

# Finalist Outstanding Social Entrepreneur of the Year 2008 India - Schwab Foundation, UNDP

The Nand & Jeet Khemka Foundation and The Schwab Foundation for Social Entrepreneurship, in collaboration with United Nations Development Program (UNDP) and media partner Hindustan Times, are pleased to announce the Finalists for this year's 'Social Entrepreneur of the Year' Award in India—Arbind Singh (Nidan), Brij Kothari (PlanetRead and IIM Ahmedabad) and Prema Gopalan (Swayam Shikshan Prayog).

## Prema Gopalan - Swayam Shikshan Prayog (SSP)



*"We believe that rural grassroots women are the Change they want to see. As emerging leaders and entrepreneurial innovators, women are building social networks that strive to achieve the aspirations of their families and communities for a secure future."*



## The Organization

Founded by Prema Gopalan in 1994, Swayam Shikshan Prayog (SSP) is building networks of rural 'social businesses' that are co-created by private corporations and women survivors of disasters such as the 2004 Asian Tsunami and the Latur and Gujarat earthquakes (of 1993 and 2001 respectively). With the facilitation of SSP, networks of rural women entrepreneurs have launched retail businesses in renewable home energy products, home groceries and health funds in partnership with BP (previously known as British Petroleum), LIC and others.

Working in the disaster-affected areas of three Indian states, SSP has since 1998, launched 8,944 agri and non-farm businesses through savings and group credit products. Further, it has nurtured 1,820 women retail entrepreneurs with a total consumer base of 63,000 families and cumulative earnings of INR 23 million (US\$ 0.53 mn). It has ensured more than 33 percent income growth per entrepreneur.

## The Innovation

SSP launches rural women entrepreneurs in disaster-prone areas. It then organizes them into social networks to spot and address gaps in Bottom of the Pyramid (BOP) markets. Thereafter, Prema and her team:

- Identify potential corporate partners.
- Deepen social channels to promote market growth.
- Facilitate local women to incubate business models with corporations.

Since 1998, SSP has launched and mentored 20 Sakhi Federations in Maharashtra—a dynamic umbrella-network of 5000 SHGs. Over time, these SHGs have created markets for social products essential for their communities. They have also coalesced into channels of trust and social capital. The social networks of the Sakhi Federations, powered by 60,000 women, offers multiple advantages to companies and rural entrepreneurs planning to launch a rural business. It provides the following:

- An efficient pipeline of first-generation entrepreneurs with experience in managing credit, savings and micro-businesses.
- Trust-based relationships among members that ensure loyalty, consumer awareness and first-hand market insights—urgent requirements for private corporations that wish to operate in underserved markets.
- A credit and social line between members that also serves as a natural supply chain with reduced cost of sales, promotion and retail—leading to savings for the consumer and increased profit for the venture.



*Livelihood activities in Rapar, Gujarat; broom making by Self Help Group entrepreneurs*

SSP's Business Development Services (BDS) offers access to capital, market insights, linkages to government, incubation of legal entities and skill-building of micro-entrepreneurs to help both rural and urban companies succeed. It connects networks of women entrepreneurs, village institutions, and corporations to launch profitable enterprises that are governed by a triple bottom line:

- a. Financial—everyone in the value chain makes a profit.
- b. Environmental—all enterprises are rooted in the principles of clean, renewable energy.
- c. Social—all businesses fortify the development of village communities and ensure inclusion of debutant entrepreneurs in networks of financial and social capital.

All businesses promoted by SSP have demonstrated sustainability. They have also converged commercial success with social value creation. For example, the clean cooking stove enterprise

launched in partnership with BP has generated a business turnover of INR 110 million (US \$ 2.56 mn) while reducing indoor air pollution in 51,000 rural homes and saving INR 7.7 million (US \$ 0.18 mn) in household monthly incomes. Similarly, Access-Annapurna, a rural-to-rural home groceries business reaches 7,000 families month after month, with a combined sales turnover of INR 50 million (USD \$ 1.16 mn). Shopping through the Annapurna model has led to savings of up to INR 240 (USD \$ 5.5) per month, or 6 percent of mean monthly income, per family.



*A Self Help Group member selling saris as part of her livelihood activities in Osmanabad, Maharashtra*

How do business ventures between local women and global corporations succeed? An example: In 2005 SSP went into business with BP to co-develop and distribute the Indian Institute of Sciences patented *Oorja* stoves. These portable cooking appliances operate on bio-mass pellets that can be sourced from local farmers and burn bio-mass extremely efficiently, leading to smoke-free kitchens.

SSP established *Adharam Energy Private Limited (AEPL)*, a company to distribute BP's energy product and manage the network of village-level retail entrepreneurs/agents, called the *Jyotis*. AEPL is a joint business vehicle through which 800 Jyotis pooled their investments, licenses and risk to launch—for the first time—a joint operation with one another and with a corporation.

BP supplies the product while AEPL handles the distribution from the warehouse to 800 Jyotis. Each Jyoti interacts directly with 200 to 250 customers, delivering the appliances and bio-mass pellets to them. In addition, the Jyotis handle service complaints and keep daily sales records. A Jyoti invests INR 10,000 (US \$ 232) into the business and collects cash from customers on sales. She earns up to INR 2,000 (US \$ 46.5) a month on sales commission. Typically, a Jyoti would meet her customers thrice a month, totaling 1,000 interactions per month to educate, promote, motivate and demonstrate the benefits of clean fuel.

The AEPL model has demonstrated the advantages of business co-creation for the BOP segment:

- Even as BP capitalized on the extensive infrastructure of SSP's social networks, SSP and rural women gained credibility as successful collaborators with a global firm.
- All partners brought unique balance sheet advantages to a new business. BP's deep pockets withstood the trials of a start-up, allowing SSP to quickly access assets, such as warehousing facilities that the business required.

## The Impact

Through extensive trainings in disaster response and business skills, SSP has created a base of 10,000 rural experts who can kick-start community re-building processes in the immediate wake of a calamity. After the Gujarat earthquake in 2001, Sakhi members from Latur and Osmanabad pooled INR 100,000 (US \$ 2,325) and set off to Kutch and Jamnagar (among the worst affected sites). They organized women to steer the state's post-earthquake reconstruction programs. This marked the launch of SSP in Gujarat. Post-Asian Tsunami, SSP and members from the Sakhi Federations stepped into Tamil Nadu. Today, 500 women run a community health watch network that has impacted 13,000 households in 41 villages. More than 300,000 families have been directly served by SSP's combined enterprises since 1998. Among them, 40 percent are from the Nomadic Tribes, Other Backward Classes, Scheduled Castes and Scheduled Tribes.

Advocacy and enterprise have also spurred rural women members of SSP to win community contracts from district governments and serve as local planners and managers of village water and sanitation infrastructures.

## The Entrepreneur

Born in Pune, Prema schooled all over India. Her master's degree in social work, and a pre-doctoral study on women in the informal sector left her restless and wanting to engage with low-income families. In 1984 she founded SPARC (Society for the Promotion of Area Resource Centers) with her co-travelers, all of whom were development professionals. In 1989 she branched out on her own and set up SSP.

Prema is a steering committee member of GROOTS International and Huairou Commission—a network of autonomous grassroots women's organizations across 40 countries. She facilitates Disaster Watch—a Global Working Group of the Huairou Commission. Most recently, the Chinese government invited Prema to be a special advisor to their post-earthquake reconstruction work. She lives in Mumbai with her husband, who also works in the citizen sector. Under Prema's leadership, SSP won the Change makers Award in 2008.

For more information on the Award, Arbind Singh and the finalists please visit:

<http://www.khemkafoundation.org/awards/sey08/sey08-winner.php>