

Inter-city marketing network for women micro-entrepreneurs

OPERATION MANUAL

Implementing agency:

Foundation Of Occupational Development (FOOD)
C-Block, 1st floor, Bharathiar Complex, 100 feet road,
Vadapalani, Madras – 600 026, India
Email: FOOD@XLWEB.COM
Phone: (+91-44) 4848201
Website: <http://www.XLweb.com/food/>

Table of Contents

Chapter	Page
1. Introduction	2
2. Management role	4
3. Eligibility criteria	6
4. Working methodologies	7
5. Financing arrangement	13
6. IEC-T strategy	14
7. Terms of reference issued to CBOs	16
8. Monitoring and evaluation	19

During field visits to various cities in Tamilnadu conducted by FOOD staff, we observed that each city has its own set of products that are manufactured using indigenous skills. Most of these products are made with locally available materials and the skills available in production are seldom found in other cities.

For instance, we found that in one of the cities where there were a number of textile knitting mills, the local community was buying the waste material and export rejects from these mills at throwaway prices. They were then producing pillow covers, dresses for children and other goods and selling it in the local market for much cheaper price than what is normally sold by commercial establishments.

In this process we observe that the production cost is almost 50% less compared to the same product produced in other cities. This is mainly because the raw materials are locally available and the products are made in homes, which does not involve much investment in infrastructure. Further the whole family works at the time that is convenient to them. This helps them to maintain their family and at the same time make use of the free time more productively.

Although a majority of the community is a part of a Community Based Organization (CBO), due to lack of communication link (ICT) between CBOs we observed that the producers are dependent on middlemen for marketing their produce outside their local area. This reduces the community's earnings even though their products are of very good quality.

The other major set back in the cultural system in this part of the country is that women are seldom allowed to go out of the house to sell their products to the public. Due to this the skilled women workers are discouraged from making use of their creative and entrepreneurial skills.

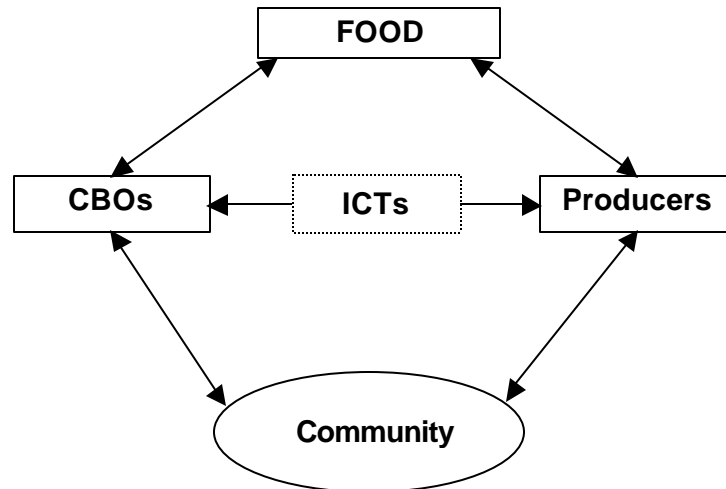
OBJECTIVES

This project will establish a closed user group communication network for community-based women's organizations to promote inter-city direct sales of products made by artisans and skilled workers.

The above will be accomplished by providing the community based organizations with communications links by way of cellular phones to enable them to network for marketing their products. This is a simple way of applying widely available telecommunications technologies to a traditional micro-enterprise sector with a very high proportion of women's participation.

FOOD will organize existing CBOs in such a way that they can inter-change their produce for marketing - products made by CBOs in one city will be sent to a CBO in another city for marketing in their area.

Approximately 100 CBOs will be linked with a minimum of 20000 families (population about 10,000 people) as members. The same will be extended to other CBOs upon successful completion of the project.



Relationship between FOOD and various stakeholders in the project

TARGET GROUPS

100 Community Based women organizations with a minimum of 2000 families (population of about 10,000 people) as members.

SALIENT FEATURES

The salient features of this project are as follows,

- Creation of market-friendly environments for micro-entrepreneurs
- Organizing the micro enterprise sector which is presently disorganized
- Utilizing ICT as a tool for social and economic development of the poor
- Creating direct market for the products made by women and artisans
- Removing the middleman in the sale of products made by the CBOs
- Improving cash flow within the community
- Increasing the income of women thus reducing poverty
- Achieving sustainability in a market environment
- Capacity building of women entrepreneurs
- Creating and strengthening sectoral networks
- Leveraging sectoral capabilities for development
- To create a sustainable activity for the CBOs, so that it could implement community development programs with the income generated
- Creating a model that can be replicated on a larger scale under different environments

CHAPTER 2	Management role
------------------	------------------------

The various stakeholders in implementation of this project have different roles to play that should be complementary to each other.

Role of FOOD as facilitating agency

FOOD will initiate this project in 100 CBOs and act as a facilitating agency. Its role is as defined below,

- Preparation of operation manual that will serve as a guide to implementing this project
- Selection of 100 CBOs based on the eligibility criteria outlined elsewhere and their willingness to participate in this project
- Sensitizing the community on the benefits of this project through orientation programs and group discussions
- Assess existing employment status and socio-economic variables
- Short listing products made locally through community survey
- Training the CBOs on operation and maintenance
- Conduct capacity building exercise program through training, exposure and exchange visits for women groups in operation, maintenance, finance, marketing, quality control, distribution and use of cell phones for networking
- Plan logistics and thumb-rule methodologies to enable even the uneducated to manage the project
- Coordinating the marketing activity between CBOs by establishing a centralized storage point for products at the first instance, and decentralizing in a phased manner
- Capacity building for cost effectiveness in operationalization of the program
- Organizing regional workshops to create awareness, rework the operation manual based on experiences and to assess the impact of cell phones in the marketing effort
- Quality assurance
- Assessing the strengths and weakness of cell phones in facilitating marketing and in empowerment of the women groups
- Monitoring and evaluation
- Expansion of project to other CBOs based on demand
- Planning the exit-strategy for FOOD

Role of CBOs

The CBOs will primarily be responsible to coordinate between the producers and the marketing groups of this project. Their role is as defined below,

- Identifying geographical areas where the project will be implemented
- Assisting FOOD in conducting orientation programs
- Identifying products made by individuals and groups in the community
- Forming community groups for production and marketing

- Conducting survey for market of the produce and the quantity required
- Short listing suppliers, marketers and program coordinators within the CBO
- Undertaking responsibility for maintenance and security of the cell phones provided
- Receiving orders for products from different CBOs and passing it on to producers using cell phones
- Checking the products to ensure that the products meet prescribed standards before dispatch
- Coordinating dispatch of product from their city to various other cities as per demand
- Checking the products at the receiving end before releasing it to consumers
- Ensuring that excess products left unsold in their city are passed on to another city that has request for that product

Role of FOOD

- Sensitize the community on the benefits of this project
- Conduct surveys to assess existing employment status and socio-economic variables
- Train the CBOs on operation and maintenance
- Conduct capacity building exercise programs for women groups in operation, maintenance, finance, marketing, quality control, distribution and use of cell phones for networking
- Plan logistics and thumb-rule methodologies
- Coordinate marketing activity between CBOs
- Organize regional workshops to create awareness
- Quality assurance
- Monitoring and evaluation
- Expansion of project to other CBOs based on demand
- Planning the exit-strategy for FOOD



Role of CBOs

- Identify geographical areas for project implementation
- Assist FOOD in conducting orientation programs
- Identify products made by individuals and groups in the community
- Form community groups for production and marketing
- Conduct survey for market of the produce and the quantity required
- Shortlist suppliers, marketers and program coordinators within the CBO
- Ensure maintenance and security of the cell phones
- Check the products to ensure that the products meet prescribed standards before dispatch
- Coordinate dispatch of product from their city to various other cities as per demand
- Check products at the receiving end before releasing it to consumers
- Receive orders for products from different CBOs and passing it on to producers
- Ensure that excess products left unsold in their city are passed on to another city that has request for that product

CHAPTER 3	Eligibility criteria
------------------	-----------------------------

The eligibility criteria for the various players in this project are outlined below.

CBOs

- The CBO must be a registered society.
- The CBO must express its willingness to participate in this project by signing a Terms of Reference with FOOD after getting authorization from its members by way of a resolution.
- CBO should have a corpus fund of Rs 5,000 that will be used by them for drawing material from the centralized storage point.

Producers

- Producers must be part of the CBO
- Producers must be willing to market their product under a common banner
- Producers must have the ability to maintain supplies as per demand

Beneficiaries

The beneficiaries of this project will be from the following groups,

- The poor skilled and semi-skilled producers who are below the poverty line
- Women entrepreneurs

CHAPTER 4	Working methodologies
------------------	------------------------------

Components of the project

The following activities will be undertaken under this project,

- Preparation of operation manual
- Visit to 100 semi-urban areas
- Sensitizing the CBOs on use of cell phones for networking and income generation
- Conducting orientation program for CBOs and training in use of cell phones
- Survey
- Short listing products made locally
- Training program for the CBOs in management of the network and marketing
- Coordinating the marketing activity
- Quality assurance
- Organizing regional workshops to create awareness
- Monitoring and evaluation
- Exit-strategy for FOOD

1. Preparation of operation manual

As a first phase, FOOD has prepared an operation manual, in consultation with the community, that details specific activities to be undertaken by recipient CBOs and the role to be played by FOOD as facilitating agency. This manual also outlines the methodology to be adopted in implementing the project. This will be modified based on experiences.

2. Visit to 100 semi-urban areas / Sensitizing the CBOs

FOOD will short list 100 semi-urban areas in which to take up this project based on the willingness of the respective CBOs. After short-listing CBOs, FOOD's staff will undertake visits to these areas and sensitize the CBOs on this project and the benefits it will accrue to its members through group discussions.

3. Conducting orientation program for CBOs

As a second phase of the sensitization of CBOs, FOOD will conduct orientation programs that inform and educate the CBOs more on the project as well as train them on how to undertake survey of the community to short list demand for products and look for appropriate producer and marketing groups. The role of ICTs in networking and income generation will also be emphasized.

4. Survey

Survey will be conducted by FOOD in association with the CBOs to achieve the following objectives,

- Assessing existing employment status and socio-economic variables
- Short listing products made locally and the quantity of produce that can be offered for marketing through community surveys
- Ascertaining the demand for marketing products and the quantity required for that community

In order to ascertain the demand for products in the community, FOOD's project team will be asked to go to the community multiple times – once for each product to be surveyed. This serves the purpose of familiarizing FOOD's project team with the community members and keeping them in touch with the grassroots of this project.

The list of products short-listed will be circulated to all the CBOs to enable them to assess the demand for the products in their city.

5. Short-listing products made locally

Based on the surveys FOOD will determine what products are being produced locally, which can be economically viable for marketing in other communities. FOOD will also identify the appropriate producers for these products based on their ability to supply products on time, according to prescribed standards of quality and in the volume required. The CBOs will also fix program coordinators to take care of day-to-day activities.

6. Training program for the CBOs in management of the network and marketing

Training programs will be conducted for capacity building, administration and refinement of business skills and to improve production and packaging.

FOOD will train the CBOs on operation and maintenance of the network. Capacity building exercise programs will be conducted through training, exposure and exchange visits for women groups in operation, maintenance, finance, marketing, quality control and distribution.

FOOD will also plan logistics and thumb-rule methodologies to enable even the uneducated to manage the project and use the cell phones for intercity marketing.

7. Coordinating the marketing activity

Each CBO in this project will be provided with a cellular phone that will be used by them to get in touch with other CBOs for placing orders and to carry on their business activities. This will also help them to know how competitive they are compared to similar products made in other cities.

While the production and marketing are decentralized, FOOD will establish a centralized storage point, to start with, where the producers can send their finished goods and from where the marketers can draw products. This centralized approach during the initial

phase will facilitate smooth operation of the network. Once the marketing channel is well established the activities will be decentralized so that the marketing groups can directly place orders with the producer groups.

The program coordinators in the producer groups will be entrusted with the responsibility of receiving orders for products through cell phone. The marketing groups will follow up on the procurement of products once the producers deliver them to the central storage point.

The producers will be requested not to produce in excess of the quantity requested.

Sales commissions to be paid to the marketing groups will be deducted by the CBO before sending the payments to the producers.

FOOD in association with the CBO will ensure that excess products left unsold in their city are passed on to another city that has request for that product. This will ensure that there is no idle stock.

8. Quality assurance

The CBOs need to ensure quality of products being produced by their community producers. The CBOs have to check the quality of products before dispatch as well as at the time of drawing products for marketing to ensure they meet prescribed standards. FOOD will also conduct quality checks at regular intervals.

9. Organizing regional workshops to create awareness

Regional workshops will be organized by FOOD to disseminate information about the micro-entrepreneurs marketing network through the use of cell phones. Examples of the network in action in other areas will be shown to motivate more CBOs to become a part of the network.

10. Monitoring and Evaluation

Evaluation of the project has to be done at various stages: at the start of the project, monitoring, mid-project and end of project appraisal, as well as post-project evaluation. During the course of the project there should be a monitoring of key aspects of the operation and outcomes. Monitoring of the project will lead to preparation of periodical reports that will seek to record signs of change in the overall situation in the CBOs and community as well as the impact of ICTs on micro-enterprise development. The monitoring and evaluation process are outlined elsewhere in this manual.

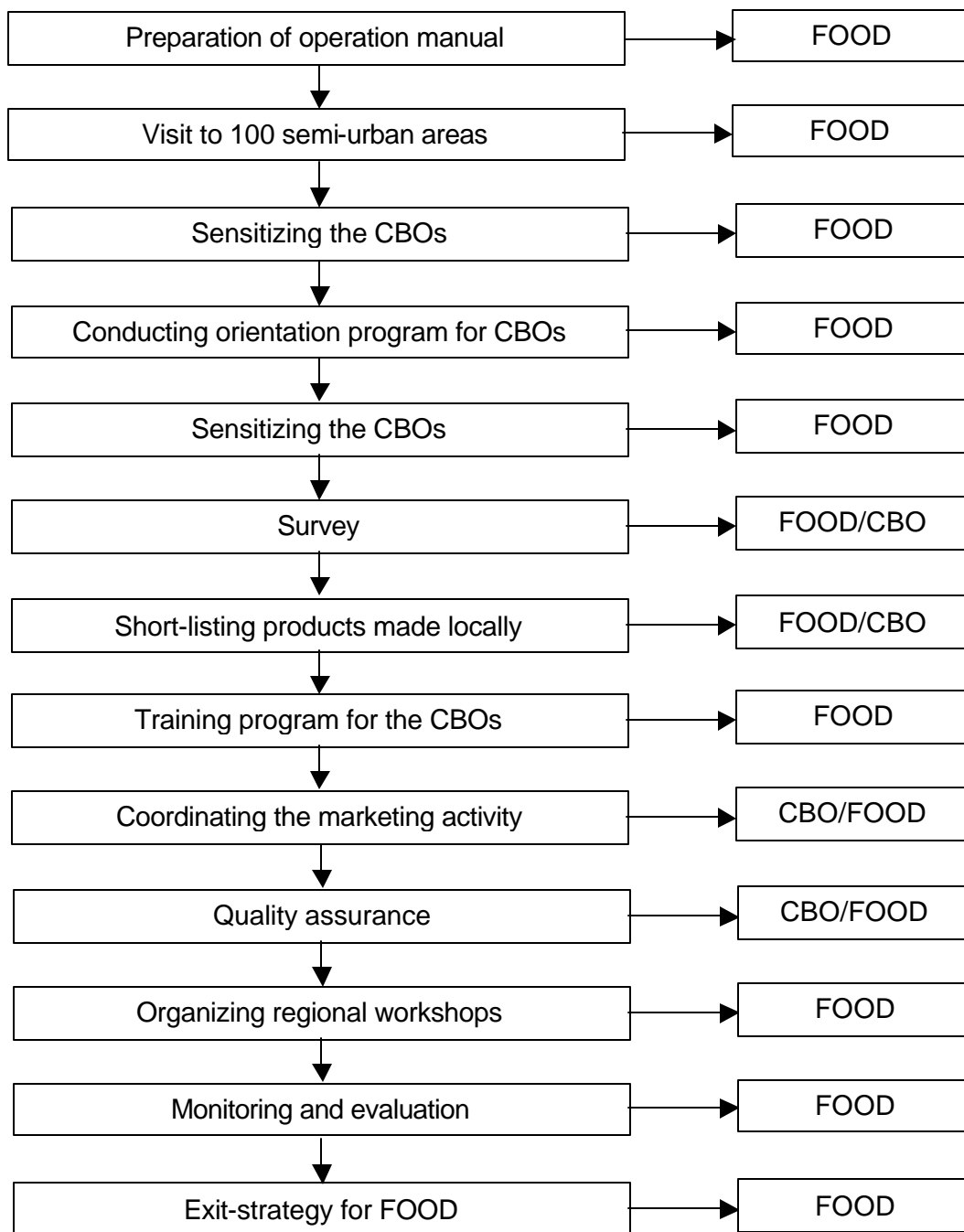
11. Exit-strategy for FOOD

FOOD will also prepare an exit-strategy on an area-by-area basis based on the specific requirements of each CBO. The exit strategy will also focus on the logistics network. Our objective will be to start up the project, ensure smooth functioning, assure quality parameters, sustainability and then exit from the network leaving the CBOs to run the day-to-day activities of the network.

Major milestones

Duration	Activity	Outputs
Phase 1 (30 days)	<ul style="list-style-type: none"> • Preparation of Operation Manual 	<ul style="list-style-type: none"> • Operation manual detailing specific activities to be undertaken and the methodology
Phase 2 (90 days)	<ul style="list-style-type: none"> • Sensitizing the 100 CBOs • Orientation programs for CBO members • Survey • Short-listing products made locally by each CBO 	<ul style="list-style-type: none"> • CBOs are oriented towards the project • List of products made by each CBO
Phase 3 (90 days)	<ul style="list-style-type: none"> • Orientation and training program in management of the network, finance, marketing and operation 	<ul style="list-style-type: none"> • CBOs are oriented on management and other issues
Phase 4 (ongoing)	<ul style="list-style-type: none"> • Coordinating the marketing activity 	<ul style="list-style-type: none"> • Monitoring of the activities • CBOs start marketing the products • Quality assurance
Phase 5 (ongoing)	<ul style="list-style-type: none"> • Organizing regional workshops 	<ul style="list-style-type: none"> • Evaluating the impact of the project • Awareness creation for the project in new areas • Extending the project to other areas

The components of the project and the agency responsible for implementation are illustrated in the diagram below.



Format for survey forms

Employment status and socio-economic variables:

Name	
Address	
Occupation	
Monthly income	
Number of family members	

Purchase of products:

	<i>Product name</i>	<i>Units bought</i>	<i>Unit rate</i>
Daily consumption			
Weekly consumption			
Monthly consumption			

CHAPTER 5	Financing arrangement
------------------	------------------------------

The total cost to be spent by FOOD for implementing this project is US \$ 159,610. The various components that require financial resources are as follows,

- Salaries for the project team
- Travel cost
- Training cost
- Survey cost
- Finance for communication equipment (cellular phones)
- Administrative costs

Other than the above costs that need to be spent by FOOD the costs for the CBO will be as follows,

- The cost of operation and maintenance of the assets and facilities provided to them by the project
- Cost of purchasing products for marketing in their community
- Administrative costs

Sustainability

CBOs that agree to participate in this project must have a corpus fund of Rs. 5,000 with them that will be used for the purpose of purchasing products.

The micro-entrepreneurs will pay a small amount out of their earnings to the CBOs to enable the CBO to coordinate the activity and expand its area of operation. Hence this will be a sustainable program for the CBOs.

CHAPTER 6	IEC-T strategy
------------------	-----------------------

The various components of the IEC-Training strategy are as follows.

- Sensitizing the CBOs
- Strengthening the CBO structure
- Creating awareness among the producers and CBOs on the benefits of direct marketing and the use of ICTs to build capacity and increase income
- Educating the CBOs on marketing, finance, administration and use of cell phones
- Providing cell phones
- Organizing ongoing workshops to evaluate and expand the project

The options used for IEC-Training will be,

- Participatory Learning Approach (PLA) techniques.
- Brainstorming sessions.
- Building trust by being honest, open, and building relationships with the CBOs and the community.
- Discussing best practices and exploring competitive, cooperative and realistic ideas.
- Locating and sharing objective criteria.
- Separating people and personalities from the problem.
- Creating a strong community base and developing skills in motivation, planning and implementation of the project.
- Special training programs with outside resource persons will be organized to share their experiences on marketing, finance and administration. In addition to this field visits to production centers and other CBOs within the network will also be organized to share experiences.
- Engaging the community in a discussion on economic and marketing issues.
- Discussing the need for shared responsibility by the CBO members.

- Discussing with the community the ways to operate and maintain the cell phone network.
- Organizing regular community meets to evaluate, educate and to ascertain views.
- Discussing and knowing community's ideas.
- Specialized training on accounting procedures and bookkeeping.
- Utilizing skits, slide shows, audio-visual presentations, handouts etc.
- Identifying interests without fixing positions.
- Establishing agenda and ground rules.
- Listening and understanding the other side.
- Expression of messages in an attention holding way so that audience will remember them.
- Repetition of messages over a sustained period of time.
- Messages not only inform but also motivate people to take action.
- Systematic monitoring and evaluation

The objective will be to effectively communicate and relate to the problems of the community and thus educate them on the available options.

IEC-T will be a continuous process during the project period hence the short-listed CBOs will be provided further training on the specifics of the project and opportunity will be provided to share experiences and methodologies for implementation of the program. Further they will be oriented to become trainers in order to train the local marketers and producers on the project.

FOOD will create awareness on the maintenance of community assets by way of widely disseminated publicity materials.

Participatory appraisal will be one of the vital components in this process.

Over all assessment can be recorded for further processing and preparing further guidelines for the successful implementation of the program.

CHAPTER 7**Terms of reference issued to CBOs**

1. The CBO shall be a registered society and the signing of this agreement shall be authorized by a resolution adopted by the CBO.
2. The CBO undertakes to operate and maintain the facility and assets created out of this project for use by the members.
3. The CBO should have a corpus fund of Rs. 5,000 that will be used by them for drawing material from the centralized source.
4. The CBO shall provide access to the facilities created under the program to the members on all working days and at times of urgency.
5. The cost of operation and maintenance of the assets and facilities will be borne by the CBO.
6. The CBO will undertake to collect the required money from its members either as percentage on sales or as monthly fixed charges to enable the system to be financially sustainable.
7. The CBOs should identify existing skills available, products made by the community and the capacity of the community in production and marketing and input needed to upgrade their skills and train on new skills and also popularize the project among other community groups.
8. FOOD will organize programs to sensitize the community on the project, conduct capacity building training and orientation programs both for the CBOs and its members.
9. FOOD, along with the CBOs, will jointly conduct benchmark survey, prepare action plan and shortlist member who are willing to participate in the program and conduct training for trainers.
10. The CBO will meet the expenditure on repairs to any component of the asset as and when necessary and keep the system in good working condition.
11. The CBO will arrange to maintain the supply and delivery of services of the products and they will employ suitable persons for this purpose preferably from the member community.
12. The CBO will check the products to ensure that the products meet prescribed standards before dispatch.
13. The CBO will choose and authorize a person to oversee the operation of the system on a day-to-day basis.

14. The authorized person shall maintain accounts of money received from its members and the money spent on various heads to maintain the program.
15. The authorized person with a team of members shall maintain registers and vouchers like:
 - Register for receipts and expenditure
 - Register for receipt books to acknowledge payment from members
 - Register for minutes of meetings and discussions
 - Roster of member households showing contribution from them
 - Database of participating members
 - Database of products made, products despatched, payments received, and payments made.

The authorized person will also:

- Coordinate supply and receipts of products
 - Arbitrate and settle disputes
 - Coordinate Government formalities
 - Facilitate product tracking
16. The CBO will conduct meetings periodically (at least once a month) with the community and maintain records of proceedings of meetings and decisions.
 17. The CBO, at its meetings, will inform the community on the expenditure incurred and income and adopt resolution for further development of the system.
 18. FOOD will provide services like promoting networking among CBOs, quality assurance, infusing modern participatory management and learning practices, carry out capacity building exercises, training on institution building, publicity for the products and for the program, provide guidelines, set targets and performance indicators, review performance, audit, coordinate activities and the roles of all the players, promote global market through Internet e-commerce, closely monitor the status, progress and expansion of the program among other CBOs, monitor and evaluate to improve on the functions by suggesting corrective measures, social impact, preparation of quarterly report etc.
 19. This MoU will be read along with the operation manual in consultation with the CBOs and the community. If the CBO fails to discharge its duties and breach of this MOU, FOOD shall give the CBO time to rectify the breach.

If the CBO fails to respond to the observations and attend to it, steps will be take to relinquish the CBO from the network and a new CBO will be established to maintain the chain.

If at any time the CBO feels that it can function without being a part of the centralized distribution network they can do so by informing FOOD and on handing over the assets and settling all pending matters.

At any time if the same CBO feels that they should get back to the network and be a part of the system they can do so on submitting a request in writing to FOOD which will be considered based on merits in consultation with the other CBOs in the network.

Annexure

List of assets handed over to the CBO for maintenance:

- 1.
- 2.
- 3.
- 4.
- 5.

CHAPTER 8	Monitoring and evaluation
------------------	----------------------------------

Ongoing monitoring and evaluation has always been the yardstick to measure the impact of ICTs in micro-enterprise development. A user-friendly transparent monitoring and evaluation procedure will be incorporated into the project that allows collection of feedback from the users on key areas.

Monitoring will be done by way of surveys conducted among the CBOs and the community. During the course of the project there should be a monitoring of key aspects of the operation and outcomes. Monitoring of the project will lead to preparation of periodical reports that will record signs of change in the overall situation in the CBOs and community.

Reports will be prepared detailing results of the initial surveys conducted as well as documenting the networking activity of the CBOs, quantitative and qualitative summary of activities as well as technology and information evaluation. FOOD's researchers will also prepare a report detailing the lessons learnt during the implementation of the project, project's future plans, sustainability issues, and recommendations for improvement and replication.

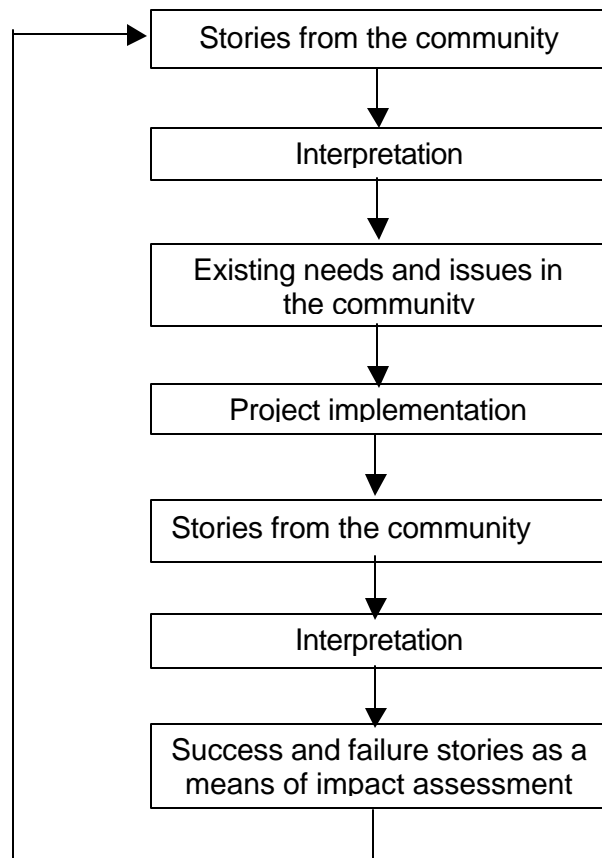
Evaluation of the project has to be done at various stages: at the start of the project, mid-project, end of project appraisal, as well as post-project evaluation. Reasons for evaluation are to justify the resources spent, determine the benefits, and provide a mechanism for improvements.

Group discussions with the artisans and CBOs will serve to bring out changes in the community and its way of function as a whole.

The evaluation process will be in the form of collection of stories from the community before the project starts (i.e. their practical problems, needs etc) utilizing PRA and then interpreting them into specific issues faced by the community. Then during and after the projects regular interviews will be conducted to collect more stories (i.e. accounts from the community detailing whether the marketing network has made a difference to their day to day life) and then interpret them to enable the project to determine the success or failure rates.

The process of monitoring and evaluation will be a continuous process that will be followed at regular intervals.

The evaluation process is outlined in the following flowchart.



Performance indicators

Performance indicators for this project will be participation of artisans, successful completion and expansion of the project to other areas, number of people involved in marketing, requests from other CBOs for expansion to their areas, maintenance of the network, cash flow, socio-economic status, number of meetings held by the marketing groups, etc.

The empowerment of women with respect to cultural change, in terms of number of women going out for marketing, can be measured or assessed from the result of the comparative study. Also the increase in the number of women now employed, who were earlier unemployed is an indicator of women empowerment.

The economic development and impact of ICT intervention will be measured by collecting data on the income of the families throughout the project period.

By checking whether the concept of middleman still exists or not, it will be possible to assess the success of the objective of direct marketing by the CBOs.

Meanwhile steps will be taken to ensure that the leaders of the CBOs do not start acting as middleman but function as mere facilitators. This can be assured by organizing the CBO as joint members i.e. in all the proceedings one member of the CBO should accompany the leader of the CBO. The members accompanying the leader should be rotated regularly to ensure transparency.

For measuring the outcomes, secondary data will be obtained by training the leaders of the CBOs to maintain track record of ICT intervention in the process of marketing, production, demand & supply details, networking details etc.

The leader of the CBO is supposed to pass on the orders uniformly to all the members of the group. The effective maintenance of the above records and distribution of work is an indicator of the improvement in the management, organization and mobilization skills of the CBOs.

Impact assessment and replication

Benchmark on the first year performance and the indicators monitored will be used to expand this project to other areas. The community groups can utilize their experience to perfect the mechanism and also expand it to other areas in cooperation with other CBOs.

In the first phase of the project, a study will be conducted to assess the socio-economic conditions, marketing strategies followed, demand & supply rate of the 100 CBOs that are short-listed. At the end of the project duration, another study will be conducted on the same parameters, and a comparative study will be made to assess the activities.

The activities undertaken in this project are replicable and similar concepts can be initiated in any part of the world. This is more so because our development strategy is based on a concept and is not product or area-specific.

###