

**TYPE-DESIGNS FOR POPULAR ENTERPRISE CATEGORIES IN
NRO'S PARTNER-STATES**

BY

SAILESH P R

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Faculty Guide: Prof. Shambu Prasad Chebrolu

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Sailesh P R

EXECUTIVE SUMMARY

Title : Type-Designs for Popular Enterprise Categories in NRO's Partner States

Organisation : Kudumbashree NRO

Reporting Officer : Liby T Johnson, COO, Kudumbashree NRO

Faculty Guide : Prof. Shambu Prasad Chebrolu

Participant's Name : Sailesh P R

Objectives and Scope of Study: To enable the Micro Enterprise Consultants(MEC) conduct viability check for a potential business opportunity (proposed by a poor SHG woman) in the most effective way – considering factors such as customers, competitors, and environment. The scope of the study is restricted to the three Micro Enterprise (ME) categories in the context of the Jharkhand state.

Methodology & Sources of Data: The first step was to understand the Micro Enterprise context and identify the critical success factors through fieldwork in Kerala which included ME visits, semi structured interviews with entrepreneurs. Then, the most popular enterprise categories in Jharkhand were identified from Enterprise analysis data available. It was followed by the fieldwork in two pilot districts of Jharkhand which included ME visits and semi structured interviews with the entrepreneurs. The sampling followed was purposive sampling. The final feasibility checklist was created using the context specific data.

Major Findings: According to the Enterprise Analysis data from the pilot districts in Jharkhand, the most popular enterprises in the area are General Stores, Hotel/ Snack shops and Goat Rearing. For each of the identified categories, the study identifies the most common segments of customers, their specific needs and the capability of the enterprise to meet them as an important feasibility criterion. The other feasibility factors identified would include proximity to the raw materials market, infrastructure like road, proximity and visibility to the customers, caste of the entrepreneur, time and period of the day the enterprise is open for, availability of technical assistance and credit in some cases.

Conclusions & Recommendations: The study would help the MECs to easily check the feasibility of an enterprise with respect to factors including Customers, competition and the environment of the enterprise. MEC would also have to however study the other factors such as Capabilities from aspect of skills possessed and that which is achievable, Cost and Profits and Capital that can generated to establish the feasibility of the enterprise completely. The profit should at least cover the opportunity cost of the labour. The study can also be easily replicated for the other enterprise categories.

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LIST OF ABBREVIATIONS

NRO – National Resource Organization
NRLM – National Rural Livelihood Mission
JSLPS – Jharkhand State Livelihood Promotion Society
NHG – Neighbourhood Groups
SHG – Self Help Groups
ADS – Area Development Soceity
CDS – Community Development Society
PRI – Panchayati Raj Institution
LSG – Local Self Governance
CBO – Community Based Organisation
ME - Micro Enterprise
MEC – Micro Enterprise Consultant
SGSY – Swarna Jayanti Gram Swarozgar Yojana
PDS – Public Distribution Scheme

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1. Introduction

1.1 About Kudumbashree

Kudumbashree is the State Poverty Eradication Mission for the State of Kerala. It is also the State Rural Livelihood Mission for the Government of Kerala.

Although the mission was launched in the year 1998, the state had long before begun the process towards the mission. The inception was through a community led poverty identification programme in Alappuzha municipality in the early nineties. It was followed by a district wide CBNP effort in the year 1994 in the district of Malappuram. The motive was further strengthened by the decentralization process in the year 1996. The Women Component Plan, then launched allotted 10 percent of the funds divulged to the LSG for activities of women's community based organisation.

On its launch Kudumbashree had the following mission statement – “To eradicate absolute poverty in ten years through concerted community action under the leadership of local governments, by facilitating organization of the poor for combining self-help with demand-led convergence of available services and resources to tackle the multiple dimensions and manifestations of poverty, holistically.”

Kudumbashree's work has been structured around three components: micro credit, entrepreneurship and empowerment. The components also define the three pillars of Kudumbashree Mission: Economic Empowerment, Social Empowerment and Women Empowerment.

The organisation is the largest community based collective of women and in 2002 had reached complete coverage of the state.

1.2 Structure of Kudumbashree

In the year 2008, the bye laws of Kudumbashree were modified to make the community based organisation at the LSG level, a registered autonomous body of women and to unify the election rules across all the units.

The working slogan of the Kudumbashree Mission is “To reach out to the families through the women and to reach out to the community through the families”. Therefore the basic unit of the movement is the Neighbourhood groups or NHGs. The NHGs are formed by 10 to 20 women, one each from a family coming from the same neighbourhood. Currently there are 2.6 lakh NHGs covering 4.1 million families in the 1072 LSG units of Kerala. Each NHG has a five member executive body which consists of the President, Secretary, Income generating activity volunteer, Health & Education volunteer and an Infrastructure volunteer. There is also provision for special NHGs for the women from the scheduled tribes and the differently abled women.

The NHGs are federated at the electoral ward level into an Area Development Society or the ADS. The general body of the ADS is constituted of the executive committee of the NHGs in the electoral ward. The executive body of the ADS consists of the Chair person, Vice chairpersons and five elected members. There is also a provision for special NHGs to be federated into special ADS.

The ADSs under a LSG is further federated into a Community Development Society or CDS which forms the apex of the three tier structure. It is a registered and an autonomous body. The general body of the CDS consists of the all the executive members of the ADSs and the executive committee of the CDS is made up of Chairperson, Vice Chairperson, 4 Sub-committee convenors, and the Members Secretary appointed by the LSG.

1.3 PRI CBO Convergence

The Kudumbashree mission's community based organisations has differentiated itself through its involvement in the participatory planning and the day to day activities of the local self-government. The NHGs acts in tandem with the gram sabhas, the ADS activities are in line with the activities of the ward and the CDS works closely with the gram Panchayat. The three tier structure covers most families of the Panchayat and acts as a strong information dissipation and aggregation network, thus helping the Panchayat in planning and executing the local development activities.

The PRI and CBO converge in several ways. The members of the CDS are part of the thirteen working groups of the Panchayat and the evaluation committee of the CDS consists of the President of the Panchayat and the elected women ward members of the Panchayat. Every CDS prepares a CDS action plan for the year which often forms the base of the Village development action plan of the Panchayat.

ICDS and MNREGA activities of the Panchayat are implemented through the Kudumbashree network. The line departments of the Panchayat such as Krishi Bhavan are involved in the implementation of the Kudumbashree activities such as Collective Farming. The Kudumbashree NHGs also helps in identifying the beneficiaries for the various schemes of the Panchayat.

Asharya scheme is the epitome of the PRI CBO convergence. The scheme intends to help the economically and socially marginalised people through the convergence of the resources available under the various government schemes including the Indira Awaas Yojana, PDS and others. The scheme would benefit up to two percent of the total number of Households in the Panchayat.

The beneficiaries of the scheme are identified by the CDS with the help of the NHG units following the identification criteria proposed by the scheme. The CDS then prepares a project plan with the details including the types of support to be provided and the budget. The Panchayat implements the project by convergence of the resources available under various schemes. The

CDS through the NHGs monitor the implementation of the project and the distribution of the food and medicine kits to the beneficiaries.

1.4 Micro Enterprises

Livelihood development had been one of the key activities of the Kudumbashree, right from its inception. Along with providing financial awareness and credit accessibility through the thrift and micro credit, Kudumbashree has also been promoting the entrepreneurship among the women through support in establishing the Micro Enterprises.

The definition of Kudumbashree micro enterprises are those having an investment ranging from Rs. 5,000 to Rs. 2.5 lakh, owned, run and managed by the entrepreneurs themselves. It could be individual or group enterprises having an annual return of Rs. 1 lakh to Rs.5 lakh. A potential to generate a minimum of Rs. 1,500 per member a month and an owner, manager and employee (OME) concept is envisaged in the model.

There are several micro enterprise support schemes active presently such as Rural Micro Enterprise (RME) scheme and the Yuvasree scheme. The RME scheme was started in the year 2002-03 with a separate component being divulged for promoting the setting up of the micro enterprises by women. The scheme supports both the individual and group enterprises. The group enterprises may have 5 -10 members. The group enterprise would get a subsidy of Rs. 10,000 member or 50 percentage of the total project cost whichever is less. The rest of the amount has to be met as self-investment or through loans. In the case of individual enterprises, the subsidy provided is Rs. 7,500 or 30 percentage of the total project cost whichever is less.

The Yuvasree scheme was announced in the year 2004-2005, and intends to supports enterprises by the youth. The Yuvasree group or the 50 K group consists of men and women in the age group 18-35. The subsidies provided for the individual and group enterprises in this scheme are same as that of the RME scheme.

There are several other financial support funds available to strengthen the micro enterprises. The revolving fund is provided to the enterprises for the working capital needs, the technology fund is for the upgrading technology used, the innovation fund is for promoting and supporting the innovative efforts of the entrepreneurs, second dose assistance is for enhancing the capital base of the enterprise, crisis management fund is a loan assistance for overcoming a short term crisis.

Kudumbashree also provides training to the existing the potential entrepreneurs. The General orientation training (GOT) is given to all the prospective entrepreneurs and the Entrepreneurship Development Programme (EDP) is provided to the prospective entrepreneurs who have completed the GOT. The people who have completed the EDP and are willing to start enterprises are then provided skill building training in the sector or business of their choice. Kudumbashree also conducts a Performance Improvement Programme for the entrepreneurs who have set up and run the enterprise for at least six months.

Kudumbashree also provides Market development support, involves itself in value chain interventions such as Samagra and has established a network of Micro Enterprise Consultants to support and promote the enterprises.

1.5 Kudumbashree as NRO

Kudumbashree is a National Resource Organization as identified by the Ministry of Rural Development, for providing technical assistance and implementation support for the State Rural Livelihood Mission in implementing the various livelihood programmes of the National Rural Livelihood Mission (NRLM).

The NRO would support NRLM and the State missions in both PRI CBO Convergence and Micro Enterprise Development domains. NRO currently has signed MoUs with seven state missions and has started pilot projects in selected districts of Assam, Bihar, Gujarat, Jharkhand, Karnataka, Maharashtra and Odisha. NRO would also be signing an MoU with Rajasthan in near future.

For the supporting the state mission the NRO has delegated mentors to these partner states who would directly monitor and support the implementation of the pilot projects in the states. The mentors are men & women who have grass root level implementation experience in the Kudumbashree projects in Kerala. The mentors in addition to providing the assistance in pilot projects would also be training the resource persons from the local community.

1.6 Context of the Study

1.6.1 Micro Enterprise Consultants

The inception of the idea of Micro Enterprise Consultants was following the lessons learned from the Swarna Jayanti Swarozgar Yojana (SGSY). The SGSY launched in 1999, intended to provide the self-employment to the poor through self-help groups and micro enterprises.

35.7 lakh SHGs were formed under the scheme. The scheme had assisted the 1.24 Crore entrepreneurs in establishing their own micro-enterprises. The Government of India had released Rs. 11,486 Crore under the program. The scheme however had its own share of failures as well which included low survival rate of the promoted enterprises and an incremental income which was significantly less than anticipated.

One of the major reasons identified was the lack of hand holding and support provided to the micro enterprises after they were set up. There was a need for professional assistance for the MEs which could not be satisfied by the existing pool of trained professionals or business management consultants, majorly because of their lack of the contextual understanding of the MEs.

MECs are men and women from the local community trained in business management principles and would be providing consultant support to the Micro enterprises. The selected MECs undergo

training EDP and business counselling. They learn business management through two courses namely CREAM and TEAM. CREAM is Certificate in Rural Enterprise Administration and Management, TEAM is Teaching Enterprise Administration and Management. These courses are offered by the TREE society is in essence a compressed MBA course and teaches business management principles in an easy and understandable way. TEAM modules contain all concepts of business administration and management that an entrepreneur and the consultant need to know. The CREAM is for the Master MECs who would teach TEAM to the prospective MECs and therefore has the concepts covered in more breadth and depth.

The role of an MEC for an ME would start right from the inception of the project idea till the implementation and management support for the ME. Therefore the activities of the ME would involve motivation of the entrepreneur, business identification, viability and feasibility checking, project plan preparation, bank linkage assistance, problem solving, technical assistance and growth planning.

2. Objectives & Scope of the study

To enable the Micro Enterprise Consultants (MEC) conduct viability check for a potential business opportunity proposed by a poor SHG woman in the most effective way. The outcome would be a check-list to be followed to conduct a viability check for the identified micro enterprise categories.

While considering the feasibility of a micro enterprise, factors such as cost, profitability, customers, competitors, capital, capability, and environment must be considered. But given, the time available for the study, scope of the feasibility checklist was restricted to customers, competition and environment. The scope of the study is also restricted to the three Micro Enterprise (ME) categories identified as most popular in the context of the pilot districts of the MEC project in Jharkhand state, namely, General Stores, Hotels/ Snack shops and Goat Rearing.

3. Methodology and Sources of Data

3.1 Preparatory Exercises

The first step was to understand the Micro Enterprise context through fieldwork in Kerala. The preparatory exercise was done in two steps. Initially, an Immersion field visit was conducted in the Thrissur District of Kerala to develop an understanding of the interventions of Kudumbashree in Kerala. The field work included visits to various popular enterprises in the Panchayat visited in the district. The entrepreneurs were interviewed using semi structured interviews.

Then a field visit was conducted to the Kollam District of Kerala. The field visit involved visits to different micro enterprises and understand their working. The field visit also involved making the Income/Expenditure statements for the enterprises visited to understand the functioning of the enterprise and also to capture the financial awareness of entrepreneurs. The critical success factors of a micro enterprise were identified which would act as the base of the final feasibility checklist.

Table 1: Enterprises visited for Preparatory Exercise

Sl no	Name of CDS	Enterprises Visited
1	Pooyappally	Kairali Activity Group
		Kripa Goat Rearing Group
2	Veliyam	Dhara Nature Fresh
3	Pathanapuram	Tripthi Panchayat Canteen
4	Poothakulam	Sulabham Sthira Vipani

3.2 Selecting the Enterprise Categories

The mentors in Jharkhand had established an MEC network in the three pilot districts of Jharkhand, namely Ranchi, West Singhbhum and Pakur. An analysis of the enterprises most commonly seen in the pilot districts were prepared as part of the MEC project in the state of Jharkhand. The enterprise analysis data had identified the enterprises which were existing, reopened and newly established. These enterprises were also classified according to their investment and investment source. The data also had divided the enterprises according to Production, Services and Trading.

For selecting the enterprise categories for which the feasibility checklist would be made, this data was analysed.

Table 2: Most Popular Enterprises

SI No	Enterprise Category	Ranchi	West Singhbhum
1	General Stores	14%	12%
2	Goat Rearing	7.8%	11%
3	Cooked Food Service	16%	11%

Three Enterprise categories were chosen, one each under Trading, Production and one under Production cum Services. Specific context for these enterprises were identified. The contexts identified for the enterprise categories are listed below:

Table 3: Contexts of study for Enterprises

SI No	Enterprise Category	Context
1	General Stores	General Store in a major junction in the village
		General Store in a road to a <i>basthi</i>
2	Hotels/ Snack shops/	Snack shop in a major junction in the village
	Catering	Hotel & Catering Unit in a <i>haat</i>
3	Goat Rearing	In the Village

3.3 Preparing Type Designs and Feasibility Checklists

The feasibility checklist was to be used by the MECs who have only learned the CREAM or TEAM modules. It was important to understand their level of understanding of the business concepts in order to prepare a useful tool. Therefore, a learning of CREAM modules were undertaken to align the study with learning of the expected beneficiaries.

The type designs are common characteristics of the enterprises in a particular context. This would include the usual customer segments, profile and needs of these customer segments, competition and most common environmental factors. A complete type design would also contain factors such as skills, equipment, capabilities, cost, profits and capital profile of the enterprise. But, scope of the study is limited to the Customers, competition and environment.

The fieldwork was conducted in two pilot districts of Jharkhand, namely, Ranchi and West Singhbhum. The fieldwork included visits to the identified enterprise categories. Purposive sampling was followed and the sample size is as follows:

Table 4: Sampling

SI No	Enterprise Category	Context	Sample Size
1	General Stores	General Store in a major junction in the village	2
		General Store in a road to a <i>basthi</i>	4
2	Hotels/ Snack shops/ Catering	Snack shop in a major junction in the village	4
		Hotel & Catering Unit in a <i>haat</i>	2
3	Goat Rearing	In the Village	4

Semi structured interviews were conducted with the entrepreneurs and the MECs of the districts. The district profile was identified from the secondary sources such as government websites and census data. The type designs were created and were converted into checklists.

4. Preparatory Exercises

The field work in Kerala was spread over two districts, namely, Thrissur and Kollam. The immersion field visit in the Perinjanam Panchayat in Mathilakam Block was intended to create an understanding of the structure and the activities of Kudumbashree. Several enterprises were visited in this field visit which included the Food processing Units, Hotel, Tailoring Units, Provision Stores and Collective Farming initiatives.

The second fieldwork in Kollam district covered specific enterprises in six different Panchayats. The enterprises covered includes Soap and Detergent production unit, Goat Rearing units called *Aadu gramam*(goat village) scheme, Nature Fresh model of cow rearing and milk distribution, Hotel & Catering units, and Provision stores. An Income Expenditure statement for these enterprises for a period was prepared from the data received.

The study of these enterprises resulted in a set of critical success factors. The success factors identified were classified into two, namely, Internal and External factors.

The Internal factors were the factors which were internal to the organization and its dynamics. The internal factors identified were appropriate group size, healthy group dynamics, self-motivated members, business acumen and sector related skills of the members.

The external factors identified dealt with the environmental factors of the organization. These factors were location of the enterprise, proximity to the raw material sources, proximity to the target customers, availability of a local market, avoiding saturated market, availability of credit and technical expertise.

Following are set of case studies from this field visit.

4.1. Kairali Activity Group

The Kairali Activity group was started in 2009 by 10 members. It is located under the Pooyapally CDS in the Pooyapally Grama Panchayat in Kollam District. They produce daily use items such as Toilet Soap, detergent powder, cleaning solutions and agarbatis which they sell under the brand name 'Orchid'.

The enterprise has an investment of 2 lakh rupees out of which 1 lakh is bank loan taken at an interest rate of 12.5 percentage and other 1 lakh is SGSY subsidy for 10 members.

They operate from a shed which has built in the backyard of one of the members. The shed was built for Rs. 30,000 in the year 2012. Other than these the major fixed assets of the enterprise includes weighing machine and vessels which were procured for Rs. 12500 and a table which costed them Rs. 10,000.

The enterprise has average monthly sales revenue of Rs. 85000. The major part of their revenue comes from the sales in the local super markets in the village. They also sell in the provision stores in the Panchayat. They also manage to sell their products in the ADS and CDS meetings

held every month. The CDS also arranges fair on festive occasion such as Onam, Ramadan and Vishu.

The raw materials are purchased usually in every two months and the cost of the raw materials for two months comes to Rs. 74000. The transportation is done in an auto at a charge of Rs. 300. Except for the labour hours spent, the other production costs are nominal for a period of one month.

The enterprise manages to make a profit of Rs. 40000 which is divided among the members of the activity group.

Attached in the annexures is the income expenditure statement for the enterprise.

4.2 Kripa Goat Rearing group

Kripa Goat rearing group is a five member group, one among the 10 groups which forms the benefactors of the Aadu gramam scheme in Pooyappally grama panachayat. The aadu gramam means goat village. The scheme was launched in 2008 under NABARD, initially in the Kannur District of Kerala. The scheme is part of Kudumbashree's 'Samagra' initiative which aims at providing an additional income to the families through women centric economic activities.

In the Pooyappaly panchayat, there are 51 members and 10 groups. The groups have started goat rearing with the capital investment made through the bank loan of Rs. 2 lakhs. The loan has to be repaid in three years. The groups have received a subsidy of Rs. 10,000 per member.

Each member thus got Rs. 40,000 for the goat rearing enterprise. The members usually have invested around Rs. 25000 for the purchasing the goats. They have bought a combination of goats which contain both male and female. Most of the groups have purchased the goats from a local farm.

The rest of the money was invested in the construction of a shed to house the goats. The shed has been prepared according the norms stated in the scheme.

There is an input of Rs. 1550 for month which includes feed for the goat. The major food for the goats is however the green fodder so abundantly available in the village.

The milk, urine and the droppings of the goat are all revenue generating produce of the goat. The milk is sold at Rs. 40 per litre and the droppings are priced at around Rs. 1200 per sack. Five families under the Kripa group generate one sack in 3 days. They still haven't started selling the urine which could be used for medicinal purposes.

The goats are priced according to their age and weight. The male lambs which are 8 months old would be sold around Rs. 20000. The female goats usually are sold for lesser price. The costs of these does are reduced to even lesser after 2 or 3 pregnancies.

Another revenue stream is mating. If the family owns a healthy buck, then the villagers would pay Rs. 350 per mating. Attached in the annexures is the income expenditure statement for a single family which owns two lactating does, 3 lambs and one buck for a period of one month. The family spends 5 hours a day for the goats.

4.3 Dhara Nature fresh group

The Nature fresh model of Cow rearing is an initiative under Kudumbashree. The enterprise promises cow's milk to the doorstep of the customer within two hours of milking. The milk bottles are labelled with the ID number of the cow, breed of the cow, and the owner of the cow. The prime motivation of the model is the shared transportation cost and the availability of the bank loans.

In Veliyam Grama Panchayat, there are 71 beneficiaries to this model, who are divided into 13 groups. The study was conducted in a family which owned 8 cows. The family has taken a bank loan of Rs. 1.15 lakhs and have received a subsidy of Rs. 23500. The family would also receive Rs. 10000 more under the innovation fund scheme of the Kudumbashree.

In Veliyam Panchayat, the milk is sold in two quantities – 675 ml and 375 ml, at Rs. 30 and Rs. 17 respectively. This implies that the family receives around Rs. 45 per litre of milk sold under the nature fresh model.

The groups however had faced lot of challenges in the initial days. One auto rickshaw was used for collecting and distributing the milk of a group. The distribution model was not sustainable due to the specific landscape of the Panchayat which is hilly area. The roads have lots of elevation and certain houses have low connectivity. This meant that not only did the distribution suffer, but also did collection of the milk. There was also huge competition and negative marketing by Milma, the milk cooperative in Kerala.

The entrepreneurs currently is not using the above mentioned distribution model and has resorted to distributing milk either by foot or on a two wheeler. For effective distribution, the group members have divided the customers among themselves.

The Nature fresh model calls for the specially constructed shed for the cows which reduces health risks to the cows and also improves the well-being of the cows. Attached in the annexures is the Income expenditure statement for the family.

4.4 Tripti Panchayat Canteen

The Tripti Panchayat canteen works in the Panthanapuram PWD Rest house in the Pathanapuram Grama Panchayat. The canteen shares the plot with the Pathanapuram Panchayat Office. The unit has 10 members and was started in 2014 August. The canteen serves breakfast, lunch and tea. It has built a regular customer base which includes officers in the Panchayat and the workers in a nearby mechanical work shop.

The canteen runs on rent which is 5% percentage commission on the sales revenue which would amount to Rs. 3000 in a day. The purchases of raw materials are done on a biweekly basis and are transported using an auto rickshaw. There is an expense of Rs. 2600 for Gas cylinders and Rs. 3000 for firewood every month. The enterprise optimises the operations costs through methods such as preparing their curry powders.

The members spent 12 hours a day, which starts at 6 in the morning and lasts till 6 in evening. The members usually take Rs. 100 as their daily wage.

The enterprise has taken a loan of Rs. 2 lakhs and has received a subsidy of Rs. 1 lakh. The total assets of the enterprise cost Rs. 1.5 lakhs. The annexures contain an income expenditure statement for the enterprise.

4.5 Sulabham Sthira Vipani

Sulabham Sthira Vipani is a store which sells only products produced by the Kudumbashree micro enterprise units in the Poothakulam Grama Panchayat in the Kollam District of Kerala.

The unit was started in November 2014 by five members with a bank loan of Rs. 1.5 lakhs and a subsidy received of Rs. 50,000. The loan has to be repaid in 3 years. The enterprise maintains financial records perfectly and has registers such as the minutes book, day book, cash book etc.

Currently the goods are procured only from the units under Poothakulam CDS. The unit is however planning to improve its distribution through purchasing from the neighbouring CDSs and selling in neighbouring CDSs. For this purpose they are planning to integrate with the Mobile Market scheme of the district Panchayat using which women members would be given loan to buy a carrier auto rickshaw for selling products.

The enterprise is however not running very successfully, with the members not getting enough to sustain the business. Attached along with in the annexures is an income expenditure statement of the enterprise.

5. The 4C+E Framework

In order to teach the business concepts to the MECs and to help them identify the viability of a project, Kudumbashree has created a framework called the 4C+E framework. The framework has the components such as Customers and Competition, Capabilities, Cost and Profits, Capital and finally the Environment of the business.

Customers and Competition

For any business it is important to identify its Customers and the Competition. A business would never be able to cater to all the needs of a customer. The business however should classify the needs of the target segment into 'must have' needs and 'like to have' needs. For a business to be viable should cater to at least the must have needs of the target customer segment. Counter intuitively, it can also be said that the business should select those target segments for which the business can meet the must have needs. It should also check that the target segment chosen has enough market size that would make the business profitable with the market share accessible by the business.

In the case of Competition, along with evaluating the existing competition and its influence on the market share accessible by the enterprise, the business should also look at the probable future competition and its influence on the business's market share.

Capabilities

Capabilities as defined by the framework have two components, namely, Skills and Equipment. For a business to be viable, the entrepreneur must have the required skills, or should be able to master the skills in reasonable time, should be able to generate enough revenue to employ a person. Along with these, the business must also consider the equipment required for the business and its financial implications on the business.

Costs and Profits

The profit or loss of a business is the difference between the revenues and the cost incurred by the business. The costs of the business are defined by the several factors and decisions which form the viability in terms of capital and environment.

Capital

There are two types of capital, namely the working capital and the fixed capital. The working capital depends of the factors from the environment which includes the credit provided by the supplier and the Customer needs which includes the requirement of credit for purchases.

In the case of fixed capital, the viability analysed in terms of capabilities has to be factored in. The fixed and working capital required has to be then compared with credit accessible by the

entrepreneur. The key feasibility question here is whether the entrepreneur can generate the capital required.

Environment

The environment of an enterprise would include several factors such as proximity to raw materials and suppliers, availability of the required technology or technical assistance, availability of the credit institutions, government schemes supporting the ME, other physical and natural assets of the geographical location of the ME.

6. Type Designs and Feasibility Checklists

6.1. Type Designs for the Enterprise Categories

The type designs are common characteristics of the enterprises in a particular context. This would include the usual customer segments, profile and needs of these customer segments, competition, most common environmental factors, skills of entrepreneur, equipment, capabilities, cost, profits and capital profile of the enterprise. This study focuses, however only on the first and the last components of the 4C+E framework, namely, Customers and Competition, and Environment. Therefore, the type designs are prepared only for those two components of the framework.

The study focused on identifying the major segments that exists around the enterprise and their needs. It also checks for environmental factors like Proximity to Suppliers, Infrastructure, and Availability of Credit. It also checks for the Competition, type of competition and proximity of competition.

6.1.1 General store in a major junction of the village

The general store would have at least 10x20 feet space and an investment of more than Rs. 1 lakh. Along with daily provisions and more variety of goods, it usually also stores slow moving items such as umbrellas, plastic items, office stationery etc. They makes large purchases from whole sellers transported using a rented vehicle.

Two of such general stores were visited – one in Angara block of Ranchi District and the other in the Khuntpani block of West Singhbhum district. The shop in Angara was an old shop started in 1999, whereas the one in Khuntpani used to be smaller shop, but renovated in 2012. The shop in Angara is being provided book keeping support by the MECs whereas the shop in Khuntpani is run by an MEC himself. The table below depicts the major customer segments of the enterprise and the needs of the segment:

Table 5: Customer Segments of General store in a major junction of the village

Segment Name	Residents 1	Residents 2	Travellers	School Children	Institutional Purchases
Needs	Large purchases, also requires slow moving items such Umbrella, plastic items	Stop on going back from work, Small purchases mainly food for the day	Refreshment, Space to stop vehicle	Snacks, crispies, sweets under Rs 5-10, Stationery	Hotels, Catering Units

The table below shows the type design for the enterprise:

Table 6: Type Design for General store in a major junction of the village

Particular	Value
Customer Segments	
Number of Villages catered to	4-5
Distance to villages	2-5 KMs
Average Large Purchases	More than Rs. 300
Average small purchases	Rs. 100
Parking Space	Yes
Schools	250 M
Proximity to Suppliers	
Wholesale Markets	10-15 KMs
Goods Delivery by Suppliers	Yes, for some items
Infrastructure	
Road Transport	Cheaply available
Availability of Credit	
SHG Membership for family	Yes
Bank	10-15 KMs
Ability to meet Customer Needs	
Shop Timings	8AM - 8PM
Handia Shops/ Vegetable shop	Yes
Caste	Not Relevant
Location & Visibility	
Visible from road	Yes
Competition	
Similar Shop	Not within 5KMs
Smaller Shops	3
Distance to smaller shops	250 M – 3 KMS
Benchmarked Annual Revenue	
Ranchi	Rs. 3.5 Lakh
West Singhbhum	Rs. 2.5 Lakh

The feasibility checklist is appended in the annexures.

4.3.2 General Store in a road to a *basthi*

The shop would have less than 10x8 feet space. The investment is usually from savings or in certain cases SHG loans. The shop usually stores only fast moving daily provisions with purchases to the shop made weekly or fortnightly from a whole seller brought to shop in public transport.

The sample size for this category is 4. The shops visited were spread across the two districts – 3 in Angara block in Ranchi and one in the Khuntpani block of West Singhbhum.

The table below depicts the major customer segments of the enterprise and the needs of the segment:

Table 7: Customer Segments for General Store in a road to a basthi

Segment Name	Residents	School Children
Needs	Stop on going back from work, Small purchases mainly food for the day	Snacks, crispies, sweets under Rs 5-10, Cheap Stationery

The table below shows the type design for the enterprise:

Table 8: Type Design for General Store in a road to a basthi

Particular	Value
Customer Segments	
Number of Villages catered to	1-2
Distance to villages	1-2 KMs
Average Purchases	Rs. 100
Schools	1-2 KMs
Proximity to Suppliers	
Wholesale Markets	5-10 KMs
Infrastructure	
Road Transport	Cheaply available
Availability of Credit	
SHG Membership for family	Yes
Ability to meet Customer Needs	
Shop Timings	8AM - 8PM
Caste	Relevant
Location & Visibility	
Visible from road	Yes
Competition	
Similar Shop	Within 500 M – 1 KM
Number of Shops	3
Benchmarked Annual Revenue	
Ranchi	Rs. 80000
West Singhbum	Rs. 70000

The feasibility checklist is appended in the annexures.

4.3.3 Snack shop in a major junction of the village

The snack shop could either be in a *tela* or in a small make shift shack. The snack shop would sell some or all of the following items – *gulgula, pakodi, aaloo chop, pani puri, chaat* items, chowmein, soup.

The sample size considered for this category is 4. The enterprises visited were spread across the districts – one in Namkum and Angara blocks of the Ranchi districts, one in Khuntpani and Goilkera block of the West Singhbhum district.

The table below depicts the major customer segments of the enterprise and the needs of the segment:

Table 9: Customer Segments for Snack shop in a major junction of the village

Segment Name	Residents from nearby villages	School Children	Travellers	Handia Customers	Haat Customers & Vendors
Needs	Stop on going back from work	Snacks under Rs. 5	Refreshment, Space to stop vehicle	Buys the snacks to have with <i>handia</i>	Refreshment during purchases & selling

The table below shows the type design for the enterprise:

Table 10: Type Designs for Snack shop in a major junction of the village

Particular	Value
Customer Segments	
Number of Villages catered to	4-5
Distance to villages	2-5 KMs
Parking Space	Yes
Schools	250 M
Handia Shops	Yes
Haat organised in the junction	2 times in a week
Proximity to Suppliers	
Wholesale Markets	10-15 KMs
Infrastructure	
Road Transport	Cheaply available
Availability of Credit	
SHG Membership for family	Yes
Bank	10-15 KMs
Ability to meet Customer Needs	
Shop Timings	12PM - 8PM

Caste	Relevant
Location & Visibility	
Visible from road	Yes
Competition	
Similar Shops	250M – 1KMs
Number of Similar Shops	1-2
Number of Similar Shops during haat	4-5
Benchmarked Annual Revenue	
Ranchi	Rs. 1.5 Lakh
West Singhbhum	Rs. 2.6 Lakh

The feasibility checklist is appended in the annexures.

4.3.4 Hotel and Catering Service in a village market(*haat*)

The catering service is new trend that is being formed in the pilot districts. The revenue stream depends mainly on institutional customers, presently. The village households are only a developing market for the catering service. The enterprise would also set up a hotel for haats vendors & vehicle drivers only on the haat days. Hotel might provide lunch with a place to sit for 10-15 people.

The sample size was 2 – one each in Khuntpani and Goilkerra blocks of West Singhbhum.

The table below depicts the major customer segments of the enterprise and the needs of the segment:

Table 11: Customer Segments for Hotel and Catering Service in a village market(*haat*)

Segment Name	<i>Haat</i> Vendors, Drivers & Customers	Institutional Customers	Village Households
Needs	Lunch & Refreshment, Space to Sit	Catering Services for events like training	Catering Services for functions like marriages

The table below shows the type design for the enterprise:

Table 12: Type Design for Hotel and Catering Service in a village market(*haat*)

Particular	Value
Customer Segments	
Number of Villages catered to	4-5

Haats	2 in a week
Institutional Customers	JSLPS
Proximity to Suppliers	
Wholesale Markets	10-15 KMs
Infrastructure	
Road Transport	Cheaply available
Availability of Credit	
SHG Membership for family	Yes
Bank	10-15 KMs
Ability to meet Customer Needs	
Shop Timings	11AM - 6PM on Haat days
Location & Visibility	
Visible in haat	Yes
Competition	
Similar Shop in haat	250 M
Smaller Shops	3
Other Catering Services	Not within 10-15 KMs

The annual revenue benchmark for this enterprise category is not available yet. The feasibility checklist is appended in the annexures.

4.3.5 Goat Rearing in the village household

Goat rearing is the most common micro enterprise in Jharkhand. Most houses have a goat and the people possess traditional knowledge of rearing goats and medicines for common diseases. They sent the goats mostly by themselves into the forest for grazing. Some households have however assigned a shepherd for 1 *paav* of rice a day. Other than this, there is mostly no monetary input after buying the goat unless the goat contracts a disease. Therefore the people do not also have a sense of selling price and are often cheated. The prices also vary according to seasons. The goats for rearing are usually bought from the villagers or from market and brought in public transport. Major challenge is lack of medical facilities and monsoon diseases that often kills the goats.

Six goat rearing households were visited spread over the two districts. In the Angara block, the environment is better due to the established Goat Rearing Centre, which provides support to the goat rearing enterprises.

The table below depicts the major customer segments of the enterprise and the needs of the segment:

Table 13: Customer Segments for Goat Rearing in the village household

Seasons	February - June	July	August	Other time of the year
Needs	Bucks for festival dinners	Does and lambs for increasing the number	All goats mainly old goats for sacrifices	All goats
Type of Customers	Villagers, Goat Merchants	Villagers, Goat Merchants	Villagers	Goat Merchants

In this case, there is an easily distinguishable variation in the needs of the customer segments according to the season of the year. Moreover, in Jharkhand, the goats are sold only for meat or for rearing. No other products of the goat are creating revenue for the goat rearing households. The Sales revenue depends on the several factors such as mentioned above and reproduction cycle of the goats.

The table below shows the type design for the enterprise:

Table 14: Type Design for Goat Rearing in the village household

Particular	Value
Customer Segments, Competition & Proximity to Suppliers	
Number of Goat Rearing Households	100-150
Wholesale Markets	10-15 KMs
GRC	15 KMs
Infrastructure	
Road Transport	Cheaply available
Availability of Technical Assistance	
Veterinary Doctor	Less than 5 KMs
Hospital	10-15 KMs
Traditional Goat Rearing Households	Yes
Location	
Accessibility to merchants	Yes

Since the costs of production are nominal, it is suggested that the revenue need not be considered for the feasibility analysis. The factors mentioned above in the type design shall be enough for understanding the feasibility. The feasibility checklist is appended in the annexures.

6.2. Using the Type Designs as Feasibility Checklists

The type designs as discussed are the most common characteristics of an enterprise in a particular context. These type designs can also act as a feasibility checklist for the enterprise in that particular context.

The type designs therefore were converted into objective questions, answers to which would define the feasibility of the business. Along with these questions, a tool for market share calculation was created. The sales revenue is estimated for the year.

The Kudumbashree has already prepared a benchmark for the various enterprise categories in different contexts of the pilot districts of Jharkhand. The benchmarking analysis was done on the existing enterprises, not necessarily women run. The benchmarking has been done for financial figures such as Annual Net Profit, Revenue, Revenue per customer, Return on Investment and Profitability. For each of these figures, the maximum, minimum and average values have been identified. Currently, the benchmarking analysis data is available for enterprise categories like General Stores and Snack Shops.

The sales revenue that has been estimated from the market share calculation tool in the feasibility checklist is compared with the benchmarking data for the enterprise category in the specific context. The revenue value selected for benchmarking is selected on the basis of profitability. Thus, the least sales revenue among the maximum, minimum and average values, for which the profitability is positive is selected.

To use, the checklist one has to start with checking for the various environmental factors, namely proximity to suppliers, infrastructure, and availability of credit, technical assistance. Once the feasibility of the environmental factors has been established, the user shall look at the most important part, the accessibility of the most common customer segments for that enterprise. The user should identify and check the customer segments available.

The next set of questions is a prelude to the market share calculation. The user has answer questions regarding the ability of the enterprise to meet the customer needs, location and visibility advantages or disadvantages of the enterprise and the competition.

The user has to arrive at a market share value using the tool. The tool would enable the user to not only calculate the market share, but through identifying the market size, provides with a suggestive market share target. The checklist contains the values for a year. The user may choose change the period of the calculation. It is however suggested that, no higher than one year be chosen, given that most micro enterprise would require to provide the entrepreneur with an income right away.

The sales revenue thus calculated has to be compared with the benchmark value for the period to arrive at the feasibility of the enterprise.

7. Conclusion & Recommendations

The study looks at two components of the 4C+E framework namely Customers, Competition and Environment for the various enterprise categories identified. These factors were further sub divided into sub factors. The environment had sub factors such as Proximity to Suppliers, Infrastructure, Availability of Credit, and Availability of Technical Assistance. In Customers and Competition, the sub factors were Customer segments accessible, Ability to meet customer needs, location, visibility, and competition.

It was noticed that not all factors were influencing the feasibility of all the enterprises. Moreover, the questions which define the sub factors also were not common.

Following is a summary of these factors and the influence on the feasibility of the various enterprise categories:

Enterprise Category		General Stores		Hotels/ Snack shops/ Catering		Goat Rearing
Context		General Store in a major junction in the village	General Store in a road to a <i>basthi</i>	Snack shop in a major junction in the village	Hotel & Catering Unit in a <i>haat</i>	In the Village
Sl No	Sub Factor					
1	Proximity to Suppliers	✓	✓	✓	✓	✓
2	Infrastructure	✓	✓	✓	✓	✓
3	Availability of Credit	✓			✓	
4	Availability of Technical Assistance					✓
5	Customer Segments Accessible					
5.1	Villagers	✓	✓	✓	✓	✓
5.2	Travellers	✓		✓		✓
5.3	School Children	✓	✓	✓		
5.4	<i>Haat</i> Vendors			✓	✓	
5.5	<i>Handia</i> Customers	✓		✓		
5.6	Institutional Purchases	✓			✓	✓
6	Customer Needs					
6.1	Parking Space	✓		✓		
6.2	Open Timings	✓	✓	✓	✓	
6.3	Caste		✓	✓		
7	Location & Visibility	✓	✓	✓	✓	✓

8	Competition					
8.1	Direct	✓	✓	✓	✓	
8.2	Substitutive		✓	✓	✓	
9	Revenue	✓	✓	✓	✓	

During the period of the internship, it was observed and understood that the MECs in both Kerala and Jharkhand do not strictly follow the feasibility checking while providing consultancy to the rural women on beginning an enterprise. A reason that could be identified during the informal discussions was that, the 4C+E framework for feasibility analysis was considered to be complex by them.

This study, which focuses on simple objective question with very little mathematical calculations, is expected to be a new step forward. The feasibility checklists created from the type designs is less intimidating and is expected to help in inculcating the habit of feasibility analysis in the MECs.

The feasibility analysis checklist however has to be extended to the other components of the framework namely, capabilities, cost and profit and capital to get a clear picture of the feasibility of the enterprise.

The capital for instance can be considered from two different viewpoints. One is whether there are credit sources available to the entrepreneur including bank loans, thrift loans and scheme subsidies to generate the required capital. This has to be further studied by understanding the existing loans of the entrepreneur and then verifying whether the entrepreneur can access the available credit sources given the existing loans. It is opined that only then the feasibility of the enterprise would be established with respect to the component.

Similarly, capabilities could be studied from the viewpoint of the skills possessed by the entrepreneur and the skills required by the enterprise feasibility. This when further enhanced through the study of the whether there are accessible skill development programmes for the entrepreneur and whether he or she can achieve those skills considering the factors like the age, family responsibilities of the entrepreneur would provide the feasibility of the enterprise in this aspect. Along with these, the cost and profit of the enterprise could be calculated. It is suggested that the income or net profit earned from the enterprise should be compared with at least the opportunity cost of the labour hours spent by the entrepreneur. It is expected that such an approach would better suggest the feasibility of a micro enterprise.

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ANNEXURES

Annexure 1: Income Expenditure Statement for Kairali Activity group

Particulars(for a month)	Value
Income	
Sales Revenue	85000
Sales Returns	
A	85000
Expenditure	
Goods Procured	37000
Transportation & Procurement Commision	150
Depreciation on Fixed Assets	550
Sales & Distribution Costs	2200
Loan Interest	347.22
Electricity	
Rent	
Gas & Firewood	
Water Supply	
Wages & Salaries	0
B	40247.22
Profit/Loss(A-B)	44752.78

The income expenditure statement is for a period of one month.

Annexure 2: Income Expenditure Statement for Kripa Goat Rearing group

Particulars	Value
Income	
Sales Revenue from Milk	1650
Sales Revenue from dung sales	800
Sales Revenue from Insemination Service	
Gain from Sale of Livestock	19500
Sales Returns	
A	21950
Expenditure	
Input Costs	1550
Transportation & Procurement Commision	
Depreciation on Fixed Assets	83.33
Sales & Distribution Costs	
Loan Interest	88.89
Electricity	0
Rent	0
Gas & Firewood	0
Insurance	83.333
Water Supply	0
Wages & Salaries	0
B	1805.553
Profit/Loss(A-B)	20144.447

The income expenditure statement is for a period of one month.

Annexure 3: Income Expenditure Statement for Dhara Nature Fresh

Particulars	Value
Income	
Sales Revenue from Dhara Nature fresh Model	26250
Sales Revenue from selling to Milma	22500
Onam Bonus	400
Sales revenue from Direct Sales	1500
Sales Returns	0
A	50650
Expenditure	
Input Costs	34000
Transportation & Procurement Commission	
Depreciation on Fixed Assets	833.333
Inventory Loss	200
Sales & Distribution Costs	300
Loan Interest	400
Electricity	0
Rent	0
Gas & Firewood	0
Water Supply	0
Wages & Salaries	
B	35733.333
Profit/Loss(A-B)	14916.667

Annexure 4: Income Expenditure Statement for Tripthi Panchayat Canteen

Particulars	Value
Income	
Sales Revenue from Canteen	75000
Sales Returns	
A	75000
Expenditure	
Goods Procured	30000
Transportation & Procurement Commision	500
Charges for Flour Mill Service	800
Depreciation on Fixed Assets	3000
Loan Interest	1222
Electricity	400
Rent	3750
Gas & Firewood	5600
Water Supply	0
Wages & Salaries	15000
B	60272
Profit/Loss(A-B)	14728

The income expenditure statement is for a period of one month.

Annexure 5: Income Expenditure Statement for Sulabham Sthira Vipani

Particulars	Value
Income	
Sales Revenue	43750
Sales Returns	
A	43750
Expenditure	
Goods Procured	37500
Transportation & Procurement Commision	1600
Depreciation on Fixed Assets	833.3333333
Loan Interest	1150
Electricity	0
Rent	0
Water Supply	0
Wages & Salaries	0
B	41083.33333
Profit/Loss(A-B)	2666.666667

The income expenditure statement is for a period of one month.

Annexure 6: Feasibility Checklist for General Store in a Major Junction

Description: A large shop with at least 10x20 feet space with an investment of more than Rs. 1 lakh. Along with daily provisions and more variety of goods, it usually also stores slow moving items such as umbrellas, plastic items, office stationery etc. They makes large purchases from whole sellers transported using a rented vehicle.

Environment

Proximity to Suppliers

- Are there any wholesale markets inside 10-20 kms from where the all other goods can be procured?
- Do the suppliers of goods have their vehicles plying through the junction?

Infrastructure

- Or/ And Are there cheap transport facilities available to get goods from the wholesale market?

Availability of credit

- Can the entrepreneur avail thrift loan?
- Is there a bank from which the entrepreneur can avail loan?

Customers & Competition

Customer Segments accessible

- Does the junction serve as a resting point/ journey breaking point for the travellers?
- Do the shop have parking space convenient enough for a traveller to stop by?
- Does the junction have a settlement within 1-2 kms?
- Is the shop in a path which the residents use as their way back to their homes from work?
- Is there a school nearby?

Segment Name	Residents	Travellers	School Children	Institutional Purchases
Check whether accessible				

Meeting Customer needs

- Can the entrepreneur keep the shop open for the time and period of the day as required by the target segment(s)? (In this case most sales happen in the period 4 PM - 7 PM)
- Do the gender/ caste of the entrepreneur serve as a demerit for attracting customers of a particular gender/ caste?
- Are there shops selling daily need items nearby – vegetables, handia shops etc?

Location & Visibility

- Is the shop near to the road/ visible from the junction?
- Does the location of the shop serve as a merit/demerit for attracting customers from any particular locality over the competitors?

Competition

- Are there any similar competitors within 250 m radius? How many?
- Are there any competitors in the settlements catered to by the enterprise? How many?
- Do the competitors provide more variety of goods than the enterprise intends to provide?

Market Share Calculation for the period

Segment Name	Residents 1	Residents 2	Travellers	School Children	Institutional Purchases
Needs	Large purchases, also requires slow moving items such Umbrella, plastic items	Stop on going back from work, Small purchases mainly food for the day	Refreshment, Space to stop vehicle	Snacks, crispies, sweets under Rs 5-10, Stationery	Hotels, Catering Units
Available Market Size					
Number of Customers in the Segment					
Expected number of purchases by customer in a period					

(A)					
Expected purchase value in a visit (B)					
Expected Revenue in a period (A*B)					
Expected Market Share considering existing competition					
Number of Customers of the segmented expected					
Expected number of purchases by a customer in a period (C)					
Expected purchase value in a visit (D)					
Expected Revenue in a period (C*D)	V1	V2	V3	V4	V5

Is the total expected revenue for the period (V1+ V2+ V3+ V4+ V5) greater than the benchmark value for the enterprise?

SI No	District	Benchmarked Revenue
1	Ranchi	Rs. 3.5 lakh
2	West Singhbhum	Rs. 4.2 lakh

Annexure 7: Feasibility Checklist for General Store in a road to *basthi*

Description: A small shop with less than 10x8 feet space. The shop usually stores only fast moving daily provisions with purchases to the shop made weekly or fortnightly from a whole seller brought to shop in public transport.

Environment

Proximity to Suppliers

- Are there any wholesale markets inside 10 kms from where the goods can be procured?
- Are there suppliers of goods who can make deliveries at the shop?

Infrastructure

- Or/ And Are there cheap transport facilities available to get goods from the wholesale market?

Customers & Competition

Customer Segments accessible

- Does the junction have a settlement within 500m – 1km?
- Is the shop in a path which the residents use as their way back to their homes from work?
- Is there a school nearby or do the children use the road to get back to their homes from school?

Segment Name	Residents	School Children
Check whether accessible		

Meeting Customer needs

- Can the entrepreneur keep the shop open for the time and period of the day as required by the target segment(s)? (In this case most sales happen in the period 4 PM - 7 PM)
- Do the gender/ caste of the entrepreneur serve as a demerit for attracting customers of a particular gender/ caste?

Location & Visibility

- Does the location of the shop serve as a merit/demerit for attracting customers from any particular locality?
- Does the shop open to the road?

Competition

- Are there any similar shops within 250 m radius?
- Are there any competitors in the settlements catered to by the enterprise?

Market Share Calculation

Segment Name	Residents	School Children
Needs	Stop on going back from work, Small purchases mainly food for the day	Snacks, crispies, sweets under Rs 5-10, Cheap Stationery
Available Market Size		
Number of Customers in the Segment		
Expected number of purchases by customer in a period (A)		
Expected purchase value in a visit (B)		
Expected Revenue in a period (A*B)		
Expected Market Share considering existing competition		
Number of Customers of the segmented expected		
Expected number of purchases by a customer in a period (C)		
Expected purchase value in a visit (D)		
Expected Revenue in a period (C*D)	V1	V2

Is the total expected revenue for the period (V1+ V2) greater than the benchmark value for the enterprise?

SI No	District	Benchmarked Revenue
1	Ranchi	Rs. 80,000
2	West Singhbhum	Rs. 72,800

Annexure 8: Feasibility Checklist for Snack Shop in a Major Junction

Description: The snack shop would either be in a *tela* or in a small make shift shack. The snack shop would sell some or all of the following items – *gulgula, pakodi, aaloo chop, pani puri, chaat* items, chowmein, soup

Environment

Proximity to Suppliers

- Are there any wholesale markets inside 10 kms from where the goods can be procured?

Infrastructure

- Or/ And Are there cheap transport facilities available to get goods from the wholesale market?

Customers & Competition

Customer Segments Accessible

- Is the shop near to the road/ visible from the junction?
- Does the junction serve as a resting point/ journey breaking point for the travellers?
- Is the shop in a path which the residents use as their way back to their homes from work?
- Is there a school nearby?
- Does the junction host *haats*?
- Does the shop have *handia* shops nearby?
- Does the shop have factories or large construction work going nearby?

Segment Name	Residents from nearby villages	School Children	Travellers	Handia Customers	Haat Customers & Vendors
Check whether accessible					

Meeting Customer Needs

- Do the shop have parking space convenient enough for a traveller to stop by?
- Would the enterprise be providing the all goods and services at the price as perceived value for money by the target segment?

- Can the entrepreneur keep the shop open for the time and period of the day as required by the target segment(s)? (In this case most sales happen in the period 2 PM - 8 PM)
- Do the gender/ caste of the entrepreneur serve as a merit/ demerit for attracting customers of a particular gender/ caste over the competitors?

Location & Visibility

- Does the location of the shop serve as a merit/demerit for attracting customers from any particular locality over the competitors?
- Does the shop have visibility from the *haat* and the junction?

Competition

- Are there any competitors within 500m – 1 km radius?
- Are there any competitors in the settlements or in the roads to settlement catered to by the enterprise?
- Does the *haats* in the junction attract more competition?

Market Share Calculation

Segment Name	Residents from nearby villages	School Children	Travellers	Handia Customers	Haat Customers & Vendors
Needs	Stop on going back from work	Snacks under Rs. 5	Refreshment, Space to stop vehicle	Buys the snacks to have with <i>handia</i>	Refreshment during purchases & selling
Available Market Size					
Number of Customers in the Segment					
Expected number of purchases by customer in a period (A)					
Expected purchase value in a visit (B)					
Expected Revenue in a period (A*B)					
Expected Market Share considering					

existing competition					
Number of Customers of the segmented expected					
Expected number of purchases by a customer in a period (C)					
Expected purchase value in a visit (D)					
Expected Revenue in a period (C*D)	V1	V2	V3	V4	V5

Is the total expected revenue for the period (V1+ V2+ V3+ V4+ V5) greater than the benchmark value for the enterprise?

SI No	District	Benchmarked Revenue
1	Ranchi	Rs. 1.5 lakhs
2	West Singhbhum	Rs. 2.6 lakhs

Annexure 9 : Feasibility Checklist for Catering Service/ Hotel

Description: The catering service depends mainly on institutional customers. The village households are a developing market for the catering service. The enterprise would also set up a hotel for *haats* vendors & vehicle drivers only on the *haat* days. Hotel would provide lunch with a place to sit.

Environment

Proximity to Suppliers

- Are there any wholesale markets inside 10 kms from where the goods can be procured?
- Do the suppliers of goods have their vehicles plying through the junction?

Infrastructure

- Or/ And Are there cheap transport facilities available to get goods from the wholesale market?

Availability of Credit

- Can the entrepreneur avail thrift loan?
- Is there a bank from which the entrepreneur can avail loan?

Seasonality

- Are there any seasonal variances in the Sales Revenue?

Customers & Competition

Customer Segments accessible

- Does the location of the enterprise host *haats*?
- Can the enterprise expect institutional customers like JSLPS to give them orders?
- Does the village have households that would avail a catering service for marriages or functions?

Segment Name	<i>Haat</i> Vendors, Drivers & Customers	Institutional Customers	Village Households
Check whether accessible			

Meeting Customer needs

- Can the entrepreneur keep the shop open for the time and period of the day as required by the target segment(s)? (In this case most sales happen in the period 11 PM - 6 PM during *haat* days)

Location & Visibility

- Do the JSLPS events take place in a place accessible easily by the enterprise?

Competition

- Are there any competitor who has a permanent/ *pucca* space in the market?
- Does the *haats* in the junction attract more competition?
- Does the block have any other catering services which would split the revenues from institutional customers like JSLPS?
- Do the competitors provide more variety of goods than the enterprise intends to provide?

Market Share Calculation

Segment Name	<i>Haat</i> Vendors, Drivers & Customers	Institutional Customers	Village Households
Needs	Lunch & Refreshment, Space to Sit	Catering Services for events like training	Catering Services for functions like marriages
Available Market Size			
Number of Customers in the Segment			
Expected number of purchases by customer in a period (A)			
Expected purchase value in a visit (B)			
Expected Revenue in a period (A*B)			
Expected Market Share considering existing competition			

Number of Customers of the segmented expected			
Expected number of purchases by a customer in a period (C)			
Expected purchase value in a visit (D)			
Expected Revenue in a period (C*D)	V1	V2	V3

Is the total expected revenue for the period (V1+ V2+ V3+ V4+ V5) greater than the benchmark value for the enterprise?

SI No	District	Benchmarked Revenue
1	Ranchi	
2	West Singhbhum	

NB: Data not available yet

Annexure 10: Feasibility Checklist for Goat Rearing

Description: Goat rearing is the most common micro enterprise in Jharkhand. Most houses have a goat and the people possess traditional knowledge of rearing goats and medicines for common diseases. They sent the goats mostly by themselves into the forest for grazing. Some households have however assigned a shepherd for 1 *paav* of rice a day. Other than this, there is mostly no monetary input after buying the goat unless the goat contracts a disease. Therefore the people do not also have a sense of selling price and are often cheated. The prices also vary according to seasons. The goats for rearing are usually bought from the villagers or from market and brought in public transport. Major challenge is lack of medical facilities and monsoon diseases that often kills the goats.

Environment

Proximity of Suppliers

- Are there any wholesale markets inside 15 kms from where the goats can be bought and sold?
- Is the Goat Research Centre in an accessible distance?
- Are there any wholesale markets inside 15 kms

Infrastructure

- Or/ And Are there cheap transport facilities available to get goods from the wholesale market?

Availability of Technical assistance

- Are there any Private/ government veterinary doctor within 5 km?
- Is there a *Pashusakhi* assigned for the village?
- Is the Goat Research Centre at an accessible distance?
- Are there villagers with traditional knowledge about medicines and rearing?

Customers & Competition

Customer Segments accessible

- Are there other goat rearing households in the village?
- Is the village visited by the goat merchants in the selling seasons?
- Is the Goat Research Centre in an accessible distance?

Customer Segments	Goat Rearing Households	Villagers	Goat Research Centre
Check whether accessible			

Location

- Is the household accessible for the goat merchants?