRAMA
Annexure 5: Certificate Template
Annexure 6: Invoice Template
Annexure 7: Quotation Template
Annexure 8: Daily Reports

10. Bibliography

11. Contact Information of GRAMA

1. Project Definition

Introduction

About PMKVY programme

Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is the flagship outcome-based skill-training scheme of the new Ministry of Skill Development & Entrepreneurship (MSDE). The objective of this skill certification and reward scheme is to enable and mobilize a large number of Indian youth to take up outcome based skill training and become employable and earns their livelihood. Under the scheme, monetary reward would be provided to trainees who are successfully trained, assessed and certified in skill courses run by affiliated training providers.

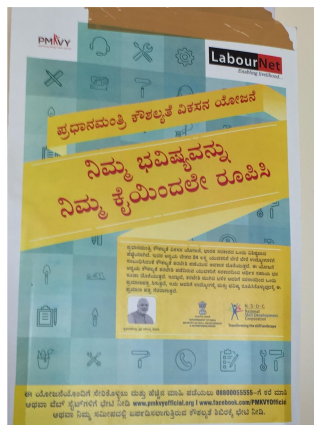


Figure 1- PMKVY programme at GRAMA

Under this programme the NGO 'GRAMA' with the help of 'Labour Net' trained women of the SHGs (Self Help Groups) from various villages in and around Chitradurga and Challakere in leather stitching. The training was for duration of one month. Around 200 women have already been trained under this programme as of now.

The following are the benefits of the scheme:

- Standards: Training will be done against standards (National Occupational Standards - NOS and Qualification Packs - QPs for specific job roles) formulated by industry-driven bodies, namely the Sector Skills Councils (SSCs). Third party assessments for skill training will be done based on national (and often) global standards.
- Direct Fund Transfer: It will have complete transparent funding of skill training without any intermediaries with monetary rewards directly transferred to the trainees' bank account. It will ensure financial inclusion with a provision of unique multi-wallet facility linked to debit card and accidental insurance. Aadhaar number will be used for unique identification of each candidate.
- Variable Monetary Reward: Monetary reward for various job roles within a sector would also vary. This amount would be arrived at after taking various factors like cost of training, willingness of trainees for pay and other relevant factors into consideration. Higher incentives will be given to training in manufacturing, construction and plumbing sectors.

The NGO GRAMA identifies women who already know basic aspects of tailoring. The aim of this training programme is to improve their skill of the women and help them in income generation. After the leather training course under this programme, the women have learnt to

stitch bags. The ultimate goal of the NGO is to have a sustainable business model for these bags throughout the year and create income generation for these women.

GRAMA' s Future Plans on this programme

- GRAMA plans to have this training for more women and make them more competent.
- GRAMA wants to assist these women financially through NABARD finance to buy sewing machines and help them in manufacturing these bags.
- It wants to make the villages in and around Chitradurga a manufacturing hub for bags in the long run.

Purpose of Study

- To help GRAMA putting into place a sustainable business model in place.
- Help the women in income generation.
- Identify various business opportunities under the training scheme and help them in implementation.

Problem Statement

To propose and implement a sustainable business model for the bags stitched by the women of the SHG.

2. Methodology used in the project

Scope of Study

- To understand the business opportunities for the bags stitched by the women.
- To help in marketing the brand and get some immediate orders.
- Help them in production planning and quality control while implementing the first few orders.
- Propose expansion plans.
- Prepare documents like invoice, content for marketing etc. that they could readily use.
- Help the NGO in the pricing of the bags.

Limitations

As the duration of the project is limited to 5 weeks, the scope of the project is limited to helping the NGO in marketing the products, get orders and propose methods of production planning and quality control. We could not actually witness the orders we got being produced and delivered.

Methodology used

Primary Research

- Understood the leather-training programme from the project coordinator, Govindraju. The main aim of having this primary research was to understand the need of the training from the NGO that has undertaken this programme.
- We met the women who had come for the second batch of training to understand their motive in coming for the training, as they had to pay around Rs 1100/- to attend the same. We also understood the expectations of the women who had come for the training.
- Next we met the women from a particular SHG group who had already completed their training. We could understand the skills they had developed from the training and also their competency.
- We visited bag shops in Chitradurga and Bangalore to understand the pricing of the bags and quality offered.

Design Thinking: We used the Design Thinking process to get our insights. We conducted FGD with the various stakeholders involved in the process. We used the AEIOU framework to get our insights. A group of 8 members sat and gave their insights. Using these insights we came up with ideas for running the marketing campaign.

Preparation for the marketing campaign: We designed two marketing campaigns, one for rural target segments and the other for the urban target segments. I made a movie that could be used in our marketing campaign. We also designed a brochure to be used for marketing.

Costing: Based on our Primary research, we came up with the costing of the bags and suggested ways of reducing the cost of production. This helped us in the pricing as well.

Trademarking the Logo: We initiated the process of trademarking the logo ‘GRAMA’ to be used in the bags. We visited the auditor to understand the complications of an NGO becoming a commercial entity. We were advised to start a new entity for selling the bags.

Marketing Campaign: We visited schools in and around Chitradurga and Challakere identified as target audiences and pitched the products. We got few orders from here too. We did the same in Bangalore. We approached Lion’s club in Bangalore, pitched there and got few orders. We approached the CSR unit of various corporates and promoted the products.

Further we also created a digital marketing campaign that would be useful for expanding the product line.

Production Planning: With orders received we proposed ways of planning production, maintaining quality and delivering the orders.

3. About GRAMA

Grameena Abhivruddhi Mattu Adhyayana Kendra (GRAMA) was founded in 1989 in Chitradurga district of Karnataka. It is a non-government organization working diligently for the progress in the social development sector. It is an institution for the development of poor. It's key focus areas in the selected villages it operated in and around Chitradurga and Tumkur districts are as follows:

1. Empowerment of women
2. Microfinance
3. Institution building
4. Natural resources Management
5. Adopting the PMKVY programme

GRAMA has played a key role in creating more than 1500 SHGs under the aegis of its institution building initiative. A staggering 650 of these SHGs were found to be self-sufficient and independent after their capabilities were ascertained. This was possible

mainly due to efforts of GRAMA in empowering them. Around 15 Village Volunteer Vahini clubs (VVV clubs) for the rural farmers were set up in Challakere. NABARD supported this initiative through the Pragathi Grameena Bank in Chitradurga. Natural resource management was another key focus area for GRAMA. Projects such as micro watershed management were implemented assisted by World Bank and Prime Minister Rehabilitation Package, an extension of the Sujala Project. GRAMA also runs informal schools as an extension of institution building.

About Staff

Mrs. Girijamma Rudriah - a social worker, is the Trustee and the Chief Functionary.

The other Trustees include:

- Mr.D.M.Sridhar –Joint Commissioner of Commercial Taxes (Retd.)
- Mr. Manjan Mulla – Chairperson, Department of Studies in Foreign Languages. He is also the Dean, Faculty of Arts, Member of Syndicate, Karnataka University, Dharwad
- Dr. Kotturiah – Doctor in Homeopathy Medicine
- Mr. Kumar Swamy – Teacher
- Mr.Govondharaju H is the program coordinator and handles the GRAMA Agricultural project.
- The project coordinator is Mr. Sultan D M who handles IWMP, NABARD and MICRO INSURANCE.

Govindharaju H and Sulthan D M are responsible for all GRAMA projects including finalizing proposals sent to NABARD, amount release for NGO activities, and procurement

of funds, training provision, and sourcing materials. Also, they manage all the activities in PMKVY programme.

The other staff members include Team Leaders, Community Organizers and Supervisors who handle NABFINS and Land Development.

Vision

Irrespective of caste, creed, sex, religion and region a democratic society with a sustainable developmental environment, where everyone, particularly women, participates and takes their own decision.

Mission

Organizing the rural poor with special emphasis on women, for economic, social and political empowerment, through active participation, to initiate a sustainable developmental process.

Facilities

The NGO has a facility in Chitradurga and Challakere. They have training halls, boarding and Lodging in each of these facilities. They have a well-furnished conference hall.

Effectiveness

From the interactions we had with various farmers, women from SHG's we could understand the NGO has had a huge impact in the lives of people and has been highly effective.

4. Observations and Insights

SWOT Analysis

Once the context and scope of the project was known, we had to come up with a methodology to solve the problem. To come up with the methodology we had to understand the various strengths, weakness, opportunities and threats. The SWOT analysis of the project given is



Figure 2-SWOT Analysis

After understanding the various strengths, weaknesses, threats and opportunities, we used the Design thinking methodology to arrive at the solution for the given context of the problem. We followed the approach of observing, getting insights, reframing the problem and then identifying the opportunity area. Once the problem is clear we ideated and implemented the same.

Observations

The only real voyage of discovery consists not in seeking new landscapes, but in having new eyes. For the first step of observation, we used the *AEIOU framework* to understand the actual problem and arrive at insights.



Figure 3- Interacting with the women of SHG

Activities

With the given problem, we had to identify the various stakeholders involved in the process of making bags. Hence we observed the activities in the periphery of every stakeholder.

We identified two major stakeholders and the activities surrounding these stakeholders:

1. The women who stitched the bags: These are women from SHGs from the villages around Challakere. They are predominantly tailors who stitch blouses. Most of them struggle to meet ends. All of them had to travel for atleast 4 hours everyday to attend the leather stitching training. The breadwinners of most families are farmers, some of whom have adopted organic farming, assisted by the NGO GRAMA. The image of the organic farming adopted is as shown below in Figure-2.



Figure 4- Organic Farming adopted by Farmers

2. The NGO: GRAMA is ready to supply materials required for stitching the bags. The NGO has two training centers where the leather training is done. The NGO has a trainer who is a part of their payroll. He assists the women in stitching and also inspects the quality. The NGO has various activities in its periphery like organic Farming, Institution building, Water shed Management. They have created income generation across villages through various initiatives. The activities in the periphery of the NGO are as shown in Figure-3, 4 and 5.



Figure 5-Challakere Training Centre, GRAMA



Figure 6- PMKVY



Figure 7- Institution Building

Environment

The Environment around the above mentioned stakeholders were observed. The environment in the rural areas is in contrast with the ones in the urban areas. Bags are usually bought on need basis and not necessarily at the beginning of a new academic year. Cost is the major factor for most of them here. Quality comes next to this segment. We understood the environment by visiting schools in the rural areas in and around Challakere. This has been portrayed in Figure-6. They all have done petty businesses before like selling Papads etc. and have failed at most of it as they did not have any time for marketing these products. They could not manage door-to-door marketing. They are highly skillful and are ready to do any work provided it gives them some income.



Figure 8- Enquiring in a school in Challakere

The other major area of focus is the urban area. Most of them buy new bags at the beginning of a new academic year. The prices were competitive but the willingness to pay for the bags was higher and these people expect very good quality. We visited schools and we visited shops to understand the buying patterns and environment.



Figure 9- Visited Bag shops in Bangalore

Interactions

- The NGO, GRAMA has continuous interactions with the women of SHGs. They usually go there to inspect the progress.
- The women cannot market the bags on their own.
- The interaction with the proposed audiences is very limited from the perspective of both the NGO and the women of SHG.
- The major concern could be that the interaction of the NGO with the urban areas is very limited. They need to start interacting to spread awareness.
- The awareness of the NGO is very low even in Chitradurga.

Objects

Here the targets of observation are the bags and its stakeholders. Most schools want to use the bags as a medium of advertising. They expect their name to be printed on the bags. There are

wide varieties of variants that are available in the market. It is very hard to be unique. Shown below are the bags stitched by the women of SHG here after referred to as ‘GRAMA bags’ and the bags available in the market. Refer to Figure-8.



Figure 10-GRAMA Bag and the bag in a local shop in Bangalore

Users

The various users of the bags as already discussed are from both the rural and urban areas. The usage of a particular bag is for a longer duration in the rural areas than the urban areas. The need, cost and quality of bags are different for different users. These parameters have to be considered based on where we want to target.

Insights

From the observations done using the AEIOU framework, we derived the following insights:

1. The women can stitch any bag.
2. It is the cost and not quality that is very important in the rural areas.
3. In the urban areas quality bags at competitive prices is what gives you a competitive advantage.
4. The NGO does not have enough strength to do the marketing for the bags.
5. The NGO is not competent to do the marketing.
6. They do not have good awareness in Chitradurga.
7. Private schools do not mind having customized bags.
8. The demand for school bags is high during April-June as it is the time for the beginning of the new academic year.
9. The NGO has only one trainer as of today.
10. People will not buy the bag for the quality of the bag.
11. The bags cannot be sold without any brand. A brand in the name of the NGO needs to be created.
12. The NGO cannot become a commercial entity. A separate entity has to be created to sell these bags.

5. Ideation and Implementation

Based on the insights we took time to come up with ideas to market these bags.

After jotting down ideas from each and every person we quickly assessed the practicality and impact of each idea and came up with a final idea accepted by all.



Figure 11- Brainstorming and Ideation

Based on the ideas generated we concluded that we need separate strategy for rural and urban target segments which were as follows:

1. Schools in Rural areas: Pitch in the idea of advertising the school through the bags. The schools here want to advertise themselves but do not have the monetary health to do so. Hence, we decided that we would identify upcoming private schools in and around Challakere and pitch in our ideas.



Figure 12- Proposed bags with the name of the school

2. For schools that did not want to have common bags, we would request them to let GRAMA have stalls selling bags during admission and distribution of books for the new academic year.
3. For the cities we decided to sell the bags by creating a story ([Annexure-1](#)) to the bags. We also made a movie ([Annexure-2](#)) based on this story. We designed a brochure ([Annexure-3](#)) for the same.
4. We decided to visit the said target audiences and proceed as decided.

5. The next tasks left was trademarking the GRAMA logo.
6. Next we had to do the costing for pricing the bags.

Marketing Mix: Study of Rural and Urban areas

The process of marketing and distribution of goods requires a thorough study of potential markets to identify the price points and product variations that can be offered. Marketing mix is the process of designing and integrating various elements of marketing in such a way to ensure achievement of objectives.

To understand the market in Chitradurga and nearby areas, we met with the heads of over 10 schools in the Chitradurga and Challakere areas. It helped us understand the demands of the schools and of the parents, and to identify the nature of demand for the various types of bags. The visit results have been discussed in field implementations.

In Bangalore, we visited various wholesalers to understand their price point and margins to optimally price our bags. We interacted with CSR heads of multiple companies to draw out the women empowerment angle. Similarly, we set up meetings with The Lion's Club, Bangalore to identify any potential markets through these channels.

The marketing mix has been discussed using the 4P.

Product

Rural: We interacted with various school principals, head mistress and teachers to understand the size, look and other features of the bags expected. We also understood that most teachers and heads of institutions believed that premium quality material is

overrated, and that we could afford to use one grade lower quality of material if it reflected in the cost of the product.

Urban: From our interactions with various schools in Bangalore, CSR of various MNCs and potential customers in Lion's Club, we understood that quality is the most important parameter and price comes second. The market here is extremely competitive and it's hard to be a stand out. The expectation of the quality here is very high. Also we recommend extending the product line to travel bags as the target audience for this is massive and also these bags can be sold throughout the year.

Price

Rural: Although we were trying to sell the bags as a means to support women empowerment, we realized that in general, the people of Chitradurga and Challakere were not willing to pay premium neither for the quality nor to support this cause. They demanded competitive prices, and they agreed to orders only if they were guaranteed a price lower than market rates. This again led us to revisit the quality of materials used to identify any scope for cost cutting.

Urban: The challenge here was to price the bags. We did a primary research by visiting shops in various areas of Bangalore to understand the pricing as we already had the data of costing. The people we met expected competitive pricing at the best quality. Although the willingness to pay is not very high, the target audience in the city was ready to pay a lot more than the rural areas. Major sales can be targeted here.

Place

Rural: In Chitradurga and nearby areas we realized that the best way to generate orders was to appeal to schools and get their backing to distribute to all students at the time of admission. In some of the schools, we were given permission to set up GRAMA stalls for around 2 to 3 days in June when students came to school to pick up books and uniforms.

Urban: There are various clubs, which have no shortage of money and are willing to extend their hand for social causes. These are the places that need to be targeted. Use the story behind the bags for promoting the bags here. Also, various institutions like Canara Bank let women from SHG to have stalls of their products. Use such opportunities to create awareness and also sell the bags.

Promotion

Rural: We used the techniques of schools advertising through the bags. We offered bulk discount to the schools here. It was hard to get advance from schools here. Hence we had to promote it such a way that the advance paid would suffice

Bangalore: The best way to promote the product is through the story behind the bags. This has been successfully showcased through the movie and the brochure. The target audience in the urban areas will buy it for the story mainly and not for the quality or the brand initially.

Trademarking of GRAMA Logo

As we were planning to build a brand for the bags, we planned to launch a brand in the name of the NGO GRAMA having the following trademark:



Figure 13- Logo of GRAMA that will be trademarked

If an NGO becomes a commercial entity, then it will not enjoy the tax rebates. Hence we visited the auditor of the NGO to understand the consequences.

Following his advice, we decided to start a separate entity in the name of DMS enterprises which given the rights to use the trademarked logo of GRAMA.

The following section explains the procedure involved in trademarking the logo.

What is a Trademark?

Indian trademark law statutorily protects trademarks as per the Trademark Act, 1999 and also under the common law remedy of passing off. Statutory protection of trademark is administered by the Controller General of Patents, Designs and Trade Marks, a government agency which reports to the Department of Industrial Policy and Promotion (DIPP), under the Ministry of Commerce and Industry.

According to the Trade Marks Act, 1999, "trade mark means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours." A mark can include a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any such combinations.

Registering a trademark gives the owner exclusive rights to use the mark for their products and/or services. If the trademark is registered, the owner can use the symbol ®. In the case of trademarks for which a registration application is filed, the symbol ™ can be used.

Trademark Classes

Trademark law 2002, suggests that trademark can be registered in India under the Classes 1 to 45 depending on the type of business the company/entity is involved in (Classes 1 to 35 fall under goods and 36 to 45 under services). Approximately, 80000 products/services are covered under these classes.

Based on the class definitions, identify the classes under which the company's goods/services belong to. It is then required to apply for trademark for those classes.

For GRAMA, the following classes were identified to be applicable:

- Class 9: Laptop bags
- Class 18: School bags, Manufacturing of bags
- Class 35: General class for trading
- Class 36: Charitable fund raising, organization of collections
- Class 40: Custom tailoring, framing of works of art
- Class 45: social services rendered by others to meet the needs of individuals

However, after a decision was taken to separate GRAMA from the main business activities (by setting up a separate entity for that purpose), the only class chosen for trademark application was Class 45.

Registration

The proprietor/applicant, agent or attorney can do registration. Note that the registrations for domestic and international applications need to be done separately. Trademarking is country-specific. For GRAMA logo, a Chennai based online trademarking agent called '**Vakilsearch.com**' was contacted and initiated the process (e-filing).

E filing of a trademark application is a new service provided by the trademark registry office on its website. With it, you can:

- Complete an electronic application form
- Provide the associated attachments

- Complete necessary payment details.

In case of manual filing, you will need to personally walk down and submit the application for registration to any one of the offices of the Registrar of Trade Marks located in Mumbai, Delhi, Kolkata, Chennai and Ahmedabad; after which you receive the acknowledgement of the application and the receipt, usually within 15-20 days of the filing.

Step by step process

- Trademark search: Trademark search refers to the verification done by the Trademark Registry to check whether a similar trademark is already registered or an application is filed with the Registry. The search results indicate the possibility of getting the registration of your desired trademark. Conducting a trademark search before commercial use of your proposed trademark helps to save the unnecessary cost of branding and avoids the chance of using a trademark that is similar to an existing trademark.
- Trademark filing: Once the classification is complete, an application should be submitted to the Trademark Registry along with prescribed details such as the applicant's name and permanent address, the chosen trademark, goods and/or services relating to the chosen trademark, and any other relevant information, along with the specified filing fee. Image(s) of the trademark, if available, should also be filed with the application.

- Trademark application no. within 1 or 2 working days will be received once the application received is acknowledged. After this, TM symbol can be used next to the logo/brand name.
- Vienna Codification: Trademark will be assigned codes under the Vienna codification system. The status of the application then changes to ‘Sent for Vienna Codification’.
- Trademark examination: Trademark officer will accept or reject the trademark after thorough examination for duplication or imitation. If rejected, applicant can appeal before the Intellectual Property Appellate Board. This stage takes up to 8 to 10 months.
- Trademark journal publication: Trademark will then be published in the Indian Trademark journal (weekly issued) to invite for opposition from the public. If no objection is found to be received within 90 days’ (in some cases 120 days) time, then the registration can be done in 12 weeks. If opposed, Trademark Hearing Officer will give the final decision. However, there is an option to escalate it further to the Intellectual Property Appellate Board in case of a rejection by the Hearing Officer.
- Trademark registration: Finally, if no objections are there, the Registrar under the seal of Trademark Registry will issue the trademark manuscript and registration certificate. At this stage onwards, the symbol ® can be used next to the logo.

Note that the whole process for registration takes up to 15-18 months’ time. Also, the validity for a trademark is only for 10 years beyond which it has to be renewed. For convenience, a flowchart for the same is shown below:

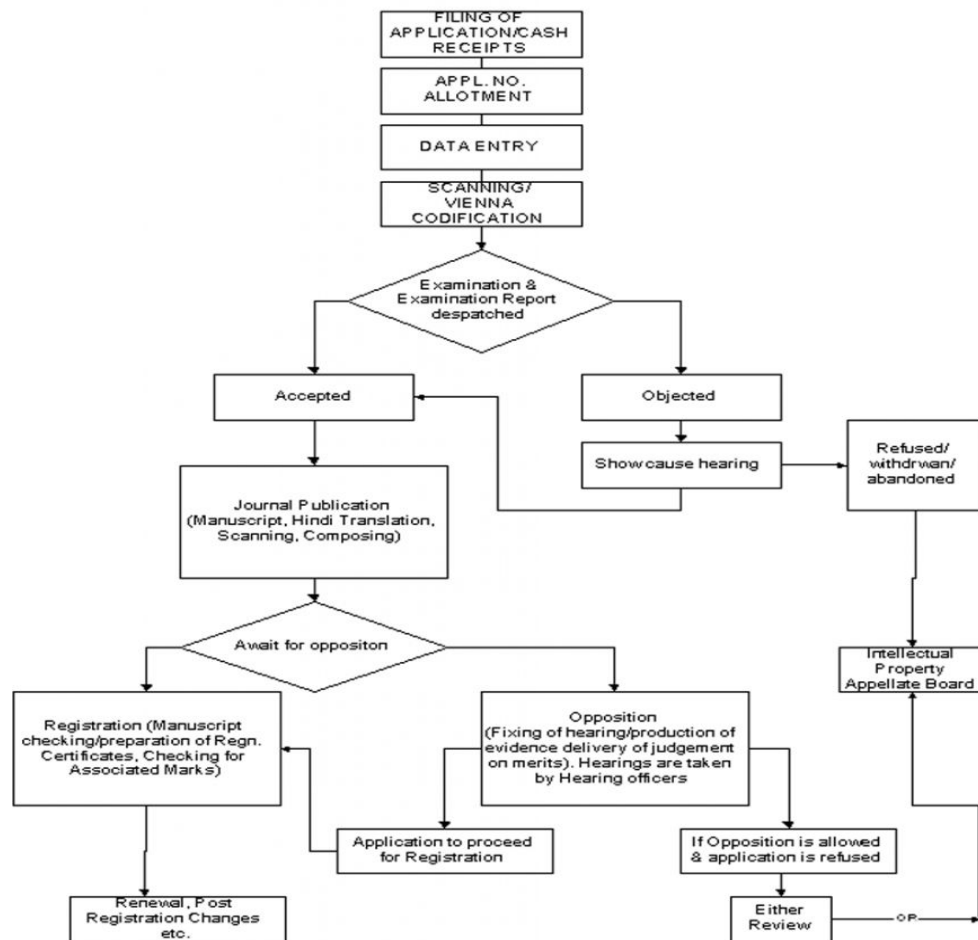


Figure 14-Trademarking Process

Documents required to be submitted

- Softcopy of the logo in JPEG format
- Applicant's name (NGO name, Owner name)

- Date from which the logo was started using
- A short description of what the NGO does
- Address for registration (provide both the NGO address as well as owner's address)

Once the payment for application (Rs. 6289 final price as per the invoice that GRAMA received) was done, a form called TM 48 (Trademark Authorization letter) was to be signed and sent back to the agent, which would then be sent to the Registrar.

Important costs of Trademark transactions

- Trademark registration (Govt. filing fees): Rs. 4000 per class
- Trademark renewal: Rs. 5000
- Restoration of trademark within one year from expiry date: Rs. 5000

Depending on the type of transaction, TM forms no. Changes and so does the cost. Note that an additional 10% charge may be given for paper filing of applications.

The professional charges for 'Vakilsearch' were Rs. 1999 + Service Tax.

The given link may be used for further details if necessary: ipindia.nic.in

Digital Marketing Campaign

In order to increase the awareness and accessibility, we recommended a digital campaign for GRAMA, the NGO. We initiated a Facebook page the link for which is in [Annexure-4](#).



Figure 15-Screenshot of the Facebook Page of GRAMA

We made videos of the board member of GRAMA talking about the various programmes and initiatives undertaken by them.

The group also trained the staff of GRAMA on using the social media for effective communications and increasing awareness.

Along with Facebook, a Twitter page was also initiated. We uploaded all the movies we made on YouTube. Further, the team suggested changes on the current website of GRAMA. We requested them to open a new tab termed special focus explaining about the PMKVY programme and the GRAMA bags. The link to this tab could be shared on the social media. Below is the screenshot of the proposed tab on the existing website.

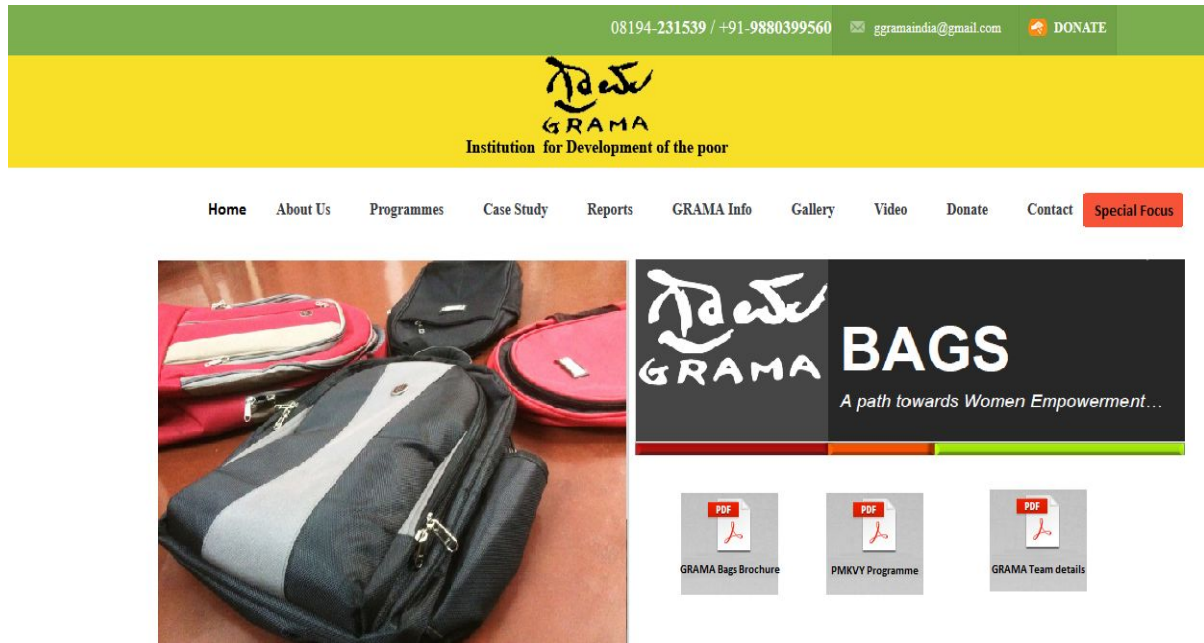


Figure 16-Special Focus tab on the GRAMA Website

Cost Analysis

A cost analysis was done for the bags to propose cost optimization and also understand the pricing.

For the pricing we visited various bag shops in Bangalore.



Figure 17-Understanding the pricing by visiting shops

We had the cost incurred in making the sample bags. We used that data to understand the profit margins.

Table 1- price list of similar bags in the market

Type of Bag	Actual MRP (INR)	Rate for bulk order (INR)	Quality compared to GRAMA	Suggestions to GRAMA regarding quality
Tiffin Bag	120	70	Same quality	None
Backpack	250	170	GRAMA bags are better	None
Laptop Bag	690-800	400	Competitor bags are better	<ul style="list-style-type: none"> The size should be able to accommodate 15 inch Laptop. The padding for laptop can improve.

Table-1 gives the price list of the similar bags in the market. Table-2, Table-3 and Table-4 show the costing of the tiffin bag, backpack and laptop bags respectively stitched by the women of the SHG with the materials used.

Table 2- Costing for Tiffin bag stitched

SI No	Particulars	Measurement	PNP	Asutex
1	1680 Fabric	30 cm	25	17
2	Zip No 8	23.5 Inches	4	3
3	Runner No 8	3 Pc	7.5	4.5
4	Belt 1 Inch	32 Inches	5	3
5	Thread		6	6
6	Bottom Pad		2	2
7	Logo print		5	5
8	Labour work		20	15
9	Current Bill		2	2
10	Others (Rent)		5	5
Total Cost			81.5	62.5

Table 3-Costing for Backpack stitched

SI No	Particulars	Measurement	PNP	Asutex
1	1680 Fabric	80 cm	105	55
2	Zip No 8	2 Mtr	8	6
3	Runner No 8	6 Pc	15	9
4	Belt 1 Inch	2 Mtr	8	6
5	Cloth	60 cm	15	11
6	Nylon + Jolly	3.5 Mtr	12	10
7	Thread		10	10
8	Thermocol	40 cm	20	15
9	Lap Top cloth		0	0
10	Lap Top Thermocol		0	0
11	Wellcrow		0	0
12	Fibre		3	3

13	1 Inch LL		2	2
14	Logo print		5	5
15	Labour work		70	55
16	Current Bill		4	4
17	Others (Rent)		5	5
Total Cost			282	196

Table 4-Costing for Laptop bags stitched

SI No	Particulars	Measurement	PNP	Asutex
1	1680 Fabric	80 cm	105	55
2	Zip No 8	2 Mtr	8	6
3	Runner No 8	6 Pc	15	9
4	Belt 1 Inch	2 Mtr	8	6
5	Cloth	60 cm	15	11
6	Nylon + Jolly	3.5 Mtr	12	10
7	Thread		10	10
8	Thermocol	40 cm	20	15
9	Lap Top cloth	15 cm	12	12
10	Lap Top Thermocol		5	5
11	Wellcrow		4	4
12	Fibre		3	3
13	1 Inch LL		2	2
14	Logo print		5	5
15	Labour work		80	70
16	Current Bill		4	4
17	Others (Rent)		5	5
Total Cost			313	232

From the above tables it can be seen that atleast 50% profit is present in the market. To ensure that we price the bags competitively, we have to ensure that cost is optimized in certain production processes.

The following are the steps involved in the production of the bags. The highlighted cells in figure-16 show the stages of production where the costs can be reduced.

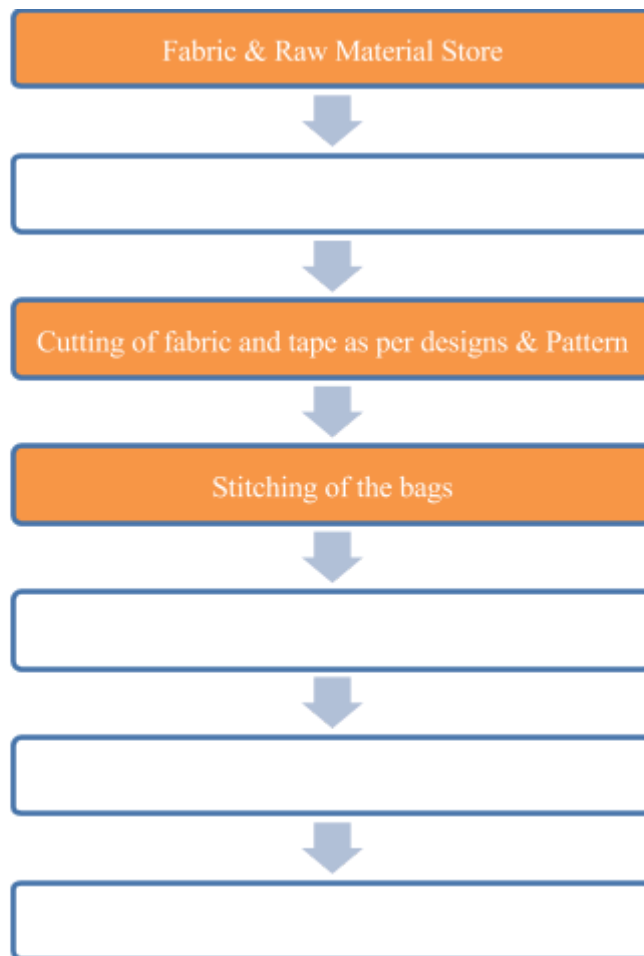


Figure SEQ Figure * ARABIC 18-Production process of bags

6. Field Implementation of recommendations

For the marketing, we visited 4 schools in Challakere and 3 schools in Chitradurga. The results of the visit are tabulated below.

Name of the school	Result	Other comments
CNC High School and PU College	Accepted for keeping a stall for bags during admission.	This was a government school. The students were from a lower middle class background.
Little Roses School	No orders	The strength was very low and invariably the students do not pay the fees itself and hence not advisable.
K K National School	No orders	They have a tie up with Kidzee, which already provides bags.
Warrior School	May give an order of atleast 100 bags.	One more visit needed. Can expect good orders.
Basweshwara School	Will give an order	They asked us to visit once again
Infant Jesus School	Definite order	They wanted us to market to the children directly. GRAMA staff will do the same.
Kuvempu School	They have a need. Order can be expected.	GRAMA staff will carry this forward. Order can be expected.

The following were the observations of the field visit:

1. CNC High School and PU College:

Observations and Insights:

- a) Interacted with the staff. The pricing was a major concern as this was a Government aided school

- b) Frequency of bag purchase was very low. Students usually borrowed/shared bags from their siblings. Approximate life of a bag for these students is 3-5 years.
- c) The school does not want to enforce the purchase of bags as it might give the students a perception that the staff is getting a commission.

Proposals:

- a) The school authorities have agreed for the GRAMA staff to set up stalls during the admission process in JUNE 2016.
- b) Have the posters/ brochures of GRAMA on the notice board a week before to create awareness.
- c) GRAMA staff to provide samples with all the variants.

2. Little Rose School



Figure 19- Little Roses School

Observations and Insights:

- a) Interacted with the Head Mistress and Secretary.
 - b) Very low strength (less than 150 students).
3. Students struggle to pay the fees of Rs 500 a month. Most students are from Lower Middle class background.
4. The school cannot enforce the purchase of bags and bulk orders not possible.

Proposals:

- a) The school authorities have agreed for the GRAMA staff to set up stalls during the admission process in JUNE 2016.
- b) In future they might enforce the use of a common bag as part of their

advertising campaign. Continue building relationship, as they are a potential customer.

3.

4.

5. **KK National School**



Figure 20-KK School already having printed bags

Observations and Insights:

a) Interacted with the admin and the teachers.

- c) They have the presence of 'Kidzee' franchisee, which provides bags as part of the package for the Kinder Garden section.
- d) The school was providing bags to the students but discontinued it as the parents had complaints about the price and quality.

Proposals:

- a) The Chairman of the school is in Chitradurga on Sunday (12th March). GRAMA staff to meet him. We will join the meeting through call.
- b) We will approach 'Kidzee' in Bangalore.

General insights and proposals:

1. The bag size needs to increase.
2. Increase the awareness of GRAMA in and around Chitradurga.
3. Product line expansion by making travel bags/ kit bags.
4. In general people expected more variants of colours and designs in the bags for kids.

The following were the observations after we visited schools in Challakere:

1. Warrior School

- The response was positive.
- **Cost** was a major concern and **not quality**.
- Sultan/Sriyanna will give the new brochure along with the catalogue on Monday.
- Bag samples to be given.

We can expect an order of atleast 100 bags from this school. If no order is given atleast a stall can be put during admission.

2. Basveshwara School primary school

- The response was good.
- They liked the bags and were willing to place an order.
- GRAMA staff to meet them again with more samples.
- The brochure to be put up on the notice board.

The order from this school looked very certain. Constant follow up required. Do not settle for putting up a stall.

3. Basveshwara School High school

- The response was good.
- Cost was a major concern. There are only 140 students here from lower middle class.
- GRAMA staff to meet them again with more samples.

We can get this order too. Put up the brochures on the notice boards.

4. Infant Jesus High School

- The response was very good.
- GRAMA staff to meet the students and advertise the products.

Put up the brochures on the notice boards.

5. Kuvempu High School



Figure 21- Pitching in Kuvempu School

- The response was very good.
- GRAMA staff to meet the Head Mistress as soon as possible.

Put up the brochures on the notice boards. Negotiate on the price and get the order. They are ready to go ahead with few negotiations.

We also presented in Lion's club HSR Layout.



Figure 22- Pitch at Lion's Club HSR Layout

**Result: Got a quote for 200 laptop bags. The price did not work out for either party.
Got a potential order of 50000 cloth bags. GRAMA staff is handling this now.**

Presented again at Lion's district Convention.

- **Got an order of 300 bags from a school (the owner was a member of Lion's club).**
- **Got many contacts. These people will contact GRAMA.**
- **Got a potential order of 300 bags from SEA school, Bangalore.**



Figure 23



Figure 24 -Lion club District Convention

7. Conclusion

After a detailed study of the production process of the bags and understanding the target segments we successfully got 5 orders to the NGO. We also gave them a recommendation on how to handle these orders and get further orders. We also successfully trademarked the logo 'GRAMA'. We also initiated a digital marketing campaign and trained their staff for the same.

8. Recommendations

- Improve the Awareness of GRAMA

As we have noticed during our stay at the NGO, GRAMA has very minimal visibility even where it is situated. Most people do not know the good work done by GRAMA. Awareness and responsiveness has to keep improving to increase the visibility among people.

Take immediate measures to increase the awareness locally. It is known that the GRAMA training halls are rented for events. During these events play the video talking about the work done by GRAMA. Play the marketing campaign movie too. This would indirectly help in the marketing of the GRAMA Bags. It is very important to increase awareness locally.

- Product Diversification

GRAMA provides training in stitching of bags through the PMKVY program. Currently, with the help of a few experts they have become proficient in stitching school bags, laptop bags and lunch bags. One of our suggestions is to shift to the cuboidal shaped Travel Bags and general-purpose cloth bags. This would be helpful in the following ways.

1. Larger target audiences.
2. Demand all throughout the year from all age groups.
3. Simple design and lesser cost. Materials can be procured in bulk, as the orders will be huge.
4. More employment for women with sustainable income generation.

5. Skill development. Each SHG can be skilled in making one kind of a bag. This will ensure that every SHG is benefitted.

- Human resource Development

The current staff of GRAMA is not competent to market in cities like Bangalore and more over they are already busy with other initiatives. Firstly it is important to hire a person who will manage the general administration of GRAMA bags

As the budget is constrained, it is recommended to hire interns from final BBM to take over the role of marketing. An internship certificate can be given for the same. This will be mutually useful. The template for the internship is shown in [Annexure-5](#). Also we observed that the crowd has more connect to the ideas when presented by students.

Apart from marketing, currently there is only one trainer who inspects the quality and does the finishing. As the number of orders increase, it becomes difficult for one person to handle. Hence recruit atleast two more experts (stitching) to enable better quality and handle the orders. Check whether the bag is able to carry weight and hold bottle.

- Marketing effectively

The school bag market is large and it is very hard to be unique. Hence it is not our bags but the story behind the bags that will help you get orders. Use the marketing campaign movie effectively. Also, do not stop at one visit, follow up frequently to get orders and maintain healthy relationships with all the schools. Have a dedicated team for this.

- Short Term Goals:

While processing the orders we, ensure that procurement is done wisely. We have an order of close to 1000 different bags and a potential order of 50000 cloth bags. Estimate the material for all the bags and try to get bulk discounts. Try sourcing it from somewhere close to Chitradurga. This will reduce the cost.

Plan the production wisely. Do not mix orders. Have clear deadlines for production.

Quality is of utmost importance. As this is first order ensure that each bag has conformed to the quality expected.

Deliver the bags on time with invoice. The template for the same is in [Annexure 6](#).

- Long Term Implications of Findings:

Make Chitradurga the manufacturing hub for bags. This can be achieved in the next 5 years. Get the orders. For this aggressive marketing has to be done. Give quotations to the enquiries using the template in [Annexure 7](#). Work Professionally.

Motivate the women and engage them with something when the orders are less.

- Use social Media

. We have started off with Facebook page, where regular updates of GRAMAs work (with a short storyline) can be posted. Boost certain.

9. Annexure

Annexure 1: Story for Marketing

This is the story of Kamamma, from Challakere, a hamlet in Karnataka. Kamamma, 36 years old, is married to a farmer from whom she has 2 sons who aspire to be engineers. She is an illustrious woman, having tried her hand at a number of different businesses, from papads to agarbattis. A tailor by profession, she made the most of GRAMA's leather stitching training (as part of PMKVY) to get herself an additional source of income. Kamamma knows that she can go to big cities like Bangalore or Tumkur and definitely get a job, because of her certified training. But she says her family comes first. She is determined to stitch fine quality bags in her home, with the help of other women in her SHG (Self Help Groups) to earn a secured living.

We urge you to join us to support women like Kamamma, who want to push their boundaries, play a bigger role in society, and lead better lives.

Annexure 2: Link to the movie used for marketing

<https://youtu.be/LDWszcUAuH0>

Annexure 3: Brochure

Adobe Acrobat
Document

Annexure 4: Facebook Page of GRAMA

<https://www.facebook.com/GRAMA.ctd>

Annexure 5: Certificate Template



Certificate for Grama.docx

Annexure 6: Invoice Template



GRAMA Invoice.xlsx

Annexure 7: Quotation Template



Format for quotation.docx

Annexure 8: Daily Reports

DAY 1

We started the day by interacting with the EC members of Nagagondanahalli village and also got a brief introduction to Organic farming . We got to interact with the farmers involved in the organic farming and understood the situation at the grass root level. We learnt about the entire process of organic farming from the stage of getting a sanction from the government to selling it in the market. We also discussed about the various grievances of the farmers

regarding financing and insurance. Post this we visited a few farms where this was implemented. We saw how the compost, liquid manure and vermi compost were prepared and used.

After lunch we visited the students enrolled in the PMKVY programme. We got to interact with the new batch. We got to see the various products that need to be marketed. We have got few ideas about the branding and marketing of the products. However, we still have some questions to be asked to these students. This session is planned on Saturday.

Apart from these sessions we are overwhelmed with the hospitality at GRAMA and the villages we visited. The stay has been comfortable and the food has been really good. We are enjoying our learning here and looking forward to contributing to GRAMA!

DAY 2

We started the day by visiting the SHG groups in Obannahalli village. Here we learnt about the various financing options that the SHG have. We understood the entire working process of a SHG, their weekly meetings, accounting techniques and loan schemes. We also got to know how these loans were used for income generating activities.

We also visited couple of check dams near Obannahalli. We learnt about the need and advantages of such integrated watershed management programmes.

Post lunch we visited 'Vasundhara farms' owned by Shri Veerabhadrappa. We could see how he has implemented mixed farming here and how it has helped him have a consistent income all throughout the year.

After we were back, we brainstormed for marketing products of 'Grama' . We came up with some insights, which could be implemented.

DAY 3

We visited the SHG group of Siddapura and had an interaction with the members of this group who had undergone the training under PMKVY programme. We learnt about the various activities the group does for income generation. We understood their capabilities in the production of school bags. From the insights we got we could conclude that the main hurdle they faced was marketing their products.

We had a meeting with Shridhar Sir, where we discussed about the action plans and deliverables.

DAY 4 & 5

We visited the SHG group of Siddapura and had an interaction with the members of this group who had undergone the training under PMKVY programme. We learnt about the various activities the group does for income generation. We understood their capabilities in the production of school bags. From the insights we got we could conclude that the main hurdle they faced was marketing their products.

We had a meeting with Shridhar Sir, where we discussed about the action plans and deliverables.

DAY 6

The following are the updates from the day:

1. Today we visited a couple of shops in Jaynagar that sold bags to understand the pricing.
2. The others have started their deliverables and are on track.

DAY 7 & 8

Plan of action:

1. We will be approaching our contacts with the write up and movie prepared. The allocation of contacts amongst the team will be communicated soon. **Madhava/Manisha** will take lead in the allocation of these contacts.
2. **Nikhil** will proceed with the trademarking of the logo.
3. **Ashwin** will continue building the Facebook page and will get in touch with Veena Ma'am for implementing the proposed changes to the website.
4. **Arjun and Kishan** will continue making short movies about 'GRAMA' for the Facebook page.
5. **Swami/Abhirag** will get in touch with Sultan Sir/Govindraju Sir for the cost sheet (BOM) of the bags and will come up with the detailed costing.

DAY 9

As we have the content ready, we have started approaching various organizations. Below is the list of organizations each of us have started contacting:

Name	Institution contacted	Other tasks
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Manisha	NextGen PMS	The marketing Brochure is ready.
Arjun	Schneider Electric, Lioness Club-Bangalore, Two Private schools, Canara Bank	Creating content for the Facebook page-Mainly Videos.
Kishan	Bosch, UNICEF	Creating content for the Facebook page-Photoshop and relevant images.
Ashwin	Art of Living	Has got in touch with Veena Ma'am. Meeting her on 8 th March for Knowledge Transfer on how to handle social media and provide insights on improving the webpage.
Madhava	Sobha Developers	
Nikhil	Bosch-Coimbatore, Schools in Kerala	Working on trademarking of GRAMA logo.
Swami/Abhirag	Calcutta Rotary club/SPJIMR	Working on the costing of the GRAMA bags. Have contacted

		Govindraju requesting for the costing sheet prepared by them.
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DAY 10, 11 & 12

- Working with **NextGen** to find suitable companies who can take up sale of Grama Bags as part of their CSR
- Have contacted **Schneider Electric, Sobha Developers, Bosch, Clubs in Kolkata and SPJIMR**. Response awaited.
- Ashwin and Madhava will be meeting Veena Ma'am today. They will update us about their meeting.
- In the meantime, we will **pitch in schools** in and around **Chitradurga** on **9th and 10th March**. (Wednesday and Thursday) Have spoken to Govindraju Sir regarding the same. He will arrange for the visits.
- **Lioness Club**, which is strongly supporting Women Empowerment has asked us to pitch on **11th March**.
- Have contacted a **local bag dealer** in **HSR layout**. Visited him yesterday. Following up with him.

10. Bibliography

<http://gramachitradurga.org/gallery.php#>

www.pmkvyofficial.org/

www.vakilsearch.com

www.ipindia.nic.in

11. Contact Information of GRAMA

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