

# About Testing Times & Entrepreneurship

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## Backdrop

*The aftermath of the floods in the Kedar Valley in June 2013 left many villages with the bigger question of alternate livelihood sources to temple tourism. It is crucial to understand the community and its conditioning in some more detail to fully begin to build an impression of the likely situation. Primarily a community which had seen a lot of money and where a majority of them were self employed due to the proximity to the temple; asking was unusual and almost embarrassing. Even the 'khacchar' drivers had their own assets and giving was a habit. The flood turned the table though. When it came to relief material distribution, unlike a lot of other experiences, here one would see enormous hesitance. However, that in no way took away from the fact that helps in multiple disciplines, and especially in renewed income sources was needed.*

*The joint relief team (of iVolunteer and Himjoli which crowd funded and took up relief and rehabilitation work post floods) realized that the balance between aid without hurting sentiments and generation of livelihood till such times that the temple restarts to support and supplement incomes was needed. And thus the decision to promote village entrepreneurs to set up small soap manufacturing units which could be locally marketed emerged.*

## Initial Efforts

The first team of volunteers reached the affected villages of Triyuginarayan, Toshi and Kumera, some of the worst hit areas in July 2013 for relief work. Cash was directly distributed in about 25 households where the casualties included working male members; leaving the households with grief as well as no human resource to earn.

In the following month in August 2013, next team of volunteers visited the same villages and conducted gram sabhas to understand what is it that will work in terms of rehabilitation support. This immediately translated into grant from the funds being made to the local school (SNC) run by an NGO; direct support in rebuilding the school. Also, women groups were formed and stitching / knitting activities were started. Not so much with a specific livelihood agenda as much as a way to help them get engaged in activities as a way of



overcoming the grief. Also, at about the same time, efforts to identify a local entrepreneur who would be motivated and keenly involved in owning his own local village level enterprise to produce products that can be locally consumed was underway.

## Settig Up Of Local Enterprise

In October 2013, the efforts were successful when Satesingh Negi entered the scene. Married and father of 2, he belongs to a joint family where all other men have sufficient income from working in the military services. Our man was earning moderately from the LANCO dam project in the area. The floods however changed things and he took up the challenge and opportunity of being quite a pioneer in the sense, leading a micro manufacturing unit which was not heard of by his circle and peers. He received an initial round of training in Delhi on how to make crude soap, along with Rs. 1,00,000 from the fund and initial handholding support.

In December 2013, Adarsh Bhat was involved in the overall coordination of activities in the said area and the Mayank soap factory was setup. His salary was decided to be borne by the fund along with a local field staff Omprakash who handled the dual responsibility of assisting Adarsh and Negi in the enterprise setup and continued support to the women groups for knitting / stitching activities.

- ✓ *Entrepreneur: Satesingh Negi, 35*
- ✓ *Setup: Mayank Soap Factory*
- ✓ *Location: Village Korkee, Ta. Ukhimath, Rudraprayag, Uttarakhand*
- ✓ *Started: December 2013*
- ✓ *Currently Employs: 5*
- ✓ *Current Production Capacity: 100kg/day of soap i.e. 20 quintals/month*
- ✓ *Rental Space: 300 sq.ft.*
- ✓ *Source of Raw Material: Saharanpur, U.P.*
- ✓ *Finished Product Market: Triyuginarayan, Ukhimath and Guptkashi*
- ✓ *Profit: At current scale, after paying all costs incurred including labour, surplus is about rs. 20,000 per month*

## Early Days

The first 4 months saw the initial teething issues. It took a while to get the concoction for the soap right. With a Karigar Kormanchal and 2 women – Kamala and Laxmi for support, the unit rented a space in a lodge by the highway connecting Guptkashi to Sonprayag; which of course is lying vacant ever since the disaster. Also planning and actually marketing and sales of the





finished product took a few rounds for the faith of the wholesale buyers and the rigour of the process to build. The starting fund was critical.

After 8 months of trials and errors, the factory crossed the threshold with basic systems and processes in place. Typically for first 5 days of the week, soap is manufactured, packaged and labelled. 6<sup>th</sup> day is when 500kg thus produced is marketed and sold. An off day and then the cycle repeats.

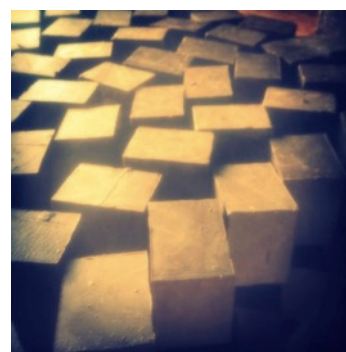
So far, 100 quintals of soap, amounting to a revenue of Rs. 4,00,000 has been sold. For the soap factory, with a current production capacity of 1 quintal per day, the next steps in the 6 months to follow include investing in doubling the capacity of the unit, since both existing human resources as well as demand from local markets are adequate.

### **Future Of The Factory**

This approach of promoting a local entrepreneur and facilitating an ecosystem to aptly assist him is neither unheard of nor unique. In fact, in the heart of most development efforts is the faith in the community's need and capability to be enterprising. However, given the context, backdrop, geography and conditioning – Mayank soap factory and the small team in an unheard of village gives ample hope of more such setups mushrooming in the region in the wake of the need for income sources. And thus making the communities which otherwise can get completely cut off for days together, sustainable.

Now that the initial setup is stabilizing, the support in terms of funds (Negi has successfully returned the initial fund from his profits) and man power in the form of Adarsh and Omprakash has been withdrawn from 2015 onwards. He is able to manage financially without support. His concerns now include how to better manage inventory and arrange for funds regularly to keep the cash flow intact, how to maintain book of accounts of the Mayank soap factory, add to the product list especially in the festive season to better utilize resources and established market links, sell in distant Delhi markets for premium prices, searching from time to time for better and cheaper raw material suppliers, saving up to buy another stove to double production etc.

One of the experiments the factory has done in the Diwali of 2014 and the results giving immense hope for future product diversification includes making candles for gifting in Delhi (through retail marketing coordinated and supported by iVolunteer and Himjoli team). A total of 1,500 candle boxes at approximately Rs. 2,00,000 was sold. Although a lot of it may be attributed to friend networking and sympathy selling and a lot of scope for product improvement – there is immense scope. Also the entire experience has been



very empowering for his team in terms of learning.

The iVolunteer and Himjoli team will make a quarterly visit for technical and functional inputs to the factory and Satesingh Negi as well as actively help in promoting the products in Delhi markets. However, the funding support has stopped. These seem like changing times for Korkhee and all this under the ambit of the unpredictable Himalayan nature and looming possibility of the Kedar temple perhaps soon to open.

## The Women Groups

Meanwhile the work started with women in the initial phase of the relief work matured into 5 groups of 5 women each getting trained in knitting products like socks, hand gloves and mufflers. They have come up to speed and the 5 centers (spread across 3 villages) meet regularly to learn / make final products. They started by selling the products in their villages itself. Later, attempts to tie them up with a Dehradun based entrepreneur (Gauri International) that promotes knitting women groups in the Garwal region by providing market linkages were made. The initial trainings also conducted.

However, partly due to the remoteness of the area, rainfed agriculture time overlap and the winter season having gone, the 2014 window was lost. This is still to materialize into a formal tie-up. With some more handholding training and finesse; the same can be achieved in the 2015 season by the groups giving them a sustained market. iVolunteer and Himjoli can make volunteering efforts in this direction.

## In Conclusion

*To attempt to quantify the impact of the relief and rehabilitation efforts may seem both insufficient and crude. However, very clearly there has been a positive movement. To summarize the various efforts:*

- *Cash distribution to 25 households immediately after floods in July 2013*
- *Grant to SNC's school for rebuilding it*
- *Setting up of 5 women groups (of 5 members each); a total of 25 women involved in knitting activities and starting of 3 training centres in as many villages supporting about a 25 students further*
- *Setting up and operationalizing of the Mayank soap factory under the local village entrepreneur Satesingh Negi that employs 5 and has a production capacity of 20 quintals/month of soap and seasonal candle making per order*

