

# BUSINESS ENTERPRISES LEADERSHIP AND MANAGEMENT











Business Enterprise Leadership and Management programme is a unique attempt to provide holistic, high-quality and relevant training to marginalized rural women. In India, 85% of rural women are engaged in agriculture but their role is not recognized or rewarded. The six-month training programme aims to provide these women producers necessary skills and support required to become agri-entrepreneurs, giving them greater control over their incomes and livelihoods. For these women producers, building the right mindsets is as essential as teaching the key skills. The programme is therefore built on four key pillars: Self-Transformation, Enterprise Mindsets, Enterprise Skills and Enterprise Excellence. The training curriculum and module is developed by Access Livelihoods Group with the support of United Nations Development Programme's (UNDP) Disha Project supported by IKEA Foundation for training the rural community leaders in business, management, and leadership skills.

This curriculum and training content benefits from the knowledge and experiences of pioneers including academic faculties, community leaders, officials from various institutions working in the areas of rural development, women business leadership training, and entrepreneurship. Without their support this module would not have been possible. We also acknowledge the usage of ILO SIYB, COOP, DSW, & IFAD training manuals, while developing the curriculum for Women Business Leaders Programme.

The report is edited and designed by Roots Advertising

Published by:
UNDP India
55, Lodhi Estate, New Delhi 110003, India
Tel: +91-11-46532333,

Email: info.in@undp.org

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# **Business Enterprises Leadership and Management**

Programme

**Training Manual** 



## **Foreword**

With the current socio-economic disruption driven by COVID-19, it has become even more important to strengthen local livelihood opportunities. With the launch of Government of India's Scheme on 'Formation and Promotion of 10,000 new Farmer Producer Organizations (FPOs)' under Atmanirbhar Bharat rural FPOs and Collectives will receive the right impetus to strengthen their systems.

One of the key challenges currently faced by collectives, as we learned through our initiatives, is the availability of professionally trained managerial resources in the local communities in a sustained manner. With project supported professional staff departing at the completion of project duration, there remains a vacuum for skilled resources. In this context, the estimated need for at least 100,000 additional managers over the next five years to manage the operations of 10,000 FPOs,



further underlines the need for innovative approaches to create local managers with good management practices.

To bridge this gap, UNDP piloted an experiment of creating community managers out of educated women from local community through training, who can provide managerial services to the collectives in their community on a full-time basis. The women participants were trained on a six-month structured programme called 'Business Enterprise Leadership Management Programme (BELMP)'". Upon the completion of this programme, they were further certified from reputed management institutes.

The BELMP curriculum has been co-designed with Access Livelihood Foundation in collaboration with MANAGE, as a tailor-made leadership management training programme for second-generation girl or women from rural agrarian communities who would be placed with farmer producer organizations. Since the target group for the programme is rural women, the curriculum, content, and pedagogy focus on building skills, mindsets, and ownership of the women towards managing these enterprises in a way that they can act as harbingers of transformative solutions for their communities.

The curriculum is also highly relevant to other stakeholders in the ecosystem that are engaged in capacity building for especially women led collectives. We sincerely hope that it is extensively used in the immediate future by them to equip local youth and women with management skills for supporting the growth of FPOs.

Amit Kumar

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# **Acknowledgements**

We are grateful to the National institute of Agricultural Extension and Management(MANAGE) for their support and inputs towards developing the curriculum and creating assessment framework. We are grateful to our senior advisor Prof. G. Krishnamurthy, Director at Foundation for Catalysing Rural Transformation (FoCaRT) who led the content development of business aspects within this curriculum and coordinated the overall curriculum and manual preparation efforts.

We are thankful to support and guidance received for this initiative from Mr. Saravanan Raj, c, MANAGE; Mr. V. E. Narasimha Reddy, Village Renewal Organisation; Ms. Sagarika Bose, Instruction Design Lead-Godrej; Dr. Ranju Mehta, Regional Director, North — I Create; Ms. Uma Shankari, PhD in Sociology; Ms. Kalpana Pant, Co- Director, Chaitanya Trust; Ms. Vrishali Pispati, Advisor, Mann Deshi Foundation; Ms. Himani Gupta, CEO-Kriti Trust, Mr. S. Kaviraj, Senior Program Manager, Pragathi Seva Samithi; Mr. K. Lakshman, Manager, CDF; Ms. E. Vijayalakshmi, Erstwhile community trainer, CDF; Ms. G. Aruna, Board Member, CDF; Ms. Revathi, President, Association for Thrift Cooperatives; Ms. K. Suwarna, Community Resource Person; Mr. D. Srinivas Rao, Project Officer, WASSAN; P. Laxma Reddy, General Manager- Dharmarajupally Paddy Seed Growers Co-operative; Mr. Mohammed Vaseem, Senior Project Executive, AL Group; and Mr. Kishore Vodapally, Senior Program Manager, AL Group. We are thankful to their academic and professional support.

We are grateful to AL Group senior advisors and consultants who led the development of this training module and content development with special thanks to Mr. GV Krishnagopal, Founder, AL group and Dr. K Surekha, CEO, ALC India.

Last but not the least, we acknowledge the support received from the experts in the UNDP Disha team in the successful development of the training manual with special thanks to Mr. Harsh Singh, Senior Advisor, UNDP, Ms. Anjali Manda, Knowledge Management Team, UNDP; Ms. Gurpreet Bhatia, State Project Head, UNDP.

Dr Ravi Chandra Advisor-Livelihoods & Value Chain UNDP

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# **Abbreviations and Acronyms**

AGM Annual General Meeting

ALC India Access Livelihoods Consulting India Ltd.

**BDS** Business Development Service

**BELMP** Business Enterprise Leadership & Management Programme

**BOD** Board of Directors

CLV Customer Lifetime Value
CEO chief executive officer

FPC Farmer Producer Company
FPO Farmer Producer Organization

FW Facilitation Workshop
HR human resources

**KPI** key performance indicators

KVK Krishi Vigyan Kendra

**MSME** micro, small and medium enterprise

NABARD National Bank for Agriculture and Rural Development

**NGO** non-governmental organization

P Practicum

PAN Permanent Account Number

PC Producer Company
PDCA Plan-Do-Check-Act
PO Producer Organization

**R&D** research and development

**SEWA** Self-Employed Women's Association

**SHG** self-help group

SRI System of Rice Intensification

SWI System of Wheat Intensification

TAN Tax Deduction Account Number

TDS Tax Deducted at Source
ToT Training of Trainers

**TQM** Total Quality Management

**TW** Travel Workshop

**UNDP** United Nations Development Programme





## INTRODUCTION

To build great communities and transform rural societies is to unleash the entrepreneurial and leadership potential of women and nurture. This conviction is the basis of the Business Enterprise Leadership & Management Programme (BELMP) implemented in four locations across Telangana and Maharashtra, India (Pune, Gondia, Vikarabad and Karimnagar districts). This project was a pilot undertaken by Access Livelihoods Consulting India Ltd. (ALC India) with the support of DISHA, United Nations Development Programme (UNDP). A total of 100 rural women participated in the programme, with 25 women in each of the four locations.

The project was implemented in diverse contexts during the six-month period from February 2019 to August 2019. It fostered leadership and imparted management and entrepreneurship training to the participating women. It had the objective of helping them to set up micro-enterprises and identify opportunities to take up leadership roles in producer organizations, cooperatives and collectives.

This module has been developed on the basis of the experience and insights gained from the pilot project. It presents the objectives of the programme and outlines its curriculum. The manual defines the competencies which the participants must develop in the form of four pillars, courses and their modules, learning processes and learning resources for each pillar, the unique blend of experiential learning with Facilitation Workshops, the process of programme implementation and the scheme for monitoring and evaluation of the participants and the programme.

The curriculum presented in this manual is focused, but still broad enough to provide the flexibility necessary for contextualization. The curriculum is built on the Adult Learning Principles (andragogy), enunciated by Malcolm Knowles way back in the 1980s and rests heavily on experiential learning.

The manual is designed to serve as a reference and practical document for use by various enterprises and community-based organizations engaged in skills development, leadership development and capacity building programmes in their own organizations. The vision of the programme is to create 10,000 entrepreneurial leaders among rural women in the coming decade.

#### **Objectives of BELMP**

BELMP is a unique attempt to provide intensive coaching to rural women to enable them to develop leadership and managerial skills (combining entrepreneurial and intrapreneurial skills and competencies) necessary for organizing and managing rural community enterprises for sustained impact.

The expected results of BELMP are:

- Development of competencies among the women to start micro-enterprises on their own or by mobilizing other women in the communities in which they live;
- 2. Creation of competent leaders to steer Producer Companies (PCs); and
- 3. Internalization of self-management processes to help the women leaders to transform their communities gradually.



#### **Terms and Descriptions**

The following is a list of terms used in this manual along with their definitions:



Local anchors are persons who work as mediators between the communities and the central team and are responsible for the implementation of the programme.



Facilitators are individuals who conduct the training sessions and are responsible for effective transformation of the participants.



**Participants** are the women who have been selected to benefit from the programme after signing a contract with ALC India by participating in all modules of the programme and are expected to play leadership roles in their respective communities by engaging themselves as entrepreneurs or intrepreneurs in social enterprises and collective business units.



**Training of Trainers (ToT)** is the process of providing the required orientation to facilitators who will be conducting sessions and delivering the modules to the participants.



**Curriculum** is the comprehensive document of the programme, outlining its overall design architecture, details of various segments, viz., Travel Workshops, Practicums and Facilitation Workshops and their components, learning approaches for the different segments and their components, methods of evaluation of participants' performance in different segments of the programme, resources for trainers and participants, and processes for programme implementation.



**Pillars** are the major focal areas for development of participants' competencies and, for this programme, comprise Self-transformation, Entrepreneurial Mind-sets, Entrepreneurial Skills, and Enterprise Excellence.



**Courses** are subsets of the pillars, with each course focusing on a specific management function or a specific set of inter-related concepts and practices. Each pillar of the programme has four courses, comprising Facilitation Workshops and supported by Practicums for field-based learning with academic rigour. The programme consists of four pillars and four courses per pillar; a total of 16 courses are covered in the curriculum.



**Sessions** are interactive learning meetings in which the participants share their observations and learning from the Practicums and integrate them with theoretical concepts and general management practices with active facilitation by competent resource persons, known as course or session facilitators. Every course has eight interactive learning sessions and each session is of 60 minutes' duration.



Facilitation Workshops are meant to impart to the participants the theoretical underpinnings which form the basis of their observations and experiences during their two major experiential learning segments of the programme, viz., Practicums and Travel Workshops. The facilitators at the Facilitation Workshops channel the participants' skills to their field experiences and learning to theoretical concepts and help them consolidate their knowledge of concepts and relate them to practice. Theories and concepts which are learnt during the Facilitation Workshops, primarily on the basis of the participants' experiences during the Practicums constitute about 25 percent of the total learning time of the programme. The interactive learning sessions are conducted in the Facilitation Workshop.

The participants learn many concepts, theories, practices and skills during 10 Facilitation Workshops of four days' duration each. Every Facilitation Workshop is conducted between two Practicums to:

- 1. Build on the learning from the just conclude Practicum; and
- 2. Provide direction to the immediately forthcoming Practicum.

Each Facilitation Workshop concludes with a half-day community leadership engagement/sharing circle led by a successful community leader who shares her/his experiences and learning with the participants who are challenged to reflect over them for potential adoption with necessary adaptation in their communities and community-based organizations and enterprises.



**Practicums,** constituting the experiential learning part and feeding into the discussions and interactions during the Facilitation Workshops, account for about 75 percent of the programme time. The participants carry out various tasks during the Practicums; the experience of performing these tasks and the learning from them provide vital inputs during the interactive learning sessions of Facilitation Workshops. The tasks to be carried out during the Practicums are designed in advance and participants are briefed on the details of tasks and expected outcomes. They are also provided the necessary research instruments and blank observation records to facilitate the recording of data collected and experiences gained during the Practicums. The participants learn from the field and several organizations and business units during 11 Practicums, nine of which are of 11 days' duration each and two of three days' duration each. Every Practicum, except the first one, follows a Facilitation Workshop.



**Travel Workshops** are organized to provide exposure to the participants on the realities prevailing in unique places where significant development has taken place and some noteworthy results have been achieved or certain significant practices have been ushered in and are in vogue. There are two Travel Workshops of six days' duration each, one with which the programme starts with and the other to close the programme. The experiences and observations during the Travel Workshops are seamlessly integrated with the participants' learning during their Practicums and Facilitation Workshops.

#### **Core Principles of the Programme**

This curriculum adheres to three core principles:

- a. The curriculum for the training programme is structured around the following four pillars:
  - i. Self-transformation;
  - ii. Enterprise mind-set;
  - iii. Enterprise skills; and
  - iv. Enterprise excellence.

These pillars are designed to bring about a holistic transformation in the participants by personal transformation integrated with enhanced competencies for design and management of community enterprises and collective organizations.

- b. The learning of participants happens at two mutually reinforcing levels Practicum and Facilitation Workshops. Experiential learning is allocated about three-fourths of the programme time so that the participants internalize inquisitiveness by doing pre-designed practical tasks during their Practicums. They learn theories and concepts in the Facilitation Workshops where their questions from their experiences during the Practicums find answers or lead to further questions. The Facilitation Workshops constitute about one-fourth of the total programme duration.
- c. The modules in the Facilitation Workshops are designed to be delivered by local practitioners who have founded and managed enterprises and can share their insights from their experiences and reflections on entrepreneurship while keeping them relevant to the participants' contexts.

#### **Purpose and Use of Manual**

The objective of this manual is to prepare the facilitators, representatives from civil society organizations and community-based organizations, academics and other partners for the programme context and help them deliver the programme modules relevant to entrepreneurship and business leadership for the success of women-led community-based collective enterprises.

Specifically, this manual is designed to help:

 Local anchors incorporate best practices so that the programme can retain its relevance and is effective;

- Facilitators to conduct the programme modules in various sessions in an interactive and engaging manner to inculcate a high level of entrepreneurship in the women and equip them for the entrepreneurial roles by active learning methods;
- Women participants to explore multiple ventures and engage themselves in different aspects of setting up, managing and nurturing community-based collective business units; and
- Organizations which plan to launch new entrepreneurial ventures or scale up their existing collective enterprises.

The partner organizations can benefit from this manual for organizing and conducting entrepreneurship development programmes which aim to develop the competencies of rural women and enable them to pursue and lead successful entrepreneurial ventures and activities.

The manual provides a detailed plan on:

- Courses and their lesson plans;
- · Methods of facilitation;
- · Learning aids;
- Timelines;
- Selection and assessment methods and monitoring criteria to gauge the competencies the participants have developed during the programme; and
- Human resource needs for effective conduct of the programme.

The manual serves both as a resource book for entrepreneurial development and a reference guide on topics and exercises during Travel Workshops, Practicums and Facilitation Workshops. The other organizations can easily adopt the model presented in this manual with necessary changes to suit local needs.

The local anchors may use this manual as a training toolkit for the facilitation of ToT programmes and development of facilitators. The manual has been designed to help institutions organize and conduct 10 four-day Facilitation Workshops (including a half-day community leadership engagement/ sharing circle in each), provide inputs to the participants for carrying out meaningful learning exercises during 11 Practicums and two Travel Workshops.

This manual serves as a standard reference material for the course and session facilitators for effective interactive learning in a typical classroom context. The manual also provides flexibility for the facilitators to bring in their innovation and creativity in the facilitation

process for enhanced learning. The learning will be considerably enhanced if the facilitators use this manual as a reference that serves to focus their attention and energy on the session objectives.

#### **Curriculum Framework**

The programme has, at its core, Malcolm Knowles' Theory of Adult Learning as its philosophy:

- Self-concept: Because adults are at a mature developmental stage, they have a more secure self- concept than children. This allows them to take part in directing their own learning.
- Past Learning Experience: Adults have a vast array of experiences to draw on as they learn, as opposed to children who are in the process of gaining new experiences.

Readiness to Learn: Many adults have reached a point at which they see the value of education and are ready to be serious about and focused on learning.

Based on the belief that being a successful social entrepreneur is about striking the optimal balance between the heart and soul, on the one hand, and the mind and body, on the other, the curriculum is built around the four key pillars shown in Figure 1.

The learning for each pillar takes place through a judicious mix of Practicums and Facilitation Workshops, supported by a Travel Workshop at the beginning of the programme and another at the end.

#### **Programme Organization**

The programme is conducted over a six-month period with clear guidelines on the organization of Travel

Figure 1: Key Pillars

#### **Self Transformation**

- Transformational Leadership
- Personal & Organizational Vision
- Values & Ethics
- Achieving Personal Excellence



#### **Enterprise Skills**

- Governance, Audit & Legal Compliance
- **Financial Accounting**
- **Production & Supply Chain** Management
- **Rural Marketing**



#### **Enterprise Mind-set**

- Enterprise Lifecycle Management
- Stakeholder Management & **Resources Mobilization**
- Principles & Practices of Collectives
- Strategic Management of Producer Companies (PCs)

### **Enterprise Excellence**

- Sustaining Natural Resources & **Emerging Organic Solutions**
- **Total Quality Management**
- **Nurturing People and** Harnessing Collective Energy
- Value Chain Management

Workshops, Practicums activities and Facilitation Workshops. As experiential learning is the key aspect of the curriculum, the participants engage themselves alternately in Practicums and Facilitation Workshops. The programme is designed in such a way that each of the Practicums (except the last one) leads a Facilitation Workshop.

The programme begins with a Travel Workshop for six days followed by a Practicum for three days and then a Facilitation Workshop for four days.

The following abbreviations are used in this manual for the three learning segments: The abbreviations can be expanded to:

- a. TW- Travel Workshop;
- b. FW Facilitation Workshop; and
- c. P Practicum.

The programme flow is shown in Figure 2 with an ideal duration of four days per Facilitation Workshop, 11 days per Practicum task and six days per Travel Workshop.

Figure 2: Programme flow



#### TW-I 6 days

- Starts with 6 days of Travel Workshop in a context outside the participants
- Participants will visit various enterprises to get a perspective on business opportunities
- Participants will cover basics of some courses



#### P1 3 days

- Practicum activities would be given on the basis of the sessions to be covered in the coming Facilitation Workshop
- This Practicum would be for a period of 3 days (special case)
- Worksheets need to be give and a brief of the task needs to be given to the participants



FW-1 4 days

- A practitioner must be identified to deliver the course
- ToT needs to be done for all facilitators
- Participants need to present their Practicum learning



P2 3 days

- Practicum activities would be given on the basis of the sessions to be covered in the coming Facilitation Workshop
- Practcum would be for a period of 3 days (special case)
- Worksheets need to be give and a brief of the task needs to be given to the participants



FW-2 4 days

- A practitioner must be identified to deliver the course
- ToT needs to be done for all facilitators
- Participants need to present their Practicum learning



P3 11 days

- Starts with 6 days of Travel Workshop in a context outside the participants
- Participants will visit various enterprises to get a perspective on business opportunities
- Participants will cover basics of some courses



FW 3 4 days

- Facilitation sessions will be delivered by practitioners identified and ToTs will be conducted by the local anchors
- A recommended best practice is to identify a local facilitator who can take up the entire course and monitor the Practicum also



P4 11 days

- A practitioner must be identified to deliver the course
- ToT needs to be done for all the facilitators
- Participants need to present their Practicum learning



FW 4 4 days

- Facilitation sessions will be delivered by practitioners identified and ToTs will be conducted by the local anchors
- A recommended best practice is to identify a local facilitator who can take up the entire course and monitor the Practicum also



 The cycle repeats until Facilitation Workshop 10 followed by Practicum 11



TW-II

- Participants would visit a mature collective enterprise to see all the skills they learnt at play
- This would create an exemplar idea

Table 1 presents the sequential arrangement of various learning segments of the programme.

The programme design has provision, as seen in Table 1, for 23 days of break due to festivals and holidays

#### **Programme Implementation**

The following major activities form part of the programme:

- Decision on programme dates, keeping in view all potential activities, resource constraints and facilities, and participant availability constitutes the first step and triggers all other activities.
- Identification of enterprises for participants to learn from. These enterprises need to be

preferably collectives with active departments for all business activities. The enterprises need to be educated on their roles in the success of the programme and their obligation to provide an appropriate ambience, opportunities and support for effective learning by participants attached to them.

- Scheduling the programme, keeping in view the local contexts, public holidays and livelihood activities of the participants. This activity needs to be undertaken well in advance for the smooth and effective conduct of the programme, including the mobilization of all resources and arrangement of logistics.
- Identification of venues for conducting the facilitation workshops. The participants are often spread across villages and need to assemble at a central location. The venues for

Table 1: Sequential flow of the programme

Sequence	Travel Workshop	Practicum (P)	Facilitation	Duration (days)
No.	(TW)		Workshop (FW)	
1	TW 1			6
2		P 1		3
3			FW 1	4
4		P 2		3
5			FW 2	4
6		P 3		11
7			FW 3	4
8		P 4		11
9			FW 4	4
10		P 5		11
11			FW 5	4
12		P 6		11
13			FW 6	4
14		P 7		11
15			FW 7	4
16		P 8		11
17			FW 8	4
18		P 9		11
19			FW 9	4
20		P 10		11
21			FW 10	4
22		P 11		11
23	TW 2			6
	Provision for brea	ks due to festivals and h	nolidays	23
	Total P	rogramme Duration		180

the Facilitation Workshops have to be well lit and ventilated with infrastructure to set up projectors, speakers and other audio- visual and learning aids. The venue has to have many open or enclosed spaces for the participants' group work during the sessions. Schools, skilling centres or auditoria with multiple halls or open spaces have to be located and booked in advance.

- Identification of facilitators. An ideal facilitator profile is shared in each course; this information is expected to help the organizers identify a local practitioner who can be a facilitator.
- ToT is an orientation activity for the facilitators to understand the philosophy of the programme design, including the contents, andragogy, keeping the participants engaged and motivated, and evaluation and feedback. The local anchors can organize the ToT and share

the required session plans and other resources with the potential facilitators. The local anchors should be able to identify effective facilitators during the ToT and nurture them for long-term relationships.

- Participant modules need to be maintained by every participant. The worksheets relevant to the various tasks assigned to the participants during the Practicum, Travel Workshops and Facilitation Workshops need to be completed for evaluation of and feedback on their progress by the concerned facilitators.
- A feedback mechanism is to be designed and maintained for every segment of the programme, viz., Travel Workshops, Practicums and Facilitation Workshops, and feedback provided by the participants has to be analysed as inputs for continuous course correction by a central team.

- Assessments can be given to a third party to evaluate the competencies acquired by the participants. As Practicum is a key part of the curriculum, the evaluation of the participants is best made on the field.
- Selection process is an important aspect of the programme as every participant must have the aptitude and a support system to become an entrepreneur.

#### **Participant Selection**

The recommended group size is 25 participants per batch. The selection process aims at helping the programme organizers to identify women who will benefit most from the programme and contribute significantly to their communities or community-based collectives.

The participant selection process starts with a oneday orientation programme in which the applicants are apprised of the following programme-related information:

- The applicants selected to undergo the training programme would be trained to become business leaders and become key stakeholders in developing the vision for their PCs;
- The selected applicants, i.e., programme participants, pay INR 2,500 as deposit which would be paid back along with an additional INR 2,500 at the end of six months;

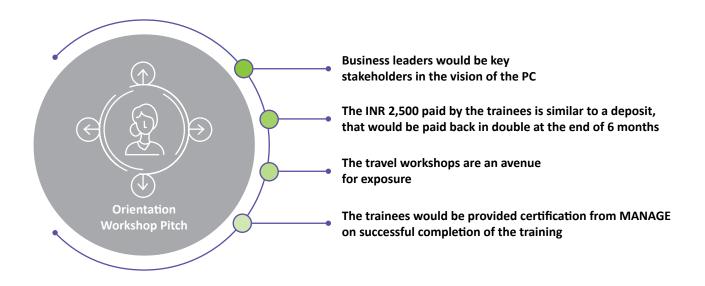
- The Travel Workshops are an avenue for exposure; and
- The trainees would be provided certification from MANAGE on successful completion of the training.

#### **Screening Process**

Following the orientation of the interested applicants to the programme-related information, the screening process of the applicants is undertaken as per the following steps:

- Background information note: No one is rejected in this round;
- 2. **Aptitude test:** This step comprises testing in basic mathematics and written skills in the local language; and
- 3. **Direct assessment**, consisting of the following:
  - Business challenge: The applicants are divided into teams and provided with INR 1,000 investment. Using this amount, they are supposed to undertake a business and return with the results
  - Group discussion: The candidate will be shown a short clip on stories of enterprise failure and will be engaged in a group discussion and assessed
  - Personal interview: A personal interview by an expert panel using a comprehensive framework of assessment



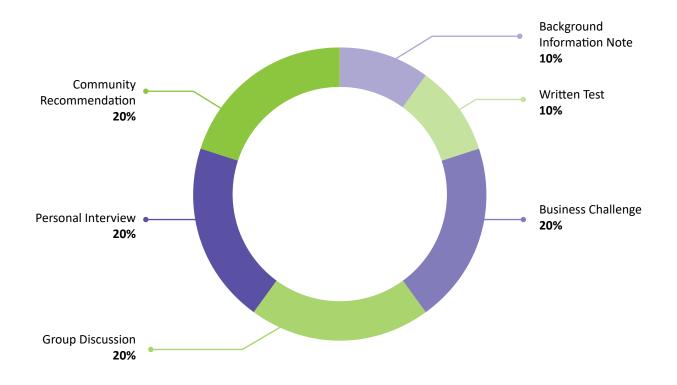


#### **Weightage and Cut-off**

The weights assigned to the various components of the selection process are as follows:

Figure 4: Weights assigned to components of selection process

#	Test	Weightage
1	Background Information Note	10%
2	Written Test	10%
3	Business Challenge	20%
4	Group Discussion	20%
5	Personal Interview	20%
6	Community Recommendation	20%
	Total for Final Selection	100%



Details of the steps in the selection process are explained below:

#### **Background Information Note**



The age group and the locational stability aspect of the candidate will be taken into account. Preference will be given to the candidates who have been staying in the same region in the long term.

Background Information Note		
Age-Group	<b>Preferred Number of Candidates</b>	
25-35	10	
35-45	10	
45-55	5	

#### **Written Test**



Each candidate will be assessed on basic mathematics and literacy skills through a written test administered in the local language.

#### Written Test - Assessment Framework

Characteristic	Question
Literacy Levels (local language)	Does the candidate write and express opinions in the local language?
Literacy Levels (Math)	Does the candidate solve basic numerical questions and compute?

panel which will divide the applicants into as many teams as necessary. Every team will be given INR 1,000 which it has to use as business investment. Using the financial resource, the teams need to find ideas for quick investment and do business. If the business does work and they make some profit, they share it among themselves but if they experience a loss, then they are supposed to recoup and give it back to the panel. The results of the business challenges in terms of profits and loss will be available for the personal interview panel. The panel which will be observing the applicant teams will provide

Every applicant will be part of a team constituted by the

#### **Business Challenge**



#### **Business Challenge – Assessment Framework**

feedback on the following:

Characteristic	Question
Idea	Is she able to come up with effective business ideas?
Goal-orientation	Is she able to persist and carry on despite challenges?
Mobilizing resources	Is she able to mobilize resources (money, people, other support) to implement the business idea?
Mobilizing team	Is she able to mobilize the team around her idea?

Risk taking	Is she open to taking a calculated risk in designing the business and implementing the business idea?
Adaptability	Is she able to adapt to the situation and modify the plan of the team accordingly?
Energy level	Does she have consistently high energy levels all through the challenge?
Personal initiative	Does she take personal initiative in ensuring that the team achieves its goal?
Tolerance for failure	Does she handle failure well and is able to move on quickly?
Management & organization skills	Does she manage and organize her time and other resources well?

The candidates will be shown clips on enterprise failures and asked to do an oral analysis.

#### **Group Discussion – Assessment Framework**

Characteristic	Question
Ability to understand/grasp	Does she understand the challenge?
Articulation	Does she express her opinions in the group?
Openness to feedback	Does she respond positively to her opinions and ideas being contradicted?
Teamwork	Is she able to work along with the team in accomplishing its objective?
Respectful interaction	Does she interact with community members as partners and not patronisingly or with disrespect?
Communication – interpersonal skills	Does the candidate have the ability to persuade/convince/ evoke curiosity?

#### **Group Discussion**



In-depth personal evaluation will assess the candidate to decide if the candidate is a fit case for business enterprises.

#### Personal Evaluation – Assessment Framework

Characteristic	Question
Physical base	What is the wealth accumulation and distribution set-up of the candidate?
Knowledge- activity base	Does she have experience in agri or dairy sectors? The roles she has undertaken
Emotional base	Does the candidate have the drive and discipline?
Individual orientation	What are the aspirations and the vision of the candidate?
Collective orientation	What are the values, world view and the ideologies of the candidate?
Family orientation	What are the candidate's aspirations to power, wealth and social mobility?
Inner human space	What are the awareness and integrity levels of the candidate?
Family space	Evidence that the candidate has a strong support system that can assist with responsibilities
Socio-economic space	What are the community organizations that the candidate is affiliated with?

#### **Personal Evaluation**



The candidate would be required to provide references in the application from four members from the community who can vouch for her. In addition, by the end of two days, the candidate needs to provide a signed document of the references from the community. By the end of the recruitment process, the candidates need to provide a list of 150 members from their community to whom they will provide training.

#### **Community Recommendation**



#### **Community Recommendation – Assessment Framework**

Characteristic	Question
Community recommendation	Has the candidate provided a signed document of references from the community (four members of the PC, one or two of which should include Board Directors)?
Local coordinator's inputs	Does the candidate have an 'active member' role according to the local coordinator?
Mobilize members of the community	Does the candidate mobilize 150 members of the community for two-day training?

#### **Facilitation Workshops**

As mentioned earlier, there will be a total of 10 Facilitation Workshops in the programme, with four days earmarked per workshop. The typical schedule on any day of the workshop is shown in Table 3.

As seen from the table, the Facilitation Workshop will provide the participants five hours for learning during the first three days and two hours on the last day, i.e., a total of 17 hours per workshop.

The training programme envisages 10 Facilitation Workshops. With 17 learning hours available per workshop, the participants will get a total of 170 interactive learning hours in the programme for 16 courses spread over four pillars; this means an average

of a little more than 10.5 hours per course of eight sessions. The course facilitator and participants will have adequate time to engage in discussion-based and activity-based learning.

#### Learning-enhancing Activities

The pedagogy that can result in highest learning is one where the learner leads the classroom. Many good training programmes routinely employ several strategies and activities successfully to achieve enhanced and quick learning by the participants, especially when the curricula are heavy and demanding. Given below are some strategies and activities which the facilitators are expected to employ regularly in their sessions to augment the participants' learning from their reading materials and tasks during the Practicum.

Table 3: A typical facilitation workshop schedule

Sl. No	Details	Scheduled Start Time	Scheduled End Time	Course Learning Hours Days 1-3	Course Learning Hours Day 4
1	Physical Fitness Activities	10:00 AM	10:30 AM		
2	First Session	10:30 AM	11:30 AM	1.00	1.00
3	Tea Break	11:30 AM	11:45 AM		
4	Second Session	11:45 AM	12:45 PM	1.00	1.00
5	Lunch Break	12:45 PM	01:30 PM		
6	Third Session	01:30 PM	02:30 PM	1.00	
7	Fourth Session	02:30 PM	03:30 PM	1.00	
8	Tea Break	03:30 PM	04:00 PM		
9	Fifth Session	04:00 PM	05:00 PM	1.00	
10	Community Leadership Engagement/ Sharing Circle	Afternoon on the last day of Facilitation Workshop			



#### Present/explain/ make the point

The trainer gives clear instructions when participants have to divide themselves into working groups. The instructions can be found in the session plans. It is important to clarify the roles of group members and explain the procedure and objective(s) of the session and group exercises.



#### Refer to other material

The trainer will refer participants to additional reading and resources cited in this manual.



#### Ask participants

They are experienced and bring along their own professional contexts. The facilitators ask questions on a regular basis to elicit specific examples from the participants.



#### **Group discussion**

This strategy encourages teamwork and teaches participants to be empathetic to other perspectives. Group discussions can be a great tool to explore problem solving in any session.



#### Work in groups

The trainer gives clear instructions when participants have to divide themselves into working groups. The instructions can be found in the session plans. It is important to clarify the roles of group members and explain the procedure and objective(s) of the session and group exercises.



#### **Station presentations**

In a situation where participants need to cover large amounts of content, the participants can be divided in teams and given specific parts to read, discuss and absorb. Each of these teams would then set up stations to present their learning. The participants then walk across all the stations to make notes.



#### Think pair share

When posed a question/ problem, participants would discuss with the person next to them before sharing their response in the larger group. This would encourage, higher participation even in large groups.



#### I think, I see, I wonder

This is a simple tool that can help break down the process after experiential learning. The participants make a hypothesis, observe through field work and then discuss a learning that needs to be validated by a facilitator.



#### Display power-point slides

It is important to use the visual aids to enable the participants to synthesize messages received through eyes, ears and body language of the facilitator and co-participants.



#### **Distribute worksheets**

The trainer will give each participant a hand-out. Make sure the hand-out is clear, short, readable and to the point.



#### Case study

Each case study given to the participants is explained in detail in the sessions and clarifications are provided to facilitate clear and logical thinking. The participants are urged to discuss in groups and relate the concepts they learnt in the Facilitation Workshops to their observations in the Practicums.



#### **Graphic organizers**

Graphic organizers are useful when disjointed sources of information needs to be looked at in an organized manner. They have a free structures that can help in processing information with ease and help build connection across various element.



#### Facilitate group feedback

The trainer asks one group to present its work and the others to add perspectives not already discussed by the first group to promote further thinking and explore various approaches and perspectives of different groups.

### **Learning Approach**

The entire programme is structured to allow the participants to take ownership of their own learning while the facilitator plays the role of a guide to nudge the participants to engage more in the process. As the programme has three major aspects, Travel Workshops Practicume and Facilitation Workshop, the learning from each needs to be integrated for the participants by the facilitator.

The participants are taught various concepts of management and leadership through Practicums as they observe and absorb how they play out on the field.

Their understanding of it is refined in the Facilitation Workshop and the deeper aspects that may have been unnoticed are discussed.

The Facilitation Workshops allow for interaction between larger groups to exchange their insights and reflect on their experiences. The idea of Facilitation Workshops is to help bring together the knowledge gained on field into the classroom. The Travel Workshop is for building exposure in the participants and widening their perspectives and opening up possibilities for them. The facilitator plays the role of tying together the entire experience into one meaningful thread for each of the participants.







## **SELF TRANFORMATION**

#### VALUES and ETHICS

#### **Course Introduction**

Whether it is formulating strategy, mobilizing support from outside or setting up field organizations, the trusteeship displayed by the management should enable the collective to achieve the desired results with total sincerity and absolute integrity. Values and ethics, therefore, refer to focus on members' welfare, with integrity in all decisions.

#### **Course Objective and Scope**

By the end of the course, participants should be able to:

- Discover their core personal values and integrate them with the values of the enterprise;
- 2. Define the operating philosophy and principles for their enterprises based on the values; and
- 3. Keep values at the core of all organizational decisions.

#### **Generic Readings for the Course**

- 1. Matsushita, Konosuke, 1984. *Not for Bread Alone A Business Ethos, A Management Ethic.* Japan: PHP Institute.
- Palmarozza, Paul and Rees, Chris, 2006.
   From Principles to Profit The Art of Moral Management. London: Arcturus

3. Chakraborty, S.K., 2003. Against the Tide – The Philosophical Foundations of Modern Management. OUP

#### **Recommended Faculty Profile**

An experienced practitioner with a strong commitment to personal and societal values and philosophical orientation.

#### **Practicum Tasks**

The following Practicums need to be fulfilled for completion of the course:

#### **Prerequisite**

- The worksheets need to be briefed and given to the participants in advance; and
- The analysis of each Practicum needs to be presented by the participants in the sessions.

#### Task 1

Participants are to conduct a 360-degree analysis of their values, using a questionnaire.

#### Worksheet 1 for Task 1

1. Take a few minutes to think about the meaning of the items listed below. Indicate with a check mark the items that are important to you.

#### **Overview of Course**

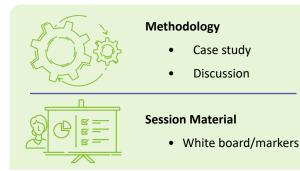
Sl. No	Objectives
	Practicum Task 1
	Participants will be able to:
1	Introspect and define their personal values
2	Comprehend the differences between ethical and unethical conduct, and differentiate it from legal obligations
3	Discover the core values for their enterprise
4	Understand the concept of trusteeship
5	Evaluate the impact of trusteeship and regular ethical practices on ushering in a fair society
6	Define the ethical code of conduct for a given enterprise
7	Understand organizational moral standards and the ethical dilemmas of decision-making
8	Co-create ethical code of conduct for their own enterprise

2.	Share the questionnaire with five people closest to you important to you.	u – a:	sk them to tick the things that they believe are
3.	Ask them to share instances or examples that make th	em t	hink so.
4.	Listen openly to their answers and take notes.		
Take a meanii with a	few minutes to think about the ng of the items listed below. Indicate check mark the items that are cant to you.  A physical appearance to be proud of To graduate with honours Being an honest person To have political power Being known as a "real" person A meaningful relationship Self-confidence and personal growth Enjoyment of nature and beauty A life with meaning, purpose, fulfilment Continuing to learn and gain knowledge A chance to help the sick and disadvantaged To be attractive to others Some honest and close friends A long and healthy life A meaningful relationship with God A good marriage Satisfaction/success in the career of your choice		Freedom to live life as you want A financially comfortable life Accomplishment of something worthwhile A secure and positive family life An enjoyable, leisurely life Unlimited travel, fine foods, entertainment, recreational and cultural opportunities Getting things changed for the better A beautiful home in the setting of your choice A chance to develop creativity/ potential in any area Owning a possession of great value To speak up for my personal beliefs To have better feelings about myself To be needed and to be important to others To become a good parent To have a better relationship with my parents To be good-looking To persevere in what I am doing Time for prayer To give of myself freely in helping others A safe and secure environment To be loved by a special few
	An equal opportunity for all people		To be trusted by others

#### SESSION PLANS

#### **SESSION PLAN 1**

**Session Objectives:** Participants will be able to introspect on and define their personal values.



#### Step 1: Discussion (15 minutes)

The facilitator presents the following situation to the participants:

Your son has stolen INR 20 from your mother-in-law. If she comes to know, she will beat him and blame you for this behaviour. However, your mother-in-law has not yet come to know.

- Will you confront your son if your mother-in-law does not notice? Why/why not?
- 2. It's just INR 20; how can this harm your son?
- Would you tell your mother-in-law? Why/why not?
- 4. What is the ethical thing to do?
- 5. What is the role of your individual "values" in making this decision?

**Note:** Refer to the key learning while facilitating the discussion.

#### **Key Learnings**

Source: https://keydifferences.com/difference-between-ethics-and-values.html

Values refer to important and enduring beliefs or principles, based on which an individual makes judgements in life. It is at the centre of our lives that sets the standard of behaviour. They severely affect the emotional state of mind of an individual. They can be personal values, cultural values or corporate values.

Values are forces that cause an individual to behave in a particular manner. It sets our priorities in life, i.e., what we consider in the first place. It is a reason behind the choices we make. It reflects what is more important for us. So, if we are true to our values and make our choices accordingly, then it is the way we live to express our core values. Moreover, if you understand an individual's values, you can easily identify what is important for them.

#### **Step 2:** Discussion (15 minutes)

The facilitator provides another situation for discussion. You are the head of the plant. Your friend is responsible for inventory. You have noticed that she is inflating figures. There is extra production being made, which is being taken away for her personal use. Moreover, you have been hearing complaints about her discriminating against workers. However, all your targets and sales are being achieved.

- 1. Should you confront your friend? Why/why not?
- What could be the long-term effects of ignoring this behaviour?
- 3. How can this be prevented?
- 4. What are the values and ethics involved in this decision?

Key Differences between Ethics and Values

The fundamental differences between ethics and values are:

- Ethics refer to the guidelines for conduct that address question about morality. Values are defined as the principles and ideals which help individuals in making judgement of what is more important.
- 2. Ethics are a system of moral principles; in contrast to values, they are the stimuli of our thinking.
- Values strongly influence the emotional state of mind. Therefore, they act as a motivators. On the other hand, ethics compel individuals to follow a particular course of action.
- Ethics are consistent, whereas values are different for different persons, i.e., what is important for one person may not be important for another person.

- 5. Values tell us what we want to do or achieve in our life, whereas ethics help us in deciding what is morally correct or incorrect, in a given situation.
- Ethics determine to what extent our options are right or wrong, as opposed to values which define our priorities for life.
- While ethics are consistently applied over time and remain the same for all human beings, values are individualistic, i.e., they vary among people. Values remain stable, relatively unchanging but they can be changed over time due to a significant emotional event.

#### **Step 3:** Activity 1 (30 minutes)

- 1. Refer to the questionnaires from Practicum task 1.
- 2. List below the four or five items that are most important to you:

Α	В	C
D.	E.	

3. When you have listed the four or five items that are most important to you, refer to the "Value Characteristics" sheet and write the appropriate characteristics related to these numbers.

#### **Choices and Values: Value Characteristics**

Number	Characteristic
5	sincerity
3, 40	honesty, integrity
7, 30	emotional well-being, stability
8	artistic appreciation
2, 10	education, intelligence, wisdom
11, 37, 18	(altruism) compassion, fairness, justice
1, 12, 34	appearance, beauty, approval
6, 13, 31, 39	love, friendship, personal closeness
14, 38	health, personal safety, security
15, 36	religion, spirituality
16, 22, 32, 33	family, love, emotional security
9, 17, 21, 27	fulfilment, intellectual and vocational achievement
19	personal freedom, independence
20, 26, 28	financial security, money, status
23, 24	pleasure, travel, material satisfaction
4, 25	power, achievement
29	courage
35	perseverance

Write the characteristic that corresponds to the numbers you selected on the checklist.

1	 	 	
2			
۷	 	 	
3	 	 	
4		 	
5			

#### **SESSION PLAN 2**

**Session Objectives:** Participants will be able to comprehend the differences between ethical and unethical conduct, and differentiate it from legal obligations.



#### Methodology

- Case study
- Discussion



#### **Session Material**

- · Case study material
- White board/markers

#### ■ Step 1: Discussion on Case Study (60 minutes)

- Give a copy of the case study to the participants to read
- Have one of the participants explain the case study, so that everyone understands the key points
- 3. Discuss around the key points:
  - What would be the legal thing to do?
  - What would be the ethical thing to do?
  - Would the decision change based on the core values of the organization?

#### Returning the unspent money from the grant

Aslam runs a non-governmental organization (NGO) to help underprivileged street children who are not getting even basic education. His NGO is against child labour and convinces parents to let them learn free of cost. Aslam receives a grant of INR 500,000 from the government for a project to teach those children who are out of school and doing odd jobs such as working at tea-stalls, washing cars, boot polishing, etc. The grant money is for a year only. After a year, Aslam managed to utilize only INR 300,000 from the grant and, according to terms and conditions of the agreement, he has to return the unspent money. Aslam is an honest man. Despite making every effort, he could not convince parents to join his NGO for this project.

One of his friends Nadir gives him the following suggestions:

"If we return the unspent amount, then government may not grant us any project next year. Our reputation will be at stake and the government will put our name in the category of ineffective NGOs.

"Most of the NGOs have the same practice, no objection will be raised. We should consult a chartered accountant to manipulate our accounts book showing no amount left from the grant for project. Even the official in charge of this project will not come to us for an audit if a little percentage from the grant is given to him.

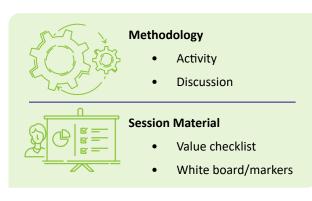
"We will not utilize a single penny on our personal needs; the remaining amount will be spent on street children only.

"In brief, not returning unspent money is ethical and justified."

**Question:** Should Aslam return the unspent money to the government from the grant amount? Justify.

#### **SESSION PLAN 3**

**Session Objectives:** Participants will be able to discover the core values for their enterprise.



#### Step 1: Activity

- 1. Divide the participants into groups of five.
- 2. Ask them to discuss and rate their collective enterprise based on the checklist given below.
- 3. After the discussion, ask each group to share about one parameter how they are doing currently and the steps they will take to address any gaps.

#### **Score Sheet for Practice of Values**

Parameter				
Development of Democratic Institutions				
1.	Does the community enterprise hold elections of the Board of Directors (BOD) regularly?			
2.	Before nominating the directors, is their eligibility against minimum performance verified?			
3.	Does the community enterprise notify every year the list of eligible voters based on the minimum performance?			
4.	Does the annual general body get called with the right quorum?			
5.	The quorum shall not be based on a nominal percent of attendance but rather on a significant number. Is it based on a significant number: 60 percent of members?			
6.	Does the annual general body approve the annual action plan of the community enterprise?			
7.	Is the performance of the enterprise against the plan evaluated in each annual general body? Is action initiated on deviations?			
8.	Does the enterprise initiate action on excess of expenditure beyond the planned budget?			
9.	Does the PC sufficiently invest on training BOD? Compare the number of training days invested on staff vs. BOD. Is it higher investment on the board?			
10.	Do we invest sufficiently on member education process within the community enterprise? Has member education on their rights, responsibilities and services been undertaken?			
Comr	Community Enterprise as Member Owned and Managed Institution			
1.	Does the community enterprise have significant investment from each member - INR 2,000 per member?			
2.	Do members of the cooperative have a place to sit and relax as they come to seek services in the community enterprise?			
3.	Do the shareholders – members – decide on the profit distribution through the passage of resolutions in the general body?			
4.	Have the members at any time put forward a resolution against the decision of the BOD?			
5.	Do the members and their representatives, i.e., the board, review the operational performance and specify incentives and disincentives regularly?			
6.	Do the community enterprises have photographs of successful and best members to build emotional relationship between the enterprise and members?			

Parameter		
7.	Does more than 80 percent of the total procurement come from the members in the community enterprise?	
8.	Is the community enterprise investment linked to the patronage of members?	
9.	Are there decisions recommended by supporting/ incubating the agency to the community enterprise which have been vetoed by members?	
Com	munity Enterprise is Self Sufficient	
1.	Is the business of community enterprise viably and profitably run? Have enough reserves been created from the profits for future use?	
2.	Does direct business income account for more than 70 percent of the total revenue?	
3.	Are the reserves for future bad debts and receivables created?	
4.	Do we have enough funds for machinery replacement although the initial machinery has been created out of grants?	
5.	Are there enough locally trained human resources (financial, marketing, technical) to run all the operations of the community enterprise?	
6.	Does the community enterprise directly enter into contracts with financing agencies, banks, other government bodies and service providers?	
7.	Does the community enterprise already impute the costs of interest and depreciation in determining the net surplus?	
8.	Does the community enterprise have registered trademarks and brands on its name?	
9.	Are there contractual terms for various relations of community enterprise with funding agencies, banks, traders and other stakeholders?	
Tran	sparency	
1.	Does the member at the primary institution level obtain a receipt specifying transaction details as soon as the transaction is completed?	
2.	Does the general body/member get a report on the performance of the director in the particular year based on the pre-agreed indicators?	
3.	Is there a mechanism which communicates members about their total regular transactions annually with the community enterprise?	
4.	Is there a clearly defined standard based on the quality of produce procured at differential prices?	
5.	Is there rejection of the material based on the predefined quality parameters?	
6.	Do the members have an opportunity to question and understand the pricing mechanism of services?	
7.	Do meetings and decision-making processes happen based on predefined terms – including place, time and quorum?	
8.	Does each individual member receive a copy of the annual and progress reports?	
9.	Is a strong internal audit of the process, accounts and transactions of members and directors conducted by ordinary members on regular basis?	
10.	Does the election have eligibility, nomination, contest and secret ballot as process?	
11.	Is there a contract between community enterprise and supporting institutions for the services being extended?	
12.	Is there a uniform standard for collecting wastage or technical service fee?	

Parai	neter	Yes/No
Envir	onmental Sustainability	
1.	Does the community enterprise have a pollution control board certificate for carrying the business?	
2.	Is 40 percent of the energy requirement of the community enterprise from the renewable sources of energy?	
3.	Are there clear norms of incentives and disincentives for being resource and energy conscious?	
4.	Is 50 percent of water used in the community enterprise reused within?	
5.	Does the audit observe and comment on the usage of stationery, paper and plastic material?	
6.	Does the community enterprise have a rainwater harvesting system?	
7.	Is the community enterprise taking proactive steps to improve the vegetation cover of non-timber forest products yielding trees (wherever applicable)?	
8.	Does the community enterprise take proactive steps to reduce the air, noise and water pollution?	
9.	Does the community enterprise take proactive steps to preserve and propagate local genetic species?	
10.	Does the community enterprise ensure wider biodiversity as environment conservation and business strategy?	

**Session Objectives:** Participants will be able to understand the concept of trusteeship



## Methodology

- Case study
- Group discussion



## **Session Material**

- Charts
- White board/markers

## Step 1: Discussion (15 minutes)

The facilitator presents the following situation to enable the participants to discuss and justify their stance in groups:

**Situation:** The land near the village river was purchased by a company and it will release the waste into the water.

**Exemplar responses:** No because people in the villages will suffer without safe water.

## Step 2: Discussion (15 minutes)

The facilitator will probe further: what if the company gave clean water supply to your homes? The facilitator takes the question further and asks if the dairy would encourage such practices.

The facilitator asks the participants to discuss in teams and justify their stance.

**Exemplar responses**: No, because animals and crops will suffer.

The facilitator will ask the participants to explain the differences between trusteeship and ownership.

## Step 3: Discussion (15 minutes)

Use the example above.

The company owns the land but trusteeship means that it can only use it in a limited manner for satisfying its needs without exploiting it.

## Step 4: Define Gandhian Trusteeship (15 minutes)

Gandhi believed that economic policy and business behaviour could not ignore moral values. He stated that nature provided enough to satisfy a man's needs but not man's greed. Since the rich have wealth in excess of their needs, it is their duty to use the balance for the welfare of others.

## **Key Learnings**

Gandhian philosophy and principles have played an important role in a number of collective institutions in India. A number of successful collective institutions and movements in India such as the Self-Employed Women's Association (SEWA), Sri Mahila Grih Udyog (Lijjat Papad), and several cooperatives such as the Gambhira Joint Farming Society and dairy cooperatives in Gujarat have had their foundation in Gandhian principles. The guiding principles of Gandhi for these organizations have been truth, honesty, cooperation, equality, self-reliance and, most importantly, what is called the principle of 'trusteeship'. It calls for welfare of all, consideration for the poor and views any business as a form of service to the community. Examples of model villages such as Ralegan Siddhi have strictly followed all Gandhian principles to convert the village into a self-reliant and sustainable economy and a progressive society.

**Session Objectives:** Participants will be able to evaluate the impact of trusteeship and regular ethical practices on ushering in a fair society.



## Methodology

- Group discussion
- Presentations



## **Session Material**

White board/markers

## Step 1: Discussion (5 minutes)

The facilitator asks if any of the women has been cheated by their local ration shop or a kirana shop.

The women share instances of such times.

The facilitator asks, "Whom is the shop owner answerable to and how?"

## Customers

because they believe in him before buying the product.

## Government

because it gave him the license to do trade.

## Step 2: Discussion (10 minutes)

The facilitator then asks the women to list the stakeholders that their enterprise is answerable to.

The participants should list: farmers, customers, government, supporting/incubating agencies, community, planet.a

## Step 3: Explanation (5 minutes)

The four major aspects of fair trade: social, economic, legal and environmental sustainability

## Step 4: Discussion (10 minutes)

- 1. Divide the participants into groups of five.
- 2. Ask them to discuss the role that their collective enterprise can play in each of the components and the benefit that the enterprise can provide.
- 3. Ask each team to share their observations.

## Step 5: Case Study (10 minutes)

- Give a copy of the case study to the participants to read.
- 2. Have one of the participants explain the case study, so that everyone understands the key points.
- 3. Discuss around the key points:
  - Who are the key stakeholders?
  - What are the benefits to the different stakeholders?

## Step 6: Discussion (20 minutes)

Source: https://leisaindia.org/collective-action-multiple-benefits-a-case-of-a-social-enterprise-model/

Farmers in Madhya Pradesh are improving crop productivity and increasing their incomes by creating social enterprises using ecologically sound and sustainable practices. The social enterprise model has not only helped farmers to earn better incomes with very low investments but has also resulted in building biological diversity.

Khanpura is a small village of 100 households located in the Budhni Block of Sehore district in Madhya Pradesh, India. The village is surrounded by dense forest with agriculture as a main source of livelihood. Till about a few years back, farmers in this area, having given up traditional agriculture practices, were heavily dependent on chemical fertilisers and pesticides.

Vrutti Livelihood Resource Centre, an NGO, has been working in this area to promote sustainable livelihoods. It was observed that small farmers were using pesticides indiscriminately for which they were spending around INR 1,000-3,000 per acre.

Besides increasing costs of cultivation, indiscriminate use of chemicals and pesticides had led to problems such as development of resistance in pests, resurgence of pests, environmental and food safety hazards.

To help farmers reduce their costs of cultivation while adopting environmentally sustainable practices, Vrutti started advocating the use of cow urine, neem and castor leaf-based bio-pesticides, based on local knowledge. This was initially met with scepticism about the efficacy of bio-pesticides by the farmers, who had been using chemicals for long.

Adopting a systematic approach, Vrutti succeeded in educating farmers on the benefits of using bio-pesticides. Also, it encouraged farmers to create a viable business model around it.

Vrutti helped village communities organize themselves into farmer clubs and Self Help Groups (SHG). Members of the farmer groups were taken on exposure visits to different farm fields to see and learn good agriculture practices such as System of Rice Intensification (SRI), System of Wheat Intensification (SWI), non-pesticidal management and organic farming. Members also visited organizations such as Krishi Vigyan Kendras (KVKs), agriculture universities and other institutions and interacted with the staff to understand the working of Farmer Producer Organizations (FPOs).

The lead farmers – the innovators and early adopters of good farm practices – having a positive attitude and acceptable by the communities, were selected as the agri Business Development Service (BDS) providers. The role of BDS providers is to provide support to farmers at their doorstep and also facilitate linkages with government services, market players, extension services and research and scientific institutions.

The agri BDS providers were trained as master trainers. They were also trained in motivating registered farmers in collecting cow urine and supplying to BDS for biopesticide preparations and assessing the utility of cow urine and neem leaf-based bio-pesticides.

The entire process of bio-pesticide production takes place at three levels. Cow urine is collected at SHG/farmer club level. More than 400 households are involved in the collection of cow urine. The agri-BDS providers collect the cow urine from the SHG/farmer groups and take it to the processing centres. Every day around 500 litres of cow urine is collected from all the households. Farmers are paid INR 5 per litre of cow urine.

Processing is done at three units located in Khanndawar, Khanpura and Ondia Village. The cow urine collected is poured into a 200 litres plastic drum. To this, around 20 kilogram of neem and custard apple leaves are added. The drum is kept closed for 21 days for fermentation.

After filtering the leaf, the solution is used as biopesticide. Each unit has a capacity to produce around 3,000 litres of bio-pesticide. Now, some SHGs are showing interest in preparing bio-pesticide at the village level to market it within the village.

Marketing is done by Narmadanchal Farmer Producer Company (formed by 1,000 farmers) which purchases the bio-pesticide. Narmadanchal is a community organization registered under the Companies Act as a PC. The biopesticide is sold under the brand name Ejecta.

## **Benefits**

Bio-pesticides are being used by around 500 farmers in different crops such as paddy, wheat, soybean, etc. They perceive a lot of benefits by using bio-pesticides.

There is 20 to 25 percent crop growth which is appreciated by the farmers – the number of tillers has increased, there is no yellowing of leaves and fungal disease infections, plants are healthy, the ear length has increased with higher grain weight. The seeds are bold, having good colour and appearance.

Farmers have reduced the use of chemical pesticides. Of the total, around 25 percent of the farmers have completely stopped using pesticides, 50 percent have reduced the usage by half and 25 percent have used biopesticide at least one time during crop growth. This has considerably reduced costs of production.

While the cost of using chemical pesticide is around INR 1,800/acre, the cost of producing bio-pesticide is INR 1,000, thus saving around INR 800/acre.

Overall, with reduced costs of production and increased yields, farmers are able to increase their net incomes by about INR 5,000 per acre.

With continuous use of bio-pesticides, farmers have observed lady bird beetles and earthworms, thus enhancing ecological diversity. There is an enormous saving of water too, which was earlier used in the application of chemical pesticides.

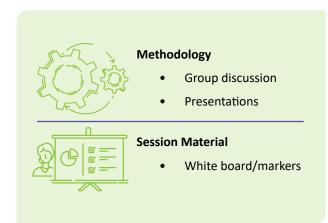
## Scaling up the Initiative

At present about 500 farmers are using cow urine-based bio-pesticides in their farms in different crops such as paddy, wheat, soybean, etc. The positive results have encouraged Vrutti to scale up the enterprise with the support of the National Bank for Agriculture and Rural Development (NABARD). NABARD, under the Environment Promotional Assistance Programme, supported Vrutti in setting up two bio-pesticide units in the tribal areas of Yardnagar and Kanndawar villages in Budani block of Sehore district in Madhya Pradesh. This is being jointly run by farmer groups/ federations and Vrutti.

The social enterprise model has not only helped farmers earn better incomes with very low investments, but also resulted in soil fertility enhancement while safeguarding the environment.

**Session Objectives:** Participants will be able to define the ethical code of conduct for a given enterprise.

Resource: https://www.ccab.org.uk/PDFs/Code\_Guidance\_final\_SG\_Amends2.pdf



## Step 1: Explanation - Code of Conduct (5 minutes)

For a farmer group to function properly and effectively, the members should adhere to certain ethical standards. These standards should be agreed upon by members and documented. Every member should sign a code of conduct.

A "Code of Conduct" could look like this:

When a member breaks the code of conduct, the constitution and/or by-laws should be invoked.

## Step 2: Elements of Code of Conduct (15 minutes)

The following elements of a code of ethical conduct may be relevant, although smaller organizations with clear, uncomplicated reporting lines may not require all elements:

## **Mission Statement**

A mission statement is a statement of the purpose of the organization and, in effect, asserts the organization's reason for existence. It may be expected to serve as a foundation upon which all the organization's activities are based. It can be a strong motivator for staff, and an inspiration for those leading the organization. In order to integrate ethical conduct into the operations of the organization, it is advisable to incorporate a reference to ethical values into its mission statement.

This will help to embed strong ethical principles into the activities and decision-making of individuals. An inspirational mission statement will be succinct and memorable. It will, therefore, resonate throughout the code.

## **Values**

One's values form the basis for one's ethical action. They are acquired over time, and tend to influence attitudes and behaviour. It benefits an organization if the values of individuals within it are consistent. This will, to a great extent, depend upon the organization's recruitment policies and processes, and also its own values as clearly expressed within its code of ethical conduct.

## Name of farmer group: .....

## **CODE OF CONDUCT**

In view of developing the farmer group into a strong and sustainable joint business venture, I (insert name of member), solemnly declare to adhere to the following code of conduct:

- I will always speak the truth at any time.
- I will not steal or waste the money of the group.
- I will treat the groups' assets with care.
- I will contribute to group cohesion and building of trust.
- I will support the leaders in their duties and tasks.
- I accept equal treatment of members from different origin and gender in the group.
- I will pay the agreed contributions in time.
- I will repay loans including interest in time.
- I will participate in all group meetings.
- I will participate in group activities.
- I will be punctual at meetings.
- I will not engage in any business that will create conflict of interest.
- I will positively portray the group image.

## **Ethical Principles**

In support of the organization's high-level values, ethical principles set out expected standards of behaviour, while remaining broad and fundamental in nature. All those to whom the code relates will be expected to understand and comply with these principles. The more detailed content of the code must be consistent with these overarching ethical principles.

## **Specific Behaviours**

Having established the organization's values and delineated agreed ethical principles, the code of ethical conduct may then cover a range of more detailed matters. These specific behaviours must, of course, be consistent with the organization's values and ethical principles. Excessive detail should be avoided, and specific behaviours should only be included if they add clarity, as the code should not be perceived as overly prescriptive.

## Step 3: Explanation (10 minutes)

## **Constructing an Effective Code of Ethical Conduct**

The code of ethical conduct must be specifically developed for the needs of the organization concerned, and the code's content, size and format must be appropriate to the organization's size and structure, and the sector in which it operates. When designing a code for a particular organization, the following points should help to make the code more effective.

## **Focus on Principles**

The section deliberately places the organization's ethical principles above its expected specific behaviours.

The organization's stated policies clarify the expected behaviours, while the ethical principles remain paramount. In this way, the code of ethical conduct is principles-based. Focus on the principles generally allows a shorter code to be developed and will not require the code to be frequently updated.

## Be Clear about the Purpose

Many codes fail because they suffer from an identity crisis. Perhaps their purpose is not stated, or it is not clear to whom they apply. A code of ethical conduct must be designed and written with the user in mind and, as we have seen, there are many categories of potential user. The following must be considered when drawing up a code:

**Overriding purpose:** The code is intended to bring about a high standard of behaviour throughout the organization. It should not be prepared for the sole purpose of complying with 'best practice' or

'keeping up' with competitors. Such an approach amounts to mere window-dressing.

Target audience: The style of the document, including the language used, should be such that it is easy to read, navigate, understand and engage with. Above all, it should be helpful to a broad range of people, with different objectives and from different backgrounds.

Relevance: A code of ethical conduct must recognize issues that are relevant to members, the board and employees (including all levels of management) and others to whom the code applies. It must be relevant to the organization's activities, size, management structure, locations, etc., and it must help its users to adopt ethical courses of action.

Use of plain language: The code should be written in plain language (i.e., in a style that is focused on clarity, brevity and absence of technical terms). This is a more difficult task than one might imagine, and the code should be reviewed critically with this in mind. The aim is to ensure that the code is understood and applied quickly and effectively by all users. Long paragraphs and complex sentences should be avoided.

**Resist excessive length:** A principles-based code of ethical conduct is unlikely to be of great length and, in fact, the code should be as concise as possible. It may refer to detailed policies and procedures explained in documents that remain outside of the code itself.

Users of the code need something to which they can easily refer, as and when required. In particular, new users of the code need a document that succinctly conveys the key messages, in such a way that they may be easily understood and applied at a later date.

Accessibility: A code of ethical conduct should be easily accessible to all users and potential users. In most organizations, it is preferable that hard and soft copies of the code are maintained and accessible whenever and wherever they are likely to be needed. Care must be taken to ensure that all copies are up to date.

## Step 4: Activity 1 (20 minutes)

- 1. Divide the participants into groups of five.
- 2. Re-read the Madhya Pradesh Farmers case study from the last session.

- 3. Write a code of conduct for them, incorporating all their stakeholders
- 4. Ask each group to present its draft code of conduct.

## Step 5: Closing (10 minutes)

Brief participants on Practicum task 2:

1. Ask them to consult with different stakeholders.

- 2. Discuss with each other about the responsibility of the enterprise towards each stakeholder.
- Relate to the organizational values that were identified in an earlier session.
- 4. Write down the code of conduct, incorporating the commitments to each of the stakeholders.

## **Key Learnings**

The primary purpose of a code of ethical conduct is to provide an organization with a clear benchmark for ethical behaviour. It sets out expected values and behaviours, alongside which a mechanism may be established for reporting variances from those expected standards. In addition, the introduction of a code 'helps build a values-driven organization' and 'typically deals with an organization's underlying values, commitment to employees, standards for doing business, and its relationship with wider society'.

A code of ethical conduct may be seen as a 'contract' among all those within the organization, as well as a statement to third parties concerning the standards they might expect of the organization and those within it and associated with it. There may also be pressure from certain stakeholders who wish to conduct business within an ethical environment. As well as providing a reference point within a disciplinary process, and a clear statement of the standards of behaviour expected, a code of ethical conduct is a tool available to the organization for actually influencing the behaviour of employees, management, subcontractors and others. It forms a component of a system that aims to internalize ethical behaviour.

Benefits may even be derived from employees who, on leaving the organization, will be inclined to speak more favourably of it and its values. The effective introduction of a code will be of value to a wide range of stakeholders. (There is little doubt that an effective code helps to protect the corporate reputation among stakeholders. But with a wide range of stakeholder interests in mind, the creation and implementation of a code of ethical conduct should take place with due regard for the public interest.).

Therefore, a code of ethical conduct must have relevance to, and communicate effectively with employees and subcontractors of the organization, directors and those charged with governance, customers and suppliers, agents of the organization, third party strategic partners, investors and the wider business community, others engaging with a public sector or charitable organization, and members of the general public who may wish to engage with the organization in the future.

**Session Objectives:** Participants will be able to understand organizational moral standards and ethical dilemmas of decision making.



## Methodology

- Case Study
- Discussion
- Presentations



## **Session Material**

- White board/markers
- Step 1: Frameworks for Decision Making (5 minutes)
- Step 2: Explanation of the Frameworks of Ethical Decision Making (5 minutes)

Resource: https://www.scu.edu/ethics/ethics-resources/ethical-decision-making/a-framework-for-ethical-decision-making/

## **Recognize an Ethical Issue**

- Could this decision or situation be damaging to someone or to some group? Does this decision involve a choice between a good and bad alternative, or perhaps between two "goods" or between two "bads"?
- 2. Is this issue about more than what is legal or what is most efficient? If so, how?

## **Get the Facts**

- 3. What are the relevant facts of the case? What facts are not known? Can I learn more about the situation? Do I know enough to make a decision?
- 4. What individuals and groups have an important stake in the outcome? Are some concerns more important? Why?

5. What are the options for acting? Have all the relevant persons and groups been consulted? Have I identified creative options?

## **Evaluate Alternative Actions**

- 6. Evaluate the options by asking the following questions:
  - Which option will produce the best and do the least harm? (utilitarian approach)
  - Which option best respects the rights of all who have a stake? (rights approach)
  - Which option treats people equally or proportionately? (justice approach)
  - Which option best serves the community as a whole, not just some members? (common good approach)
  - Which option leads me to act as the sort of person I want to be? (virtue approach)

## Make a Decision and Test it

- 7. Considering all these approaches, which option best addresses the situation?
- 8. If I told someone I respect or told a television audience which option I have chosen, what would they say?

## Act and Reflect on the Outcome

- 9. How can my decision be implemented with the greatest care and attention to the concerns of all stakeholders?
- 10. How did my decision turn out and what have I learned from this specific situation?

## Step 3: Activity - Case Study (40 minutes)

- 1. Divide the participants into groups of five.
- 2. Ask them to discuss the following case studies again using the framework. Case Study 1

## Case Study 1

You are the head of the plant. Your friend is responsible for inventory. You have noticed that she is inflating figures. There is extra production being made, which is being taken away for her personal use. Moreover, you have been hearing complaints about her discriminating against workers. However, all your targets and sales are being achieved.

**Question:** How should you deal with your friend?

## Case Study 2

Aslam runs an NGO to help underprivileged street children who are not getting even basic education. His NGO is against child labour and convinces parents to let them learn free of cost. Aslam receives a grant of INR 500,000 from the government for a project to teach those children who are out of school and doing odd jobs such as working at tea-stalls, washing cars, boot polishing, etc. The grant money is for a year only. After a year, Aslam managed to utilize only INR 300,000 from the grant and, according to terms and conditions of the agreement, he has to return the unspent money. Aslam is an honest man. Despite making a huge effort, he could not convince parents to join his NGO for this project.

One of his friends Nadir gives the following suggestions:

"If we return the unspent amount, then the government may not grant us any project next year. Our reputation will be at stake and government will put our name in the category of ineffective NGOs.

"Most of the NGOs have the same practice, no objection will be raised. We should consult a chartered accountant to manipulate our accounts book showing no amount left from the grant for project. Even the official in charge of this project will not come to us for an audit if a little percentage from the grant is given to him.

"We will not utilize a single penny on our personal needs; the remaining amount will be spent on street children only.

"In brief, not returning unspent money is ethical and justified."

**Question:** Should Aslam return the unspent money to government from the grant amount?

## **Key Learnings**

## Five Sources of Ethical Standards

Source: https://www.scu.edu/ethics/ethics-resources/ethical-decision-making/a-framework-for-ethical-decision-making/

## The Utilitarian Approach

Some ethicists emphasize that the ethical action is the one that provides the most good or does the least harm, or, to put it another way, produces the greatest balance of good over harm. The ethical corporate action, then, is the one that produces the greatest good and does the least harm for all who are affected – customers, employees, shareholders, the community, and the environment. Ethical warfare balances the good achieved in ending terrorism with the harm done to all parties through death, injuries and destruction. The utilitarian approach deals with consequences; it tries both to increase the good done and to reduce the harm done.

## The Rights Approach

Other philosophers and ethicists suggest that the ethical action is the one that best protects and respects the moral rights of those affected. This approach starts from the belief that humans have a dignity based on their human nature per se or on their ability to choose freely what they do with their lives. On the basis of such dignity, they have a right to be treated as ends and not merely as means to other ends. The list of moral rights —

including the rights to make one's own choices about what kind of life to lead, to be told the truth, not to be injured, to a degree of privacy, and so on – is widely debated; some now argue that non-humans have rights, too. Also, it is often said that rights imply duties – in particular, the duty to respect others' rights.

## The Fairness or Justice Approach

Aristotle and other Greek philosophers have contributed the idea that all equals should be treated equally. Today we use this idea to say that ethical actions treat all human beings equally; or, if unequally, then fairly based on some standard that is defensible. We pay people more based on their harder work or the greater amount that they contribute to an organization, and say that is fair. But there is a debate over Chief Executive Officer (CEO) salaries that are hundreds of times larger than others'; many ask whether the huge disparity is based on a defensible standard or whether it is the result of an imbalance of power and hence is unfair.

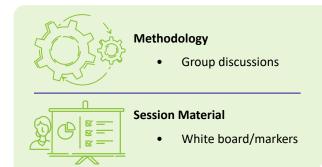
## **The Common Good Approach**

Greek philosophers have also contributed the notion that life in the community is a good in itself and our actions should contribute to that life. This approach suggests that the interlocking relationships of society are the basis of ethical reasoning and that respect and compassion for all others – especially the vulnerable – are requirements of such reasoning. This approach also calls attention to the common conditions that are important to the welfare of everyone. This may be a system of laws, effective police and fire departments, health care, a public educational system, or even public recreational areas.

## The Virtue Approach

A very ancient approach to ethics is that ethical actions ought to be consistent with certain ideal virtues that provide for the full development of our humanity. These virtues are dispositions and habits that enable us to act according to the highest potential of our character and on behalf of values such as truth and beauty. Honesty, courage, compassion, generosity, tolerance, love, fidelity, integrity, fairness, self-control and prudence are all examples of virtues. Virtue ethics asks of any action, "What kind of person will I become if I do this?" or "Is this action consistent with my acting at my best?"

**Session Objectives:** Participants will be able to present the code of conduct that they have developed for their collective enterprise.



## Step 1: (60 minutes)

Participants present the draft code of conduct prepared by them for their respective enterprises. The facilitator will give feedback based on:

- 1. Have all the stakeholders been consulted?
- 2. Are all the stakeholders covered?
- 3. Is it aligned to the values of the enterprise?
- 4. Does it have all the following sections?
  - a. Mission statement
  - b. High-level values
  - c. Clear ethical principles
  - d. Internal policies (linked to values and ethical principles where appropriate)
  - e. Implications of breaches of the code.
- 5. Have the following factors/ principles been taken into account?
  - a. Focus on principles
  - b. Be clear about the purpose
  - c. Use of plain language
  - d. Resist excessive length
  - e. Accessibility



## **PERSONAL EXCELLENCE TOOLS**

## **Course Introduction**

The objectives of this course are to help the participants learn tools that they can use to apply on a sustainable basis for self-transformation. This course will be facilitated primarily by the participants themselves.

## **Course Objective and Scope**

Internalize the use of tools for self-management, i.e., harmonization of the well-being of body, mind, heart and soul.

## **Recommended Faculty Profile**

• Facilitator with experience managing groups

## **Recommended resources**

• Covey, Stephen. The Seven Habits of Highly Effective People

## **Practicum**

- Research and present definitive tools for effective self-management
- Make an open commitment to a set of practices that the participants will employ during their lives on a daily basis



## **SESSION PLAN 1**

**Session:** Participants will be able to understand importance of sharpening the axe (taking care of their body, mind, heart and soul)

## Explain (10 minutes)

Alternative – Use this video: https://youtu.be/ Qy885QYOedM

Once upon a time, a very strong woodcutter asked for a job at a timber merchant's and got it. The pay was really good and so were the work conditions. For those reasons, the woodcutter was determined to do his best. His boss gave him an axe and showed him the area where he was supposed to work. On the first day, the woodcutter brought 18 trees. "Congratulations," the boss said. "Go on that way!" Very motivated by the words of the boss, the woodcutter tried harder the next day but could only bring 15 trees. The third day he tried even harder, but he could only bring 10 trees. Day after day he was bringing less and less trees.

"I must be losing my strength," the woodcutter thought. He went to the boss and apologized, saying that he could not understand what was going on. "When was the last time you sharpened your axe?" the boss asked. "Sharpen? I had no time to sharpen my axe. I have been very busy trying to cut trees..."

Reflection: Our lives are like that. We sometimes get so busy that we don't take time to sharpen the "axe". In today's world, it seems that everyone is busier than ever but less happy than ever.

We all need time to relax, to think and reflect upon, to learn and grow. If we don't take the time to sharpen the "axe", we will become dull and lose our effectiveness.

## Activity 1: (15 minutes)

- Ask the participants to reflect and write their current practices in each of the four components (body, mind, heart and soul) along with the time spent on each.
- Ask around five women to share from their reflections.

## **Overview of Course**

SI. No	Objectives					
Participants will be able to:						
1	Understand the importance of sharpening the saw (taking care of their body, mind, heart and soul)					
Practicum Task 1						
2	Internalize the tools required for managing their body					
3	Internalize the tools required for managing their mind					
4	Internalize the tools required for managing their heart and soul					
Practicum Task 2						
5	Present the practices to which they commit for managing their body, mind, heart and soul					
6	Present the practices to which they commit for managing their body, mind, heart and soul					
7	Present the practices to which they commit for managing their body, mind, heart and soul					
8	Present the practices to which they commit for managing their body, mind, heart and soul					

## **Discussion (35 minutes)**

## **Body - Physical Dimension**

The goal of continuous physical improvement is to nurture our bodies through nourishing food and exercise in a way that will enhance our capacity to work, adapt and enjoy.



To renew ourselves physically, we must:

- Eat well;
- Get sufficient rest and relaxation; and
- Exercise on a regular basis to build endurance, flexibility, and strength.

## **Soul - Spiritual Dimension**

The goal of renewing our spiritual self is to provide leadership to our life and reinforce our commitment to our value system.



To renew yourself spiritually, you can:

- Practise daily meditation;
- Communicate with nature; and
- Immerse yourself in great literature or music or other creative pursuits.

## **Mind - Mental Dimension**

The goal of renewing our mental health is to continue expanding our mind.



To renew yourself mentally, you can:

- Read good literature;
- Keep a journal of your thoughts, experiences and insights; and
- Limit television watching to only those programmes that enrich your life and mind.

## **Heart - Social/Emotional Dimension**

The goal of renewing ourselves socially is to develop meaningful relationships.



To renew yourself emotionally, you can:

- Seek to deeply understand other people;
- Make contributions to meaningful projects that improve the lives of others; and
- Cultivate an abundance mind-set and seek to help others find success.

## Closing (10 minutes): Brief on Practicum Task 1

The participants should be divided into four teams.

Each team will be allocated one component (body/mind/ heart/soul). The team should research and make presentation on key parameters and minimum five practices for each component. Inform the participants that each team will be responsible for designing and delivering a 60-minute session on the topic assigned to them. They should keep in mind the interactive, activity-based and experiential way the previous sessions were conducted, while designing their own sessions.

## **Resource for Session 1**

Seek continuous improvement and renewal professionally and personally.

Sharpen the axe means preserving and enhancing the greatest asset you have – you. It means having a balanced programme for self-renewal in the four areas of your life: physical, social/emotional, mental and spiritual. Here are some examples of activities:

Renewal is the principle—and the process—that empowers us to move on an upward spiral of growth and change, of continuous improvement

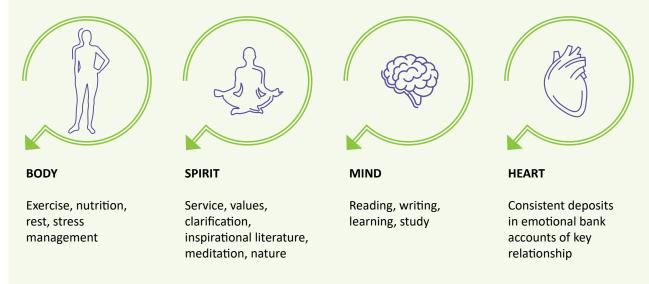
DR. STEPHEN R. COVEY

## Social/Emotional Mental Spiritual Physical Beneficial eating, Making social and Learning, reading, Spending time in exercising and resting meaningful connections writing and teaching nature, expanding with others spiritual self through meditation, music, art, prayer or service

As you renew yourself in each of the four areas, you create growth and change in your life. Sharpening the axe keeps you fresh so that you can continue to practise the other six habits enunciated by Stephen Covey. You increase your capacity to produce and handle the challenges around you. Without this renewal, the body becomes weak, the mind mechanical, the emotions raw, the spirit insensitive and the person selfish. Not a pretty picture, is it?

## FEELING GOOD DOESN'T JUST HAPPEN.

Living a life in balance means taking the necessary time to renew yourself. It's all up to you. You can renew yourself through relaxation. Or you can totally burn yourself out by overdoing everything.



## Figure 5: Ways of renewal

You can pamper yourself mentally and spiritually. Or you can go through life oblivious to your well-being. You can experience vibrant energy or you can procrastinate and miss out on the benefits of good health and exercise. You can revitalize yourself and face a new day in peace and harmony or you can wake up in the morning full of apathy because your get-up-and-go has got-up-and-gone. Just remember that every day provides a new opportunity for renewal – a new opportunity to recharge yourself instead of hitting the wall. All it takes is the desire, knowledge and skill.

**Session:** Participants will be able to internalize the tools required for managing their bodies.

## Presentations (60 minutes)

Add the following elements, if not covered by the participants in their presentations:

1. Eat healthy meals. Eating a healthy, balanced diet is one of the best ways to keep your axe

sharp. Healthy eating begins with the following:

- Cooking meals at home
- Reducing your fat, sugar and salt intake
- Eating three servings of fruit and five servings of vegetables daily.
- 2. Drink a lot of water
- 3. Exercise for minimum 30 minutes every day
- 4. Get seven to eight hours of sleep
- 5. Take breaks
- 6. Maintain hygiene



**Session:** Participants will be able to internalize the tools required for managing their minds.

## Presentations (60 minutes)

Add the following elements, if not covered by the participants in their presentations:

• The world is full of different and changing ideas. Your place in the world will be largely

- determined by your ability to understand all sides of an argument.
- Read/watch/ listen to content about new ideas and perspectives. Read/watch/ listen to content about new ideas and perspectives.
- Engage in discussions on topics outside of daily lives. Form discussion groups that meet weekly to discuss a new idea.
- Learn one new skill each month.
- Start writing a daily journal.

**Session:** Participants will be able to practise the tools required for managing their hearts.

Reading: https://integratedleader.com/wp-content/uploads/2011/03/Your\_Emotnal\_Bank\_Acct.pdf

## Presentations (60 minutes)

Add the following elements, if not covered by the participants in their presentations:

 Concept of emotional bank account: https://integratedleader.com/wp-content/ ploads/2011/03/ Your\_Emotnal\_Bank\_Acct.pdf

- You will develop many emotional bank accounts in your life. You must take time to develop each account, ensuring that no account ever becomes overdrawn, and at worst only becomes forgotten for a short time.
- Writing letters, personal phone calls, small gifts and favours, and an active commitment to maintaining your personal relationships should be a part of your weekly routine. It should be scheduled into each week.
- Volunteering being of service to others is a sure way of finding contentment and joy.
- Take time to laugh! It is the key to keeping your heart healthy and strong.

**Session:** Participants will be able to internalize the tools required for managing their souls.

## Presentations (60 minutes)

Add the following elements, if not covered by the participants in their presentations:

 The spiritual dimension is your centre, your commitment to your value system. It draws upon the sources that inspire and uplift you.

- It may be religion but it can also be nature, personal meditation or reflection exercises. It is what gives you greater meaning as a person, whatever that meaning may be.
- Keeping a journal can do amazing things for your soul.
- Constant self examination of inner selves and motivations.
- Monthly review of personal mission statement/ autobiography – reflect on your motives, analyse your shortcomings and clarify those things in your life that are absolutely not negotiable.
- Meditation.

## **SESSION PLAN 6 to 8**

**Sessions 6 to 8:** Participants will be able to present the practices to which they commit for managing their body, mind, heart and soul.

## **Presentations**

- Each participant will get five minutes to present the practices that they will incorporate into their lives.
- 2. The facilitator will have to review based on the following:
  - Have all the four components been covered?
  - Are the practices practical and relevant?

- Has the participants thought through and planned for the time and changes required in their schedule to implement the practice? For example, if a participant has committed to do yoga every day, does she know yoga already? If not, where will she learn it? What time will she do yoga? Where? Will she do it alone or with someone? What could be the possible reasons she will not be able to do it?
- 3. The facilitator may help the participants to manage themselves by prioritizing and scheduling their activities in tune with their roles and goals, as per the suggestions of Stephen Covey for his third habit, viz., 'first things first'.



# **FIELD WORK (Practicum Tasks & Reflection Workshops)**

## STRUCTURING LIFE AND PERSONAL EXCELLENCE

## **Course Introduction**

The participants reflect upon their past achievements to assess their strengths and build a vision for their future. They understand and imbibe habits that will help them achieve excellence in their lives.

## **Course Objective and Scope**

The participants develop a vision for their lives in the form of a video which they can watch every day and internalize. The vision will be developed, incorporating the seven habits of highly effective people.

## **Recommended Faculty Profile**

• Experienced practitioner with philosophical orientation

## **Recommended resources**

 The Seven Habits of Highly Effective People by Stephen Covey

## **Practicum**

- Make a video clip talking about the legacy you want to leave behind in your life and break it down into goals for every 10 years and annual sub-goals/ objectives
- Make a holistic plan (including financial, comprising expenses and income) for leading the life you have envisioned

## **Overview of Course**

Sl. No	Objectives					
Participants will be able to						
1	Imbibe the importance of being proactive					
2	Imbibe the importance of 'beginning with the end in mind'					
Practicum Task 1						
3	Imbibe the importance of the principle – first things first.					
4	Imbibe the importance of the principle – think win-win					
5	Present their autobiography video and a holistic plan (yearly financial plan)					
Practicum Task 2						
6	Imbibe the importance of the principles – seek first to understand, then to be understood					
7	Imbibe the importance of the principles – synergise					
8	Present their autobiography video and a holistic plan (vision and financials) based on the feedback received previously					

## **SESSION PLAN 1**

**Session1:** Participants will be able to imbibe the importance of being proactive.

## Activity 1 (15 minutes)

Say: Suppose you find out that your child failed a math test. It may be tempting to ignore the problem or pretend it isn't a problem. That would be a passive response. Your child might immediately throw the test out and blame the teacher or say to herself, "I'm stupid!" or "I can't do math!" That kind of negative self-talk and behaviour would be a reactive response. Bouncing back, on the other hand, means being proactive.

That means you plan actions to make the situation better and stick with the specific problem — one bad math test — rather than blowing the single bad grade way out of proportion and telling yourself, "I can't do maths." For example, the child might use positive self-talk and tell herself, "I didn't do well on this math test. So before the next test, I'll study more and ask my teacher or mother and father for help with what I don't understand." This kind of positive behaviour is a proactive response.

## Activity 2 (15 minutes)

Describe two situations you faced during the past two weeks. For each situation, write two possible proactive, reactive and passive statements or behaviours. Circle what you actually did, said or thought (use the worksheet below). After completing the activity, the women should share their responses.

Proactive, Reactive or Passive?					
ame	Date				
escribe two situations you faced during the past two weeks. Feactive and passive statements or behaviours. Circle what you					
tuation 1					
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## **Key Learnings**

Steps in being proactive

Acknowledge the problem.

Keep perspective that you're having a specific problem.

Keep in mind that the problem won't last forever.

Come up with a plan to make the situation better.

Act on your plan.

## Activity 3 (15 minutes)

The presenter draws a circle on a flip chart. The presenter writes, inside the circle, all the issues of concern that the group members are feeling. The group contributes by probing and questioning, so that any other underlying concerns or facts related to the issue are raised.

The presenter draws a circle of influence within a circle of concern on a second flipchart. The presenter and

group members can then transfer the issues raised into either the circle of concern or into the circle of influence.

## Activity 4 (15 minutes)

Each participant will be given a chart paper. They draw their own circle of concern and circle of influence. They will then write five things they will proactively do to resolve the issues in their circle of influence. Five of the women will share with the rest of the group.

## **Key Learnings**

A circle of concern encompasses the wide range of concerns we have such as our health, our children, problems at work, borrowing or the threat of war.

A circle of influence encompasses those concerns that we can do something about. They are concerns that we have some control over. Proactive people focus on issues within their circle of influence. They work on things they can do something about. The nature of their energy in doing this is positive, enlarging and magnifying. They enlarge their circle of influence.

## **Resources for Session 1**

## **HABIT 1: BE PROACTIVE**

Responsible for behaviour, results and growth.

I am not a product of my circumstances.
I am a product of my decisions.
DR. STEPHEN R. COVEY

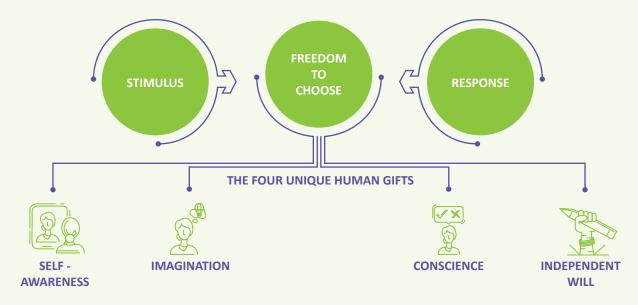
**Habit 1:** Being proactive is about taking responsibility for your life. You can't keep blaming everything on your parents or grandparents. Proactive people recognize that they are "response-able." They don't blame genetics, circumstances, conditions or conditioning for their behaviour. They know they choose their behaviour. Reactive people, on the other hand, are often affected by their physical environment. They find external sources to blame for their behaviour. If the weather is good, they feel good. If it isn't, it affects their attitude and performance and they blame the weather.

All of these external forces act as stimuli that we respond to. Between the stimulus and the response is your greatest power—you have the freedom to choose your response. One of the most important things you choose is what you say. Your language is a good indicator of how you see yourself. A proactive person uses proactive language — I can, I will, I prefer, etc. A reactive person uses reactive language — I can't, I have to, if only. Reactive people believe they are not responsible for what they say and do — they have no choice.

## THE FREEDOM TO CHOOSE

Instead of reacting to or worrying about conditions over which they have little or no control, proactive people focus their time and energy on things they can control. The problems, challenges and opportunities we face fall into two areas – circle of concern and circle of influence.

Figure 6: Freedom to choose



Proactive people focus their efforts on their circle of influence. They work on the things they can do something about: health, children or problems at work.

Reactive people focus their efforts in the circle of concern – things over which they have little or no control: the national debt, terrorism or the weather. Gaining an awareness of the areas in which we expend our energies is a giant step in becoming proactive.

**Session Objective:** Participants will be able to imbibe the importance of 'beginning with end in mind'.

## Activity 1 (5 minutes)

Have the participants answer this question:

 Describe your ideal day. This is not about being practical; include as many sides of you and your interests and passions as possible – you have 24 hours with all the resources you need....

## Activity 2 (5 minutes)

Have the participants answer this question:

 Imagine yourself 150 years old and surrounded by your descendants and/or the descendants of your friends in comfortable surroundings. What would you say to them is important in life?

## Activity 3 (10 minutes)

Have the participants answer this question:

 Imagine it is your 30th, 50th, 75th birthday, or another milestone in your life. You have been asked to write about your achievements. Consider what you would want your family, friends, coworkers in your profession, peers and community to say about you. What kind of difference would you like to have made in their lives? How do you want to be remembered?

## Activity 4 (10 minutes)

Next, ask them to review their three answers and to reflect on how the answers to these three questions

provide the information needed for their mission statement by also answering the following questions: Who am I? What do I stand for? What do I do? Why do I do it?

## Activity 5 (15 minutes)

Have the participants draft their mission statement. This is generally a paragraph or two, and about half a page.

## Activity 6 (5 minutes)

Ask the participants to go back over their mission statement drafts and to circle five to 10 words that capture the heart or core of their mission statement. Note that they may find they circle the same word more than once, as it is important to them. With these five to 10 words chosen, ask them to use any or all to draft their own personal tagline that is no more than one sentence long and captures the ideas in their mission statement.

Describe this as their personal ad campaign. At this point ask the class if anyone would like to share their tagline. Usually several choose to speak up. Hearing the variety of taglines points out the unique qualities, values and goals of this particular group of participants.

## Activity 7 (5 minutes)

The participants spend the next few minutes making individual buttons with their taglines on them.

## Closing (5 minutes)

Based on their slogan and mission statement, brief the participants on Practicum task 1.

## **Key Learnings**

When we begin with the end in mind, we have a personal direction to guide our daily activities, without which we will accomplish little towards our own goals. Beginning with the end in mind is part of the process of personal leadership, taking control of our own lives

All things are created twice. We create them first in our minds, and then we work to bring them into physical existence. By taking control of our own first creation, we can write or rewrite our own scripts, thus taking some control and responsibility for the outcome. We write or re-write our scripts using our imagination and conscience.

## HABIT 2: BEGIN WITH THE END IN MIND

Focus time and energy on things that can be controlled

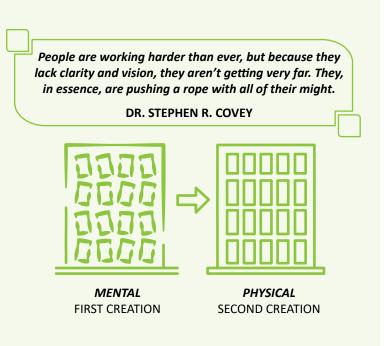
So, what do you want to be when you grow up? That question may appear a little trite but think about it for a moment. Are you – right now – who you want to be, what you dreamed you'd be, doing what you always wanted to do? Be honest. Sometimes people find themselves achieving victories that are empty – successes that have come at the expense of things that were far more valuable to them. If your ladder is not leaning against the right wall, every step you take gets you to the wrong place faster.

Habit 2 is based on imagination – the ability to envision in your mind what you cannot at present see with your eyes. It is based on the principle that all things are created twice. There is a mental (first) creation, and a physical (second) creation. The physical creation follows the mental, just as a building follows a blueprint. If you don't make a conscious effort to visualize who you are and what you want in life, then you empower other people and circumstances to shape you and your life by default. It's about connecting again with your own uniqueness and then defining the personal, moral and ethical guidelines within which you can most happily express and fulfil yourself.

## UNDERSTAND THE END RESULT

'Begin with the end in mind' means to begin each day, task or project with a clear vision of your desired direction and destination, and then continue by flexing your proactive muscles to make things happen.

One of the best ways to incorporate Habit 2 into your life is to develop a personal mission statement. It focuses on what you want to be and do. It is your plan for success. It reaffirms who you are, puts your goals in focus and moves your ideas into the real world. Your mission statement makes you the leader of your own life. You create your own destiny and secure the future you envision.



**Session Objective:** Participants will be able to imbibe the importance of the principle – 'first things first.'

## Activity 1 (10 minutes)

## Big Rocks in a Jar! (Adapted from Stephen R. Covey)

Materials needed: • Large glass or clear plastic jar • Medium-sized rocks • Small pebbles • Sand

Note: You can replace rocks, pebbles and sand with golf balls, marbles and small beads

## **Key Learnings**

Plan every week

Connect with mission, roles and goal

Schedule the big rock

Organize the rest

- 1. Show an empty jar to the participants and say "This jar represents your time."
- 2. Add rocks to the jar until you cannot add any more. "The rocks are the goals and commitments that are important to you." Ask those who believe the jar is full to stand.
- 3. Now add pebbles to the jar. "The pebbles represent things that you want to do but don't need to do. They matter to you but not as much as your goals and commitments. Notice that there is room for them in the jar as they fill in the gaps around the rocks.
- 4. Next add the sand until the jar appears to be full. "The sand represents all the small, unimportant time-taking tasks that are easy and quick to do."
- Ask, "What is the point of this demonstration?"
   Participants may say that no matter how full
   your schedule, you can always fit more into it.
   This would be incorrect.
- 6. Make the point that the real moral of this exercise is that you can make time for your big rocks, but only if you put them into the schedule first and then fit everything else around and between the rocks. It may be easier to pour the smaller things into the jar but if they fill too much of the jar there will be less room for the big rocks.
- 7. Ask, "So what will you fill your jar with for the rest of the day?" Create a word cloud with their responses and post it to your crew's website.

## Activity 2 (30 minutes)

## **Time Management Matrix - Determining your Priorities**

**Materials needed:** • Flipchart and markers • Pen/pencil and paper

## Instructions

- Explain that managing your time effectively requires an understanding of the distinction between what is important and what is urgent.
- 2. Ask participants what the difference is between important and urgent. Guide them to the understanding that:

Α

Urgent means it requires immediate attention – it cannot be a put off without creating problems. Urgency may affect others.

В

Importance has to do with results. If something is important to you, it contributes to your mission, goals and/ or values. It is important to understand that what is important to one person may not be important to another. Importance is personal.

- 3. Introduce the matrix by explaining that we can divide tasks into four quadrants based on what is urgent and what is important.
- 4. Draw and label the matrix on a flipchart and explain:

Α

Quadrant 1 (Urgent and Important) where our priorities should be

В

Quadrant 2 (Not Urgent, but Important) Items in this quadrant allow you to be proactive. You should spend most of your time working on items in this quadrant.

- Break into groups of three to five participants.
   Ask each group to identify three or more typical tasks and activities that fall into each quadrant.
- 6. Debrief by having the participants discuss the following: a. Where they should spend most

Quadrant 3 (Urgent but Not Important) These items could be someone else's important items

D

Quadrant 4 (Not Urgent and Not Important) These items are considered busy work. You may use these items as an escape

of their time (in the important quadrants – Quadrants 1 and 2, and especially spend more time in long-term activities). b. Which quadrant(s) they should avoid (the not important ones, especially the one that is also not urgent).

## **Key Learnings**

The most important tasks usually are not the most urgent tasks. Yet we tend to let the urgent tasks dominate our lives.

While activities that are both urgent and important must be done, Stephen Covey suggests that we spend less time on activities that are not important (regardless of their urgency) in order to gain time to focus on activities that are not urgent, but important.

Focusing on these important activities allows you to gain greater control over your time and possibly reduce the number of important tasks that do become urgent.

## Activity 3 (10 minutes)

## **Daily Log**

- Ask participants to list down all the minor and major activities with timelines for the previous day.
- 2. Ask them to classify each activity into one of the four quadrants in the matrix.
- 3. Ask them to plan for their next one week based on the matrix.

## Closing (10 minutes)

- Ask them to start planning their time for the day and week. One of the most traditional forms of planning tools is the diary or planner. There are a number of types of planners to choose from, so they can find one that suits their purpose.
- 2. Demonstrate how you would plan for your day using the matrix.
- Ask them to start planning their time on a daily and weekly basis and to carry their daily planner everywhere.

## **Resources for Session 3**

## **HABIT 3: PUT FIRST THINGS FIRST**

## **Execute on most important priorities**

To live a more balanced existence, you have to recognize that not doing everything that comes along is okay. There's no need to overextend

Putting first things first means organizing and executing around your most important priorities. It is living and being driven by the principles you value most, not by the agendas and forces surrounding you.

DR. STEPHEN R. COVEY

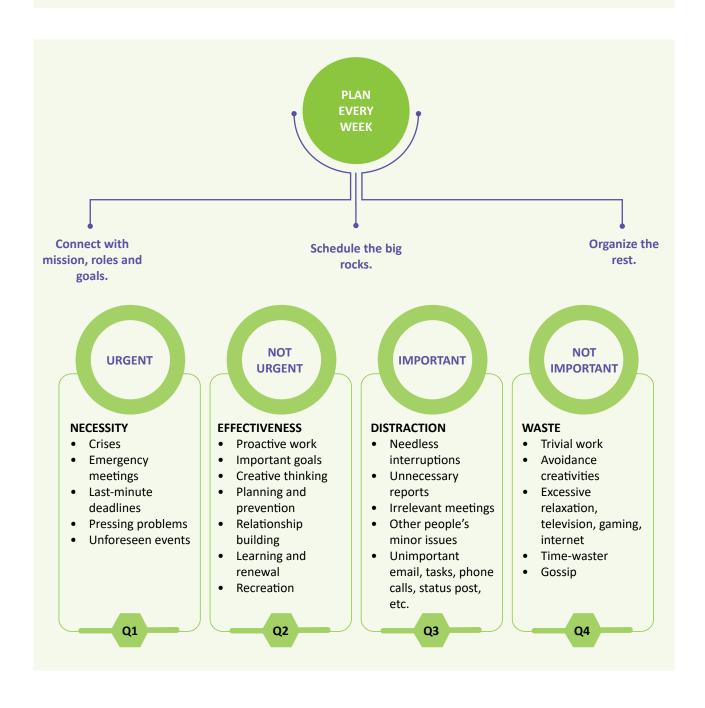
yourself. All it takes is realizing that it's all right to say no when necessary and then focus on your highest priorities.

**Habit 1** says, "You're in charge. You're the creator." Being proactive is about choice.

Habit 2 is the first, or mental, creation. Beginning with the end in mind is about vision.

Habit 3 is the second creation, the physical creation. This habit is where Habits 1 and 2 come together.

It happens day in and day out, moment-by-moment. It deals with many of the questions addressed in the field of time management. But that's not all it's about. Habit 3 is about life management as well – your purpose, values, roles and priorities. What are "first things?" First things are those things you, personally, find most worthwhile. If you put first things first, you are organizing and managing time and events according to the personal priorities you established in Habit 2.



Game: Win as much as you can

**Methods:** Game to be played in 10 rounds. Participants to form into four groups and follow instructions of the facilitator.

## Instructions

- The facilitator(s) has to play a major role in this game. Two facilitators are recommended for organizing this game. The facilitator should carefully understand the game and also refer to the analysis of the game provided at the end.
- The facilitators should first facilitate group formation. Each group is to be assigned a number and the name of the leader chosen by the members should also be noted.
- One facilitator should maintain the score sheet on a display board. The other facilitator should supervise the groups. Explain the instructions of the game to the groups.
- 4. For the first round, the facilitator should distribute one paper chit to each group with the group number written on it. Five minutes are provided to the groups for making a choice.
- The groups should write the choice, i.e., either RAT or RABBIT, and hand over to the facilitator at the end of first round. No intra-group consultations should be permitted.

## OUTCOME

- If all four groups select RAT
- If one group selects RAT and other three groups select RABBIT
- If two groups select RAT and other two groups select RABBIT
- If three groups select RAT and other one group elects RABBIT
- If all four groups select RABBIT

- The facilitator should then read out the choices of all the groups and then assign the scores as per the game rules and fill in the score sheet on the display board.
- The second and third rounds are also to be played in the same manner.
- 8. Before the fourth round, the facilitators should announce that if the groups wish, their leaders can meet together for consultations for the next rounds, for example, to propose that all groups should cooperate in the next rounds.
- Ten minutes should be provided for consultations. The same process of giving chits and asking for preferences at the end of five minutes is to be followed.
- 10. No intra-group consultations till the end of the seventh round should be permitted even if there are objections from the members.
- 11. Before the beginning of the eighth round, again the consultations of group leaders should be permitted. However, this is optional.
- 12. After a maximum of 10 minutes of consultations, the ninth and 10th rounds are played. At the end of the 10th round, the final scores are calculated and the winners are declared.
- 13. The facilitator should now calculate the total scores if all the groups had chosen RABBIT in all rounds. The total scores are then compared with the existing total of scores of all the groups. This should be followed by discussions.
- 14. The facilitators should first ask each group to share their view on the game and its relevance in real life situations.
- 15. The facilitators should then assess the strategies of each group in each round and ask the respective group members their reasons for these strategies.

## **SCORING RULE**

- Each group gets minus 10 points
- The group that selected RAT gets 30 points and groups that selected RABBIT get minus 10 points each
- Groups that selected RAT get 20 points each and groups that selected RABBIT get minus 10 points each
- Groups that selected RAT get 10 points each and the group that selected RABBIT gets minus 30 points
- Each group gets 10 points

The focus areas for discussions should include the detrimental effects of always thinking in terms of competition and helping the participants think win-win in their decisions and relationships.

## **Resource for Session 4**

## **HABIT 4: THINK WIN-WIN**

Work effectively with others to achieve optimal results. "In the long run, if it isn't a win for both of us, we both lose. That's why win-win is the only real alternative in interdependent realities."

Think win-win isn't about being nice, nor is it a quick-fix technique. It is a character-based code for human interaction and collaboration.

Most of us learn to base our self-worth on comparisons and competition. We think about succeeding in terms of someone else failing – that is, if I win, you lose or if you win, I lose. Life becomes a zero-sum game. There is only so much pie to go around and if you get a big piece, there is less for me; it's not fair and I'm going to make sure you don't get anymore. We all play the game but how much fun is it really?

Win-win sees life as a cooperative arena, not a competitive one. Win-win is a frame of mind and heart that constantly seeks mutual benefit in all human interactions. Win-win means agreements or solutions are mutually beneficial and satisfying. We both get to eat the pie and it tastes pretty darn good!

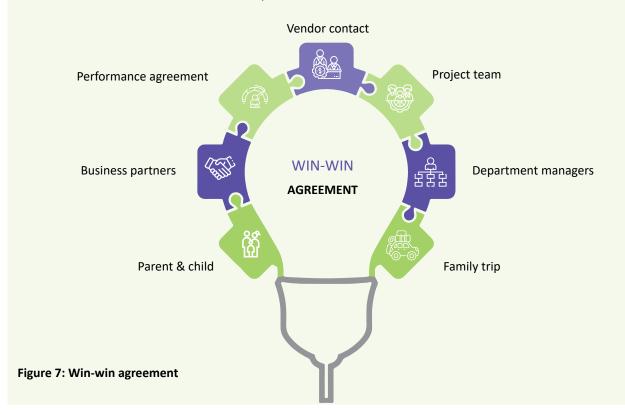
A person or organization that approaches conflicts with a win-win attitude possesses three vital character traits:

- 1. Integrity: sticking with your true feelings, values and commitments;
- 2. Maturity: expressing your ideas and feelings with courage and consideration for the ideas and feelings of others; and
- 3. Abundance mentality: believing there is plenty for everyone.

## WHY WIN-WIN?

Many people think in terms of either/or: either you're nice or you're tough. Win-win requires that you be both. It is a balancing act between courage and consideration.

To go for win-win, you not only have to be empathic but you also have to be confident. You not only have to be considerate and sensitive, you also have to be brave. To do that – to achieve that balance between courage and consideration – is the essence of real maturity and is fundamental to win-win.



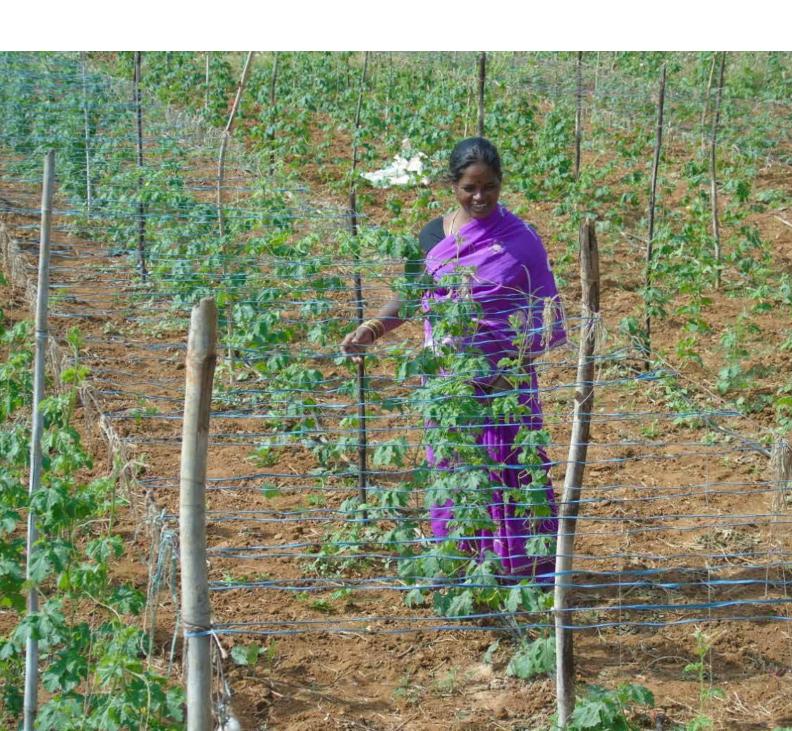
Participants will be able to present their autobiography video and a holistic plan (yearly financial plan).

Each participant will present her autobiography video and holistic plan.

## **Activity 1**

The facilitator will review and give feedback on these parameters:

- 1. Is the video in alignment to the mission statement submitted by the participant?
- 2. Is the participant clear about her goals for 10, 20, 30, 40 and 50 years from now?
- 3. Are their goals for each decade logically connected and progressing towards the final goal?



**Session Objective:** Participants will be able to imbibe the importance of the principle – seek first to understand, then to be understood.

## Activity 1: Understand first (30 minutes)

## Instructions

Step 1: Do a brief introduction to active listening. Explain that often, when we reflect and discuss, we tend to focus on multiple individuals and questions at once, moving around our attention and focus. Meanwhile, when we listen to others, we tend to do so in a discussion-oriented way, thinking about "what will I say next", rather than listening to the other with full presence and attention. One powerful way to explore a question or a problem is to use active listening with focus on one person at a time. For this exercise, this is what we will do.

Optionally, make a list together with the group of "what makes good active listening?" Invite people to spontaneously offer answers and write them on a flip chart.

**Step 2:** Using a flip chart, introduce the three roles that individuals will take on during the exercise.

**The subject:** The subject's role is to explore the question or problem from his/her personal perspective. The person in this role should keep the following in mind: allow the focus to be on you and let your reflection flow naturally, being guided by the active listener.

**The active listener:** The active listener's role is to listen with full presence and focus. To listen with the whole body, to be curious, observe, paraphrase what he/she hears and guide the subject with open questions.

This person should keep the following in mind: ask open questions to support the subject's reflection; do not offer advice; listen with the whole body.

**The observer:** The observer's role is to observe the process without speaking. To make observations from an outside perspective, to see and hear things that the listener and subject may not. This person should keep in mind: stay silent throughout the process; observe and make notes about what you see and hear; after the subject finishes, share the observations with the others.

Step 3: Set up the question or problem. The question or problem is what each subject will explore and reflect upon. It could be a common question for the whole group (e.g., "What are the biggest barriers to change in my work and how can I work to overcome them?") or each subject can set his or her own question or problem (e.g., choose a challenge in the workplace that you are struggling with currently.) Ensure that all participants understand what they should explore and reflect upon.

**Step 4:** Have participants organize into groups of three. Make it clear that each participant should have each role for a set amount of time. Give groups one hour or more so that each round can last 20 minutes. Explain that groups should pay attention to the time and make sure that there are three equal rounds.

**Step 5:** Once participants have finished, debrief the exercise, using questions like:

- What happened for me during the exercise?
- How did it feel to be the observer?
- How did it feel to be the subject?
- How did it feel to be the active listener?
- What did I learn about myself?

## **Activity 2**

- How can I apply insights from this exercise?
   Source: https://storycorps.org/discover/education/lesson-the-power-of-active-listening/
  - Ask for a volunteer to explain what it means to really listen. Ask if anyone would like to add to this answer. Some sample responses may include:
    - "To understand someone who is different from us, we need to try to see things from his or her perspective"
    - "We have to put aside what we think we know to really listen."
  - Explain that participants are going to interview each other, using the following prompt: tell me something about yourself that might surprise me.
  - 3. Further explain that when they interview each other, they should practise using short silences. This means that whenever the narrator stops speaking, the interviewer should pause for six to eight seconds (counting quietly to themselves) before asking a follow-up question. During this period, the narrator is free to add any details

- to their story. The interviewer will then need to wait for another opportunity to ask a follow-up question.
- 4. Pair participants up by counting off. For example, if there are 20 participants count off one to 10 and pair participants who have the same number. If there is an uneven number of participants, you can participate.
- Participant 1 will tell her story for five minutes total, with Participant 2 pausing before they ask any follow-up questions.
- 6. After you call time, participants will switch roles.

As the interviewer, how did it feel to pause before asking questions?

Facilitate a discussion of the interviews using the following questions: Were the pauses helpful when you were telling your story?

What do you think might cause someone to interrupt another person?

What does it feel like when someone interrupts you?

Did this listening exercise differ from the other peer interviews we have done in class? If so, how?

Do you think people often use this method of 'short silences' in real life?

## **Resource for Session 6**

HABIT 5: SEEK FIRST TO UNDERSTAND, THEN TO BE UNDERSTOOD

If I were to summarize in one sentence the single most important principle I have learned in the field of interpersonal relations, it would be this: Seek first to understand, then to be understood.

DR. STEPHEN R. COVEY

Communicate effectively at all levels of the organization.

Communication is the most important skill in life. You spend years learning how to read and write, and years learning how to speak. But what about listening? What training have you had that enables you to listen so you really, deeply understand another human being? Probably none, right?

If you're like most people, you probably seek first to be understood; you want to get your point across. And in doing so, you may ignore the other person completely, pretend that you're listening, selectively hear only certain parts of the conversation or attentively focus on only the words being said but miss the meaning entirely. So why does this happen? Because most people listen with the intent to reply, not to understand. You listen to yourself as you prepare in your mind what you are going to say, the questions you are going to ask, etc. You filter everything you hear through your life experiences, your frame of reference. You check what you hear against your autobiography and see how it measures up. And, consequently, you decide prematurely what the other person means before he/she finishes communicating. Do any of the above sound familiar?

## SEEK FIRST TO UNDERSTAND

Because you so often listen autobiographically, you tend to respond in one of four ways:

## **Evaluating Probing Advising** Interpreting You judge and then You ask questions You give counsel, You analyse from your own frame advice and solutions others' motives either agree or disagree. of reference. to problems. and behaviours based on your own experiences. INTENT **SEEK FIRST TO** Listen to understand Reflect feelings and words **UNDERSTAND** "You feel about\_ INTENT Seek to be understood THEN TO BE State your point of view using "I" messages **UNDERSTOOD** "You feel about

You might be saying, "Hey, now wait a minute. I'm just trying to relate to the person by drawing on my own experiences. Is that so bad?" In some situations, autobiographical responses may be appropriate, such as when another person specifically asks for help from your point of view or when there is already a very high level of trust in the relationship.

**Session Objective:** Participants will be able to imbibe the importance of the principle 'synergize'.

## Activity 1: Synergize (30 minutes)

## **Build a Car**

Materials needed: Graffiti paper, markers

- Using graffiti chart paper, draw the outline of a car. Instruct the group to add components to the car and explain what it stands for and how they can relate that to the team. Give one example and then let them go.
- 2. Break the team into groups of four or five. Allow 15 minutes for the team to draw the car and five minutes for each team to present their vehicle drawing. The total time depends on the number of groups you have. Some examples: draw the antennae to make sure we have good communications or the wheels keep us in motion. Others I've seen, the rear view mirror

- to keep an eye on where we have been, head lights to help us find our way, a trunk to store all our knowledge and tools, the gas tank to provide fuel when we need it, etc.
- 3. Once participants have finished, debrief the exercise, using questions like:
  - What is the role that each team member played?
  - Did everyone think the same?
  - Would the car have been so good, if it had been developed alone?

## Activity 2: (30 minutes)

## **Directions**

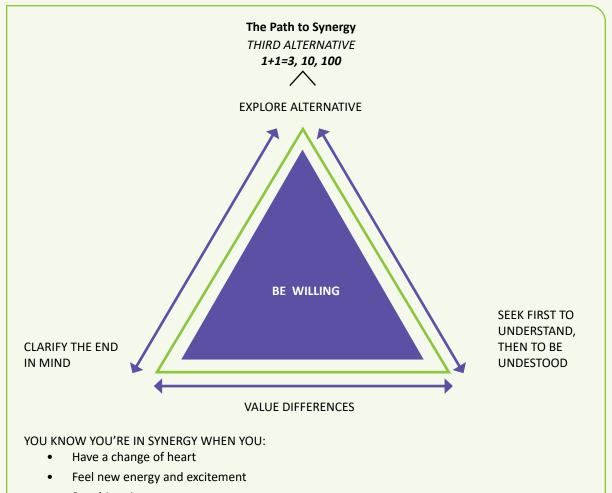
- Ask the participants to interview any five participants on their strengths (15 minutes).
- 2. Ask each participant to then decide and write the role each of the participants will play, if they were to start an enterprise (10 minutes).
- 3. Pick four women to share their teams and their thinking behind assigning the roles (5 minutes).

# Resource for Session 7 HABIT 6: SYNERGIZE Synergy is not the same as compromise. In a compromise, one plus one equals one-and-a-half at best. DR. STEPHEN R. COVEY

Innovate and problem solve with those who have a different point of view. To put it simply, synergy means "two heads are better than one." Synergize is the habit of creative cooperation. It is teamwork, open-mindedness, and the adventure of finding new solutions to old problems. But it doesn't just happen on its own. It's a process, and through that process, people bring all their personal experience and expertise to the table. Together, they can produce far better results than they could individually. Synergy lets us discover jointly things we are much less likely to discover by ourselves. It is the idea that the whole is greater than the sum of the parts. One plus one equals three or six or 60 – you name it.

When people begin to interact together genuinely, and they're open to each other's influence, they begin to gain new insight. The capability of inventing new approaches is increased exponentially because of differences.

Figure 8: Path to synergy



- See things in a new way
- Feel that the relationship has transformed
- End up with an idea or a result that is better than what either of you started with (third alternative)

Valuing differences is what really drives synergy. Do you truly value the mental, emotional and psychological differences among people? Or do you wish everyone would just agree with you so you could all get along? Many people mistake uniformity for unity; sameness for oneness. One word – boring! Differences should be seen as strengths, not weaknesses. They add zest to life.

**Session Objective:** Participants will be able to present their autobiography video and holistic plan (vision and financials) based on the feedback received previously

# **Activity 2**

Each participant will present her autobiography video and holistic plan.

The facilitator will review and give feedback on these parameters:

- 1. Is the video in alignment to the mission statement submitted by the participant?
- 2. Are the participants clear about their goals for 10, 20, 30, 40 and 50 years from now?
- 3. Are their goals for each decade logically connected and progressing towards the final goal?



# TRANSFORMATIONAL LEADERSHIP

# **Course Introduction**

Transformational leadership aims at working in and with teams to create a vision and identify and bring about the needed change by unleashing the positive energy of the team.

# **Course Objective and Scope**

By the end of the course, participants should be able to:

1. Identify their own leadership styles and analyse their strengths and improvements; and

2. Develop strategies to deal with the shortcomings of their leadership styles and enhance their strengths.

# Generic Readings for the course:

• Covey, Stephen. 2003. *Principle Centred Leadership*. Simon & Schuster

# **Recommended Faculty Profile:**

 An entrepreneur who has been leading an organization successfully for a minimum period of 10 years.

## **Overview of Course**

Sl. No	Objectives		
	Participants will be able to:		
1	Understand the role of a leader		
	Practicum Task 1		
2	Analyse the different leadership styles		
	Practicum Task 2		
3	Identify their leadership styles		
4	Analyse the pros and cons of their leadership style		
5	Design strategies for participatory decision making		
6	Build cohesion in the different groups of the collective enterprise		
7	Design strategies for conflict management		
8	Create strategies for enhancing their leadership style		

# **Practicum Tasks**

The following Practicums are to be fulfilled for completion of the course:

# Prerequisite:

 The participants must attend the first session of the course and co-create the worksheet for Practicum Task 2 (Refer Session Plan 1, Table 2)

# Task 1

Shadow two leaders in your community and create a profile of their leadership styles.

# Task 2

Using a questionnaire, conduct a 360-degree analysis of your leadership style (combined with Practicum for Values and Ethics course).

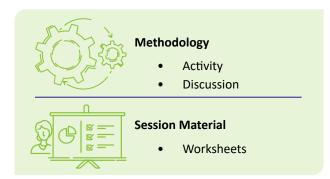
# Worksheet for Task 1

Leadership Style Questionnaire Tick the box closest to your opinion

	Parameter	No time	Less than 50% of the time	More than 50% of the time	Any time
1	Can be approached when required				
2	Motivates and inspires the team they work with				
3	Treats all staff equally, fairly and consistently				
4	Gives encouragement to come up with new ideas for improvement				
5	Welcomes and responds constructively to team's ideas				
6	Encourages effective team work				
7	Ensures that we have effective team meetings				
8	Communicates effectively on issues that are relevant to me				
9	Recognizes and celebrates success and good work				
10	Shows team members/peers respect and consideration				
11	Gives credit for good work				
12	Provides the team with a clear sense of what is expected of them				
13	Gives support and feedback on work where needed				
14	Delegates effectively				
15	Helps to create a good team working environment				
16	Involves the team in decision making where appropriate				
17	Encourages good working relationships with other departments				
18	Provides strong and decisive leadership when required				
19	Acts as a good role mode				

# **SESSION PLAN 1**

**Session Objectives:** Participants will be able to understand the role of a leader.



# Step 1: Defining a Leader (10 minutes)

**Leader:** There are several definitions of a leader; however, in simple terms, we can define a leader as one who influences others to achieve their goal.

**Leaders in FPOs:** As per legal requirement, an FPOs has a BOD. The board sets the objectives of the FPO, gives direction to it, takes all important decisions and is

responsible for its functioning. Members of BOD play the role of the leaders in FPOs.

# Step 2: Qualities and Skills of an Effective Director (10 minutes)

To play the role of a leader in an FPO, directors should possess certain key qualities, skills and knowledge base. This is essential to lead an FPO successfully and to manage its operation and business efficiently.

The director's possession of such qualities helps her to lead self, other individuals (members and staff) and group to achieve the common goal. She uses her skill set and knowledge base to manage the FPO and conduct business in such a way that it leads to better returns to members.

# **Activity (20 minutes)**

Let us discover the qualities, skills and knowledge required by a leader of the FPO. Eligibility conditions such as minimum educational qualifications or number of years of experience in farming or minimum acreage of land, etc., can also be used to screen candidates who are interested in being directors.

**Exercise:** Please list the key qualities/skills/knowledge/eligibility conditions required for becoming a director.

Table 6. List the key qualities/skills/knowledge/eligibility conditions

Head	Sub-head Sub-head
Personal Qualities	
	Personal integrity
	Determination /commitment
	Courage
	Self-responsibility
	Understanding people
	Self-confidence
	Humility
	Openness
	Self-discipline
	Communication
	Team work
	Any other

Head	Sub-head
Skills	
	Ability to read and write
	Ability to conduct meetings
	Ability to get the work done
	Setting and prioritizing goals
	Ability to make decisions and solve problems
	Ability to understand the financial statement and balance sheet
	Any other
Knowledge	
	Knowledge of improved production systems – better inputs (seed, fertilizer, pesticides), diseases, pests, agricultural practices, etc.
	Knowledge of storage and transportation – places, methods, players and competition, etc.
	Knowledge of the market – marketing places, prevailing price and its movement, players and other dynamic in it
	Knowledge of government policies related to FPOs, concerned crops, export and import policies
	Knowledge of the legal framework for FPOs – tax, registration, legal compliance, etc.
	Any other
Eligibility conditions	
	Minimum educational qualification
	Number of years of experience in a particular crop
	Based on land holding – big or small farmer
	Based on area, caste or gender
	Any other

**Tip:** Make groups and visualize the perfect leader to lead the FPO. Then, list the key qualities, skills and knowledge required for a perfect leader and make a presentation of it to the larger group. Discuss these presentations and based on this, prepare a commonly agreed master list of key qualities, skills and knowledge required for becoming the director of the FPO. Add eligibility conditions required for becoming directors also.

Once the list is developed by the participants, a second list can also be prepared to add important qualities, skills and knowledge left out in the master list.

# Step 4: Closing (20 minutes)

Explain the following format and ask them to use it for Practicum. This format will be useful to assess the presence of key qualities/ skills and knowledge base in persons who are contesting for directorship.

## Worksheet for Task 2

**Exercise:** List the indicators and reference documents through which you can verify whether the persons contesting for directorship possess the requisite qualities, which have been developed in the last exercise.

# Table 7: Assessment form for key qualities/skills/knowledge/eligibility conditions

Name of Candidate:	Date of Assessment:		
Name of evaluator:	Overall rating/ score:		

S.N.	Head	Indicators	Yes /no
Qualities			
		Assumes strong moral responsibility toward those whom s/he leads	
1	Personal integrity	Keeps a group bound together or team through integrity	
		Sets moral tone and value system for the rest of those who are being led	
		Takes repeated or different actions to overcome an obstacle	
2	Commitment	Makes personal sacrifice or makes extraordinary efforts to complete a given task	
		Has firmness of mind with own judgment in the face of opposition or early lack of success	
		Exhibits bravery even under difficult situations	
3	Courage	Has patience in achieving the desired goal or in overcoming obstacles	
		Displays inner strength in day-to-day decisions relating to any aspect	
4	Self- responsibility	Decides how good one wants to be, how hard one wants to work and how far one wants to go	
4		Takes responsibility for the setbacks when things do not work out as planned	
	Understanding people	Pays attention to the human element in all situations	
5		Expresses consideration for human feelings, what motivates them, how they think and how they react	
		Respects others' views and opinions	
		Believes in one's self	
6	Self-confidence	Displays trust in one's own ability to complete a difficult task or meet a challenge	
7	Ll., mailide.	Exhibits a modest behaviour in dealing with people	
7	Humility	Has a simple, unassuming character which is attractive to others	
		As an extension to self-integrity, remains explicit in all issues	
8	Openness	Makes frank expressions and provides frank explanations if questioned	
9	Communication	Conveys the message clearly at the right time to the right people Believes that listening is the key to two-way communication	
		Questions any unclear issue to make sure that there are no doubts	

S.N.	Head	Indicators	Yes /no
		Respects being part of a team	
40		Capable of facilitating meetings and discussions	
10	Team work	Has the ability to manage and solve conflicts that arise between or among team members, or between own self and other team members	
11	Any other		
		Skills	
1	Ability to read and write	Can read and write	
		Keep meeting focused on its agenda	
2	Ability to conduct meetings	Provide all a fair chance to contribute in discussions	
		Get most of the issues resolved	
2	Ability to get the work done	Has the ability to spot talent and the essential person inside and allocates tasks accordingly	
3		Takes part actively in getting things done with the belief that one should set an example for others	
_	Setting and prioritizing goals	Believes that planning begins with self, followed by planning with others	
4		Capacity to develop specific, measurable, attainable, realistic and time-bound plans	
		Shows keenness in making timely decisions	
5	Ability to make decision and solve problem	Wants to be held accountable for decisions made	
	and solve problem	Assesses the possible options and consequences prior to solving the problem	
6	Ability to understand financial statement and balance sheet	Can understand financial statement and balance sheet and develop meaningful inferences based on the data	
7	Any other		

S.N.	Head	Choose the applicable			
		Excellent	Good	Average	Poor
	Knowledge				
1	Knowledge of improved production systems – better inputs seed, fertilizer, pesticides, diseases, pests, agricultural practices, etc.				
2	Knowledge of storage and transportation – places, methods, players and competition, etc.				
3	Knowledge of the market – marketing places, prevailing price and its movement, players and other dynamic forces				
4	Knowledge of government policies related to FPOs, concerned crops, export and import policies				
5	Knowledge of the legal framework for FPOs – tax, registration, legal compliance, etc.				
6	Any other				

S.N.	Conditions	Fulfills the condition (yes/ no)
	Eligible con	ditions
1	Minimum educational qualification	
2	Number of years of experience in a particular crop	
3	Based on land holding – big or small farmer	
4	Based on area, caste or gender	
5	Any other	

# **Exclusion Criterion**

Despite having lot of key qualities and skills, required for becoming directors, there are certain negative qualities in a person or negative conditions attached to a person, which cannot be ignored, as they can be harmful to the FPO. Persons with such qualities or conditions should be excluded or eliminated from the process, for example, lack of integrity or charge of financial misappropriation of funds.



**Session Objectives:** Participants will be able to analyse different leadership styles.

Ask seven participants to share information about the leaders that they shadowed and assessed in the Practicum.

Most professionals develop their own styles of leadership based on factors such as experience and personality as well as the unique needs of their company and its organizational culture.



#### Methodology

- Presentation
- Discussion

#### Activity 1 (15 minutes)

As you develop leadership skills, you'll likely use different processes and methods to achieve your employer's objectives and meet the needs of the employees who report to you. To be effective as a manager, you might use several different leadership styles at any given time.

# Step 2: Defining Different Types of Leadership (15 minutes)

By taking the time to familiarize yourself with each of these types of leadership, you might recognize certain areas to improve upon or expand your own leadership style. You can also identify other ways to lead that might better serve your current goals and understand how to work with managers who follow a style different from your own.

Explain the six key leadership styles (refer resource material below).

# Activity 3 (25 minutes)

- 1. Divide the participants into six teams.
- 2. Each team should be assigned one leadership style.
- Team members should discuss the possible advantages and disadvantages of the leadership style assigned to them
- 4. They should also be given a situation and asked to think about how a leader with their style would react, e.g., a project has to be completed in two days, for which all the team members have to work for 11 hours/day for the next two days.
- Each team should then present its analysis (12 minutes).

# Closing (5 minutes)

Participants will be oriented on the questionnaire to be used for Practicum Task 2.

# **Resource for Session 2**

Source: Leadership That Gets Results by Daniel Goleman

Most managers mistakenly assume that leadership style is a function of personality rather than strategic choice. Instead of choosing the one style that suits their temperament, they should ask which style best addresses the demands of a particular situation.

Research has shown that the most successful leaders have strengths in the following: emotional intelligence competencies such as self-awareness, self-regulation, motivation, empathy and social skill.

There are six basic styles of leadership; each makes use of the key components of emotional intelligence in different combinations. The best leaders do not know just one style of leadership—they are skilled at several and have the flexibility to switch between styles as the circumstances dictate.

Managers often fail to appreciate how profoundly the organizational climate can influence financial results. It can account for nearly a third of financial performance. Organizational climate, in turn, is influenced by leadership style — by the way that managers motivate direct reports, gather and use information, make decisions, manage change initiatives and handle crises. There are six basic leadership styles. Each derives from different emotional intelligence competencies, works best in particular situations and affects the organizational climate in different ways.

The coercive style: This "do what I say" approach can be very effective in a turn- around situation, a natural disaster or when working with problem employees. But, in most situations, coercive leadership inhibits the organization's flexibility and dampens employees' motivation.



The authoritative style: An authoritative leader takes a "come with me" approach: s/he states the overall goal but gives people the freedom to choose their own means of achieving it. This style works especially well when a business is adrift. It is less effective when the leader is working with a team of experts who are more experienced than s/he is.

3

The affiliative style: The hallmark of the affiliative leader is a "people come first" attitude. This style is particularly useful for building team harmony or enhancing morale. But its exclusive focus on praise can allow poor performance to go uncorrected. Also, affiliative leaders rarely offer advice, which often leaves employees in a quandary.



The democratic style: This style's impact on organizational climate is not as high as you might imagine. By giving workers a voice in decisions, democratic leaders build organizational flexibility and responsibility and help generate fresh ideas. But sometimes the price is endless meetings and confused employees who feel leaderless.

5

The democratic style: This style's impact on organizational climate is not as high as you might imagine. By giving workers a voice in decisions, democratic leaders build organizational flexibility and responsibility and help generate fresh ideas. But sometimes the price is endless meetings and confused employees who feel leaderless.



The coaching style: This style focuses more on personal development than on immediate work-related tasks. It works well when employees are already aware of their weaknesses and want to improve but not when they are resistant to changing their ways.

The more styles a leader has mastered, the better it is. In particular, being able to switch among the authoritative, affiliative, democratic, coaching and pace-setting styles as conditions dictate creates the best organizational climate and optimizes business performance.

**Session Objectives:** Participants will be able to identify their leadership styles.



# Methodology

- Presentation
- Discussion

# Step 1: Presentation (30 minutes)

Participants will summarize and present the key findings from their Practicum task.

# Step 2: Activity (10 minutes)

Recollect and write three instances in your personal/ professional lives in which you took on a leadership role.

# Step 3: (5 minutes)

Explain the six leadership styles again

# Step 4: Activity (10 minutes)

Recollecting your values, feedback received on Practicum Task 1 and leadership instances, identify your leadership style.

# Step 5: Closing (5 minutes)

Each woman will share her leadership style

**Session Objectives:** Participants will be able to identify pros and cons of their leadership styles.



# Methodology

- Skit
- Discussion



# **Session Material**

- Charts
- White board/markers

# **Activity (60 minutes)**

- Divide the participants into six groups each group will focus on one leadership style.
- Participants will have to join the group, based on their personal leadership style, identified at the end of the previous session
- 3. Each team will script and perform a short skit based on its leadership style.
- Each skit will be followed by a short debrief on the pros/cons of that particular leadership style.
   This will be noted on a chart/board.

# **Key Learnings**

# **Coercive Leadership Style**

"Do what I tell you."

The coercive style seeks immediate compliance from employees. As a style that can be linked to that of a dictatorship, it can be summed up with "do what I tell you."

This style does come with drawbacks. It can cause people to feel devalued, and it can have a strong and overwhelming negative impact on the work climate.

The coercive style has its place, however. In a crisis such as a company turnaround, leaders may need to take this type of direct approach to produce results.



#### **Pros**

 In a crisis, leaders may need to adopt this direct style to produce results.



#### Cons

- Employees can feel devalued.
- Can negatively impact work climate.

# **Authoritative Leadership Style**

"Come with me!"

In the authoritative style, visionary leaders take a "firm but fair" approach that mobilizes members toward a specific goal. It's often known as the "come with me" style.

Goleman's study determined that this style has the most positive impact on change, closely followed by the affiliative, democratic and coaching styles. By using clear directions and providing motivation and feedback on task performance, the authoritative style's strength is enthusiastic, long-term direction.

The authoritative style is not always practical, however. If a leader is working with a team that is more experienced than the leader, it can seem overbearing or cause the team to view the leader as being out of touch or egotistic.



#### Pros

- Most positive impact on change.
- Clear directions, motivation and feedback.



# Cons

 Can feel overbearing to team members.

# **Affiliative Leadership Style**

"People come first."

In this "people come first" style, an affiliative leader praises and nurtures members to cultivate a sense of belonging in an organization.

Strong emotional bonds can produce loyalty in an organization. The affiliative style strengthens such connections to form a positive workspace. As a result, this style is effective in most conditions, particularly in instances where trust or morale needs to be improved. It can also be necessary when trust has been broken.

Leaders should not use this style alone. It can create a culture where poor performance or even mediocrity is tolerated. Constructive criticism is also left out in this style, meaning employees will likely stay stagnant in their workplace performance.



#### **Pros**

- Strengthens emotional bonds, which creates loyalty.
- Forms a positive workplace.
- Improves morale and trust.



#### Cons

- Not effective on its own.
- Can create a culture where poor performance is tolerated.
- Leaves out constructive criticism.

# **Democratic Leadership Style**

"What do you think?"

The democratic style can be summed up with the question "what do you think?" Focused on getting feedback, leaders can receive valuable ideas and confirmation while building an environment of trust, commitment and respect.

In this style, the leader is open to input, which breeds decision-making and helps to motivate team members. It's most effective when there's a need for the team to buy into a decision or plan.

The style should be avoided when team members are not competent or informed enough to contribute. This is also the case when time is short or fresh ideas aren't needed.



# Pros

- Open to input.
- Most effective when there's a need for team members to endorse a decision or plan.
- Motivates team members.



## Cons

- Not effective when time is short or alternative ideas are not needed.
- Should be avoided when team members are not informed enough to contribute.

# **Coaching Leadership Style**

"Try this."

Some leaders can maximize their workers' effectiveness by acting like a coach instead of a traditional boss. In the "try this" model, leaders focus on the strengths and weaknesses of an employee in an effort to improve and encourage him or her along the way. Although it is effective, Goleman noted that this style is used least often.

The coaching style should be avoided when employees are unwilling to learn or if the leader lacks proficiency.



#### **Pros**

- Focuses on strengths and weaknesses of employees.
- Leads to individualized improvements and encouragements.



#### Cons

 Not effective if employees are unwilling to learn or if the leader lacks proficiency.

# **Pace-setting Leadership Style**

"Do as I do."

Similar to the coercive style, the pace-setting style should be used sparingly. However, according to Goleman, that's unfortunately not the case for this "do as I do, now" style.

Pace-setting sets up high performance expectations that must be met. If that doesn't happen, people are replaced by the leader, who also demonstrates this high-octane style. Naturally, the effort to do things better and faster often undermines the company climate. The pace-setting style can be effective at times, especially in the presence of highly motivated and competent team members.



#### **Pros**

 Effective for highly motivated and competent team members.



## Cons

 Pressure to be better and faster can undermine the company climate.

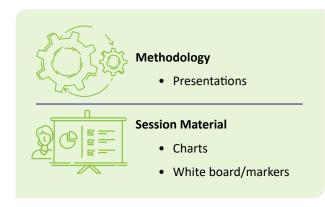
# **Resource for Session 4**

https://online.seu.edu/infographics/6-leadership-styles-in-business/

http://secretstotheirsuccess.com/leadership-styles/daniel-golemans-pacesetting-leadership-style/

**Session Objectives:** Participants will be able to design strategies for participatory decision making.

Source: Strengthening Female Leadership in Farmers' Groups and Cooperatives - Empowering Women for Better Participation and Decision Making



# Step 1: Explanation (5 minutes)

We all plan many different activities during our daily lives, for example, when we plan a trip to town to go shopping, even though it may not seem that the trip was planned. We decide why we want to go, the mode of transportation we will use and what we need to buy.

We may also decide how to take advantage of the trip to carry out other activities. Likewise, as leaders, we plan the activities that we will carry out in our community. Among many options, we choose the most convenient one. That means: we choose and decide.

Among all the activities to be carried out, we determine which must be implemented first and which must be done next. We also think about how we are going to do them. That means: we organize and design activities.

To meet a need or to accomplish an objective, leaders often make decisions with a very small group of people. They work very hard but, at the end, they do not manage to accomplish what they wanted because other people failed to support them.

It may also happen that sometimes an objective is achieved but members of the community do not feel committed to the achievement or change. For example, you can conduct a clean-up campaign but only a few people participate. With such limited involvement, we keep the community clean for only a short time but it is not maintained.

Clearly, it is not enough to plan. It is also important and necessary to develop a participatory planning strategy.

# Step 2: Activity 1(20 minutes)

- Ask the participants how decisions are made in their farmers' group/cooperative.
- Expected responses:
  - Consensus;
  - Together;
  - Through deliberations;
  - Involving all members; or
  - Voting.
- 3. Write down the responses on a flip chart.
- 4. Allow participants to explain some of the pertinent responses that they have provided.
- 5. Ask a few to elaborate the process of decision-making in their group.
- 6. Ask the participants, "What is the most important thing that you take care of in the decision-making process?" Example: are they concerned about the time taken to make decisions; involvement of all concerned; the quality of decisions.
- Discuss the advantages and disadvantages of the above concerns.
  - If the decisions are made by one or a few individuals, the time taken to decide will be faster. But this can affect the implementation of the decisions as some people may not understand or agree with the decisions made;
  - If the decisions are taken in the group, the time taken may be longer but people may own up the decisions and therefore the implementation may be faster; or
  - If the decisions are made only by some members or executive members, the decision might have negative consequences for the women members of the group/cooperative.
- 8. Ask the participants if they can think of any other advantages and disadvantages.

# Step 3: Activity 2 "Demon in the Village" (35 minutes)

The demon in the village situation.

- 1. Present the "demon in the village" situation game to the participants.
- In a village, an evil demon has captured the following 10 people. The demon intends to eat

all the people. However, the village pleaded with the demon to stop eating its people.

- A doctor
- A farmer
- A small girl
- A pregnant woman
- A lama
- The Dasho Dzongdag
- A school teacher
- A young college student
- The village Gup
- A three-month old baby boy
- 3. The demon has agreed to release five out of the 10 people.
- 4. Ask the participants to individually make a list of the five people to be released.
- Tell the participants not to share their list with each other.
- Divide the participants into smaller groups of four to five. Ask the group to appoint a leader and an observer in their respective groups.
- Ask the participants to decide in their smaller group about the list of five people to be released.
- The leader will facilitate the group discussion while the observer will observe the decisionmaking process. Instruct the participants accordingly.
- 9. Let the groups present their list with justifications.
- After the presentations are made, ask how the groups have arrived at the final lists. Let them elaborate on the process of finalizing the lists.
- 11. Ask the observer for information on the process of decision-making. Probe answers on the following questions:

- Did all members express their views?
- Did the leader make sure that every member had the opportunity to express her views?
- How were some differences in views dealt with by the leader and the group members?
- Were all members comfortable with the final decision?
- How did the leader make sure that the decision was acceptable to all?
- 12. Debrief using the following debrief note.

# **DEBRIEF NOTE:**

#### Mutual understanding

For the group to reach an agreement, every member should understand the reasons behind one another's views, needs and goals. This promotes greater understanding amongst the members.

#### **Full participation**

Every member (both women and men) must be encouraged to be actively involved.

This will encourage people to express their views and help clarification of issues and problems. This will enrich discussions and help in reaching appropriate and common solutions.

# Common solution

A common solution is reached when every member's views and perspectives are taken into account. Such a solution will have the ownership of the members.

# **Shared responsibility**

Participatory decision-making will promote responsibility of all those involved. People will recognize that they are obliged to implement and shoulder their respective duties in implementing the decision.

# **Key Learnings**

Participatory planning consists of involving most people in the community in order to decide:

- · What problems they want to address;
- What problems they choose to find a solution to;
- How they are going to solve them; and
- What activities they will carry out.

When we plan in a participatory way, we are developing a process that:

- Allows exchange of experiences, for example, we give opportunities to the more experienced people so they can present their ideas to solve a problem;
- Promotes self-confidence, for example, we recognize that everybody can help, and we explain that everybody's help is welcome and necessary;
- Strengthens people's self-esteem, for example, we congratulate people for their successes and focus on what they do well, we name them and we thank them; and
- Allows each person to develop her/his capabilities: We motivate people to participate, learn something and practice what they know.

# Planning is participatory when it:

- Facilitates the practice of democracy: Everybody participates and gives an opinion. They feel entitled to say what they think, discuss it and, in the end, reach agreements that will benefit the majority;
- Allows people to learn how to negotiate: Everybody takes part in the discussion until they reach an agreement;
- Motivates other leaders to emerge: To the extent they participate in the discussions and agreements, people develop their abilities to exercise their leadership; and
- Leads the members of the community to feel that they have common objectives: People can prepare proposals and projects to manage their business at the local or national level.

# Key Learnings for Activity 2

Practical tips to use for participatory decision-making:

Question individual members by turns.	Have all members write their views on small cards (for those who cannot read and write, team them up with members who can read and write).	Find ways to involve the more silent members.	If there are many members, hold smaller meetings before bigger meeting such as the general assembly.	Find reasons behind every one's views.

**Session Objectives:** Participants will be able to build cohesion in the different groups of the collective enterprise.

Source: Strengthening Female Leadership in Farmers' Groups and Cooperatives - Empowering Women for Better Participation and Decision Making



#### Methodology

- Activity: "The Human Web"
  - Discussions



# **Session Material**

- Nylon thread ball
- Flip chart/ white board

# **Key Learnings**

In a group like a farmers' group/cooperative, every member is important. Together we can create a beautiful web. But if one of the members lets go of the string, the web will be ugly and incomplete. Similarly, if one pulls the string the others will feel the pull. What one member does will affect all others negatively or positively.

Demonstrate by cutting the web in a few places with a pair of scissors. The web will collapse. Show to the participants that when one or a few members do not participate, the web collapses or becomes ugly. Explain the similarity with a farmers' group/cooperative: when one or few members do not participate, the group does not function properly.

Generate discussion relating the lessons from the game to the actual experiences in farmers' groups/cooperatives. Discuss around the following questions:

- a. How will the farmers' group/cooperative be affected by the actions/inaction of one or a few members? Insist on giving concrete examples in the responses of the participants; and
- b. How will the actions of the leaders affect the group both in negative and positive ways?

# Step 1: Activity 1 "The Human Web" (20 minutes)

- Ask the participants to stand in a circle. Tell
  them that we are going to weave a human web
  just like a spider web.
- Take the nylon ball and have one of the participants hold one end of the string while she throws the nylon ball to any other participant. Before the nylon ball is thrown to the selected person, the participant should say one thing that she likes in that person.
- The person to whom the nylon ball is thrown should similarly hold the string and select another person in the group to throw the nylon ball at. The process should be repeated until all the participants are included in the web.
- Ask the participants to hold the string gently (holding the string gently will make everyone feel the pull as mentioned in point 5 below).

- Have one of the participants pull the string.
   Ask if all the other participants felt the pull (all should have felt the pull). Repeat a couple of times with different participants leading to the same result.
- 6. Ask the participants what lessons can be learned from this game.
- 7. Debrief using the debrief note.

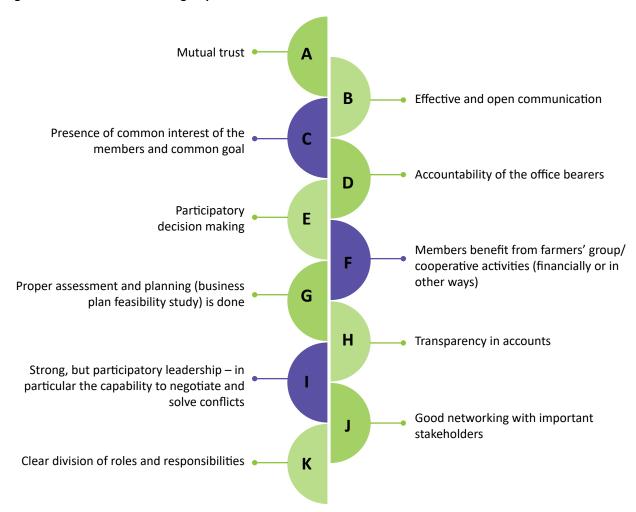
# Step 2: Conditions for Healthy Group Cohesion (20 minutes)

Relating to the earlier activity, ask the
participants to think of conditions that
contributed to the making of a beautiful
web. In other words, what were the things
necessary to create that beautiful human web
in the earlier game?

- 2. Expected responses:
  - Holding the string right
    Throwing the ball right
    Standing in good circle
    Quality of the nylon
    Selection of the person to throw the string
- 3. Record the responses on a flip chart/board.
- 4. Now ask the participants to reflect on what conditions would be necessary to create good group cohesion in their farmers' group/ cooperative. In other words, what are the things necessary or that need to be put in place

- to ensure that there is good group dynamics/ harmony or cohesion?
- Divide the group into smaller groups of four to five members, preferably from the same farmers' group/cooperative and let them discuss and list out the success conditions.
- 6. Ask each group to present its list.
- 7. Present the following success conditions for group cohesion as corroboration and validation or addition to the lists generated by the groups.
- 8. Spend some time to clarify on some of the conditions.

Figure 9: Success conditions for group cohesion



# Closing (10 minutes)

Self-assessment form for success conditions for group cohesion

Distribute the following self-assessment form for conditions of success for group cohesion and ask the

participants to work in their earlier groups and rate their own farmers' group/cooperative.

The form should help the farmers' groups and cooperatives to become aware of their performance against each of the success conditions and explore opportunities to enhance these conditions.

# Success conditions for group cohesion - Self - assessment Form.

Parameter	Excellent	Good	Medium	Poor	Very Poor
Success conditions for group cohesion					
Mutual trust					
Effective and open communication					
Presence of common interest of the members and common goal					
Accountability of the office bearers					
Participatory decision-making					
Members' benefit from farmers' group/ cooperative activities (financially or in another way)					
Proper assessment and planning (business plan, feasibility study)					
Transparency in accounts					
Strong, but participatory leadership – in particular the capability to negotiate and solve conflicts					
Good networking with important stakeholders					
Clear division of roles and responsibilities					

# Key Learnings for Activity 2

The reasons for particular ratings may be the following:

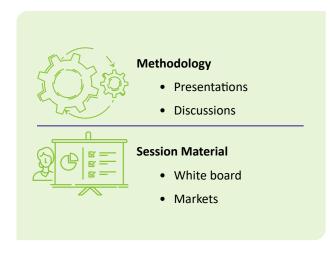
Maturity of the farmers' groups/ cooperatives.

Lack of skills to strengthen the success conditions.

Leaders' awareness on these success conditions.

The size of the farmers' groups/cooperatives where size of membership influences the conditions.

**Session Objectives:** Participants will be able to design strategies for conflict management



# Step 1: Analysing the Impact of Conflicts (30 minutes)

# **Activity 1**

 Ask the participants what would be the consequences if a conflict is ignored or not managed properly.

# **Expected responses:**

- Would become a bigger problem;
- Affect business of the farmers' group;
- The farmers' group would have to close down; or
- Members would not be able to work together anymore
- 2. Record the responses on a flip chart.
- Emphasize the damages caused by ignored conflicts or poorly managed conflicts, and therefore the importance of managing conflicts appropriately.
- 4. Present the conflict tree concept as a tool for analysing and managing conflicts.

#### The Conflict Tree

(Analysis of the causes and the effects) This is a technique that can be used to analyse the causes and effects of conflicts, which affect farmers' groups/cooperatives.

It produces a visual representation of the analysis, in which the key conflict under discussion resembles to the trunk of a tree, the

effects of the conflict become the branches and the causes of the conflict become the roots.

Conflict trees do more than just outline the root causes of the conflict. They provide a visual breakdown of conflicts into their symptoms as well as their causes. The process can be a useful tool in building people's awareness of the conflict, how they and others contribute to the conflict, and how these conflicts affect the farmers' group. This may also be an important step when attempting to manage conflict.

- 5. Together with the participants, construct a conflict tree for conflict analysis as a demonstration.
  - a. Ask participants what conflicts affect farmers' groups/cooperatives.
  - Write each of these conflicts on separate cards.
  - c. Ask participants to rank them: which is the most serious or important?
  - d. Agree on a main conflict on which the discussion will now focus.
  - e. Place the main conflict in the centre of a large piece of paper, or on the ground.
  - f. Ask participants what causes the conflict, and what the effects are.
  - g. Write each of these causes and effects on a separate card and place them on the paper or on the ground to show how they are linked to the main conflict. Place the causes below the main conflict, and the effects above it.
  - h. For each cause, ask what causes it; for each effect, ask what the consequences are. Continue this process until no further causes and effects are mentioned.
  - Move the cards around until participants agree they are in the correct position in relation to the main conflict. Organize the cards clearly to help the participants see their place in relation to the other cards (cause and effect).
  - Discuss which causes have the most effect on the conflict; and then discuss how they can be tackled.
- 6. Debrief using the key points below.

# Step 2: Activity 2 "Paksam Joenshing" or Resolving Conflict (30 minutes)

# Steps

- 1. Ask the participants if anybody knows the story of the gods and demigods and their conflict about the fruits of the tree "Paksam Joenshing".
- 2. Present the story to the participants.

# Story of the conflict between the gods and demigods

The tree "Paksam Joenshing" has its roots in the kingdom of the demigods but the fruits of the tree are in the kingdom of the gods. The gods and demigods are in constant conflict about the ownership of the fruits.

- 3. Divide the participants into groups of four to five members each.
- Ask them to discuss on how the conflict in the story can be resolved.
- 5. Allow each group to present its conflict resolution approach.
- 6. Debrief using the steps in resolving conflict given below:
  - Openly discuss the conflict focusing on what happened, who are involved and listen to everybody's views.
  - List out possible solutions to the conflict taking into account everybody's ideas.

- Assess the pros and cons of each solution. Check if the solution would satisfy the farmers' group/cooperative in the long term; is it a temporary solution or would it require systemic or structural changes to resolve the conflict?
- Adopt the most effective and collective solution. If the effective solution is not a collective solution, further convincing and discussion may be needed.
- Decide on the timeframe for implementation and who is accountable for what.
- Review and follow up on the status of implementation and check if the solution is able to address the conflict.
- In extreme cases, an external person(s)
  may be invited to resolve the conflict.
  In such cases, the external person(s)
  should be acceptable to all parties.
- Draw from the experiences of the participants in actually resolving conflict in their farmers' group/cooperative and refer to their by-laws for relevant provisions on settlement of the disputes.

# **Key points**

The conflict tree is a simple yet powerful tool to help analyse conflicts in organizations.

It can help us understand the issues/conflicts better and more in depth. It helps us understand how each of the conflict/issue is related to others through cause and effect relationships.

This tool also helps us to identify the most effective solutions to the conflicts by zooming into the root cause(s) of the conflict.

**Session Objectives:** Participants will be able to create strategies for enhancing their leadership style.

# Step 1: Activity 1 Mitigation Strategy (35 minutes)

- 1. Participants are divided into six groups, based on their leadership style.
- They are asked to come up with a mitigation strategy for the weaknesses of their leadership style.
- 3. After they have come up with some strategies, share a note on their leadership style from the following document:

# A Pace-setting Style - "Do it my way"

**Primary objective:** Accomplishing tasks to high standards of excellence. A leader using this style:

- Holds and exemplifies high standards for performance;
- Is obsessive about doing things faster and better;
- Asks others to do things to a high standard and do them faster/better;
- Pinpoints poor performers, demands more from them;
- Rescues the situation if others don't perform by assuming responsibility for the task or giving detailed instruction on "how to do it;
- Has little sympathy for poor performance;
- Seeks coordination with others only if it has an impact on an immediate task; and
- Sees development of others as "showing them how to do it."

Effectiveness of Pace-setting Style

## **Most Effective**

- Highly motivated, competent and know their jobs
- Need little direction or co-ordination
- Individual contributors, e.g., scientists
- Quick results are required, e.g., in a "sink or swim" situation
- Similar to their managers (and the organization needs more of the same

# **Least Effective**

- The leader can no longer do all his/her own work personally
- Individuals need or want vision, personal development and /or coordination amongst themselves or others
- Employees seek a trusting/empowering relationship where they can influence how they deliver the objectives
- Employees are looking for some sense that the leader is interested in them as an individual not as a means to getting things done

To increase the pace-setting style, try the following:

- Maintain and develop your technical/ professional expertise;
- Teach by example and model the behaviour you wish to see, e.g., first into work, last out. When employees need assistance, tell them or show them how you would handle the situation;
- Anticipate all potential obstacles and how to overcome them and explain to them what you would do in those situations;
- Insist on excellence, don't accept mediocrity. Delegate only those tasks about which you feel comfortable s/he can handle. If the outcome is critical, add some back-up support; and
- Emphasize results. Tell your employees that you'll leave them alone if they get the results you're seeking, otherwise you'll be following up regularly.

To turn down the pace-setting style, try the following:

- Ask yourself how it feels to be led by you. Ask others who are led by you. Listen to their answers.
- Ask yourself how you wish to be led.
   How does the pace-setting style fit with your answer(s)?
- Resist the urge to answer any question with the answer. Ask a question instead, e.g., what are you minded to do about this? How do you see your options?
- Keep an open mind about the answer.
   Maybe there is more than one answer;

- Offer support that doesn't include giving them the answer, e.g., "how can I help you go forward with this issue?"
- Let go of the idea that you are the only one who can do things properly around here. Instead ask yourself how you are contributing to this perceived situation; and
- Learn to listen properly, i.e., be fully present not just waiting for them to finish speaking so that you can speak.

# B. Commanding Style - "Do it because I say so"

# Primary objective: Immediate compliance

- Gives lots of directives by telling people what to do;
- Rarely seeks any input from the individual;
- Controls tightly through constant monitoring;
- Relies on negative, corrective feedback to emphasise what is wrong and achieve compliance;
- Relies on negative, corrective feedback to emphasise what is wrong and achieve compliance;
- Motivates others by emphasizing the consequences of getting it wrong; and
- Can be closed to other styles of working and may ridicule them as "soft".

# **Effectiveness of Commanding Style**

#### **Most Effective**

- Dealing with relatively straightforward tasks
- In crisis situations when individuals need clear direction and the leader has more information than the individuals concerned, e.g., in a hostile takeover situation or serious emergency
- When deviations will result in serious consequences, e.g., safety and health issues
- With under-performing individuals where all else has failed
- Similar to their managers (and the organization needs more of the same)

# **Least Effective**

- In complex situations
- With highly skilled competent staff
- Over the medium- to long-term because individuals are not being developed or listened to and they tend to rebel or leave

To increase the commanding style, try the following:

- Get to know the job better than the individuals concerned. Give direct and unequivocal orders;
- Design rules and publicize them widely.
   Ensure that people understand the consequences of any deviation from them;
- Set strict standards of behaviour and do not be swayed by others' opinions or demands/ requests. Monitor everything closely; and
- Criticize any deviation from the rules.

To turn down the commanding style, try the following:

- Ask yourself how it feels to be led by you. Ask others who are led by you.
   Listen to their answers. Ask yourself how you wish to be led. How does the commanding style fit with your answer(s)?
- Learn to ask others' opinions. Be clear that you're interested. Reserve the right to make your own decisions but make sure that you've given real attention and consideration to people who hold different views to your own. Don't be tempted to "consult" without any intention of changing anything the situation will get significantly worse if people feel duped by you. Keep an open mind about the answer. Maybe there is more than one answer;
- Let go of the idea that you are the only one who can do things properly around here. Instead ask yourself how you are contributing to this perceived situation;
- Learn to listen properly, i.e., be fully present not just waiting for them to finish speaking so that you can speak; and
- Ask yourself why control is really so important to you. Listen to your

answer. Ask yourself what it would take to trust others more?

# C. Visionary Style – "Let's remind ourselves of the bigger purpose"

**Primary objective:** Inspiring others by providing long-term direction and vision for individuals

A leader using this style:

- Takes responsibility for facilitating the development and communication of a clear vision of how things can be;
- Solicits individuals' perspectives on the vision without surrendering authority or undermining the integrity of the vision;
- Sees selling the vision as part of the leader's job;
- Influences others by explaining, exploring and describing the vision;
- Ensures that others align the vision with their jobs and objectives; and
- Uses a range of methods (both positive and negative) to enhance other's motivation and performance.

Effectiveness of Visionary Style

# **Most Effective**

- A new vision or clear direction is needed, e.g., when in a period of change – at an individual or organizational level
- The leader believes in the vision and sees it as being in tune with his/ her own values and those of the organization
- The leader is self-confident, self-aware and empathic to others

# **Least Effective**

- The leader is not regarded as credible, i.e., others feel they know more about the organization than the leader
- When overplayed, i.e., if trying to steal power from a team-based approach

To increase the visionary style, try the following:

 Formulate your vision, policy, strategy and objectives. Test it out with others. Consult appropriately – with commitment and honesty. Keep true to the integrity of the vision;

- Explain, communicate, influence others to understand and feel a part of the vision. Solicit input and consider it carefully. Respond to it quickly and honestly;
- Provide a rationale for the vision;
- Delegate responsibility for delivering the vision. Avoid getting involved directly with the doing;
- Remember that your job is to influence and check alignment;
- Ensure that the vision remains up to date and consistent with the current climate. Provide feedback on a regular and on-going basis; and
- Seek feedback on a regular and ongoing basis. Listen carefully. Act upon it where appropriate. Advance others on merit only.

To turn down the visionary style, try the following:

- First of all, ask yourself why do I want to turn down this style? As Goleman says, "Any leader would be wise to grab for the visionary "golf club" more often than not. It may not guarantee a hole in one but it certainly helps with the long drive;"
- If you're over playing this strength

   and it can happen then ask
   yourself which of the other styles it is
   appropriate for you to turn up. Focus
   on the "to increase..." section of that
   style; and
- Ask others for their feedback on exactly which aspects you're overplaying, e.g., it may be that they're feeling you're too distant from them. Ask yourself and them how you may address this most effectively without throwing out the bay with the bath water!

# D. Affiliative Style – "People first, task second"

**Primary objective:** Creating harmony among individuals and between leaders and individuals.

A leader using this style:

- Places more emphasis on the individuals than the task in hand; cares for the whole person;
- Shares his or her emotional challenges with the team members in an appropriate manner; and

 Rewards personal characteristics and behaviours (the hows) as much as the delivery of the task.

Effectiveness of Affiliative Style

# **Most Effective**

- The individual requires direct assistance, e.g., counselling and emotional support
- Seeking harmonious relationships between diverse and conflicting groups
- When used as part of a repertoire of styles, e.g., coaching, visionary, etc.
- Recovering trust and loyalty amongst a team

#### **Least Effective**

- The leader lacks empathy the ability to sense the feelings, needs and perspectives of others
- Individual performance is weak or inadequate and corrective feedback is necessary
- In crises or complex situations needing clear direction. Used alone, i.e., not in conjunction with other styles
- With individuals who are taskorientated and see relationships with the leader as inappropriate/ unnecessary or distracting.

To increase the affiliative style, try the following:

- Identify and act to resolve conflict.
   Recognize the individual positive traits in people and accept them for who they are. Resist judging them harshly for not being like you;
- Encourage and reward harmonious and appreciative behaviours. Sympathize and empathize with others;
- Trust your people to perform. Trust that people who are respected and given authority and resources will deliver;
- Initiate personal contact with your employees – find out what makes them tick, what they enjoy and hate, what's going on in their lives; and
- Provide social activities and personal gifts.

To turn down the affiliative style, try the following:

- Ask yourself how the team is performing. Are there any weak points and people? Is there anyone who needs some constructive and critical feedback that you're avoiding? Ask yourself what would allow you to provide that feedback? What's holding you back? Listen to your answers and act upon them;
- Force yourself to take a hard look at your range of leadership styles – are you relying too heavily on this one?
   What are the implications of that?
- If you're over playing this strength

   and it can happen then ask
   yourself which of the other styles it is
   appropriate for you to turn up. Focus
   on the "to increase..." section of that
   style;
- Ask yourself what's the purpose of my role? How much time are you devoting to the people aspects? Track how much time you're devoting to the other aspects of your role. Be honest with yourself. Decide how to go forward; and
- Ask for feedback from your team members. Encourage them to tell you how it really is as they won't be keen to hurt you. See it as an over-played strength that can be adjusted!

# E. Democratic Style – "Let's work it out together"

**Primary objective:** Building commitment and generating new ideas.

A leader using this style:

- Trusts that individuals have the capability to develop the appropriate for themselves and their team;
- Invites individuals to make decisions affecting their work;
- Reaches decisions by consensus;
- Holds many meetings and listens to others' concerns; and
- Rewards adequate performance and rarely gives negative feedback or punishes others.

Effectiveness of Democratic Style

# **Most Effective**

- The team members are competent
- When individual contributions must be coordinated

- The leader is unclear about the best way forward and wants to hear others' ideas and contributions before deciding
- Used after the visionary style has set the outline of the vision and the leader now seeks engagement and participation

#### **Least Effective**

- In a crisis and there is no time to hold long meetings
- Individuals are incompetent or need close supervision

To increase the democratic style, try the following:

- Hold information-sharing meetings.
   Keep everyone involved and well informed. Always try to involve everyone who might be directly affected by any decisions;
- Demand excellent meeting management skills of yourself and others – otherwise you'll miss deadlines and defer making decisions;
- Don't, however, forget to allow people opportunities to explore ideas and ask questions.
- Differentiate between genuine exploration and deviation / time wasting;
- Ask employees to share the decision making with you; and
- Seek consensus. Allow everyone to be heard before making important decisions

To turn down the democratic style, try the following:

- Consciously differentiate between decisions that are most effectively dealt with through democracy and those that require a leader to act more authoritatively. Resist referring all / most decisions through the democratic process;
- Ask yourself what it will take to feel more confident in your own decisionmaking;
- Consider the consequences of overreliance on this style. Ask yourself how you might address these shortcomings and read up on that style's "To increase..." section;

- Ask yourself what opportunities are being missed by the long decisionmaking process. Are there other ways of retaining the advantages whilst losing the disadvantages? and
- Catch yourself deferring a decision to a committee and make a decision instead.

# F. Coaching Style - "Let me help you develop"

**Primary objective:** Long-term professional development of individuals.

A leader using this style:

- Helps individuals identify their individual strengths and weaknesses in the light of their aspirations. Reaches agreement with individuals on both the manager's and the individual's roles in the development process;
- Provides on-going support, challenge and feedback;
- May trade-off short-term performance for longer-term development. Share exciting assignments for development purposes; and
- Rewards adequate performance and rarely gives negative feedback or punishes others.

Effectiveness of the Coaching Style

# **Most Effective**

- The team member acknowledges a discrepancy between where they are and where they would like to be
- Individuals are motivated to take the initiative, be innovative, take risks and seek professional development

# **Least Effective**

- In a crisis and there is no time to invest in longer-term development of individuals
- The leader lacks personal credibility or coaching skills, e.g., empathy, emotional intelligence, etc. When individuals are seeking direction and feedback – they will be uncomfortable with the self- management aspect of the coaching style

To increase the coaching style, try the following:

- Establish professional and personal development goals. Try to do reality checks on their suggestions and resist telling them what to do. Seek to understand their perspective and not enforce your own;
- Contract to help. Ask them how you can support them. Resist finishing the discussion in one session if they can't come up with any ideas. Ask them to book a follow up session with you – show them you mean to support them and want their ideas;
- Resist telling employees what to do in any given situation. Encourage them to consult with you but ask them questions, e.g., how do you feel about this challenge and how do you want to feel about this challenge? What are you minded to do next? How do you see your options? What would move you towards that? Have you ever had a situation like this before and what did you learn from it?
- Seek opportunities for their personal development. Offer them assignments that will challenge them but will move them towards their goals. This may involve you advocating their involvement in an area outside your immediate responsibility. Trust that you will reap your rewards later; and
- Encourage partnerships. Review employees' progress and share responsibility for it. Don't take over – it's their life

To turn down the coaching style, try the following:

First of all, ask yourself – why do
I want to turn down this style? As
Goleman says, "The coaching style may
not scream 'bottom-line results' but, in
a surprisingly indirect way, it
delivers them;"

- If this style is an over-played strength –
   it happens ask yourself exactly what's
   going wrong here;
- Seek feedback. Listen to the answers.
   What other styles need to be turned up? What's missing? and
- Check that you've really been applying the coaching style effectively and have the skills for it. To quote Goleman again, "Leaders who are also pacesetters – focussed exclusively on high performance – often think they're coaching when actually they're micromanaging or simply telling people how to do their jobs. Such leaders often concentrate solely on short-term goals. That bent keeps them from discovering employees' long-term aspirations – and employees, in turn, can believe that the leader sees them as mere tools for accomplishing a task, which makes them feel underappreciated rather than motivated."

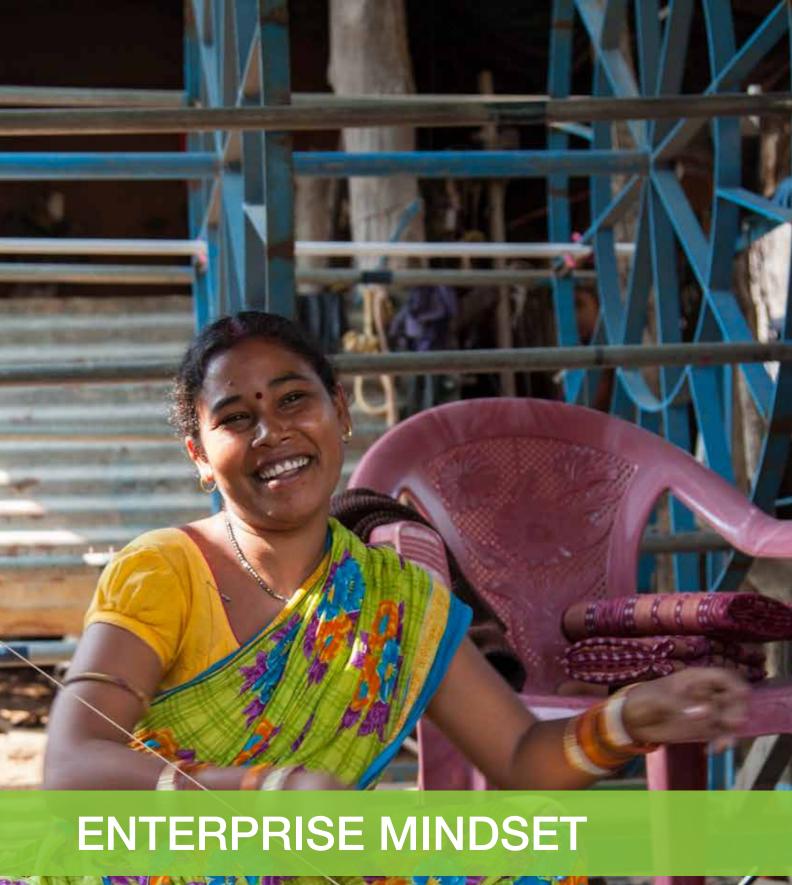
# Step 2: Activity 2 (25 minutes)

- 1. Each participant will reflect and answer the following questions:
  - a. What kind of leader do you want to be? Give five characteristic traits.
  - b. During the past two years, recall three of your exemplary leadership practices that contributed to your success as a leader.
  - c. During the past two years, identify three blind spots in your leadership behaviour.
  - d. Give two role models/mentors that you would like to learn from.
  - e. What are the traits that you think will hold you back?
  - f. Now that you are more aware of your blind spots, identify how you will manage your leadership blind spots.
- They will pair and share their plan with a partner.

# **Key Learnings**

Leaders need a written plan. At the very least, a leader must have a vision for her leadership that she can share with others and inspire action. Reflecting on exemplary practices, blind spots, learning opportunities, personal mission statement, early wins, strategic alignments, celebrations with the support of a mentor/coach should help move a good leader to a great leader.

# **FIELD WORK (Practicum Tasks & Reflection Workshops)**





# **ENTERPRISE LIFE CYCLE MANAGEMENT**

# **Course Introduction**

An enterprise faces different kinds of challenges during various stages of its life cycle. The entrepreneur must develop the ability to comprehend the challenges and deal with them effectively by cultivating a flexible mindset. This course will introduce the challenges and the competencies required to deal with them.

# **Course Objective and Scope**

By the end of the course, participants would have:

- Assimilated the various issues faced by a collective during different stages of its life cycle; and
- Become proficient in the choice and use of appropriate metrics for analysis and decisionmaking and to address the challenges of the enterprise during different stages of its life cycle.

# **Recommended reading**

- 3. Cook, Michael, 2009. A Cooperative Life Cycle Framework
- 4. Cook, Michael, 2018. A Life Cycle Explanation of Cooperative Longevity

# **Faculty Profile**

- Senior leader with over a decade of experience in an enterprise, preferably a people's institution; and
- b. Academic of repute with exposure to collectives and their functioning.

# **Practicum Tasks**

The following Practicums need to be fulfilled for completion of the course:

# **Overview of Course**

Sl. No	Objectives
	Participants will be able to:
1	Comprehend the various stages in the life cycle of an enterprise/PC and challenges unique to the stages.
	Practicum Task 1
2	Identify and analyse the problems of the enterprise/PC during any stage, develop feasible solutions and choose the best among them;
3	Identify the stage of an enterprise based on the challenges seen and suggest solutions;
4	Factor in the challenges during the conceptualization of a new enterprise; and
5	Analyse the effects of macro-environmental (technological, marketing, economic, human resources, etc.) changes.
	Practicum Task 2
6	Develop adaptive mechanisms to cope with the challenges arising from such changes; and
7	Grapple with the challenges associated with growth in scope and scale.
	Practicum Task 3
8	Develop the resilience to cope with unanticipated changes and challenges arising from internal or external factors.

# **Pre-requisites**

- All participants must be divided into groups of three each and allotted an enterprise;
- The worksheets need to be briefed and given to the participants in advance; and
- The analysis of each Practicum needs to be presented by the participants in the sessions.

**Task 1:** Observe a few enterprises at different stages of their life cycle and analyse the various challenges an enterprise faces at the beginning, five years, 10 years and 15 years after commencement of operations.

# Worksheet 1 for Task 1

- 1. Name of the enterprise
- 2. When was it established?
- 3. Challenges at the inception stage
- 4. Challenges at the end of five years
- 5. Challenges at the end of 10 years
- 6. Challenges at the end of 15 years

Participants must also take a note of the issues and challenges, their solutions and enablers at each of these stages.

Discuss what the enterprises could have done differently if they had a chance to know in advance that they would face these challenges.

**Task 2:** Develop plans and feasible solutions to address foreseeable challenges.

# Worksheet 2 for Task 2

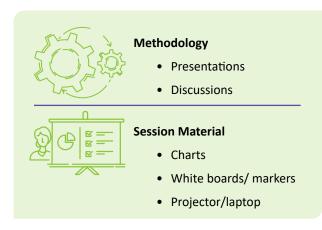
- 1. Visit one's own enterprise/PC and list the possible challenges in the future.
- 2. List the indicators that helped one identify the challenges.
- 3. What are the possible solutions that can be learnt from the previous Practicum task?
- 4. What are some of the difficulties in implementing that solution?

Task 3: Learn to cope with contingencies

#### Worksheet 1 for Task 3

- 1. What are some assumptions one has made in the plans for tackling the foreseeable challenges?
- 2. Can one envision a scenario where these assumptions can change?
- 3. In one's plan, has one incorporated the strategies to meet the contingencies?
- 4. Have the enterprises one visited shared any experience that came about due to changes in an external factor?

**Session Objectives:** Participants will be able to comprehend the various stages in the life cycle of an enterprise/PC and the challenges unique to the stages.



# Step 1:Understanding Life Cycle of an Enterprise (10 minutes)

- a. Birth of an enterprise: The birth phase, also known as the "pioneering" or "creation" phase, is the stage when the company has just been founded and everyone involved in it is filled with energy and new ideas.
  - Example: If two software professionals team up to design an innovative new application, they may start out working 80-hour weeks out of a small office with no employees. The birth stage is characterized by creativity and energy.
- b. Growth of the enterprise: The growth phase of the enterprise life cycle is when the company takes off. Growth is usually rapid as the company expands into new markets and more and more customers find out about the product.
  - Example: A women's rural enterprise cultivating organic mangoes may start from a small farm. Slowly, once the sale is good, more farmers will become part of that enterprise and more land can be used to grow mangoes. At this stage, the women will try to understand different cultivation techniques, making nurseries and classifying the quality of their mangoes for the market.
- c. Maturity phase: The maturity phase marks the mid-life crisis of a business enterprise. The company growth and sales figures are starting to flatten, as most of the people who need what the company sells have already bought it. The maturity stage, also known as the "operate" or "renewal" stage of the enterprise life cycle, represents both danger and the potential for

- new opportunities. If the company focuses on operating its business according the status quo, flat sales figures can eventually become declining sales figures, leading to the death of the enterprise. If the company can find a way to renew itself from within, instead of just maintaining things the way they are, then a new cycle of growth is possible.
- d. Death or rebirth: Companies that don't innovate on a regular basis can fall behind the competition. To prevent this from happening, the company must find a way to renew the energy it originally had in the birth or creation phase. One way to do this is to create new project teams within the organization. A new project team oversees creating and developing innovative new products, so members of the team should be creative people with fresh ideas and talent. Although the company is an enterprise with a life cycle, each new project team is also an enterprise with a life cycle of its own.

#### Step 2: Case Study (20 minutes)

- Facilitator and participants analyse the life cycle of a rural enterprise and understand the challenges faced by them during the whole cycle.
- Using this case study, the facilitator will explain different stages of Shyama's enterprise and the challenges she faced at each stage.

Shyama lives in Gondia village with her two daughters, of whom one is two years old and the other is seven. Her husband earns a meagre income INR 4,000 per month which is not enough for the family to survive. Therefore, Shyama decided to start a stationery store in her locality. She realized that she only had savings of INR 2,000 which she could invest in the stationery shop. She was worried that, with this amount, she would not be in a position to buy even basic amenities for the shop. Luckily, she did not have to pay rent as there was a little space in her house which could be converted to the shop. Shyama decided to make five of her friends partners in the enterprise and asked them to pool in INR 2,000 each. The profit from the shop was to be shared equally among the partners. Her friends agreed and they had a capital of INR 10,000 to start their business. Initially, there was a huge buzz in the village about the shop and it was generating a monthly profit of INR 500. After one year, the profits started drying up and they were struggling to even generate a profit of INR 100 a month. The reason for their struggle was that four grocery shops that were already running their operations in the village had started selling the hot-selling stationery items in their own grocery stores. So, the villagers started buying stationery items from

those grocery shops as it was more convenient to them. Shyama was devastated and thought of closing her business. Slowly, her partners pulled out. She had to shut the business after struggling for two months.

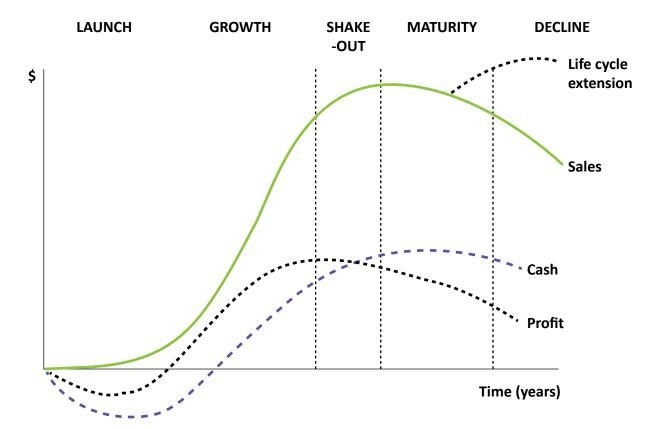
About six months later, a government representative visited her village to publicize about the government's loan scheme at zero interest rate. Shyama was curious to know about the scheme as she was looking for an opportunity to re-start her business. She got to know that she could take a loan of INR 15,000 for a period of one year which could be re-paid after three years at 0 percent interest rate. Shyama registered for the scheme and the loan amount was transferred to her account after one month. This time, she took feedback from the villagers

on the type of products they wanted at the stationery shop. The villagers informed her that there was no shop to sell school uniforms or shoes in the village. So Shyama incorporated these items in her shop. Soon after, her business revived with a monthly profit of INR 350. She generated a record profit of INR 800 in the month when schools re-opened.

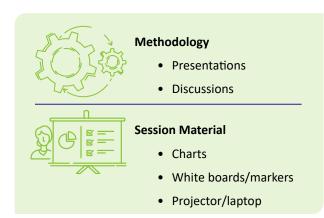
# Step 3: Closing (10 minutes)

Participants have to visit a shop and discuss with the shopkeeper the different stages of his/her shop and the challenges faced throughout. Do ask him/her if he/she knows anyone whose shop shut down or someone who revived his/her business. Ask the reasons.

Figure 10: Life cycle of an enterprise



**Session Objectives:** Participants will be able to comprehend the various stages in the life cycle of an enterprise/PC and the challenges unique to the stages.



# Step 1: Understanding the Life Cycle of an Enterprise (30 minutes)

- The facilitator will enunciate the various stages of an enterprise life cycle.
- Participants can extend their learning from session 1 to this session.

The business life cycle is the progression of a business and its phases over time; it is most commonly divided into five stages: launch, growth, shake-out, maturity, and decline. The cycle is shown on a graph with the horizontal axis as time, and the vertical axis as dollars or other financial metrics. In this article, we will use three financial metrics to describe the status of each phase of business life cycle, viz. sales, profit, and cash flow.

# **Phase One: Launch**

Each company usually begins its operations by launching new products or services. During the launch phase, sales are low but slowly (and hopefully steadily) increasing. Businesses focus on marketing to their target consumer segments by advertising their competitive priorities and value propositions. However, as revenue is low and initial start-up costs are high, businesses are prone to incur losses in this phase. In fact, throughout the entire business life cycle, the profit cycle lags the sales cycle and creates a time delay between sales growth and profit growth. This lag is important as it relates to the funding life cycle, which is explained in the latter part of this article. Finally, the cash flow during the launch phase is also negative but dips even lower than the profit. This is due to the capitalization of initial start-up costs that may not be reflected in the business' profit but that are certainly reflected in its cash flow.

#### **Phase Two: Growth**

In the growth phase, companies experience rapid sales growth. As sales increase rapidly, businesses start seeing profit once they pass the break-even point. However, as the profit cycle still lags the sales cycle, the profit level is not as high as sales. Finally, the cash flow during the growth phase becomes positive, representing an excess cash inflow.

# **Phase Three: Shake-out**

During the shake-out phase, sales continue to increase but at a slower rate, usually due to either the approaching market saturation or entry of new competitors in the market. Sales peak during the shake-out phase. Although sales continue to increase, profit starts to decrease in the shake-out phase. This growth in sales and decline in profit are accompanied by a significant increase in costs. Lastly, cash flow increases and exceeds profit.

# **Phase Four: Maturity**

When the market matures, sales begin to slowly decrease. Profit margins get thinner while cash flow

Enterprise	Year(s) since inception	Stage of the enterprise	Challenges	Solutions

stays relatively stagnant. As firms approach maturity, major capital spending is largely behind the business and, therefore, cash generation is higher than the profit on the income statement.

However, it is important to note that many businesses extend their business life cycle during this phase by reinventing themselves and investing in new technologies and emerging markets. This allows companies to reposition themselves in their dynamic industries, and hence refresh their growth in the marketplace.

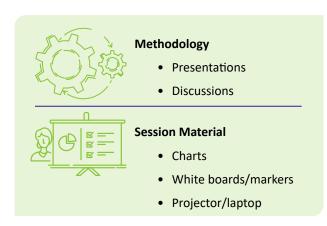
### **Phase Five: Decline**

In the final stage of the business life cycle, sales, profit and cash flow all decline. During this phase, companies accept their failure to extend their business life cycle by adapting to the changing business environment. Firms lose their competitive advantage and finally exit the market.

### Step 2: Presentations (30 minutes)

- Facilitator will be evaluating the learning of the participants from their Practicum 1.
- Participants will be completing the following table:
- Participants will brainstorm on multiple solutions for the challenges and identify the best ones.

**Session Objectives:** Participants will be able to identify the stage of an enterprise based on the challenges seen and suggest solutions.



### Step 1: List the Categories of Challenges in an Enterprise (30 minutes)

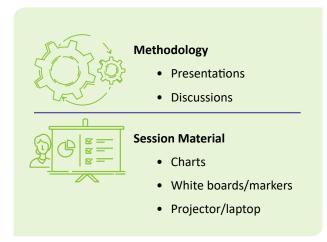
- Participants will be able to create a list of challenges they saw during their Practicum.
- They will categorize them based on the nature of the challenges.

Category	Challenges
Marketing Finance	
Production (delivery, quality, raw materials, etc.)	
Human resources (HR)	
Management/culture	

### Step 2: Create Solutions (30 minutes)

- Participants will be listing the challenges and the stage of the enterprise.
- Participants will identify the enablers that can resolve the challenges.
- Brainstorm with the facilitator based on the facts/concepts that the participants might not have reckoned.

**Session Objectives:** Participants will be able to factor in the challenges during the conceptualization of a new enterprise.



## Step 1: List Type of Challenges in an Enterprise (40 minutes)

### 1. Developing the Vision and Business Idea

Developing a business idea is usually the first challenge faced by every entrepreneur when starting a business from scratch. Finding the right business opportunity or creatively developing an idea is certainly not an easy task. "Envisioning the idea" is the first true task of an entrepreneur. As an entrepreneur, one must possess the ability to see what others cannot see. While others see problems, the entrepreneur must see opportunities.

But seeing opportunities is just the beginning. The main business challenge is going to be one's ability to forge that opportunity into a business idea. I see this as a business challenge because the process of transforming problems into business opportunities is like trying to turn lead into gold. Called "creating value out of nothing", this entrepreneurial process brings innovative products into existence. An illustration of how the process goes follows.

Developing a vision is a business challenge because an entrepreneur must sometimes assume the role of a sorcerer. Let me explain in detail. Most individuals are comfortable with the present way of doing things, but it is the duty of an entrepreneur to envision and forecast the future.

An entrepreneur must always be ahead of her/his time or else, she/he will lose her/his relevance. It is the duty of an entrepreneur to bring to the present what is yet to be. It is also the duty of an entrepreneur to bring solutions to other people's problems. Let me give a few practical illustrations:

Back in the days when cars were custommade and exclusively for the rich, Henry Ford envisioned affordable cars for the masses. That single vision made Henry Ford one of the richest men in history.

The Wright brothers envisioned a flying machine but they were massively opposed because the thought of humans flying was perceived as impossible. Today, the airplane is a common reality.

I believe, with these examples, my point is clear. Developing the vision and idea is the first true task and challenge of being an entrepreneur.

### 2. Assembling a Business Team

The second business challenge one will face in the course of starting one's business from scratch is assembling the right business management team. When I talk about a team, I am not talking about regular employees. I am talking about a "strategic round table business team" that will meet regularly to brainstorm on ways to grow one's business.

The process of building a business team starts even before the issue of raising initial start-up capital arises. Remember I said that most brilliant ideas never scale through the phase of raising venture capital. Well, this is where most emerging entrepreneurs miss it. Most brilliant ideas and products never get funded because the entrepreneur is trying to raise capital as an individual. A business team is a vital, yet often ignored, key to raising venture capital successfully.

### 3. Raising Capital for one's Business

After developing one's idea and getting one's business team in place, the next challenge one is going to face when starting a business from scratch is that of raising capital. As an entrepreneur, only s/he knows the business idea to the core. S/he is the only one that can envision the story of one's future. It is helpful, though, to have a team behind one that knows one's vision and can provide investors with extra information and a good feeling.

Trying to convince investors about something that doesn't exist yet is a challenge, especially in times of economic recession. Trying to make them understand that one is trustworthy and equal to the task is not child's play, especially when one is building one's first business and has to prove to the world that she/he is up to it.

To overcome the challenge of raising capital, the entrepreneur must develop the ability to sell her/his idea and vision to potential investors. When I say, "sell one's ideas", I mean improving one's communication skills and one's manner of presentation. In the game of raising capital, one must have a good story to tell, backed by a strong business plan, a good business team and good persuasion skills.

### 4. Finding the Right Business Location

Try to find a location where there are more starting entrepreneurs to split costs and help each other with infrastructure, leads and/ or business.

### 5. Finding Good Employees

Most managers think the process of finding good employees is an easy task. They define the process of finding an employee as simply presenting the job description and the right employee will surface. But there is much, much more to it than that.

Business owners know how difficult it is to find a hard-working, trustworthy employee. Most employees want to work less and get paid more. Finding a good employee who will be passionate about delivering his or her services is quite difficult. Finding good employees is a minor task compared to the business challenge of forging one's hired employees into a team. One may have great employees but if they cannot act as a team, they are worthless and will yield nothing but stagnation. A football team may have great players but if they fail to play as a team, their combined skills are utterly useless.

Employees are the representatives of one's business to one's customers and the outside world. They reflect one's business culture and ethics. If just one employee is rude to just one customer, it is going to portray a bad image of one's company. Remember: bad news travels fast! So, one must be very careful when hiring employees. Remember the golden rule of business; "hire slow and fire fast."

Team building and hiring the right employees are a science. When one starts one's own business, find a protocols consultant to get one off at the right foot!

### 6. Finding Good Customers

The sixth challenge one will face in the process of starting a small business from scratch is finding good customers. Note the keyword "good customers." In the process of building a business, one will come to find out that there are good customers as well as bad customers. One must be on guard against bad customers.

Good customers are hard to find. A good customer will be loyal to one's company and will be willing to forgive if one makes a mistake and apologizes. A good customer will try to do the right thing that will benefit both himself/herself and one's company mutually.

### 7. Dealing with Competition

Competition is the next challenge one will face when starting a business. Most individuals see competition as a plague but I see competition as a good challenge. I see competition as a benchmark for creativity, the main engine that stimulates innovation and production of quality products at great prices. Without competition, there will be no innovation and without innovation, one's business will become stagnant.

I see competition as a welcome challenge. Competition keeps us on our toes and drives us to constantly improve our products and services. But one must be warned. Competition can make one's business lose its relevance in the eye of one's customers; so, one must always be on guard and on top of one's field.

### 8. Unforeseen Business Challenges and Expenses

Just as a pilot is always on the watch for unpredictable bad weather, thunderstorms and technical failures, so a good entrepreneur must always be prepared for whatever may occur. Unexpected challenges can come in the form of:

- Not being able to make payroll;
- · Bad debts from customers;
- Loss of market share;
- Unpaid bills and taxes;
- Inadequate stock or inventory;
- Unexpected resignation of staff from sensitive positions; and
- · Dwindling working capital.

These business challenges, if not handled properly, can ruin one's plan to build a successful business. Another challenge one must expect is an unforeseen increase in business expenses. If not handled properly, it might result in constant negative cash flow and, eventually, business failure.

### 9. Keeping with Industrial Changes and Trends

Change in trends is a challenge one must be prepared for when starting a small business. Trends have made and broken lot of businesses. I know a lot of profitable businesses that have been wiped out by slight industrial changes and trends. A typical example is the dotcom trend of the mid-1990s, where many established businesses were wiped out by emerging webbased dotcom companies.

### 10. Exiting the Business

When building a business from scratch, one will face the challenge of determining the exit strategy. One has to plan the exit strategy before the entrepreneur even starts the business. Most entrepreneurs run their business without any plans to exit and even if they have an exit strategy, they find it difficult to implement it.

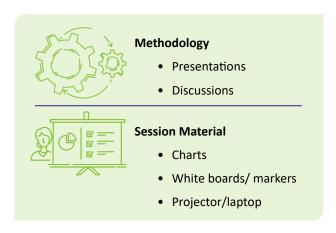
### Step 2: Listing Challenges (20 minutes)

- Based on the context of the enterprise, participants will describe the nature of challenges.
- They will evaluate and analyse the causes of a given challenge.



### **SESSION PLAN 5 AND 6**

**Session Objectives:** Participants will be able to analyse the effects of macro-environmental (technological, marketing, economic, human resources, etc.) changes.



### Step 1: Macro Environmental Changes (45 minutes)

- Participants will understand the importance of changing external factors that impact the business.
- Case Study: The participants can evaluate
  the importance of technological upgradation
  in agriculture, viz., the use of tractors and
  harvesters and their impact on farm income
  as opposed to manual labour. Participants can
  compare the change in marketing, promoting
  products on WhatsApp and internet compared
  to door-to-door promotion and advertisement.

 Similar cases can be evaluated and taken from the participants to identify the macroenvironmental changes.

### 1. Socio-cultural Environment

The social values and culture of an environment play a huge role in the functioning of the company; when the social environment changes it can have a direct or indirect effect on the company.

For example, in recent times, society has seen a shift, and people no longer retire at 60. They work five to 10 years more after 60. So, this has had a huge impact on companies.

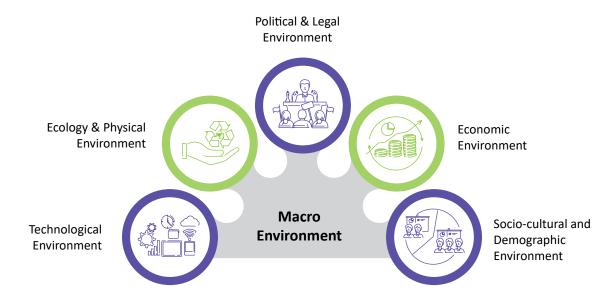
Cultural forces also have a significant impact on the success of a company in the long run, especially in India where the culture is diverse and its influences are strong and complicated.

### 2. Technological Environment

In the times we live in, technology is constantly changing; it is important that the business keep up with the changes. Technology is not only confined to computers and IT services, it includes products, manufacturing processes, marketing techniques, etc.

Technological developments can be a huge advantage for a firm. But, at the same time, if the technology used by the firm becomes obsolete due to such developments, it can also become a threat to the firm.

Figure 11: The macro environment



### 3. Economic Conditions of the Market

Economic conditions and the performance of a business have a very close relationship. A business depends on the economy for all its inputs and factors of production. It also sells its products and services in the same market.

A market is never in one stable condition. It is always in a flux. If there is a boom in the market, all businesses will benefit from the favourable conditions. The income will be higher, rate of interests will be low, new capital will be available, etc. The opposite is also true in case of a bust.

### 4. Ecology and Physical Environment

Ecology and physical environment play a huge part in the performance of any business. This is especially true for manufacturing/production companies. Let us take the example of global warming.

This change in our physical environment has started affecting the rainfall in certain regions. This, in turn, may affect the crops and cause a shortage in raw materials such as jute, cotton, rubber, etc.

Weather conditions, topographical elements, geographical location, climate changes and other ecological factors are a very important element in the macro-environment of a business.

### 5. Political and Legal Factors

The political environment of a country is the combination of three branches of the government – legislature, executive and the judiciary. The political environment of a country will mainly depend on the political beliefs and ideologies of the party in power at the state and central levels.

The legal environment refers to examination and interpretation of the rules, laws, regulations, past judgments, etc., that affect the functioning of a business. This will also include taxation laws and annual government budgets. So, a stable government with predictable legal policies is important if the business and the economy as a whole have to succeed.

### Step 2: Coping with Macro-environmental Changes (75 minutes)

 Strategies to cope with the macroenvironmental changes.  Participants can present their learnings from Practicum Task 3.

Strategic Response to the Environment

The business environment consists of the business organization itself and a lot of other internal and external factors. These factors are completely integrated with the organization.

The business environment is dynamic and multi-faceted as well. As a result, it is very difficult to predict the changes that happen in the business environment.

### 1. Least Resistance

This is a passive approach that some businesses maintain. The aim here is the survival of the business. So, they simply react to the changes and cope with their new situations in order to survive, not thrive.

These businesses do not predict or analyse their environment. They only react to the changes in their external environment to maintain their goals. There is no ambition to turn opportunities into benefits and grow the business. This is the path of least resistance.

### 2. Proceeding with Caution

At a slightly higher level, organizations do more than simply react. They make the effort to study and analyse their environment. They take an active interest in finding smart ways to adapt to the ever- changing external environment.

So, these companies will analyse the impact of the expected changes in their business goals and targets. They will then accordingly plan a strategic response wherein they will take both corrective and adaptive steps.

This is a far more sophisticated strategy than that of least resistance where we wait for the changes to occur. The said strategic response will allow the firm to move ahead with stability and strength.

It is more than mere survival; this strategy promotes the growth of the firm. It aims to mitigate the threats and seize the opportunities.

### 3. Dynamic Response

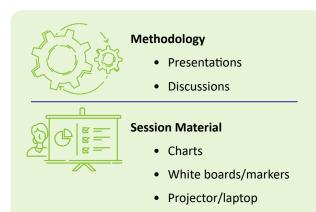
These organizations operate at a higher level. They are the leading organizations in their industries or in the market. For such firms, external factors are somewhat manageable or controllable, i.e., they have some minimal control even over their external environment.

Such companies have very powerful and dynamic analysis and feedback frameworks. They can see the major changes coming from a mile. They do not wait for the changes to occur but find ways to control and alter the environment to a favourable one (for their purpose).

Also, such companies are acutely aware of their strengths. They use these strengths to convert even threats into opportunities. They exploit the weaknesses of the environment and turn threatening situations to their advantage. This is the most dynamic and strongest strategic response.



**Session Objectives:** Participants will be able to grapple with the challenges associated with growth in scope and scale.



### Step 1: Scope and Scale of Enterprises (20 minutes)

**Scope:** The different business activities taken up by enterprises.

Example: Amul produces ice creams, chocolates, curd, butter, ghee, buttermilk, sweets, etc., in addition to processing liquid milk.

**Scale:** The depth of operations or size of reach of products/services/business operations.

### What are Micro, Small and Medium Enterprises?

**Definitions of MSMEs:** In accordance with the provision of Micro, Small & Medium Enterprises Development Act, 2006, MSMEs are classified in two:

- 1. Manufacturing Enterprises are enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951, or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. Manufacturing enterprises are defined in terms of investment in plant and machinery.
- Service Enterprises are enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment.

The limit for investment in plant and machinery/ equipment for manufacturing/service enterprises are mentioned here:

### Step 2: Challenges in Scaling Up (20 minutes)

Participants need to consider the challenges before making the decision to scale up their enterprises. It is an exciting process that has the potential to bring significant success to both one's business and to the founder.

That said, scaling up a company isn't an easy thing to do, as many changes needed can derail even previously successful businesses. Here are seven challenges to watch out for as one grows:

### 1. Scaling up before Perfecting Product-market Fit

The first mistake many founders make is beginning to scale up their enterprise too soon. Some founders try to scale up with errors still present in the product, believing that the kinks will work themselves out over time.

Manufacturing Sector			
Enterprises	Investment in plant & machinery		
Micro Enterprise	Does not exceed INR 2,500,000		
Small Enterprise	More than INR 2,500,000 but does not exceed INR 50,000,000		
Medium Enterprise	Medium Enterprise More than INR 50,000,000 but does not exceed INR 100,000,000		
Service Sector			
Enterprises	Investment in plant & machinery		
Micro Enterprise	Does not exceed INR 1,000,000		
Small Enterprise	More than INR 1,000,000but does not exceed INR 20,000,000		
Medium Enterprise	More than INR 20,000,000 but does not exceed INR 50,000,000		

### 2. Choosing the Wrong People to Work With

Whether it is adding suppliers, staff and/or investors or growing internal teams, this is one of the most common mistakes founders make. It's easy to simply accept the help and staff that come along naturally, without thinking about how they fit into one's bigger plan. But remember that these people represent long-term relationships, so carefully consider how they will work with one's company and culture.

If possible, hire people who have scaled up a business before and rely on their expertise, but remember that a strong cultural fit and competence are most important.

### 3. Focusing on Sales and Marketing instead of Building Long-term Demand

When scaling up, many founders focus on ramping up their sales and marketing activities, but these are only short-term, tactical initiatives. Creating a strong buyer market and building long-term demand is important to one's overall success. Believe it or not, there is such a thing as over-hiring for sales in one's business!

### 4. Competing on Price

As one begins to scale up business, it can be tempting to compete on price. One may think that if one can ramp up production, one can cut one's price and still be profitable. While this works occasionally, competing on price often results in a "race to the bottom," both in terms of profit and quality.

It is far better to compete on quality, ingenuity and customer service than to position oneself as one's industry's low-cost provider. If one can sell one's customers on the value one provides, one can keep prices reasonable without having to stress about eventual competition.

### 5. Not Changing Management Structures as Growth Occurs

The management and leadership structures that work well with a company of 50 people may

not work at all with 250. Remember that scaling brings its own changes and challenges, and one's leadership team must be ready to adapt. A flat structure that worked well when one was small may have to give way to a more defined leadership tree over time as one's enterprise grows.

### 6. Ignoring Issues that Pop Up

A founder who is scaling a business cannot afford to be blind to issues that pop up. Growth, especially if it happens quickly, takes almost everyone out of her/his comfort zone. There are bound to be personnel, personality and product issues along the way – just to name just a few. As a leader, one must be prepared to confront issues head on to avoid long-term damage to one's company.

# 7. Forgetting that Trimming Fat is Part of Scaling Up

Some founders think that scaling up only involves growing upward and outward. However, as one's company grows, one may find things that no longer work, departments that are no longer needed, and staff members that don't gel. Trimming back those items that aren't working is an important part of building towards things that are. As one scale one's business, don't be afraid to trim fat so that one's company can grow effectively.

### Step 3: Challenges in Growing in Scope (20 minutes)

- The growth in scope can be compared to learning a new skill.
- The facilitator can ask the participants to list the challenges in learning a new skill and compare it to the growth of an enterprise.
- Invest in technology;
- 2. Market entry challenges;
- 3. Managing current operations with expansion management; and
- 4. Financial resources involved.

**Session Objectives:** Participants will be able to develop the resilience to cope with unanticipated changes and challenges arising from internal or external factors.



### Methodology

- Presentations
- Discussions



### **Session Material**

- Charts
- White boards/markers
- Projector/laptop

### Step 1: Framing Questions (10 minutes)

The participants need to make a list of question that would help them answer questions on the growth of their enterprise.

- HR
- Finance
- Governance
- Expansion scope and scale
- Business
- Technology
- Communications

### Step 2: Present Case Study including Causes of Challenges (10 minutes)

• Participants will present their learning from Practicum Task 3.

- Participants need to analyse the assumptions that may have led to their inability to foresee the challenge.
- Identify the external and internal factors for the challenge.

### Step 3: Create Strategies to Cope with Unexpected Changes (40 minutes)

Dealing with unexpected changes is a part of risk management, through which businesses know the effects of many changes in the external environment and develop strategies to cope with them.

However, totally unexpected changes such as technological breakthroughs rendering the business processes and investment totally irrelevant cannot be handled by tinkering with status quo, but only by re-inventing the business. Examples abound in IBM's initial inability to embrace Windows OS, Kodak photofilms, HMT wrist-watch business, Hindustan Photo-films, Hindustan Teleprinters, etc.

Equally important is the effect of sudden political upheavals, mass revolt, etc. When Uganda came under the rule of Idi Amin, all foreign firms had to flee the country at little or no notice. When communal riots take place, many small businesses get destroyed. Fortunately, the assets are insured and businesses re-establish themselves once calm is restored.

In general, businesses face unexpected challenges on many occasions but they must provide for the worst-case scenario by deploying suitable insurance mechanisms and building sufficient resilience to protect themselves for such scenes. Usually, businesses re-invent themselves and spring back if the spirit of entrepreneurship resides in them; otherwise, they vanish.



# STAKEHOLDER MANAGEMENT AND RAISING RESOURCES

### **Course Introduction**

This course introduces both stakeholder management and raising resources and emphasizes the analysis and evaluation of the principles and values behind the core concepts. It covers the required communication strategy for stakeholders, influencing and negotiating practices, long-term stakeholder management, strategy for raising resources, optimizing the resources and their management. The course ensures that the participants can continuously compare the sub-conscious practices used and delivered at household levels and apply them in larger contexts.

### **Course Objective and Scope**

By the end of the course, participants should be able to:

1. Map their internal and external stakeholders; and

2. Understand and articulate the approach to engagement with all the stakeholders.

### **Generic Readings for the course:**

- a. https://www.apm.org.uk/resources/find-a-resource/stakeholder-engagement/key-principles/
- b. https://www.profitbooks.net/funding-options-to-raise-startup-capital-for-your-business/

### **Recommended Faculty Profile:**

- a. Professionals who have been engaged in promotion and development of business enterprises in rural areas; and
- b. Individuals experienced in managing marketing or production in producer-owned enterprises.

### **Overview of Course**

S. No	Objective				
	Participants will be able to				
	Practicum Task 1				
1	List all the stakeholders in an enterprise and list them in the order of their priority; and				
2	Identify the need for partnerships and linkages and will imbibe the tools needed to identify them.				
	Practicum Task 2				
3	Identify ways in which they can invest in relationships;				
4	Develop competencies to evaluate the nature of conflicts and the negotiation techniques needed;				
5	Implement practices for effective long-term stakeholder management;				
6	Identify the different resource needs of an enterprise and map them;				
7	Imbibe different resource mobilization strategies; and				
8	Develop a plan for resource mobilization for their enterprise.				

### **Practicum Tasks**

The following Practicums need to be fulfilled for completion of the course:

### **Prerequisites:**

- All participants must be divided into groups of three and allotted a manufacturing unit and a service unit for the visit.
- The worksheets need to be briefed and given to the participants in advance.
- The analysis of each Practicum needs to be presented by the participants in the sessions.

Task 1: Identify the different people the enterprise works with and how the relationship works.

### Worksheet 1 for Task 1



Task 2: Identify two partnerships, one that is successful and one that has failed and evaluate the quality of the approaches.

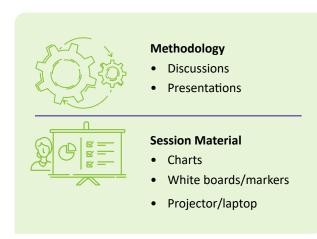
### Worksheet 2 for Task 2

- Has the enterprise allotted to you been associated with any one organization or partner for a long time? Name the partner.
- Name a partnership that has not worked out for that enterprise.
- Fill the following graphic organizer with one successful and one unsuccessful partnership to understand the factors that work well for successful partnerships:

Partner Details	Enterprises opinion on the	Partners opinion on the partnerships
Name: Years of partnership: Describe the partnership:	<ul> <li>Some guiding questions:</li> <li>Who established the partnership?</li> <li>Was this partnership successful? If so, why? If not, why not?</li> <li>Were there any conflicts of interest with the partner?</li> <li>How did the differences get resolved?</li> </ul>	<ul> <li>Some guiding questions:</li> <li>Who established the partnership?</li> <li>Was this partnership successful? If so, why? If not, why not?</li> <li>Were there any conflicts of interest?</li> <li>How did the differences get resolved?</li> </ul>
Partner 2	Same as above	Same as above

### **SESSION PLAN 1**

**Session Objectives:** Participants will be able to list all the stakeholders in an enterprise and list them in order of priority.



### Step 1: Define Stakeholders (20 minutes)

A stakeholder is an individual, group or organization impacted by the outcome of a project. She has an interest in the success of the project and can be within or outside the organization that is sponsoring the project. Stakeholders can have a positive or negative influence on the project.

**Example:** We all have been to school and been students once. Identify all those people/group of people who are involved in the education of a child and are impacted by the good performance of a child.

Stakeholder and why is it the stakeholder

- **1. Teacher:** His/her skills, credibility, respect is judged. The child observes and learns from her/him.
- **2. Principal:** Decision and intent affect the school and student. Good students make a good school.
- **3. Friends:** The child develops interests and habits in their company.
- **4. Parents:** They shape their children. Their happiness is associated with the independence the child achieves.
- **5. Society/neighbourhood:** It influences the child's perception of people. A child who takes good initiatives and is good-natured is an example.
- **6. Country:** The environment and leadership influence the dreams and attitude of the child.

### Step 2: Presentation of PPracticum 1 (20 minutes)

Each team would be presenting the list of stakeholders of the enterprise it visited and the relationships among stakeholders.

### Step 3: Identify Stakeholders and their Distinguishing Features (20 minutes)

- The participants will watch the video: https://www. youtube.com/watch?v=4SiRZNx4jlE
- List the stakeholders in the video: community bringing milk; enterprise/collective staff collecting milk; distribution partners – truck services; customers – boy/mother in the city; media – to make this movie for advertisement; the government – which supports the initiative.

**Resource:** Tool for Identifying Stakeholders In general, stakeholders of an enterprise can be identified by the acronym RASCI.

**Responsible:** for the task completion, e.g., employees **Accountable:** those who take decisions, e.g., BOD **Support:** those who provide external support, e.g., customers, distributors, investors

**Internal stakeholders:** entities within a business (e.g., employees, managers, BOD, investors). External stakeholders are entities not within a business itself but who care about or are affected by its performance (e.g., consumers, regulators, investors, suppliers).

Consultants: experts who give advice

**Informed:** those who have to be informed regularly such as the government/investors

Figure 12: Stakeholders of an enterprise



**Session Objectives:** Participants will be able to identify the need for partnerships and linkages and imbibe the tools needed to identify them.



### Methodology

- Discussions
- Presentations



### **Session Material**

- Charts
- White boards/markers
- Projector/laptop

### Step 1: Need for Partnerships and Linkages (5 minutes)

Linkages and partnerships are created mainly for the following reasons:

- To overcome the weaknesses and constrains.
- To utilize other's strengths, resources and skills.

### Step 2: Identification of Needs for Partnerships and Linkages (40 minutes)

Divide the participants into four teams. They will fill the format given below to identify gaps in the value chain. The facilitator will go from team to team to support them:

**Example exercise:** Discover the weaknesses and constraints of members and/or FPO, using the following format:

		Weaknesses and Constraints of		
S.no.	Stages in value chain	Members	FPO	
1	Agricultural inputs (seed, fertilizer, etc.)			
2	Agricultural practices (sowing to harvesting)			
3	Financial resources			
4	Transport, storage and packaging			
5	Processing and value addition			
6	Marketing – local, national market and export			
7	Risk management			
8	Government schemes			
9	Organizational need			
10	Any other			

### Area of linkages and partnership for FPOs

The above exercise will produce a list of weaknesses or constraints existing in the value chain, either at member level or FPO level. From this list, areas of linkages and partnerships have to be identified through the following steps:

- Prioritize the weaknesses or constraint in the value chain. These should be prioritized on the basis
- of their negative effect on getting the estimated return/ income.
- Get access to the organization(s) willing to help in overcoming these weaknesses and constraints.
- Invite organization(s) interested in sharing its/their strengths or resources or skills in the areas in which the FPO or members may or may not be weak or have any constraints.

### **Example exercise 2:** Prioritize the weakness or constraints

S.no.	Stages in Value Chain	Weakness/Constraint	Reduces Income	
			Significantly	Moderately
1	Agricultural inputs (seed, fertilizer, etc.)			
2	Agricultural practices (sowing to harvesting)			
3	Financial resources			
4	Transport, storage and packaging			
5	Processing and value addition			
6	Marketing – local, national market and export			
7	Risk management			
8	Government schemes			
9	Organizational need			
10	Any other			

### Step 3: Closing (15 minutes)

Each team has to present a list of the various gaps in the enterprises through the exercises and may have to visit the enterprise for more details to fill in the tables.

**Session Objectives:** Participants will be able to identify ways in which they can invest in relationships



### Methodology

- Discussions
- Presentations



### **Session Material**

- Charts
- · White boards/markers
- Projector/laptop

### Step 1: Discussion on Basis of Partnerships (10 minutes)

 Facilitator plays the following video and answer the following questions:

https://www.youtube.com/watch?v=QHN2EKd9tuE

Guiding questions to help compare partnerships with personal relationships:

- a. What do couples do to keep each other happy?
- b. What is the result of these practices?
- Trust, support, long-term partnerships would be the basis of any relationship.
- Enterprises similarly need to build trust and invest in partnerships, with each of the stakeholders, in different ways. All the stakeholders have something

to get from the partnership. If the relationships are good, there is better understanding. For this, it is important that everyone is involved in the process of enterprise development.

### Step 2: Investing in Internal Stakeholders (5 minutes)

- Discuss any good practices at the workplace that improve the morale of people. Example: Bonus during festivals, celebrating festivals/birthday (like in school), going for picnics, etc.
- Initiate discussion on how to build emotional connections among people. More examples could be cultural activities for people in different departments to come together or to celebrate; personal spaces where people can write/share ideas/appreciation; meetings held periodically to share ideas, problems, opinions.

### Step 3: Investing in External Stakeholders (5 minutes)

- Discuss the possibilities of engagement with external stakeholders, e.g., periodic meetings to share challenges; being honest about your work and progress; don't commit if you can't deliver; be clear about finances.
- Check if similar practices can be taken up with internal stakeholders.

### Step 4: Group Activity (5 minutes)

Each group runs an enterprise which produces good quality *murmura* (puffed rice). Each team would be given a chart and marker to present a plan for investing in relationships with stakeholders. They would be evaluated on the viability, budget and time requirement. Create a plan from two internal and two external stakeholders.

**Session Objectives:** Participants will be able to develop competencies to evaluate the nature of conflict and the negotiation technique needed.



### Methodology

- Discussions
- Presentations
- Role play



### **Session Material**

- Charts
- · White boards/markers
- Projector/laptop

### Step 1: Define Negotiation (15 minutes)

- Any two pairs of participants would be chosen to present a role play between:
  - a. A vegetable vendor and a buyer; and
  - b. A saree shopkeeper and customer.
- The negotiation needs to be debriefed by asking questions such as:
  - a. What was the negotiation about?
  - b. Do you think anyone got a better bargain?
  - c. Why do you feel that way?
  - d. Do you consider negotiation a skill?

Negotiation is the process of discussing something with someone in order to reach an agreement with them, or the discussions themselves.

### Step 2: Process of Negotiation (15 minutes)

- Discuss the different process of negotiation.
- Compare the process with a negotiation the participants are aware of.

### Resource

### 1. Preparation and Planning

Before the start of negotiations, one must be aware of the conflict, the history leading to the negotiation of the people involved and their perception of the conflict expectations from the negotiations, etc.

Before starting the negotiation, homework needs to be done.

What's the nature of the conflict? What's the history leading up to this negotiation?

Who's involved and what are their perceptions of the conflict? Moreover, before any negotiation takes place, a decision needs to be taken as to when and where a meeting will take place to discuss the problem and who will attend.

Setting a limited time-scale can also be helpful to prevent disagreement from continuing. This stage involves ensuring that all relevant facts of the situation are known in order to clarify your own position.

An assessment of the other parties' goals at the end of the negotiation also needs o be prepared. What are they likely to ask for?

### 2. Definition of Ground Rules

Once the planning and strategy are developed, one has to begin defining the ground rules and procedures with the other party over the negotiation. Where will it take place?

What time constraints, if any, will apply? To what issues will negotiations be limited? Will there be a specific procedure to follow if an impasse is reached? During this phase, the parties will also exchange their initial proposals or demands.

### 3. Clarification and Justification

When initial positions have been exchanged, both parties will explain, amplify, clarify, bolster and justify their original demands. This need not be confrontational. Rather it is an opportunity for educating and informing each other on the issues that are important and how each arrived at their initial demands. This is the point where one party might want to provide the other party any documentation or information that helps support its position.

### 4. Bargaining and Problem Solving

The essence of the negotiation process is the actual give and take, trying to thrash out an agreement, a proper bargain. It is here the concessions will undoubtedly need to be made by both parties.

### 5. Closure and Implementation

The final step in the negotiation process is formalization of the agreement that has been worked out and developing procedures that are necessary for implementation and monitoring. For major negotiations, this will require hammering out the specifics in a formal contract. The negotiation process has five stages. In all steps of a negotiation process, the parties involved bargain in a systematic way to decide how to allocate scarce resources and maintain each other's interest

### ■ Step 3: Comparing Negotiation Styles (20 minutes)

- Every negotiation needs to be built on a 'win-win' situation.
- Play the video: https://www.youtube.com/watch?v=r1UwbUZFV34
- Participants need to answer questions on the sustainability of the partnership and factors that impact a partnership.
- Classify successful negotiation.

### Resource

Bargaining Characteristics	Distributive Characteristics	Integrative Characteristics
Nature	Distributive negotiation is competitive in nature and requires that every party views every other party as a competitor	Integrative negotiation is collaborative in nature and all parties negotiate on friendly terms, acting as allies to one another
Focusing interest	In distributive negotiation, every negotiator focuses on meeting his personal interests, regardless of the loss the others may have to face	Integrative negotiation focuses on mutual interests of all the parties and thus comes up with constructive solutions that will be beneficial for all
Available resources	A fixed amount of resources is to be divided	A variable amount of resources is to be divided
Primary motivations	I win, you lose	I win, you win
Primary interests	Opposed to each other	Convergent or congruent with each other
Focus of leadership	Short-term	Long-term

**Session Objectives:** Participants will be able to develop competencies to evaluate the nature of conflict and the negotiation technique needed.



### Methodology

- Discussions
- Presentations



### **Session Material**

- Charts
- White boards/markers
- Projector/laptop

### Step 1: Define Long-term Stakeholder Management (10 minutes)

- Participants would watch the following videos: https://www.youtube.com/watch?v=09PGpYZlhrw https://www.youtube.com/watch?v=wy6oDLq8x5Y
- The facilitator needs to stimulate the participants' interest with the following questions:
  - » Who all were the stakeholders involved in the video?
  - » What was the objective of the movement?
  - » How were people of villages engaged for the given activity/event?
  - » How did they compel the villages to actively participate in the water-cup movement?
  - » What was the intention behind the fake calls the character was pretending to be making?
  - » Do you have any such success story around your village?

### Step 2: Learning Strategies or Mind-sets (10 minutes)

### **Understanding Practical People Engagement**

Practical people engagement stems from a research project within a company, Pearce Mayfield, which

studied the distinguishing habits of high-performing leaders of programmes and projects. The results led him and his team to conclude that a key discriminator was the way these leaders engaged with the people in and around their projects. They not only thought differently but actually behaved differently and the time they spent investing in relationships was clearly connected to the excellence of the results they achieved. In terms of one of the sources he references in the book, effective engagement with people became a 'keystone habit' for successful change leadership. Often referred to as 'stakeholder management', historically this area has often been treated as quite marginal to the business of project management and, if featured at all, tended to be explained only through the grid of linear process and documents.

### **Developing a Personal Plan of Action**

A personal plan with all the actions and covering the pointers below:

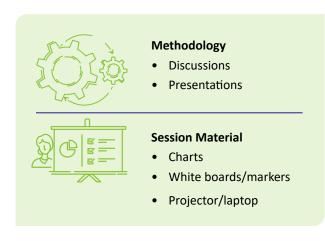
- Build trust between partners.
- Avoid misunderstanding.
- Develop clear expression of interest.
- Build transparency among partners.
- Follow strict business principles such as reporting, accountability, etc., as exchange of resources is involved.
- Respect for partners.
- Develop sensitivity and commitment to the problems, efforts and constraints of other partners.
- Step 3: Presentation on Long-term Engagement with Stakeholders for the Task given (40 minutes)

Task: Mobilize members to open a dairy in your village.

- How you will mobilize new members in favour of a cooperative dairy being set up in your village?
- 2. How will you do the door-to-door marketing of the milk brand of your dairy?
- 3. How will you mobilize women to be testers and secretaries in your dairy?

Context of a dairy needs to be given to participants.

**Session Objectives:** Participants will be able to identify the different resource needs of an enterprise and map them.



- Step 1: Identification of Resources Needed (15 minutes)
- The participants are divided into four teams.

- Each team is given the task of planning to prepare a food item for 'x' number of people.
- The teams need to identify the resources and quantity needed.

### Step 2: Correlate the Previous Exercise with Resource Mapping (35 minutes)

- Probe the teams on the calculation behind all the estimations.
- Identify different products of an enterprise.
- The facilitator can help participants break down the value chain.
- Understanding the raw materials required and making estimates of the quantity would be a key learning aspect in this activity.
- Identifying the points to procure resources.

### Step 3: Closing (minutes)

 Justify the resources needed and the benefit of having strong stakeholder relationships for mobilizing resources.

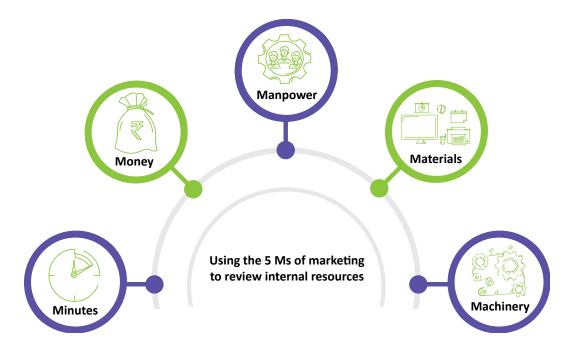


Figure 13: Five Ms of marketing

Omeragle, 2020

### SESSION PLAN 7 and 8

**Session Objectives:** Participants will be able to imbibe the different resource mobilization strategies. They will be able to develop a plan for resource mobilization for their enterprise.



### Methodology

- Discussions
- Presentations



### **Session Material**

- Charts
- White boards/markers

### Step 1: Defining Resource Mobilization (10 minutes)

### What is Resource Mobilization?

Resource mobilization refers to all activities involved in securing new and additional resources for your organization. It also involves making better use of existing resources. Resource mobilization is often referred to as 'new business development'. The figure below shows how new business opportunities – which are intended to mobilize resources – form part of an organization's overall functioning.

### Step 2: The Need for Resource Mobilization (10 minutes)

### Why is Resource Mobilization so Important?

Resource mobilization is critical to any organization for the following reasons:

- a. Ensures the continuation of your organization's service provision to clients.
- b. Supports organizational sustainability.
- c. Allows for improvement and scale-up of products and services the organization currently provides.
- d. Organizations, both in the public and private sector, must be in the business of generating new opportunities to stay in business.

### Step 3: Strategies for Resource Mobilization (30 minutes)

- The facilitator must ask the participants when they need funds, where they get it, for example, savings, salary, husband, family, friends, loan, etc.
- Educate the participants on the different means of gathering resources:

### a. Personal Investment

When borrowing, you invest some of your own money either in the form of cash or collateral on your assets. This proves to your banker that you have a long-term commitment to your project.

### b. Family Money

This is money loaned by a spouse, parents, family or friends. A banker considers this as "patient capital", which is money that will be repaid later as your business profits increase.

### c. Business Incubators

Business incubators are built for local economic development, focused on areas such as job creation, revitalization and hosting and sharing services. Commonly, incubators will invite future businesses and other fledgling companies to share their premises, as well as their administrative, logistical and technical resources. Generally, the incubation phase can last up to two years. The business usually leaves the incubator's premises to enter its industrial production phase and is on its own.

### d. Grants and Subsidies

You may have access to this funding to help cover expenses, such as research and development (R&D), marketing, salaries, equipment and productivity improvement. Technically, a grant is a sum of money conditionally given to your business that you do not have to repay. However, you are bound legally to use it under the terms of the grant, or otherwise you may be asked to repay it. As well, once you are granted money from one government source, it is not uncommon to receive further funding from the source if you meet programme requirements. The government announces grants and subsidies to start-ups from time to time.

### ■ Step 4: Participants would Fill the Following Table after Understanding Resource Mobilization (10 minutes)

S. No	Resource Type	Stakeholders	Pre-requisites to approach the resource provider

### Step 5: Participants would be Divided in Four Teams and have to Create a Resource Mobilization Plan for their Enterprise (40 minutes)

Feedback must be given on the basis of viability of the plan and the reasonability of estimates.

		Guiding exercise:		
What important equipment and supplies will be needed, and what will they cost?	What is your best guess of the total sales and expenses each period?	How much money is needed to start the business and keep it running until it makes a profit?	Who is going to provide this money?	Who is starting the business, and what skills do they have which should enable them to succeed?



# **FIELD WORK (Practicum Tasks & Reflection Workshops)**

# STRATEGIC MANAGEMENT OF A PRODUCER COMPANY

### **Course Introduction**

As leaders of their collectives, it is important for participants to develop strategic vision and plans for their enterprises and implement them. The purpose of strategic planning is to assist organizations in establishing priorities and mobilizing resources for serving members' needs. This course will facilitate the development of this competency among the participants

### **Course Objective and Scope**

By the end of the course, the participants should be able to address the following:

- Design the purpose statement (mission) and vision (goal statement) in collaboration with different stakeholders;
- 2. Formulate the strategic direction and values; and
- Design goals/objectives/ indicators/activities of the enterprise for realization of the vision.

### **Recommended reading**

- 1. https://www.clearpointstrategy.com/18-key-performance-indicators/
- 2. https://www.ilo.org/global/topics/cooperatives/publications/WCMS\_644709/lang--en/index.htm

### **Faculty Profile**

CEO/Director of an enterprise with sufficient exposure to and experience in strategic management, especially of people's institutions.

### **Overview of course:**

S. No	Objective
	Participants will be able to
	Practicum Task 1 and 2
	Participants will be able to
1	Identify the need for a vision and mission statement of their enterprise.
2	Develop the vision statement for an enterprise through a process of consultation and collaboration.
3	Develop the mission statement for an enterprise through a process of consultation and collaboration.
4	Identify and understand key factors in the choice of the strategic priorities for a collective/PC.
5	Understand and develop a strategic plan for the enterprise.
6	Define the goals and their indicators for realizing the strategic vision.
7	Draw a scheme for implementation of the strategic plan.
8	Enunciate the goals, objectives, activities, resources, results, indicators and assumptions, along with a plan for continuous monitoring and evaluation.

### **Practicum Tasks**

### Prerequisite:

- All participants must be divided into groups of three and allotted a manufacturing unit and a service unit for visit.
- The worksheets need to be briefed and given to the participants in advance.
- The analysis of each Practicum needs to be presented by the participants in the sessions.

**Task 1:** Visit a PC/enterprise and understand its vision and mission.

### Worksheet for Task 1

What is the vision/ mission statement?	How is this statement useful on a routine basis?	When was this statement made?	Why was this made? Does everyone in the organization understand the
			implications of the statement?

Task 2: Study its strategic posture and analyse the alignment of its operations to its strategy.

### **Worksheet for Task 2**

**Task 3:** Help their own collective/PC develop its shared vision and mission.

### **SESSION PLAN 1**

**Session Objectives:** Participants will be able to identify the need for a vision and mission statement of their enterprise.



### Methodology

- Discussions
- Presentations



### **Session Material**

- Charts
- White boards/markers
- Projector/laptop

### Step 1: Vision Statement (30 minutes)

### What is the Purpose of a Vision Statement?

A vision statement isn't a pie-in-the-sky document that collects the shared fantasies of the organization and then is filed away. Similar to a mission statement, it is a living document that is referred to as a lodestar to lead a company to its next innovation.

Some might think a vision statement is a waste of time, but it fills a vital need for the organization. For instance, it sets a broader strategic plan for the organization. It's very easy to get bogged down in the day- to-day details of running an organization. The vision statement helps you plan for the long term.

You can set whatever goals you want but without motivating your employees to achieve that goal, chances are you are not going to get anywhere. A vision statement will both motivate existing employees and attract talent to the company. They will want to work at a place with vision.

A strong vision statement also works to help differentiate your company from others. All companies want to become profitable but a company that can set an agenda to achieve that goal is going to set itself apart and inspire others. Use a vision statement to focus the efforts of the organization on the core competencies it needs to achieve its goals.

### **Writing a Vision Statement Tips**

### **Best Practices for Writing a Vision Statement**

There is no template to writing a vision statement; however, a common structure for successful ones includes these traits:

- Be Concise: This is not the place to stuff a document with fluff statements. It should be simple, easy to read and cut to the essentials, so that it can be set to memory and be repeated accurately.
- Be Clear: A good rule of thumb for clarity is to focus on one primary goal, rather than trying to fill the document with a scattering of ideas. One clear objective is also easier to focus on and achieve.
- Have a Time Horizon: A time horizon is simply a fixed point in the future when you will achieve and evaluate your vision statement. Define that time.
- Make it Future-oriented: Again, the vision statement is not what the company is presently engaged in but rather a future objective where the company plans to be.
- Be Stable: The vision statement is a long-term goal that should, ideally, not be affected by the market or technological changes.
- Be Challenging: That said, you don't want to be timid in setting your goals. Your objective shouldn't be too easy to achieve but also it shouldn't be so unrealistic as to be discarded.
- Be Abstract: The vision statement should be general enough to capture the organization's interests and strategic direction.
- Be Inspiring: Live up to the title of the document and create something that will rally the troops and be desirable as a goal for all those involved in the organization.

### Step 2: Mission Statement (30 minutes)

A mission statement is, in some ways, an action-oriented vision statement, declaring the purpose an organization serves to its audience. That often includes a general description of the organization, its function, and its objectives. Ultimately, a mission statement is intended to clarify the "what," the "who," and the "why" of a company. It is the roadmap for the company's vision statement.

As a company grows, its objectives and goals may be reached and, in turn, they will change. Therefore, mission and vision statements should be revised as needed to reflect the new culture of the business as previous goals are met.



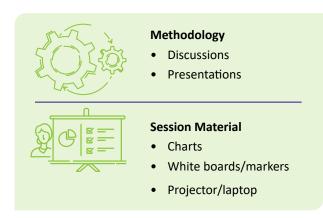
There are many schools of thought on how to go about creating the perfect mission statement, but there are some clear dos and don'ts to consider:

- Do keep it short and concise. Sum up the company's mission in just a few sentences.
- Don't write an essay. That is not the purpose of this brand building tool. You want the mission statement to be tethered to the brand and that means it must be memorable. Long drawn out prose is rarely memorable.
- Do think long-term. The mission statement is an investment in your company's future, so keep it open enough to reflect your long-term goals.
- Don't make it too limiting. We want to provide the best products ever to the town/locality. Do you only

- see the business selling to the residents of one small town or do you hope to expand at some point?
- Do find out what your employees think of the mission statement. This is a tool designed with them in mind, too, so get their opinion. Ask how they would improve it and what they dislike about it.
- Don't be afraid to change it. Things change in the business world. If the mission statement no longer represents the company, it is time for a rewrite.

A mission statement is a declaration of what makes the business important. By design, it guides the actions of the employees and draws in customers by creating direction by explaining what the company intends to accomplish.

**Session Objectives:** Participants will be able to develop the vision statement for an enterprise through a process of consultation and collaboration.



### Step 1: Developing a Vision Statement (40 minutes)

- Co-creating a vision statement includes following the democratic principles of decision making.
- Based on our expert sources' advice, here's a quick recap of what to keep in mind when formalizing a vision statement that reflects the uniqueness of your organization:

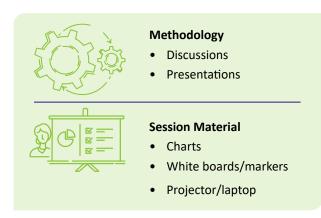
1	Project 5 to 10 years in the future.		
2	Dream big and focus on success.		
3	Use the present tense.		
4	Use clear, concise, jargon-free language.		
5	Infuse it with passion and make it inspiring.		
6	Align it with your business values and goals.		
7	Have a plan to communicate your vision statement to your employees.		
8	Be prepared to commit time and resources to the vision you establish.		

Your completed vision statement should offer a clear idea of your company's path forward. Honard said that many of her clients have used their vision statements to direct their overall plans for the future. For example, they have adopted new marketing initiatives aimed at moving them closer to their vision, pivoted their focus to clearly reflect their desired outcome or doubled down on one particular aspect of their brand that is working in service of their vision.

### Step 2: Presentation (20 minutes)

Each team would present its vision statement.

**Session Objectives:** Participants will be able to develop the mission statement for an enterprise through a process of consultation and collaboration.



### Step 1: Developing a Mission Statement (40 minutes)

- Co-creating a mission statement includes following the democratic principles of decision-making.
- What is a mission statement?

A good mission statement is a useful tool for a well-run business. It's the "why" of business strategy.

A mission statement defines a company's goals in three important ways:

1	It defines what the company does for its customers.
2	It defines what the company does for its employees.
3	It defines what the company does for its owners.

Some of the best mission statements also extend themselves to include fourth and fifth dimensions: what the company does for its community and for the world.

Developing your company's first mission statement or writing a new or revised one is your opportunity to define the company's goals, ethics, culture and norms for decision-making. The daily routine of business gets in the way sometimes and a quick refresh with the mission statement helps a person take a step back and remember what is most important: the organization has a purpose.

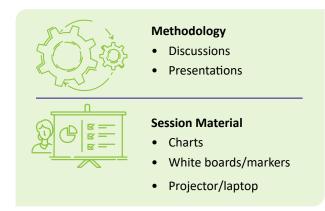
### Step 2: Presentation (20 minutes)

Each team would present its mission statement.

### **SESSION PLAN 4 and 5**

**Session Objectives:** Participants will be able to identify and understand key factors in the choice of the strategic priorities for a collective/PC.

They will be able to understand and develop a strategic plan for the enterprise.



### Step 1: Strategic Priority (40 minutes)

**Strategic Direction:** This speaks of the direction you and your organization wish to take, wish to prefer between two choices, choose among a range of options. You need to do an exercise to get more clarity. An example is given below for your reference. You can change according to your requirements.

**Exercise:** Think and discuss about the following issues/ challenges/dilemmas in the presence of your core group.

1	Geographical choices
2	Commodity choice
3	Compactness
4	Type of members; community, gender, land holdings, etc.
5	Product and services mix (portfolio)
6	Processing – yes or no, if yes then level, extent, etc.
7	Share of members vs. non-members
8	Legal choice

9	Institutional structure – role of different tiers
10	Focus on commodity or farmer?
11	Integrated services
12	Scale – number of villages, members, volumes, turnover, etc.
13	Local markets

These broad issues can be further divided in detail for better understanding. The core group can use the following questions:

- 1. What is the difference between "working for a product such as pulses" and "working for a community such as farmers"?
- Identify social, political, economic, technological, legal and environmental factors influencing your community/ currently.
- 3. Which of the two production options you will choose?

A Mass production	<b>B</b> Unique high-value production
----------------------	---

4. Which of the two options will you choose?

D
Low volume-high value
products

- 5. Can mechanization be introduced to improve productivity and reduce drudgery?
- 5. What kind of arrangement do you want to choose to implement your strategy?

<b>E</b> Working directly with a producer institution
<b>F</b> Working with an NGOs/government to reach a PC
<b>G</b> Working with traders to reach a PC

7. What can be the geographical spread of your organization taking into account cost and span of monitoring?

- 8. What can be the range of services offered to partner NGOs/community enterprises/producers/consumers? Who is going to be the key service receiver?
- 9. What is going to be the key mode of service delivery?
- 10. What kind of organization do you want to partner with?
- 11. What are the emerging opportunities in your pulses sub-sector?
- 12. What is the financing mix (grant: loan: debt) that the organization is looking at for its future interventions?

13. What can be the new/innovative solutions to address current pressing problems of your community?

### Step 2: Present the Strategic Direction for their PCs (20 minutes)

- Participants will work in teams of two to create a strategic direction.
- The facilitator will evaluate her/his plans based on the actionability of the plan.



Session Objectives: Participants will be able to define the goals and their indicators to realize the strategic vision.



### ■ Step 1: Define Goals/Objectives (40 minutes)

### Goals/Objectives/Indicator/Activities:



**Exercise:** You can design a goal/activity table which explains the above factors in detail.

**Tips:** You can have a discussion to discover your goals, objectives, activities and indicators to achieve the purpose.

	Expected Results	Indicators	Assumption
Goal			
To bring about economic self- sufficiency of rural youth	Impact: Improved economic status at family level and stability of the family	% increase in income of the youth % of the youth covered	Skill enhancement and placement in the organized sector is a way of reducing poverty of rural youth
Objectives	Outcome		
1. Increasing employment opportunities for the youth	Trade-wise employment opportunities generated for the youth	% of youth in different categories of trades available	
2. Increasing employment opportunities for the most vulnerable communities	Most vulnerable communities such as women, the disabled, tribal communities helped to get enhanced incomes	% of women, the disabled and tribal communities given job opportunities	Vulnerable communities, given with a chance, can better their economic lives
3. Sensitizing other stakeholders to facilitate the process of enhancing employment opportunities	Other stakeholders helped in increasing employment opportunities	Number of stakeholders helping in employment generation	Stakeholders across the value chain of employment generation are critical
Activities	Output		
1. Centre selection	8 centres established	No. of centres established	Residential training is more productive
2. Mobilization of trainees	9,600 trainees mobilized	No. of trainees mobilized	
3. Survey to identify tradewise trainees	Trade-wise selection of trainees	% of trainees in every trade	
4. Soft skill module design	3 courses designed	No. of courses designed	
5. Training of trainees	9,600 trainees trained	% of trainees trained in each batch	
6. Placement of trainees	9,600 trainees placed	% of trainees placed in each batch	

### ■ Step 2: Present the Strategic Direction for their PCs (20 minutes)

- Participants will work in teams of two to create goals/objectives.
- The facilitator will evaluate their goals based on the actionability of the plan.

**Session Objectives:** Participants will be able to draw a scheme for implementation of the strategic plan



### Methodology

- Discussions
- Presentations



### **Session Material**

- Charts
- White boards/markers
- Projector/laptop

### Step 1: Implementation of Strategic Plans (40 minutes)

### Implementation

Implementation is the process of turning strategies and plans into actions to achieve strategic objectives and goals. Implementation is an important part of the strategic planning process, and organizations that develop strategic plans must incorporate a process for applying the plan. The particular implementation process can differ from organization to organization. Strategy will tend to be formulated at high level, mainly if it follows a common strategy of value discipline and it can only be successfully implemented if it can be expressed in more detailed policies and communications that are directed at the workforce throughout the organization. Strategic alteration can only be successful if it has the support of the employees who have to deal with the customers, suppliers and organizational resources that the strategy is targeted at. Consequently, when representing the strategy at a lower organizational level, it also helps to ensure that the strategy is practicable and addresses any realistic issues which may arise. Particularly, a strategy needs to be implemented in the marketing, R&D, procurement, HR, production and IT departments in order to be triumphant. Implementation must also recognize any resources and capabilities required to support the new strategy, and any organizational change which will have to take place. In the implementation process, the strategy also needs to be controlled and revised to make certain that it is being implemented accurately and fruitfully. This needs appraisal and feedback procedures as well as control systems to observe the important characteristics of the strategy.

Senior management's commitment is a significant factor in the implementation of a strategy. Research has revealed that senior management's commitment is certainly a requirement for strategy implementation.

Therefore, the management must show its keenness to give energy and trust to the implementation process. Senior executives must discard the notion that lower level managers have the same perceptions of the strategy and its implementation, of its underlying rationale and its urgency (Dahlgaard and Martensen, 1998). Another aspect of implementation of strategic plan is involvement of middle managers' valuable knowledge. The success of any implementation attempt depends on the level of involvement of middle managers. To generate the required acceptance for implementation as a whole, the affected middle managers' knowledge, which is often underestimated, must already be accounted for in the formulation of the strategy. After that, it must be ensured that these managers are a part of the strategy process, their motivation towards the project will increase and they will see themselves as an important part in the process (Rps, 2005).

Effective communication should be emphasized in the implementation process. Many theorists have designated communication as a major success factor within strategy implementation (Prahalad and Hamel, 1990). Research has shown that an organization should introduce a two-way communication programme that allows and solicits questions from employees about issues regarding the formulated strategy. Additionally, the communications should inform employees about their new requirements, tasks and activities to be performed by the affected employees and, furthermore, cover the reason behind changed circumstances (Alexander, 1995).

There are a few basic steps that can assist in the process and guarantee success of implementation:

- 1. Evaluate the strategic plan: This is the first step in the implementation process. It states that managers must know what the strategic plan is. They must review it carefully and highlight any elements of the plan that might be especially challenging. It is necessary to identify any part of the plan that might be unrealistic or excessive in cost, either of time or money and emphasize these, and be sure to keep them in mind to begin implementing the strategic plan.
- 2. Create a vision for implementing the strategic plan: This vision might be a series of goals to be reached, step by step, or an outline of items that need to be completed. It is imperative that everybody must know what the end result should be and why it is important and establish a clear image of what the strategic plan is intended to accomplish.

### Step 2: Fill the Graphical Organizer (20 minutes)

Goal	Person/Team Responsible	Timeline

**Session Objectives:** Participants will be able to enunciate the goals, objectives, activities, resources, results, indicators and assumptions, along with a plan for continuous monitoring and evaluation.



### Methodology

- Discussions
- Presentations



### Session Material

- Charts
- White boards/markers
- Projector/laptop

### Step 1: Define Indicators and Assumptions (40 minutes)

- Indicators: financial metrics, process metrics, people metrics.
- Key Performance Indicators (KPIs) can be used for evaluating enterprises.

### **Key Performance Indicators: Examples & Definitions**

### **Financial Metrics**

- Profit: This goes without saying but it is still important to note as this is one of the most important performance indicators out there. Don't forget to analyse both gross and net profit margins to better understand how successful your organization is at generating a high return.
- **2. Cost:** Measure cost effectiveness and find the best ways to reduce and manage your costs.

### **Customer Metrics**

- 3. Customer Lifetime Value (CLV): Minimizing cost isn't the only (or the best) way to optimize your customer acquisition. CLV helps you look at the value your organization is getting from a long-term customer relationship. Use this performance indicator to narrow down which channel helps you gain the best customers for the best price.
- 4. Customer Satisfaction and Retention: On the surface, this is simple: make the customer happy and they will continue to be your customer. Many firms argue, however, that this is more for shareholder value than it is for the customers

- themselves. You can use multiple performance indicators to measure customer satisfaction and retention, including customer satisfaction scores and percentage of customers repeating a purchase.
- 5. Number of Customers: Similar to profit, this performance indicator is fairly straightforward. By determining the number of customers you've gained and lost, you can further understand whether or not you are meeting your customers' needs.

### **Process Metrics**

6. Percentage of Product Defects: Take the number of defective units and divide it by the total number of units produced in the time frame you're examining. This will give you the percentage of defective products. Clearly, the lower you can get this number, the better.

### **Financial Metrics**

- 7. Cash Flow from Financing Activities: This metric demonstrates an organization's financial strength. Formula: (cash received from issuing stock or debt) (cash paid as dividends and reacquisition of debt/ stock) = (cash flow from financing activities).
- 8. Earnings Before Interest, Taxes, Depreciation and Amortization: Measures revenue after expenses are considered and interest, taxes, depreciation and amortization are excluded. Formula: (Revenue) (Expenses Excluding Interest, Tax, Depreciation & Amortization) = Earnings Before Interest, Taxes, Depreciation and & Amortization.

### ■ Step 2: Graphical Organizer (20 minutes)

 The facilitator will fill one row to demonstrate the process:



# PRINCIPLES AND PRACTICES OF COLLECTIVES

# **Course Introduction**

The course will expose the participants to the need for collective action and the prerequisites for the success of collectives, such as member centrality, governance structure and operating systems. In addition, the course will deal with the dynamic nature of relationships among stakeholders and their effect on the success of the collective. The course will also cover different aspects of governance and management of collectives.

# **Course Objective and Scope**

By the end of the course, the participants should be able to:

- Convince themselves of the need and purpose of collectives;
- 2. Internalize the seven principles of Rochdale and apply/map them in their organizations; and
- 3. Create processes consciously and with concern for the community.

# **Recommended Faculty Profile**

a. A practitioner who has been working in a leadership role with a collective organization for a minimum of 10 years and who believes in and is committed to the cause of collective action.

# **Recommended resources**

http://www.ica-ap.coop/sites/ica-ap.coop/files/Guidance%20Notes%20EN.pdf

# **Overview of Course**

S. No	Objective			
	Participants will be able to:			
1	Analyse the purpose and the benefit of a collective to an individual and society.			
2	Identify different motivational forces and incentives for membership.			
3	Grapple with the need for democracy in collectives.			
4	Understand and analyse the economic participation of members.			
5	Analyse and appreciate the autonomy and independence of the decision-making process in their PC.			
6	Develop methods of training for members, staff and Board.			
7	Contribute to the cause of cooperation among cooperatives for benefiting community at large.			
	Practicum Task 1			
8	Analyse a collective organization against the cooperative principles.			

# **Practicum Tasks**

The following Practicums need to be fulfilled for completion of the course:

**Task 1:** The participants evaluate a collective enterprise against the seven cooperative principles.

# Worksheet for Task 1

The participants will use the following table for the Practicum task:

The participants evaluate a collective enterprise against the 'values and principles of the cooperative movement'. Each enterprise will be evaluated against a values chart with the principles.

Sl. No	Principle	Rating (0/5)1	Give 3 reasons/instances for your rating
1.	Voluntary and open membership		
2.	Democratic member control		
3.	Members' economic participation		
4.	Autonomy and independence		
5.	Education and training		
6.	Cooperation among cooperatives		
7.	Concern for community		

#### **SESSION PLAN 1**

**Session Objectives:** Participants will be able to analyse the purpose and benefits of a collective to an individual and society.



# Methodology

- Case Study
- Discussions



#### **Session Material**

White boards/markers

Source: Think.COOP by International Labour Organization (ILO)

# Step 1: Explanation (5 minutes)

Collective action refers to action taken together by a group of people whose goal is to enhance their status and achieve a common objective. Whenever people work together for mutual benefit, you have cooperation.

Cooperatives are people-centred enterprises, owned, managed and controlled by and for their members to realize their common economic, social and cultural needs and aspirations.

#### Step 2: Activity 1 (20 minutes)

- 1. Divide the participants into groups of five.
- 2. Ask them to read the case study "Sahaja's Story."
- Each group should discuss and fill in the table given below the case study.

# Short Case

# Sahaja's Story

Sahaja grows vegetables in her small plot. A trader in her village buys her harvest at a very low price because she has only small quantities to sell. The trader also knows that Sahaja cannot bring her produce to another village because the transportation cost is so high and will eat up her profits. Likewise, she has to pay a high price for the fertilizer since she buys only small quantities.

One day, her neighbour Radha, who is also a small farmer, invited her to attend her group's meeting. During the meeting, Sahaja learned that Radha is a member of a collective enterprise well known as a cooperative, made up of small farmers like her. The cooperative is looking for other farmers to join it so that they can increase the volume of produce they sell directly to vendors in the town.

With their combined number, they are able to meet the minimum requirement of the vendors, get a better price for their produce, and lower the transportation cost per unit of produce. They also buy inputs together. Because of this, they are able to get good quality inputs at lower costs. The cooperative has also accessed the government's extension programme, which has supported the members in efficient use of fertilizer.

The table below summarizes the constraints faced by Sahaja and the solution proposed by Radha and her cooperative. In Column 3, write down how the solution will help Sahaja improve her livelihood. Share and discuss your answers with the group.

Sahaja's Constraints	Solution/Group Action	In what ways will the solution help Sahaja improve her livelihood?
Small quantity of harvest for selling, resulting in low price and lack of bargaining power	Farmer sells product to the cooperative; the cooperative supplies product directly to market vendors skipping the middlemen	
High transportation cost per unit of product due to small quantity	The cooperative buys fertilizer in bulk and re-sells in retail to farmer at a fair price The cooperative conducts training	
High cost of fertilizer		

# Step 3: Discussion (15 minutes)

- The resources that you need are more than those you can individually generate or afford. Maria and her group, for example, wanted to process some of their vegetables but they could not afford to buy the equipment that they needed individually. They pooled their money and bought some small equipment for vegetable processing. Each member can use the equipment for a small fee to cover the cost of maintenance.
- 2. You want to reduce costs by buying in bulk to get a discount. For example, by buying the fertilizer in bulk, suppliers gave Maria and her group the fertilizer at the wholesale price which was about 30 percent lower than the retail price. Instead of buying one or two bags of fertilizer individually, they took turns to buy all the supplies needed by all the members. This further resulted in savings on transportation costs.
- Access to a wide range of services to improve skills and knowledge and to acquire the resources (e.g., finance, equipment, etc.) is necessary for growth of the business. Extension agencies and microfinance institutions are often willing to serve groups but not individuals.
- 4. You need to increase your bargaining power. Horizontal cooperation makes it possible to

negotiate, demand services and influence desired changes in policies. By selling in bulk, collective groups can attract new buyers and negotiate better prices.

# Step 4: Activity 1 (20 minutes)

Look at the constraints and/or opportunities you face yourselves in your work or livelihood occupation. Determine the advantages of addressing these individually and through group action.

Complete the following table based on the instructions below. An example has been given for your reference.

#### Follow these steps:

- List at least three constraints you face in your livelihood.
- Identify possible solutions to your constraints.
   Remember that when you address your constraints with sustainable solutions, you are creating opportunities for improvement for yourself and others.
- 3. Determine the advantages of undertaking the solution individually or through group action. Keep the guidelines in mind to help you decide.
- 4. Identify which option (individual or group action) is better for you. Share and discuss with the group.

Constraints	Possible Solution	Advantages Individual	Advantages Group Action	Which option is better for you? Individual or Group Action?
Example:  Not able to buy stocks at wholesale price because I buy only small quantities each time	Since there are many vendors like me who are selling the same product, we can combine our purchases	Can now make large purchases and make profit	Can buy stocks at 20% less than current buying price; may also be able to ask the supplier to deliver stocks in our stall	Group Action

#### Resource

#### What is a Cooperative?

Cooperatives are people-centred enterprises, owned, controlled and run by and for their members to realize their common economic, social and cultural needs and aspirations.

Cooperatives bring people together in a democratic and equal way. Whether the members are customers, employees, users or residents, cooperatives are democratically managed by the 'one member, one vote' rule. Members share equal voting rights regardless of the amount of capital they bring to the enterprise.

As businesses driven by values, not just profit, cooperatives share internationally agreed principles and act together to build a better world through cooperation. Putting fairness, equality and social justice at the heart of the enterprise, cooperatives around the world are allowing people to work together to create sustainable enterprises that generate long-term jobs and prosperity.

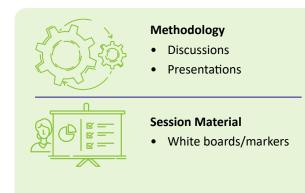
Cooperatives allow people to take control of their economic future and, because they are not owned by shareholders, the economic and social benefits of their activity stay in the communities where they are established. Profits generated are either re-invested in the enterprise or returned to the members.

The cooperative movement is far from being a marginal phenomenon; at least 12 percent of humanity is a cooperator of any of the 3 million cooperatives on earth.



**Session Objectives:** Participants will be able to identify different motivational forces and incentives for membership.

**Source:** https://institute.coop/sites/default/files/ resources/DAWI%20-%20Creating%20a%20Member%20 Engagement%20Plan.pdf http://www.fao.org/3/ax0475e.pdf



# Step 1: Explanation (10 minutes)

Members are everyday people who must choose among competing interests for their attention and engagement. Asking them to increase their engagement in the cooperative is a request for a behavioural change, and needs three elements to converge:

- **1. Motivation:** Will it offer pleasure? Belonging? Hope?
- **2. Ability:** Can they do it? Can they be trained? Can it be made simpler?
- **3. Trigger:** What cues them to act? You? Something in their daily routine?

# Step 2: Explain and Discuss (10 minutes)

Engagement in cooperatives is grounded in motivations related to the individual, group and society.

Individual	Group	Societal
Motivation	Motivation	Motivation
Motivated by an increase in income or stature.	Motivated by being part of the group.	Motivated by benefit to society as a whole.

# Step 3: Activity 1 (20 minutes)

- 1. Divide the participants into groups of five.
- Ask each group to identify and create a profile of three members of their collectives. Each of the three members should have a different reason for being a part of the collective.
- 3. Each profile should cover demographic information, reason for joining the collective and expectations from the collective.
- 4. Ask each group to share one profile.

# Step 4: Activity 2 (20 minutes)

- Ask each group to design incentives that will motivate each of the three profiles they have created.
- In the discussion that follows ensure that, among others, issues related to economic incentives, status, group membership and group development are brought up.
- 3. Facilitate a discussion based on the resource document provided below.

#### Resource

http://www.fao.org/3/a-x0475e.pdf

#### Meeting Members' Needs Members' motivation

The degree of member participation within any cooperative depends largely on the impact which the cooperative has on the daily lives of its individual members. If the cooperative fails to deliver what the members need and expect, then its future will be in jeopardy. Cooperatives can drift for years before their eventual demise but no successful cooperative can exist unless its leaders are able to keep in tune with members' feelings and wishes. In smaller cooperatives, the task of finding out what members think and feel can best be achieved by getting out and walking about the cooperative, into all its operating locations and speaking to the people at all levels. Successful two-way communication between the cooperative leadership and its members, however, is not solely the task of directors or board members. It needs to be a combined function involving staff at all levels of the cooperative. Informal discussions can and frequently do happen most easily on the shop floor and in the members' fields, while they wait in a queue to deliver their produce or during breaks at a general meeting.

Individuals have different and, sometimes, complex motivations for joining and participating in cooperative groups. Obtaining goods and services more economically and efficiently is an obvious motivation, but not enough on its own to encourage involvement beyond what they think is needed in return for the benefits they are hoping for or expecting.

That means capital contributions, contribution to goal-setting, decision-making and monitoring processes they are prepared to make will relate to what they see themselves gain in return. Members' perception of whether participatory activities are a benefit or an obligation will depend on whether:

- They think this will help them to have their goals included in the overall goal system of the cooperative;
- They are rewarded in some way for the time and expenses they incur in attending meetings and group discussions (which can be in terms of status, recognition or education).



Session Objectives: Participants will be able to grapple with the need for democracy in collectives.



# Methodology

- Case Study
- Discussions



#### **Session Material**

White boards/markers

# Step 1: Introduction to Cooperative Identity (10 minutes)

#### Statement on the Co-operative Identity

# DEFINITION OF A COOPERATIVE

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

#### **COOPERATIVE VALUES**

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

# **COOPERATIVE PRINCIPLES**

The cooperative principles are guidelines by which cooperatives put their values into practice.

- Voluntary and Open Membership: Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
- 2. Democratic Member Control: Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the members. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are also organized in a democratic manner.
- 3. Members' Economic Participation: Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate

- surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the members.
- 4. Autonomy and Independence: Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.
- 5. Education, Training and Information: Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public particularly young people and opinion leaders about the nature and benefits of cooperation.
- **6. Cooperation among Cooperatives:** Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

**7. Concern for Community:** Cooperatives work for the sustainable development of their communities through policies approved by their members.

#### Step 2: Explanation (5 minutes)

**First Cooperative Principle:** Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination

# Step 3: Explanation (5 minutes)

**Second Cooperative Principle:** Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the members. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are also organized in a democratic manner.

# Step 4: Activity 1 (20 minutes)

**Source:** https://equalexchange.coop/sites/default/files/import/pdfs/downloads/curriculum/EEcurriculum\_Unit3.pdf

Participants do a role-play as members of a farmers' collective.

- They make an important decision about whether to build a storage barn or pay themselves more money.
- 2. Have four participants volunteer to act out this roleplay in the front of the room.
- 3. Give them each one of the roles below. Ask one of the participants to read the setting to get the roleplay started.
- Once the participants have completed the role-play, ask them to write about which option they would vote for and why.

# **Role Play**

Your farmer co-op (Ganga Farmers' Cooperative) is making an important decision about whether to build a storage barn or to pay themselves more money. Having a storage barn will protect your produce if it rains while you're drying it. If the produce gets wet, you can lose much of your crop, which is your main source of income. Four of the farmers are discussing the issue.

# **Background Info (for all roles)**

You are a member of the Ganga Farmers' Cooperative. Your co-op signed on to sell your produce to a large retail company and a good-sized cheque just came into the co-op to pay for all your produce. For the last two years, your co-op has not been able to get a good price and your family's health has suffered because there was so little food. Everyone has been thinking about all the things they'll be able to do, now that they'll have good money/cheques coming in.

#### Farmer #1

You're excited about getting some money but you have been thinking a lot about how best to use it. Part of the reason you made so little money over the last two years was that you lost a lot of your crop just when you were ready to ship it out. Storms came and destroyed it. You're thinking that all the co-op members should put their money together to build a storage shed to protect your crops. Waiting just a little more to get your money will mean there will be fewer times when you don't get it.

#### Farmer #2

You are so excited about getting some money. You are planning to put your money into re-building part of your house. It always feels like it will fall down during a storm and your children get scared. You are looking forward to building something just a little sturdier for your family. You've heard a rumour that someone is going to propose that the co-op keep all the money at the meeting today, but you're sure no one could be that crazy.

# Farmer #3

You're up for anything. You really want everyone to get along and you're not as concerned about what the decisions are. You've heard that some of the members want to invest in the co-op's future and some have things they feel their family needs to invest in. You see the wisdom in both choices.

# Farmer #4

Your oldest daughter is interested in going to a business programme at a community college in the city. If she goes, she might be able to really help the co-op better understand how to run the business with so many complicated things going on. You're really looking forward to having the money to pay for her to go.

Your farmer co-op is making an important decision about whether to build a storage barn or to pay themselves more money. Having a storage barn will protect your produce if it rains while you're drying it. If the produce gets wet, you can lose much of your crop, which is your main source of income. As a member-owner of your farmer co-op, which option would you vote for and why?

# Step 5: Discussion (20 minutes)

- How should a farmers' cooperative make a decision like this?
- 2. What made this decision hard? Is there a right answer?

- 3. Should they talk about it until someone makes a proposal, they can all live with?
- 4. Should they vote and have the majority win?
- 5. Why can't the CEO of the cooperative decide?
- 6. Why do members' opinions have to be taken into account?

#### Resource

Since the earliest days of the cooperative movement, this second democratic principle has been a key characteristic of cooperatives. It is the heart and soul of cooperative governance. Members acting within democratic procedures agreed by them in exercise of their right to voluntary and free association are sovereign. Democratic control by members animates each and every cooperative.

In democratic systems, there is a spectrum of democratic engagement: from representative democracy through the election of representatives every few years, through deliberative democracy on major issues, to participatory democracy with continuous engagement of members in day-to-day decision-making.

Cooperatives tend towards the deliberative and participatory end of the democratic spectrum. Members should be engaged in proposing and approving key strategic policy decisions and regularly, in general assembly, holding elected representatives on boards or committees and senior executives to account.

In order to encourage greater levels of participation, some cooperatives use participation incentives. These can be simple, such as the provision of refreshments at meetings, or more complex, such as prize draws or other positive rewards for active members. However, cooperatives should not rely too heavily on incentives. Through the application of the fifth principle of education, training and information, members should be educated and informed about their rights and responsibilities as members to exercise democratic control of their cooperative. Cooperatives could also use innovative participative mechanisms, for example, electronic participation and voting in general assembly meetings and the development of training programmes for young directors to encourage more young people to become involved in their cooperative.

One of the biggest challenges facing cooperatives in implementing the principle of democratic member control is creating a culture that welcomes and encourages debate, rather than stifles it. Lively challenging debate should be seen as a sign of a healthy democracy that needs to be reflected in the more formal parts of a cooperative's democratic structure, in particular, encouraging members to become active members of their cooperative and to put themselves forward as candidates in elections.

**Session Objectives:** Participants would be able to understand and analyse the economic participation of members.



# Methodology

- Case Study
- Discussions



#### **Session Material**

White boards/markers

# Step 1: Explanation (10 minutes)

**Third Cooperative Principle:** Members' Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefitting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

# Step 5: Discussion (20 minutes)

**Source:** Guidance Notes to the Cooperative Principles - ICA

- The key economic concept enshrined in it is that, in a co-operative, capital is the servant, not the master of the enterprise. The whole structure of cooperative enterprise is designed around the concept of capital being in service of people and labour, not labour and people being in servitude to capital.
- The key question addressed in this third principle is:
   "How do we make this work?" This third principle
   is mainly a financial translation of the definition of
   the identity of a cooperative and of the financial
   implications of the second principle of members'
   democratic control.
- Capital paid by members is not money primarily invested to generate a return on capital but is 'pooled capital' invested to deliver goods, services or employment needed by members at a fair price.

- 4. "Contribute equitably" is what an impartial observer would judge to be a fair and reasonable contribution given the circumstances of each cooperative and the capacity of its members. It does not mean that all members must contribute equally. It also does not mean that incoming members must make the same contribution to capital to become a member whatever the age of the co-operative and whatever accumulated wealth the co-operative holds.

  Members can contribute capital in four ways:
  - a. Firstly, in most cooperatives, members are required to contribute to the common capital of the cooperative by investing in a membership share or a number of membership shares (which may be voting shares or a combination of voting and non-voting shares) in order to become a member of the cooperative and to benefit from membership. Interest is not usually paid on such membership share or shares and if interest is paid, it is usually at a limited rate;
  - Secondly, as cooperatives prosper, they may create reserves, derived from the retained surpluses from the cooperative's activities;
  - c. Thirdly, cooperatives may have needs for capital far greater than what they can save from their economic activities. Many cooperatives expect that members will regularly contribute a portion of their member dividends (sometimes called 'patronage refunds') to be held in reserves. In these cases, cooperatives would not pay interest on member-dividends or patronage refunds held in reserves, the member benefiting from continuing participation and future dividends or patronage refunds. In most consumer co-operatives, members' dividends or patronage refunds are held in their shared accounts, rather than in the cooperative's reserves and receive limited interest; and
  - d. Fourthly, cooperatives may invite members to make further voluntary capital investments which do not carry voting rights.
- 5. Members also control the capital of their cooperative. There are two key ways in which they do so:
  - Firstly, regardless of how cooperatives raise capital for their operations, the final authority for all decisions must rest with the membership in general assembly; and
  - b. Secondly, members must have the right to own at least part of their capital collectively, a reflection of what they have accomplished collectively as a cooperative.
- Capital invested as a requirement of membership as shares that grant voting rights usually receives limited interest or compensation, if any. Capital

invested voluntarily is not invested "as a condition of membership" and it may, therefore, be appropriate to pay interest on such investments, but at a "fair rate", not a speculative rate. The danger of going beyond a fair or compensatory rate is that members may start investing in a cooperative for capital

- gain rather than to ensure the success of their cooperative enterprise.
- Whilst being always mindful of the long-term viability of their cooperative, members have the right and the duty, collectively, to decide how surpluses should be allocated.

# Step 3: Activity 1 (30 minutes)

- 1. Divide the participants into groups of five.
- 2. Ask each group to discuss the following caselet, based on these questions:

ould you take the loan? company?	Why/why not?	Which key points (mentioned before) would you consider in making the decision?	What is the process you would follow to make this decision?
company?		•	

#### Caselet

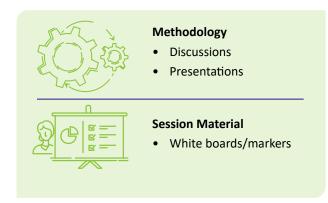
# **Ganga Farmers' Cooperative**

# Continuing on the situation from the previous session

Your farmer co-op (Ganga Farmers' Cooperative) is making an important decision about whether to build a storage barn or to pay themselves more money. Having a storage barn will protect your produce if it rains while you're drying them. If the produce gets wet, you can lose much of your crop, which is your main source of income. Four of the farmers are discussing the issue.

One of the village leaders offers to lend money to build the storage barn. She says that the members can pay themselves, so that they can meet their needs and aspirations. She will lend the money at 30 percent interest and they can repay it to her when they make a surplus next year. This is a solution that could satisfy all the four farmers. In exchange, she wants a place on the board for her mother, sister and herself.

**Session Objectives:** Participants will be able to analyse and appreciate the autonomy and independence of the decision-making process in their PC.



#### Step 1: Explanation (10 minutes)

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and to maintain their cooperative's autonomy.

#### Step 2: Discussion (20 minutes)

**Weaknesses of State-promoted Cooperatives** In 1992, the National Cooperative Development Corporation reported 338,000 cooperatives, a membership of 156 million people with 43.7 percent share of agricultural credit, 60.5 percent sugar production capacity, 20 percent of the spinning mill capacity and 30 percent of the fertilizer market. Despite such impressive figures, the cooperative movement which had rapidly expanded after independence developed many weaknesses. (Sugar cooperatives in Maharashtra and dairy cooperatives following the Anand Model were the exceptions). It was assumed that cooperatives would be the panacea to all rural problems. Basic design considerations from the sustainability point of view, such as viable scale of operations and feasibility of value addition were not considered. State support and subsidy continuously bailed out even loss-making cooperative enterprises. Government capital, grants and loans brought about undue government control in governance and day-to-day operations of cooperatives. Restrictive laws were made use of to exercise control over the cooperatives. Cooperatives slowly became highly politicized bodies with each political party trying to use these institutions for promoting their own selfish interests and gain short-term popularity. In short, the weaknesses of the old cooperatives can be summarized as:



# Step 3: Discussion (30 minutes)

**Source:** Guidance Notes to the Co-operative Principles – ICA

# Relationship with the Government

- From the beginning, cooperatives need to engage with governments and legislators in order to establish a legal framework that recognizes the distinctive characteristics of cooperative enterprises.
- Engaging with the government on legal and policy matters does not, however, mean compromising the autonomy and independence of cooperatives and the ability of members to democratically manage their organizations without government interference.
- This fourth principle of autonomy and independence means that members of cooperatives should make decisions about their cooperative without undue influence from the government beyond a wider policy environment that impacts equally on other forms of economic organizations.
- 4. The core principle is that the government's support of and for cooperatives must not equate with government control of cooperatives. The autonomy and independence of cooperatives, and members' democratic rights to control them, must always be respected by the government

# **Relationship with Funders**

 When faced with the challenge of securing capital to fund growth or to remain competitive in a market that requires significant capital investment, cooperatives may need to secure funding from external sources. Cooperatives should be aware of the dangers this poses to autonomy and independence. Too often, it has led to loss of control over time, with further capital demands resulting in a greater equity stake for such investors, or effective control over a cooperative's business being exercised through financial covenants and compliance obligations. This can lead to the ceding of control from members to investors.

- 2. The terms of any financial agreement that has a significant impact on a cooperative's business should be agreed and approved by members in the general assembly.
- 3. The wording of the fourth principle cautions against this financial risk to autonomy and independence where it says that where cooperatives "raise capital from external sources, they should do so on terms that ensure democratic control by their members and maintain their cooperative's identity".

# **Relationships with Suppliers and Customers**

- There has been an enormous growth in the power
  of giant corporations and organizations in global
  supply chains. The size, scale and global operation
  of such enterprises enable them to exert influence
  throughout the supply chain. This has recently been
  demonstrated by 'pay and stay' arrangements,
  whereby major companies require their suppliers to
  pay back a percentage of the contract value in order
  to remain approved suppliers. Such arrangements
  present major challenges to cooperatives and other
  small producers that supply these huge, marketdominant companies.
- Autonomy and independence can be compromised by becoming over-dependent on supplying a single purchaser of a cooperative's product or services and, equally, from over-reliance on a few dominant sources of supply.
- 3. There are some dangers to the autonomy and independence of newer and growing cooperative enterprises. Producer cooperatives can be attracted by the volume of contracts offered by a major buyer and may inadvertently become over-dependent on such a contract and vulnerable if a major buyer subsequently seeks to inflict substantial price reductions.
- 4. Sound business management practices can help manage these risks. Risk mapping and risk analysis can be used effectively to identify commercial and other risks, assess their impact, look at risk avoidance and mitigation strategies, specify who within the cooperative has responsibility for

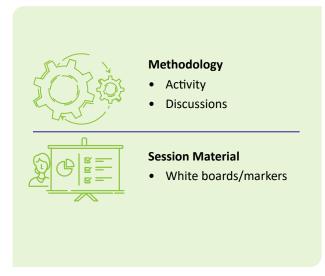
managing the risk, and what action may be taken if a particular risk materializes. Where commercial risks cannot be avoided, effective risk management is advisable.

# Autonomy and Independence - the Role of Boards

- Directors of cooperatives have a special responsibility to preserve the autonomy and independence of their cooperative, which is essential for its long-term viability.
- Poor governance and bad management can threaten the viability of any business enterprise.
   Cooperatives are no exception. There is no greater risk to autonomy and independence than insolvency caused by poor governance and bad management.
- Governance and management failures in cooperatives have led some business leaders and commentators, some even from within the cooperative movement, to suggest that elected directors do not and cannot have the skills and expertise needed to run major enterprises in a modern economy. The standard solution proposed is the appointment of more independent non-executives bringing with them the skills democratically elected board members lack, a solution which can threaten a cooperative's autonomy, independence and members' democratic control. The alternative cooperative approach is to ensure that, through education, training and development opportunities for board members and prospective board members, the elected board, collectively, has the skills, knowledge and capacity to fulfil its corporate governance role. Cooperatives that identify gaps in board skills, knowledge and capacity through board skills audits should consider co-opting board members to fill the gaps identified.
- 4. In order to ensure the sustainability of any cooperative enterprise, the skills set of all board members and senior managers must include a clear vision and understanding of the cooperative values and principles and how to avoid compromising a cooperative's autonomy and independence.

The autonomy and independence of a cooperative will be enhanced by rules or statutes that require governance of the cooperative by its board clearly to be accountable to the general assembly of members. Governance arrangements should incorporate checks and balances, including ones that address the knowledge gap between professional management and members, that include internal and external auditing processes to ensure that members in the general assembly receive independent reports from auditors on the governance and management of their cooperative, its compliance with this fourth principle, and any risks to its autonomy and independence

**Session Objectives:** Participants will be able to develop methods of training for members and the board.



# Step 1: Explanation (5 minutes)

**Fifth Principle:** Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers and employees, so they can contribute effectively to the development of their cooperative. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

# Step 2: Discussion (15 minutes)

- Cooperatives ignore the responsibility of providing education and training for their members, elected representatives, managers and employees at their peril. This is an essential activity because it is fundamental to the success and sustainability of any cooperative enterprise.
- 2. The primary aim of cooperative education is to enable the development of a successful and sustainable cooperative enterprise.
- 3. It is also about the broader definition of education. Members of cooperatives in nations where many lack formal educational opportunity or with members who did not prosper at school, may need the opportunity to acquire basic literacy and numeracy skills in order fully to participate in their cooperative.
- 4. A cooperative's commitment to education is not simply inward facing to members, elected members, managers and employees but outward facing too. It requires cooperatives to "inform the general public ... about the nature and benefits of cooperation".

Implementation of this principle requires
cooperatives to have effective education, training
and information programmes and opportunities that
reach and are accessible to all members, employees
and the general public in the communities they
serve.

#### Step 3: Explanation (5 minutes)

Training needs arise when the knowledge or skills needed are lacking, or when new activities are to be started, new products are to be introduced, etc. Training needs may exist at various levels:

- For the whole organization/cooperative (e.g., improving knowledge of market conditions or new products, improving active member participation);
- For administrative staff or groups with specific tasks (e.g., improving loan negotiation or business planning); and
- 3. For individuals (e.g., improving negotiating skills, leadership capabilities, communicative skills).

# Step 4: Explanation - Identifying Training Needs (10 minutes)

**Training needs:** Which problems faced by cooperatives can be solved through training?

Not all problems are concerned with lack of knowledge or skills and hence training is not a solution. Initial assessment of the cooperative to determine where changes are needed can best be done through the methods of participative appraisal. Methods such as semi-structured interviews and transect walks can help to define problems within the organization which may or may not have training solutions. Once these issues have been highlighted, they need to be analysed to determine whether this represents a training need. Issues to decide include:

- Are members/trainees already capable of doing what the organization wants them to do but lack motivation or resources? (possible training in motivation but main need may be resources);
- b. Do members/trainees only need more discretionary power, or perhaps new incentives (i.e., structural change)? (not a training issue); and
- Do members/trainees lack skills or knowledge? (training issues).

# Step 5: Activity 1

a. Divide the participants into groups of five.

- b. Ask them to discuss, analyse and identify the development (training and education) needs of their collective organization. They should fill in the table given below.
- c. Ask each group to share its training plan.

S. No.	Who?	Capability Gap	Capability Gap Development Needs (Training and Education) Required

**Session Objectives:** Participants will be able to contribute to the cause of cooperation among cooperatives for benefiting community at large.



#### Methodology

- Activity
- Discussions



#### **Session Material**

White boards/markers

#### Step 1: Explanation (20 minutes)

Sixth Principle: Cooperation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

- This principle shows two dimensions of the nature of cooperatives. The first dimension is that they are economic entities trading goods and services. The second is that they are social entities of members who relate positively to other cooperatives in the way they conduct business.
- In joining a cooperative, members are not only helping to build their own cooperatives but the wider cooperative movement. They cooperate with other cooperatives to create wealth for the many, not personal wealth for the few through unbridled market competition.
- 3. There is a key difference between cooperation among cooperatives and the actions of investorowned businesses that use mergers and acquisitions to concentrate business activity, increase market share and maximize the return on capital employed. While some larger cooperatives have been created through mergers and acquisitions, the normative approach, subject to compliance with anti-competition and anti-trust legislation, is

for cooperatives to cooperate with each other in competitive markets through forming cooperative groups, secondary cooperatives and federations to realize the cooperative advantage and create common wealth for mutual benefit.

- Successful cooperation requires structure.
   Cooperatives have a long and successful history of organizing local, national and international structures that aid cooperation among cooperatives.
- 5. Cooperative federations tend to be more structured in their representation, voting and operation. They are often the stewards of many types of work such as development, education and advocacy. Creating federations that leverage scarce resources whilst respecting the identity of smaller members is key to and the intention of this principle.

# Step 2: Explanation (15 minutes)

Seventh Principle: Concern for Community

Cooperatives work for the sustainable development of their communities through policies approved by their members

- The cooperative value of "social responsibility and caring for others" is evidenced by cooperatives delivering benefits for the communities in which they operate as well as for their members.
- 2. This is about sustainable development development through the economic, environmental and social benefits it creates. It improves the living standards of current and future generations, contributes to peaceful co-existence, social cohesion, social justice and social progress, and does so in a way that protects and does not degrade the natural environment. The concept has three aspects: ecological balance, social justice and economic security.

# Step 3: Activity 2 (25 minutes)

- 1. Divide the participants into groups of five.
- 2. Ask them to discuss, analyse and identify the activities that could be taken up by their collective organization for the benefit of the community. They should fill in the table given below.
- 3. Ask each group to share activity plan

Sl. No	Activity	Benefit to the Community	Category (Ecological Balance/ Social Justice/ Economic Security)

**Session Objectives:** Participants will be able to analyse a collective organization against the cooperative principles.



# Methodology

- Group discussions
- Presentations



# **Session Material**

White boards/markers

# ■ Step 1: Discussion (10 minutes)

**Source:** Leadership Training Manual for Women Leaders of Cooperatives - ILO

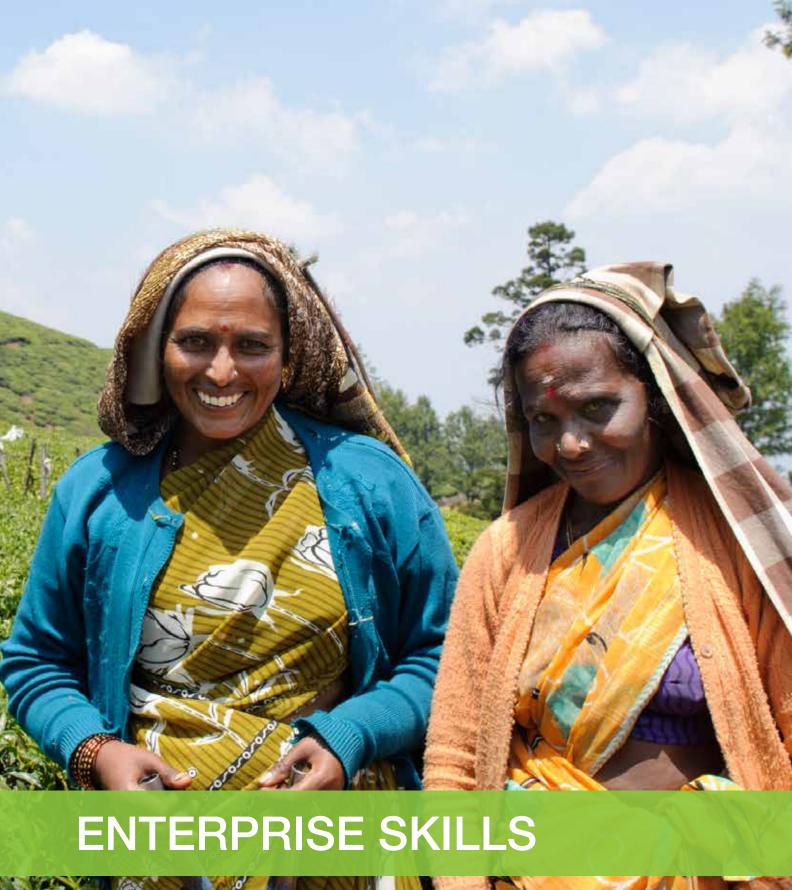
Using the following framework, discuss with the participants, the practices linked to each of the principles:

SI. No	Principles	Practices
1	Voluntary and open membership	<ul> <li>Non-discriminatory policies/practices on member recruitment/admission as to sex, socio-economic, religion and political status</li> <li>Membership application and withdrawal are voluntary</li> </ul>
2	Democratic member control	<ul> <li>One person-one-vote in primary cooperatives, no proxy voting, majority rules, participation of women, youth and elderly are valued, members are heard</li> <li>Transparency/accountability to members</li> <li>Democratically organized federation</li> </ul>
3	Member's economic participation	<ul> <li>Each member has to pay a minimum share of capital that is within the means of ordinary women-members</li> <li>Distribution of interests on share capital and/or patronage refund</li> <li>Collectively owned and/or indivisible reserves derived from operations, ploughed back interest on share capital, member's other investments earning a "fair rate of interest/yield</li> <li>Members' right to decide on allocation of surplus</li> <li>Members have the final decision on all matters pertaining to the capital of the cooperative</li> </ul>
4	Autonomy and independence	<ul> <li>Relations with the state, market position</li> <li>People empowerment particularly women empowerment</li> </ul>
5	Education and training	<ul> <li>Designing and implementation of key leadership and management capacity building programmes for leaders and members. Special attention is given to women due to their weak representation in the leadership structures of cooperatives</li> </ul>
6	Cooperation among cooperatives	<ul> <li>Federation/networking</li> <li>Joint enterprises or ventures</li> <li>Women's linkage with other co-op women members to join hands in raising their interests/concerns</li> </ul>
7	Concern for community	<ul> <li>Policy on environment, community development</li> <li>Programmes for women, youth, elderly</li> <li>Policy advocacy internal and external; lower and upper levels</li> </ul>

# Step 2: Presentation (50 minutes)

Each participant will present her evaluation of her collective enterprise (from Practicum P task 1).

FIELD WORK (Practicum Tasks & Reflection Workshops)		





# GOVERNANCE AUDIT AND LEGAL COMPLIANCE

#### **Course Introduction**

This course aims at exposing participants to the governance structure and legal requirements of the PC. Conforming to legal compliances is mandatory; in addition, it leads to improved performance and transparency. Therefore, it is important that the board and members know the various legal requirements to be fulfilled under Producer Companies Act to build effective institutions.

# **Course Objective and Scope**

Participants develop an intimate understanding of the structure of producer organizations/PCs, their decision-making process and legal requirements they need to fulfil.

# **Generic Readings for the Course**

- a. https://www.accountingtools.com/articles/types-of-audits.html
- b. http://www.mca.gov.in/Ministry/pdf/Producer\_ Company.pdf

# **Recommended Faculty Profile**

- a. Legal practitioners
- b. Chartered accountants with sufficient exposure to business law, especially company disclosure policies and practices
- c. Senior management members of cooperatives, with a thorough understanding of compliance requirements

# **Overview of the Course**

Sl. No	Objectives
	Participants will be able to
	Practicum Task 1
1	Define the structure of a PC through an organogram.
2	Articulate the roles of different classes of members in the PC.
	Practicum Task 2
3	Identify and understand the different roles of committees in the PC.
4	Analyse the roles and functions of the board in a PC, and its relation to members and employees.
5	Identify the different books of accounts and registers to be maintained for statutory purpose.
6	Understand the types of audit undertaken and their purpose.
7	Understand the PC as a legal entity.
8	List compliances a PC has to adhere to.

#### **Practicum Tasks**

The following Practicums need to be fulfilled for completion of the course:

# Task 1

Visit a PC and develop an organogram for a PC or a cooperative.

An organogram is a chart that defines, clearly, the leadership in an organization.

- Inquire about the number of members in the PC
- How are so many members managed?
- How are the groups formed?
- How many such groups are there in the PC?
- What is the governing body of a PC?
- How many people are from the governing body and what do they do?

#### Task 2

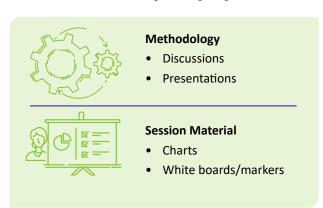
Present the basic legal provisions relevant to the PC or cooperative.

Visit the PC, and find answers to the following questions and all the related queries:

- Under which act is the PC registered?
- What are the implications of this act?
- How does the PC select its board members?
- Who can be nominated to become a director?
- What are the roles and responsibilities of a director?
- How often is the General Body Meetings held?
- What happens in these meetings?
- Why are these meetings conducted?
- What happens if these meetings do not happen?
- What are other meetings held by the PC members?
- How does the PC ensure that financial activities are in order?
- Is only internal review of the process sufficient?
- What records does the PC have to maintain compulsorily? Why?
- What external compliances does the PC have to adhere to? Why?

# **SESSION PLAN 1**

**Session Objectives:** Participants will be able to define the structure of a PC through an organogram



 The General Body of the PC comprises all its members and shareholders.  In order to have a better governing mechanism, groups of members are formed.  Each group has a leader/ representatives.

# Step 1: Presentation (15 minutes)

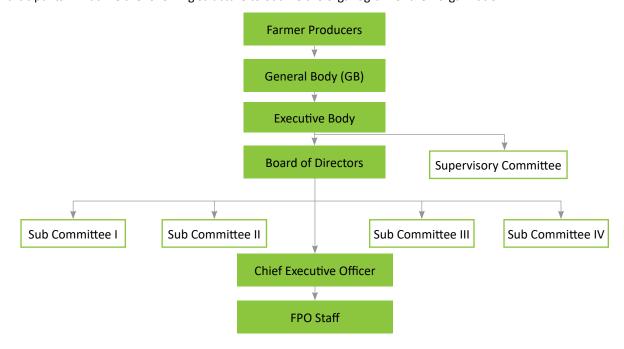
Each team will present its analysis from the Practicum tasks. The norms/guidelines for the presentation mentioned in introduction must be adhered to.

# Step 2: (25 minutes)

Every organization has an organogram, i.e., an organization diagram or chart that shows the structure, levels and positions of all members of the organization, to help them understand their roles and functions and their reporting relationships. The governance structure of a PC can be classified into the following major groups:

- 1. Members/shareholders
- 2. Group leaders
- **3. BOD:** who could take up the roles of Chairman, Secretary, Treasurer of the heads of certain sub committees
  - From amongst these representatives, a BOD is elected.
- Members of the BOD thus selected, take up the roles of Chairperson, Secretary, Treasurer, etc. They can also take charge of forming and heading subcommittees, looking for experts for guidance for the betterment of PC, and

Participants will utilize the following structure to outline the organogram of their organization.



# Step 3: Discussion (20 minutes)

Participants will discuss the organization charts of their own organization and analyse the same with other organizations in the peer group, through the following questions:

- 1. Why do we need an organogram?
- 2. Is the structure of your organization the same as

- the one discussed in this session or with the other members of your peer group?
- 3. Which parts are the same? Which parts are different? Can you guess why there are differences?
- 4. What do you think is the best structure of a vibrant PC that is responsive to members' needs? Give reasons to support your preferred structure.



Session Objectives: Participants will be able to articulate the roles of different levels of members in the PC.



# Methodology

- Discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers

- Step 1: Identify the Different Classes of Members in the PC and their Roles (15 minutes)
- Discuss the purpose and structure of the organogram of the PC to which an individual participant or her group belongs.
- Give a brief presentation on their understanding of the roles of various members based on the categorization given below (previously discussed)
- Step 2: Articulate the Roles for Every Member (20 minutes)
- Members/Shareholders: A PC is a membershipbased body and it can act only through its members.
   A producer or producer institution only can acquire membership in a PC in which members articulate their views and needs through the general body.

# Who can be the member of a Farmer Producer Company (FPC)?

- Members of a family (men and/or women) whose one or more members are engaged in agriculture and allied activities.
- The person
  desiring to become
  a member should
  be between 18
  and 60 years of
  age at the time
  submitting the
  application.
- The person must be a resident of the operational villages of the company.
- The person must be actively involved in farming and related activities.

- S/he should be mentally sound and should not suffer from any mental disorder.
- S/he should not be a member of a similar FPC.
- S/he should be ready to accept the rules and regulations of the FPC.
- S/he should not have any business interest which affects the business of the FPC.

- General Body: All active members comprise the general body. It is the final authority of the PC.
- A company shall hold the first general meeting within a period of 90 days from the date of its incorporation.
- One general meeting should be held each year called the Annual General Meeting or AGM.
- BOD: BOD comprises the elected representatives of the shareholders. Members will be elected as directors by members in AGM every year. Five members will retire on a rotation basis every year.
- Board Sub Committees: To have effective delegation of key responsibilities, the BOD can have sub committees. Examples include finance and audit committee, training and capacity building committee and election committee.

# Step 3: Summarize (25 minutes)

The participants should use the organogram presented by them earlier as an aid and articulate the roles of every member in the organization.

**Session Objectives:** Participants will be able to identify and understand the different roles of committees in the PC.

**Prerequisite:** The session would be taken with the participants divided into groups of three participants each

# Step 1: Identify the Need for Committees (5 minutes)

As organizations grow, we need to have specialized committees responsible for specific tasks. Certain committees may be mandated as per the Memorandum/

Articles of Association or by-laws of the PC, in the interest of distribution of responsibilities and decentralization of power. Apart from efficient performance of the tasks entrusted to them, committees can have operational controls to ensure good governance of the organization.

# Step 2: General Guidelines for Committees (35 minutes)

Apart from being a legal requirement, the primary purpose of committees is to enable efficient decision making by the BOD. Hence, despite the differences in the nature of tasks, every committee should usually be governed with the following/similar standardized guidelines.

# **Finance and Audit Committee**



The Finance and Audit Committee will ensure judicious, effective and efficient utilization of the company's financial resources. This committee will be responsible for financial planning, budgeting, monitoring and control of financial resources such as recommending to BOD appropriate capital structure, mobilizing share capital and long-term loans for creation of assets, raising short-term loans to meet working capital requirements, etc. The committee also needs to ensure transparent book-keeping mechanisms and due diligence with audit practices.

# **Training and Capacity Building Committee**



The Training and Capacity Building Committee will be responsible for identifying capacity gaps of members (including BOD members) and staff and organizing appropriate capacity building and training programmes, keeping the future and vision of the PC in view. The Committee will need to identify competent resource persons for the specific needs. It needs to have mechanisms to ensure timely and effective conduct of such competency enhancement programmes and obtain continuous feedback on the programmes.

# **Procurement and Marketing Committee**



This committee will be responsible for ensuring efficient procurement of raw materials and other items required for processing or production, and management of inventory to ensure an optimal balance among the procurement, processing and marketing functions. The committee also need to ensure that final products reach the desired consumer group through an efficient and effective distribution systems. Quite significantly, the committee should focus its efforts on effective promotional strategies and identification and development of new markets, while retaining the existing customer base.

# **Election Committee**



The Committee will be responsible for organizing and conducting elections of the PC as per schedule and will ensure fairness and transparency in the process. The committee has to encourage a high level of participation of the members in the AGM and voting; it has to organize clear communication of voting guidelines and timely and correct and precise representation of election results. This committee, which is bound to ensure a fair and smooth election process, should refrain from any effort which may be seen as campaigning for or against any member(s) or other practices which will have the effect of promoting bias among the members.

# Step 3: Comparative Analysis of Committees in Different Organizations (15 minutes)

- Does every organization have similar committees?
- Do you see any difference in the committees discussed here and the ones in your organization? Is this the same across all organizations in the peer group?
- Which other committee(s), you think, should be included in addition to the committees discussed above? Why?

# Step 4: Closing (15 minutes)

Participants will summarize and present their learning by answering the above questions.



**Session Objectives:** Participants will analyse the roles and functions of the BOD in a PC, and its relation to members and employees.



#### Methodology

- Group discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers

# Step 1: Defining the Importance of BOD (5 minutes)

The BOD is the central decision-making body of the PC. As elected representatives, its members' primary objective is to meet the organization's goals and work towards the overall welfare and growth of its members. However, in the absence of well-defined structures, guidelines, procedures and regulations, BOD members may not be able to perform their duties, creating scope for inefficiencies and losses for all stakeholders. If such is the case, the first primary task of the BOD is to formulate the structure, guidelines, procedures and regulations and have them approved, if necessary, by the members at a special meeting of the General Body and by relevant government authorities.

# Step 2: General Guidelines for BOD (15 minutes)

- A group of 15 members is elected at AGM as directors.
- Members may act collectively only in BOD meetings.
- Members will be elected as directors at AGM every year.
- Five members will retire on rotation basis every year.
- Each director will have a three-year term.
- A retiring director may be re-elected, when her/his term is over.
- A BOD meeting must be held once every three

- months, and at least four meetings held every year.
- At least 10 days' notice will be given in writing to every director.
- The quorum for a BOD meeting is half of the total strength of directors, subject to a minimum of three.
- Elections will be by show of hands or by secret ballot.

# Step 3: Breaking down the Roles and Specific Functions of BOD (25 minutes)

- Directors are expected to attend all BOD meetings and General Body meetings.
- They have the authority to elect and remove the chairperson and other office bearers.
- The decision of recruitment and removal of the CEO lies with BOD.
- It is the duty of BOD to:
  - » Establish specific long-term and annual objectives;
  - » Place the annual report, annual financial statements, annual plan and budget for the approval of the general body;
  - » Consider audit and compliance reports and place them before the general body;
  - » Admit and terminate membership of members;
  - » Frame business rules and policies;
  - » Decide the dividend payable;
  - » Decide on and invest FPC funds and other resources;
  - » Monitor and follow-up on monthly/quarterly/ annual plans and objectives; and
  - » Perform such other functions as may be delegated by the general body or as specified in the bye-laws.

# Step 4: Establishing Links and Connections (15 minutes)

The participants will summarize their learning by categorizing the above pointers in specific buckets. This will enable them to analyse the implications of the board's decisions for every member of the organization.

**Session Objectives:** Participants will be able to identify the different books of accounts to be maintained for statutory purposes.



#### Methodology

- Group discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers
- Step 1: Identifying Books of Accounts Needed for Statutory Purposes (20 minutes)

Participants discuss the books of accounts observed in their organization. In order to maintain uniformity, standardization and ethical practises across POs, there are statutory requirements for maintaining books of accounts. Compliance with the statutory requirements validates the legal standing of the company's operations and conveys the position to all its stakeholders such as members, employees and government.

- Step 2: Statutory Requirement of Books of Account in PCs (40 minutes)
- Cash book: A cash book is a ledger account showcasing all the transactions, i.e., sales and purchases made by cash. No credit entries are recorded here. This book gives a clear idea of the liquidity position and cash flow of the company.
- Accounts of assets and liabilities: This is also known as the balance sheet. The balance sheet of an enterprise is a financial statement that reports a company's assets and liabilities (and shareholder equities) at a point of time. This enables the reader to evaluate the company's capital structure, investment outlay and major strategies.

- Accounts of all purchases and sales of goods: These
  accounts show the details of the all transactions
  regarding the purchase and sale of goods. All
  cash and credit transactions need to be recorded
  here daily. Moreover, the double entry system of
  accounting needs to be followed.
- Updated register of members: The organization needs to keep the register containing member details updated at all points of time. Information such as name, gender, age, occupation, family, contact details, capital contributed, etc., need to be constantly maintained and updated for statutory purposes.
- Copies of audit reports and special audits: Audit reports basically comprise the financial statements of the company such as profit and loss account, balance sheet, trial balance, etc., which are presented by an external audit firm with comments on the statements, including deviations from the norms and standards of the company. These are presented to BOD for scrutiny before presentation to the general body. The financial statements and audit report must be placed before the members at the AGM for their approved. In extraordinary cases, the AGM may resolve remedial steps if the results indicate huge deviations from plans or point to acts of lack of prudence, fraud, dishonesty, etc.
- Minutes book: This book is the official record of the attendance and minutes, i.e., notes of discussion and resolutions or decisions at every meeting (AGM, BOD, Sub-committees, etc.) in the organization.
   This always enables a transparent and clear flow of communication among all stakeholders.
- Copy of the law, bye-laws book and updated bylaws with all amendments: Every organization is mandated to maintain a hard copy of the governing laws, acts, regulations. The amendments to the procedures, if any, need to be updated regularly. In case of any inefficiencies or suspected malpractices, the BOD can refer to these books to take the final decisions.

**Session Objectives:** Participants will be able to understand the types of audit undertaken and their purpose.



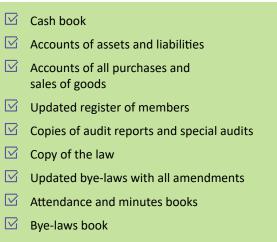
# Step 1: Purpose of Audit (10 minutes)

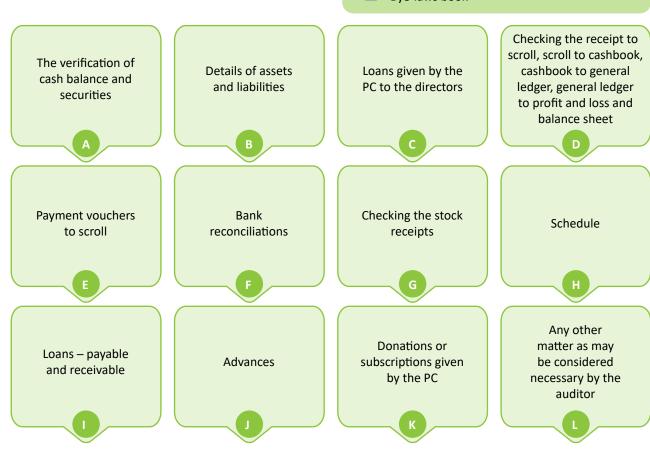
The aim of an audit procedure is to ensure an objective view of the company's financial statements for understanding the true financial health of the organization. Broadly, the audits can be classified as internal and statutory audits.

# Step 2: Internal Audit (25 minutes)

A PC may get its accounts audited internally twice a year or on a continuous basis. Internal audit has become an important management tool for following reasons:

- It ensures compliances of companies (Auditor's Report) Order, 2003.
- It is a specialized service to look into the standards of efficiency of business operation.
- It can evaluate various problems independently in terms of overall management control and suggest improvement.
- It is an integral part of "management by system."
- It ensures the adequacy, reliability and accuracy of financial and operational data by conducting appraisal and review from an independent angle.
- In the process of internal auditing, the PC must update its statutory records which are listed below.
- Statutory records.
- Some important books of account that the Act requires of all PCs are:





# Step 3: External Audit (25 minutes)

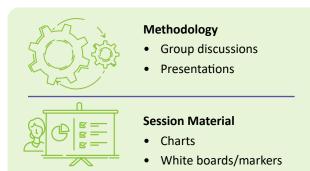
An external audit occurs once a year and focuses on the company's performance and compliance. Accounting records are commonly examined in an external audit to make sure no errors exist in the financial statement, which is important for investors and regulatory

requirements. External auditors have no affiliation with the company, which offers the company an unbiased audit of the amount of debts due along with particulars of bad debts, if any.

Some of the activities taking place during the external audits are:



**Session Objectives:** Participants will be able to understand the PC as a legal entity.



# Step 1: Why is there a Need for a Legal Form for Community Enterprises?

Although the legal form depends on the purpose, there are some forms such as Cooperatives (under old Cooperative Acts, Liberal Cooperative Acts and Multi State Cooperative Societies Act), Producer Companies, Private Limited Company and Limited Liability Partnerships.

Therefore, compliance to different stipulations of the law in the above categories are different. Complying with legal compliances is a legal requirement and it will also lead to improved performance and transparency. Therefore, it is important that BOD members and members should know compliances under the Producer Companies Act to make their institutions more effective.

# Step 2: Producer Company Act

To provide an enabling environment for producer- or member-owned collective institutions, wherein they have to compete against other agencies including big private corporations, a new Act was envisaged combining the unique elements of cooperative principles within a regulatory framework like that of a private limited company. The Act is known as the Producers' Companies Act and came into force in 2003. The notable feature is that it retains the principles of cooperation that emphasize voluntary membership, democratic decision-making, patronage rather than capital, distribution of surplus based on patronage, education of members, etc.

# Step 3: Detailed Description of Producer Company

No	Parameter	Producer Company
1	Governing Act	Companies Act, 1956, amended in 2002
2	Governing Authority	Registrar of the Company, Ministry of Corporate Affairs, Government of India
3	Membership	10 or more individuals, each of them being a producer or any 2 or more producer institutions, or a combination of 10 or more individuals and producer institutions; no upper limit
4	Liability	Liability of members are limited to share capital
5	Incorporation	Director Identification Number for directors (required for this are identity proof & residence proof); name approval (in Form 1A); filing Memorandum of Association & Articles of Association; opening of bank current account; Permanent Account Number (PAN) card in the name of individual members termed as directors; common seal
6	Initial Share Capital	No requirement as to minimum share capital; member's equity cannot be freely traded but only be transferred with approval of BOD
7	Voting Rights	Where the membership consists of individuals every member has single vote irrespective of the share owned; in case of producer institution, the voting rights are based on participation in business of the PC in the previous year. Part IX-A of primary Producers' Companies Act
8	Distribution of Dividend	1. Every member shall, on the shares capital contributed, receive only a limited return. 2. Member may be allotted bonus on share value in accordance with the provisions contained IN SECTION 581ZJ. 3. The surplus if remaining after all this may be distributed as patronage bonus (based on the contribution of the members)
9	Raising of external finance	Cannot raise funds through shares to the external public

**Session Objectives:** Participants will be able to list the compliances a PC must adhere to.



# Methodology

- Group discussions based on the Practicum task: The groups will list down the internal and external compliances.
- Presentations: based on group discussions, groups would present their knowledge of the compliances.



#### **Session Material**

- Charts
- White boards/markers

# Step 1: Purpose of Compliances (15 minutes)

Maintaining a coherent system of compliances ensures that the organizations follow all laws of the government and have ethical practices. This ensures transparent, fair, ethical and efficient flow of operations.

# Step 2: Compliance Structures (40 minutes)

# Internal

# A. Election

The group will ensure that the BOD is elected before the expiry of the term of the existing directors. These elections need to be in accordance with the bye-laws

# B. Meetings

The general body needs to meet at least once a year and BOD at least once in three months. AGM must be held within six months of the completion of the financial year. The bye-laws of the society may prescribe a higher frequency of meetings. The AGM minutes must be circulated to all attendants within 30 days of the meeting.

# C. Statutory Records

Some of the important books of account that the Act requires of all PCs are:

- Cash book
- Accounts of assets and liabilities
- Accounts of all purchases and sales of goods

- ☑ Updated register of members
- Copies of audit reports and special audits
- Copy of the law
- ☑ Updated bye-laws with all amendments
- ✓ Attendance and minutes books
- ☑ Bye-laws book

#### D. Internal Audit

A PC may get its accounts audited internally twice a year. Internal audit has become an important management tool for the following reasons:

- a. It ensures compliances of Companies (Auditor's Report) Order, 2003.
- b. It is a specialized service to investigate the standards of efficiency of business operation.
- It can evaluate various problems independently in terms of overall management control and suggest improvement.
- d. It is an integral part of the "management by system".
- e. It ensures the adequacy, reliability and accuracy of financial and operational data by conducting appraisal and review from an independent angle.

#### F. Submission of Returns

A PC needs to submit the following returns within 30 days of conduct of the AGM:

- Annual report of activities.
- Annual audited statements of accounts with auditor's report.
- List of members at the close of the year under reporting with services provided to each member.
- Statement on the disposal of surplus or on the allocation of deficit.
- List of names of directors, their addresses and their terms of office.
- Compliance reports relating to audit, special audit and inquiry, if any.

# **External Compliances**

# a. Registration of the Organization

The Producers' Company Act deals with the number of members required for incorporation of a PC after complying with the requirements and provisions of the act in respect of registration.

After registration, FPOs need to have following registration for income tax:

#### PAN

After incorporation, the company must obtain its PAN. For this purpose, an application needs to be filed with the Income Tax Department in Form 49A with the necessary documents. PAN is mandatory for opening of the bank account, filling of income tax returns and various other financial transactions.

# • Tax Deduction Account Number (TAN)

After incorporation, the company must also obtain a TAN. For this purpose, an application needs to be filed with the Income Tax Department in Form 49B with necessary documents. TAN is required for depositing of Tax Deducted at Source (TDS)/Tax Collected at Source.

# b. Income Tax

The Government of India imposes an income tax on taxable income of FPOs. The Indian Income Tax Department is governed by the Central Board for Direct Taxes. For a company or an FPO, income is taxed at a flat rate of 30 percent, with an additional 5 percent surcharge applied on the tax paid by companies with a gross turnover of over INR 10 million. The income tax needs to be paid before 31 March of every financial year to the Income Tax Department to avoid the penalty for defaults in furnishing return of income simple interest @ 1.25 percent for every month or part of a month from the due date of filing of the return to the date of furnishing of the return.

# c. Advance Tax

Advance tax means the tax which is paid during the financial year based on pay as the FPO earns. The liability for payment of advance tax arises only where the amount of such tax payable by the FPO during that year is INR 5,000 or more.

#### d. Tax Deducted at Source

TDS is one of the modes of collecting income tax from the assessees in India. Such collection of tax is effected at the source when income arises or accrues. Hence where any specified type of income arises or accrues to anyone, the Income Tax Act enjoins on the payer of such income to deduct a stipulated percentage of such income by way of income tax and pay only the balance amount to the recipient of such income. The tax so deducted at source by the payer must be deposited in the government treasury to the credit of the central government within the specified time. The tax so deducted from the income of the recipient is deemed to be payment of income tax by the recipient at the time of her/his assessment. Income from several sources is subjected to TDS. Some of such income subjected to TDS is salary, interest, dividend, interest on securities, rent, fees for professional and technical services, payments to non-residents, etc. The rate of TDS is declared in every financial year.

# e. Filing of return

It is compulsory for every FPO to furnish return of income at the financial year ending. FPOs need to be file their return as or before 30 September or 120 days from the date of upload.

# f. Adherence

Adherence to laws under Weights and Measures Enforcement Act 1987, Labour Act, The Factories Act, 1948, The Minimum Wages Act, 1948, The Payment of Wages Act, 1936, The Payment of Bonus Act, 1965, The Indian Forest Act, 1927, as applicable.



# FINANCIAL ACCOUNTING

# **Course Introduction**

Effective and efficient management of financial resources is a crucial component for any enterprise. This training course will help participants to understand and apply concepts of financial and managerial accounting. This, in turn, would support them in the entrepreneurial processes of planning, decision making and control. This would enable participants to analyse and create financial structures for their own enterprise/PC.

# **Course Objective and Scope**

By the end of the course, participants should be able to:

1. Create and analyse vouchers and receipts by applying basic accounting principles;

- 2. Create and analyse ledgers such as purchases accounts, sales accounts and stock accounts; and
- 3. Evaluate key financial statements such as trial balance, profit & loss statement and balance sheet for informed decision making.

# **Recommended Faculty Profile**

- a. Accountants for collectives or small businesses; or
- Finance professionals such as chartered accountants having experience in relevant spaces such as cooperatives, social enterprises, etc.

#### **Recommended Resources**

- a. Financial Statements of the 5 Enterprises
- The Accounting Primer Rajesh Aggarwal & Srinivasan

# **Overview of the Course**

SI. No	Objectives
	Participants will be able to
	Practicum Task 1
1	Analyse and create the different vouchers and receipts.
	Practicum Task 2
2	Analyse cashbook, major ledger accounts/books such as sales, purchases, inventory, etc.
3	Create model cashbooks, major ledger accounts/books.
Practicum Task 3	
4	Analyse and create a trial balance.
5	Analyse and create a profit & loss statement.
6	Analyse and create balance sheet.
7	Analyse the financial health of their enterprise through study of their annual reports.
8	Study the financial results of an enterprise for suggesting strategies to maximize profits.

# **Practicum Tasks**

The following Practicum tasks need to be fulfilled for completion of the course:

# **Prerequisites**

- The participants need to be divided into groups of three and must be allocated an enterprise to work with.
- The enterprise can be a PC, cooperatives, local manufacturers or any private enterprise with a yearly turnover of over INR 1,500,000-2,000,000.
- The enterprise should be clearly briefed about the programme and the Practicum task. There should be an agreement regarding the support and information that must be provided to the women.
- Every team must be given the Practicum task in advance and the corresponding worksheet.
- At the end of the Practicum, each team must present its analysis in the course Facilitation Workshop
- **Task 1:** The groups of participants must collect and analyse 15-20 vouchers and receipts of the allocated enterprise for the past three months.
- **Task 2:** The groups of participants must review and analyse the cash book and ledgers.
- **Task 3:** The groups of participants need to collect and analyse the financial statements (balance sheet, profit & loss) and annual report of the previous three years.

The worksheets for Practicum tasks are given below:

# Worksheet 1 for Task 1

- 1. What are the types of transaction in an enterprise?
- 2. How are these transactions documented? Explain five such practices.
- 3. Why do we document these transactions in a particular format?
- 4. Make three to five inferences from these documents

#### Worksheet 2 for Task 2

- How are the transactions for six months recorded? Do you observe any difference from the recording done during the previous task? Explain it.
- 2. What is the process used to track these transactions?
- 3. Which are the accounts or books used to segregate these transactions? Explain with three to five examples
- 4. How does the segregation of accounts help?

# Worksheet 3 for Task 3

- 1. Describe the structure and purpose of an annual report. Name the key financial statements.
- 2. Make three to five inferences from each of these statements.
- 3. Can you draw any inferences on the financial health of the company?
- 4. Propose two ideas the organization can undertake to improve their performance.

# **SESSION PLAN 1**

**Session Objectives:** Participants will be able to analyse and create major vouchers and receipts.

- Identify five major transactions and associated receipts and vouchers of the enterprise for the first three months.
- Analyse the major receipts and vouchers.
- Create vouchers and receipts for five major transactions of the enterprise.

# Pre-requisite

The session would be taken with the participants divided into groups of three participants each.

# Step 1: Identify and Explain the Formats for Recording Transactions (20 minutes)

Each team will present its analysis from the Practicum tasks. The teams need to present their analysis by highlighting the following points:

- The five major transactions identified.
- The rationale behind selecting these transactions.
- Explain the format in which these transactions were recorded. Describe the logic/purpose behind having standardized formats for recording transactions.
- Describe if any trends or observations were made about the enterprise's activities after analyzing the receipts/vouchers.

# Step 2: Discussion on Segregation of Vouchers & Receipts (10 minutes)

Every transaction has two aspects: debit and credit. Hence, we use the double entry system to ensure accuracy in our books of accounts. Every activity of the firm needs to be recorded in two places. Hence, the

transactions and associated receipts and vouchers can be classified as:

- ☑ Sales receipts
- Share certificates
- ✓ Purchase receipts/voucher
- ☑ Debit vouchers

# Step 3: Analyse the Purpose of Receipts & Vouchers of the Enterprise (10 minutes)

Recording transactions in standardized formats such as receipts and vouchers helps the enterprise to have documentary evidence for the transactions.

While reading the receipts and vouchers of any firm, we can evaluate the nature of its activities. When we analyse the transactions for specific time periods, we can see trends, patterns or any kind of observations about the activities of the enterprise. This information, in turn, enables us to make efficient decisions.

# Step 4: Creating Receipts & Vouchers (minutes)

A company XYZ has incurred the following major transactions for one month. Create the respective vouchers for them.

Purchased three chairs for INR 20,000; rented an office space for INR 4,000 per month; and got credit for INR 10,000. The initial purchases were for INR 10,000 and the sales were for INR 5,000. Build the transactional vouchers through the following steps:

- Create the standard format for all types of vouchers;
- Segregate the transactions based on the types of vouchers;
- Fill in the vouchers with all particulars; and
- Present the outcome in the full group.

**Session Objectives:** Participants will be able to analyse the cashbook, major ledger accounts/books such as sales, purchases, inventory, etc.

- a. Identify five major ledger accounts of the enterprise.
- Analyse major transactions and discuss their implications.



# Methodology

- Group discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers

# **Pre-requisites**

The session would be taken with the participants divided into groups of three participants each.

# Step 1: Group Discussion (20 minutes)

Each team would present its analysis from the Practicum task. The guidelines for the presentation are:

- Process for documentation of transactions; and
- Benefit of using such a process.

# Step 2: Classification and Analysis of Major Ledger Accounts and Books (10 minutes)

- Identification of five different accounts based on the types and nature of the transactions.
- Identify the different components of ledger accounts and cash book.
- Analyse five major transactions in every account and discuss their implications.

# Step 3: Purpose of Ledger Accounts

Ledger accounts and cash books help us to maintain a comprehensive record of transactions of similar nature at one place. Every transaction will have two effects, namely, debit and credit. Hence, the same transaction will be recorded on the debit side of one account and credit side of the other. This system of accounting is called the Double Entry System of Accounting.

# Step 4: Case Study

A company XYZ has incurred the following major transactions for one month. After creating the respective vouchers for in the previous session, make ledger accounts for the following transactions:

Cash book has an opening balance of **INR 15,000**. Purchased three chairs for INR 20,000; rented an office space for **INR 4,000** per month; and got credit for **INR 10,000**. The initial purchases were for **INR 10,000** and the sales were for **INR 5,000**. Build the ledger accounts through the following steps:

- Create the standard format for all types of accounts.
- 2. Segregate the transactions based on the categories of accounts.
- 3. Fill in the accounts with all particulars.
- 4. Do you think the company has utilized its funds effectively? Give two reasons.

**Session Objectives:** Participants will be able to create model cash books and major ledger accounts/books.



# Methodology

- Group discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers

# Pre-requisite

The session would be taken with the participants divided into groups of three participants each.

# Step 1: Group Discussion (15 minutes)

Each team will present its analysis and key learnings from the previous session. They need to explain the following:

- Types of accounts and books; and
- Purpose of maintaining standardized accounts and books.

# Step 2: Creating Sample Ledger Accounts & Cash Books (35 minutes)

- Select a business entity of your choice. Identify five major accounts for that entity.
- For a span of three months, what do you think would be the major transactions this entity will incur?
- Categorize these transactions under the various accounting categories.
- Create the formats for the cash book and ledger accounts and complete them with the transactions.

# Step 3: Case Study

In the next six months, the sales of your business have grown three times. Purchases have increased two times. You have hired 10 employees, at a salary of INR 5,000 per month. However, due to damage by fire in the godown, the inventory level has come down by 50 percent. Update the accounts created earlier for the next six months using the following guidelines:

- 1. Classify the new transactions and old transactions into different account types.
- For the existing accounts, carry forward the closing balance to the next month. Analyse and update the transactions for the cash book and other ledger accounts.
- 3. Will you create any new accounts? Enter the transactions in these accounts and close all ledgers.

Session Objectives: Participants will be able to analyse trial balance for a business entity.



# Methodology

- Group discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers

#### Pre-requisite

The session would be taken with the participants divided into groups of three participants each.

# Step 1: Presentation on Basics of Trial Balance (15 minutes)

Each team will present its analysis from the Practicum tasks. They need to give a brief description of:

- The components of a trial balance; and
- The purpose of a trial balance.

# Step 2: Group Discussion on Analysis of a Trial Balance

Trial balance is a comprehensive record of all the ledger balances of a company. All the debit balances are recorded in the "debit side" and all the credit balances are recorded on the "credit side". Both these columns need to match to ensure zero errors in reporting the transactions.

Balances relating to assets and expenses are presented in the left column (debit side) whereas those relating to liabilities, income and equity are shown on the right column (credit side).

The group will analyse the components and relevance of a trial balance in financial accounting by discussing the following questions:

- What is a trial balance?
- What do the debit and credit side of the trial balance imply?
- Should these sides be equal? If not, what does this imply about the firm's accounts?
- What are the top five highlights observed in the trial balance?
- How will analysing a trial balance help you to take financial decisions?

# Step 3: Case Study

Select the trial balance of another business entity (within the peer group). Do a comparative analysis with your firm and give five major trends. Analyse the trial balance through the following steps:

- Which are the accounts having major transactions?
- How are these transactions different from your entity?
- What could be the reasons for these differences?

**Session Objectives:** Participants will be able to analyse trial balance for a business entity.

- Articulate the purpose of a profit & loss statement.
- Identify and analyse major heads of a profit & loss statement.



# Methodology

- · Group discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers

# Pre-requisite:

The session would be taken with the participants divided into groups of three participants each.

# Step 1: Presentation on Basics of a Profit & Loss Account (10 minutes)

Each team will present its analysis from the Practicum tasks. They need to give a brief description of:

- The sub-heads of a profit & loss account; and
- The purpose of a profit & loss account.

# Step 2: Explaining the Purpose and Broad Heads of a Profit & Loss Account (10 minutes)

The profit & loss statement explains the profits earned/losses incurred for a particular time period. It gives a clear breakdown of the income and expenditure of an enterprise. It helps to analyse if the revenue earned by an enterprise is being effectively converted into profits for the firm. It enables the reader to analyse the strengths of an enterprise operations and identify required areas of improvement.

The group will analyse the components and relevance of a profit & loss account in financial accounting by discussing the following questions:

What is a profit & loss account?

 Explain the format and broad heads of a profit & loss statement.

# Step 3: Analysing the Income Side of a Profit & Loss Account (10 minutes)

- What are the key components under the income side?
- What happens if the income side is higher than the expenditure side? What does this tell you about the firm's operational efficiency?

# Step 4: Analysing the Expenditure Side of a Profit & Loss Account (10 minutes)

- What happens if the expenditure side is higher than the income side?
- What are the key components under the expenditure side?
- Why does the enterprise have to pay/not pay tax? Does this have any impact on the profits?

# Step 5: Analysing the Profitability of the Enterprise (10 minutes)

- Has your enterprise earned profit or incurred a loss? Why? What does this imply about the operational and financial performance of your enterprise?
- How will analysing a profit & loss statement help you to take financial decisions?

# Step 6: Case Study (10 minutes)

Select the profit & loss account of another business entity (within the peer group). Analyse the profit & loss account through the following steps:

- Has the enterprise earned profit or incurred loss?
- If profit, is it due to the operational activities or other income? What does this show about the operational performance of the firm?
- If loss, is it due to low revenue or excessively high expenditure? What does this show about the operational efficiency of the firm?
- Which components should the firm focus on to improve its profitability? Give three to five parameters.

**Session Objectives:** Participants will be able to analyse the balance sheet of an enterprise.

- Articulate the purpose of a balance sheet.
- Identify and analyse major heads of a balance sheet.



# Methodology

- · Group discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers

# Pre-requisite

The session would be taken with the participants divided into groups of three participants each.

# Step 1: Presentation on Basics of a Balance Sheet (10 minutes)

Each team will present its analysis from the Practicum tasks. They need to give a brief description of:

- The two components of a balance sheet; and
- The purpose of a balance sheet.

# Step 2: Explaining the Purpose and Broad Heads of a Balance Sheet (10 minutes)

The balance sheet of an enterprise is a financial statement that reports a company's assets, liabilities (and shareholder equities) at a particular point of time. This enables the reader to evaluate the company's capital structure, investment outlay and major strategies. The group will analyse the components and relevance of a balance sheet in financial accounting by discussing the

following questions and the sample format given below:

- What is a balance sheet?
- Explain the format and broad heads of a balance sheet.
- Why should both sides of the balance sheet be equal?

# Step 3: Analysing the Liabilities Side of a Balance Sheet (10 minutes)

- What are the key components under the liabilities side?
- Why does an enterprise need to have liabilities?
- Why are shareholder funds considered a liability?
- What is the difference between current and long-term liabilities? Why are they raised?

# Step 4: Analysing the Asset Side of a Balance Sheet (10 minutes)

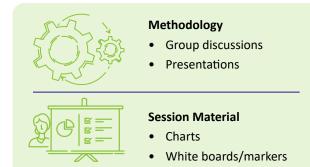
- What are the key components under the asset side?
- Why does an enterprise need to have assets?
- What is the difference between current assets and current liabilities?
- Why are items such as prepaid expenses and debtors recorded as current assets?

# ■ Step 5: Case Study (10 minutes)

Select the balance sheet of another business entity (within the peer group). Analyse the profit & loss account through the following steps:

- Which are the top items on the liabilities side?
   Are they depending upon shareholder's funds or long-term debts?
- Which are the top items in the asset side? Have they made key investments?
- Do you think the company can raise funds (liabilities) or invest the funds (assets) in a different way? Give two reasons.

**Session Objectives:** Participants will be able to analyse the financial health of the enterprise by studying its annual reports of the past three years.



#### Pre-requisite

The session would be taken with the participants divided into groups of three participants each.

# Step 1: Components and Purpose of an Annual Report (5 minutes)

The annual report of an enterprise is a comprehensive report of the entity's activities for the preceding year. A major component of an annual report comprises the financial statements. These documents show the financial performance and position of a particular entity at a particular point. These statements include a balance sheet, income statement or profit & loss statement and cash flow statement.

The participants will utilize the knowledge acquired from the previous sessions and study the annual report for the past three years.

# Step 2: Analysing the Profit & Loss Statement (30 minutes)

The participants will be able to analyse the revenue streams, expenditures and overall operational efficiency

of the organization by comparing the profit & loss statement for the past three years through the following questions:

- What are the key drivers of the firm's income/ revenue?
- Is the enterprise earning money through its main operation or other incidental income?
   How has this changed in the past three years?
- What are the enterprise's major expenditure items? Have they increased or decreased in the past three years?
- Has the overall profitability of the enterprise improved or declined in the past three years?
- Give three major reasons for the change in profitability in the past three years.

# Step 3: Analysing the Balance Sheet (25 minutes)

Participants will analyse the capital structure, investment outlay, liquidity and solvency of the enterprise by comparing the balance sheet for the past three years through the following questions:

- What are the key components of the liabilities side?
- How have these components changed over the past three years?
- Solvency: is the enterprise more dependent on shareholder funds or long-term debt? In case of winding up, can the company repay its debt?
- Investment outlay: what are the key investments/fixed assets of the enterprise? Has this changed over the past three years?
- Liquidity: what are the current assets of the enterprise? In case of winding up, does the enterprise have enough current assets/cash or cash convertibles to repay its current/shortterm liabilities?

**Session Objectives:** Participants will be able to study the financial results of an enterprise to suggest strategies to maximize profits.

- Study the financial reports for the past five years.
- Suggest five strategies to maximize profits.



# Methodology

- Group discussions
- Presentations



# **Session Material**

- Charts
- White boards/markers

# Pre-requisite

The session would be taken with the participants divided into groups of three participants each.

# Step 1: Implications of the Profit & Loss Statement (25 minutes)

Participants will be able to suggest strategies by analysing the revenue streams, expenditures and overall operational efficiency of the organization by comparing the profit & loss statement for the past five years through the following questions:

- What are the key drivers of the firm's income/ revenue?
- Is the enterprise earning money through its main operation or other incidental income?
   How has this changed in the past five years?
- What does this imply about the firm's core business activity? Suggest strategies to improve the same.
- What are the enterprise's major expenditures?
   Have they increased or decreased in the past five years?
- What does the above imply about the company's operational efficiency? Suggest feasible cost cutting strategies for the enterprise.
- Has the overall profitability of the enterprise improved or declined in the past five years?
   Give three to five reasons for the above.

- Should the enterprise focus more on increasing its revenue or cutting its cost to improve shortterm profits?
- Can this strategy work in the long term? If yes, how? If no, what can be feasible long-term strategies to improve profitability?

# Step 2: Implications of the Balance Sheet (25 minutes)

Participants will be able to suggest strategies by analysing the capital structure, investment outlay, liquidity and solvency of the enterprise by comparing the balance sheet for the past five years through the following questions:

- Capital structure: How has the enterprise raised its funds? Is it dependent on shareholder funds or long-term debt? How has this strategy changed over the past five years?
- Solvency: In case of winding up, can the enterprise repay its long-term debt? Has this situation improved or worsened in the past few years?
- What are the implications of the above?
   Suggest ways in which the enterprise can have a healthy/ sustainable capital structure? Should they focus on raising share capital or long-term borrowings? What are the pros and cons of both?
- Investment outlay: What are the key investments/fixed assets of the enterprise? How has this changed over the past five years?
- Do you think the enterprise has made effective investments? Should they increase their investment outlay, reduce it or continue with the same?
- Liquidity: What are the current assets of the enterprise? In case of winding up, does the company have enough current assets/cash or cash convertibles to repay its current/short term liabilities?
- What are the implications of the above?
   Suggest ways through which the enterprise can improve their liquidity?

# Step 3: Summarized Presentation of Key Strategies (minutes)

Through the above facilitated discussions, each team will come up with three to five strategies to improve the profitability of their respective enterprise. They would need to briefly explain the parameters of the strategy, their rationale and feasibility based on their knowledge of financial and managerial accounting.

FIELD WORK (Practicum Tasks & Reflection Workshops)					

# **RURAL MARKETING**

# **Course Introduction**

Marketing is a crucial function in all businesses and is a key determinant of success in our economy. This course will help the participants explore the core concepts and tools of marketing for excelling in rural business. Key topics include decision on the marketing mix and the role of marketing research for the decision.

# **Course Objective and Scope**

By the end of the course, the participants should be able to:

 Internalize the 4Ps of marketing for their context;

- 2. Learn to carry out break-even analysis on a continuous basis;
- 3. Develop an understanding of the role and importance of brand building and premium positioning for their products and markets; and
- 4. Create marketing plans for sustained business growth and excellence.

# **Recommended reading**

- http://www.economicsdiscussion.net/firm/ pricing-strategies/8-important-pricingstrategies-adopted-by-firms/21781
- 2. https://www.cleverism.com/understandingmarketing-mix-concept-4ps/
- 3. http://www.fao.org/3/ad499e/ad499e08.htm

# **Overview of Course**

S. No	Objective					
	Participants will be able to:					
1	Understand the market structure of the product they want to position through Michael Porter's Five Force Framework and decide on the segment(s) they will operate in.					
2	Estimate the demand for the product in the local market and outside based on historical data for the product or similar products.					
3	Craft a marketing strategy for positioning their product in the existing markets or for creating new markets.					
	Practicum Task 1					
4	Analyse the first P (Product) with reference to market demand and develop new variants of the products to take on competition, including the development of a new brand and building it.					
5	Analyse the second P (Price) and develop a product pricing policy appropriate to the market segments in which they decide to operate.					
6	Analyse and decide on the third P (Place) and the fourth P (Promotion) as per market conditions.					
Practicum Task 2						
7	Develop a marketing strategy and plan with the appropriate marketing mix, comprising decisions on the market segment(s), product and its variants, pricing policy, positioning and promotion policies.					
8	Tune the procurement and production to serve markets to maximize revenue and contribution by carrying out, where necessary, break-even analysis for the entire supply chain or part(s) of it.					

# **Practicum Tasks**

The following Practicums need to be fulfilled for completion of the course:

# **Pre-requisites**

- All participants must be divided into groups of three and allotted a manufacturing unit and a service unit for visit.
- The worksheets need to be briefed and given to the participants in advance.
- The analysis of each Practicum needs to be presented by the participants in the sessions.
- **Task 1:** The participants will conduct a survey to analyse the influence of 4 Ps, viz., product, price, place and promotion, on the marketing of a product. The participants will take up sub-activities for each aspect of 4Ps.

#### Worksheet 1 for Task 1

- 1. Visit different forms of business:
  - a. Small;
  - b. Local super market; and
  - c. Big hyper market.

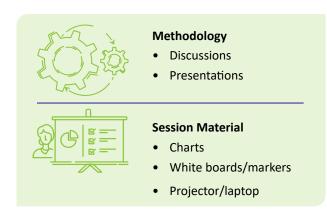
- 2. Try to identify the product portfolio.
- 3. Compare the details of above-mentioned businesses on grounds of the 4 Ps.
- **Task 2:** The participants will analyse consumer behaviour through a market scan of a commodity (such as a pulse, grain, vegetable, milk, etc.) and one fast moving consumer good (such as potato chips, processed food items, etc.).

#### Worksheet 1 for Task 2:

- 1. Visit different businesses and collect information on the following:
  - a. How do they introduce new products into the market?
  - b. Why are they selling that product?
  - c. What are the channels through which they sell their products?
  - d. How do they decide which segment to sell to?
  - e. What mascot, brand name or tagline do they use?
  - f. How helpful is the brand to this business?
  - g. Staff and people involved (map the structure).

# **SESSION PLAN 1**

**Session Objectives:** Participants will be able to understand the market structure of the product they want to position through Michael Porter's Five Force Framework.



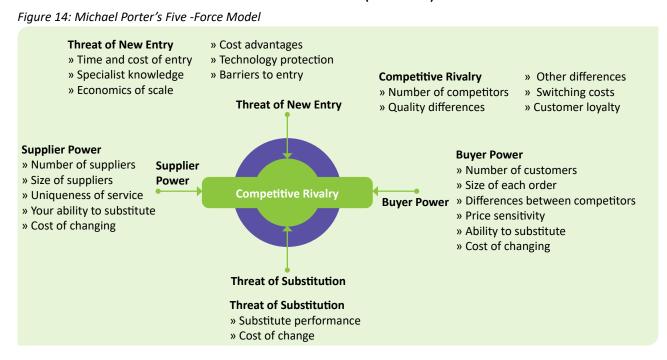
# Step 1: Define Market Structure (20 minutes)

- Participants can be probed on what makes them use a product over the other. Examples of daily used items such as soap, detergents, etc., would be good to initiate discussion on market structure.
- Traditionally, the most important features of market structure are as follows:
  - 1. The number of firms (including the scale and extent of foreign competition).

- 2. The market share of the largest firms (measured by the concentration ratio see below).
- The nature of costs (including the potential for firms to exploit economies of scale and the presence of sunk costs which affects market contestability in the long term).
- 4. The degree to which the industry is vertically integrated which explains the process by which different stages in production and distribution of a product are under the ownership and control of a single enterprise. A good example of vertical integration is the oil industry, where the major oil companies own the rights to extract from oilfields, they run a fleet of tankers, operate refineries and have control of sales at their own filling stations.
- 5. The extent of product differentiation (which affects cross-price elasticity of demand).
- 6. The structure of buyers in the industry (including the possibility of monopsony power).
- 7. The turnover of customers (sometimes known as "market churn"), i.e., how many customers are prepared to switch their supplier over a given time period when market conditions change. The rate of customer churn is affected by the degree of consumer or brand loyalty and the influence of persuasive advertising and marketing.

The answers of the participants can be fitted into one of the above categories and participants can list factors in their notes.

# Step 2: Michael Porter's Five Force Model (20 minutes)



- This concept can be learnt in two ways:
  - » To evaluate threat to an existing product; and
  - » To understand market entry.
- Taking the example of how Surf entered rural markets when only local products or Nirma were available, the facilitator can identify the gap noticed by those conglomerates and how they captured the market.
- Similar instances can be discussed in the classroom. Probe the participants to identify such businesses.

# Step 3: Create a Plan of Market Entry for a Given Product (20 minutes)

- The product needs to be understood based on the field visit in the Practicum.
- The existing products/brands must be already known to the participants.
- Participants, in teams of two, will identify the weak link based on the Five Force Framework of Porter, justify and plan.
- The facilitator will evaluate the strength of their plans based on their understanding of market and the validity of their inferences.



**Session Objectives:** Participants will be able to estimate the demand for the product in the local market and outside based on historical data for the product or similar products.



# Methodology

- Discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers
- Projector/laptop

# Step 1: Demand for a Product (20 minutes)

- Based on the demand estimation from production and supply chain management, it is easy to demonstrate to the participants that all these courses are integrated.
- A similar demand estimation can be made for each product of the same commodity by four teams of participants.
- A table such as the one below can be filled by each group.
- Details on sale per month/week in the recent past for a few products are collected in the following format:

Week No.	Shop 1	Shop 2	Shop 3	Shop 4	Shop 5	Shop 6
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

• The cost of each product is also collected in the following table:

Shop Name	Brand 1	Brand 2	Brand 3

# Step 2: Analysing the Data from Market Survey (20 minutes)

 The participants look at the demand data over many past periods of time (months/weeks/days) and try to extrapolate the data to project future demand. The facilitator has to help the participants carry out this exercise by taking data from one group and developing an example for replication by other groups.

# Step 3: Sample Case Study for Analysis (20 minutes)

- The participants need to predict sales for the forthcoming month
- Participants need to list the data points needed and identify the source of this information
- The participants can then analyse the data quantitatively (using central tendencies) and qualitatively (taking factors unrepresented by data into consideration).

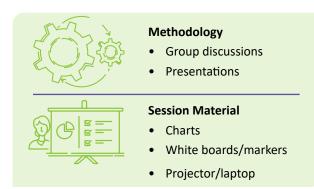
# **Case Study**

A farmer has recorded the sale of his potato produce for the last year quarterly:

Financial Quarter	Quantity sold	Selling price
Quarter 1	20 quintals	INR 400/quintal
Quarter 2	15 quintals	INR 410/quintal
Quarter 3	19 quintals	INR 395/quintal
Quarter 4	12 quintals	INR 420/quintal

- Participants can take the cost and quantity sold into consideration for estimating the demand.
- The facilitator can give more historic data available at the PC level for more contextualized learning.
- To increase the depth of the conversations, participants should be encouraged to discuss the decrease in produce, the supply-demand relationship.

**Session Objectives:** Participants will be able to craft a marketing strategy for positioning their product in the existing markets or for creating new markets.



# Step 1: Brand Positioning (30 minutes)

- Participants will watch the video (https://www. youtube.com/watch?v=jjTvjhqLPhA) and answer the following questions:
  - a. Who is the target audience? For whom is the ad made?
  - b. Does the video answer who they are?
  - c. Is there evidence of why this brand is better?
  - d. What is different about the brand?
- Explain the concept of brand positioning (with local examples):

# 1. Know Your Target Audience

Never give your target audience what they need. Give them what they want. People don't buy what they need. They buy what they want. It's the marketer's job to discover everything they possibly can about the target audience. Understanding demographics, lifestyle, and spending habits can make the difference between reaching and distancing the target audience. If you can make your product positioning feel natural and unobtrusive, it can add a massive amount of value to your marketing.

# 2. Tell Them Who You Are

Establish brand credibility and you can establish a long-term relationship with target segments. People who trust a brand are much more inclined to purchase from that brand. Don't make promises or claims that can't be verified or aren't true. Honesty and transparency are the best policies and will promote healthier product positioning.

# 3. Provide Evidence

You can't build brand credibility until you prove that your brand is reliable and trustworthy. The best way to

establish credibility is by presenting evidence. Customer reviews, testimonials, case studies, sales numbers and statistics are just a few methods that can be used to great effect. Reviews are especially powerful.

# 4. Value Proposition

Your value proposition needs to answer a crucial question: how can your product improve the lives of your customer? Your target audiences will dismiss your product in a heartbeat if they don't perceive any value. This is the most important aspect of product positioning and one of the hardest to execute effectively. Discover the most valuable aspects of your product and then look for ways to promise and deliver on that value.

# 5. Unique Selling Proposition

How is your product unique? What distinct problem does it solve? In order to make this work for your product positioning, you need to pinpoint exactly what makes your products and brand unique. Then, convey those elements to your target audience. People love to have ownership in brands and products that are different and can stand out.

#### 6. Decide Your Market Segment(s)

You can't appeal to everyone in your target market without customization. Separate your audience into groups with shared traits, habits, and needs. Once this is accomplished, you'll be able to speak to the individual wants of each group with more authority and influence.

# 7. Carefully Craft Your Message

Each market segment has different communication requirements. The medium, channel, voice and tone of each segment should feel customized and personal. Start by creating a positioning statement for each of your segments:

- Define your ideal target customer;
- Decide how your product will impact the target customer;
- Determine how you will fulfil product claims; and
- Once you have determined these qualifiers, you can begin crafting custom messages that speak to the values and interests of each segment.

# 8. Know Your Competition

Knowing the details of your competition is the key to differentiation in product positioning. There are a few ways to differentiate your products and brand:

- Innovation: If your products are unique and memorable then you have an edge over the competition;
- Improvement: Make a better mousetrap and market it better than the competition; and

 Core values: Stand out from the crowd with admirable core values and policies that cannot be replicated.

# 9. Showcase Your Expertise

Demonstrate why your target audience should do business with you. What makes you the best? Why is your product a better choice than any other product in its category? Demonstrations, testing and trials can be very effective product positioning tools (99 percent germs killed in Lifebuoy advertisement).

# 10. Focus on Competitive Advantages

At the end of the day, it boils down to building a competitive advantage. If you think about great pianos, Steinway comes to mind. Quality cars that hold their value usually invoke thoughts of Toyota or Honda. What

you're selling doesn't matter as much as the way it's being sold. Of course, you can't expect to sell a product that doesn't work and doesn't deliver on claims without eventually going out of business. Ultimately, it's the way you build a competitive advantage that will set your product positioning apart.

# Step 2: Build a Marketing Strategy through Brand Positioning (30 minutes)

- The product being developed by the enterprise needs to be identified and participants need to answer questions about all the 10 factors mentioned above.
- The facilitator will evaluate them based on clarity on the factors.
- Participants in teams of two will present their plan.



**Session Objectives:** Participants will be able to analyse the first P (Product) with reference to market demand and develop new variants of the products to take on competition, including the development of a new brand and building it.



# Methodology

- Group discussions
- Presentations



# **Session Material**

- Charts
- White boards/markers
- Projector/laptop

# Step 1: Product Development (20 minutes)

The participants must first understand the importance of identification of needs of the customer/market segment before deciding on an existing product (e.g., milk or *atta* in sachet) or developing a new product/ service (e.g., chilli guava drink or premix ginger tea).

- The participants would familiarize themselves with the process of product development. Five phases guide the new product development process for small businesses: idea generation, screening, concept development, product development and, finally, commercialization.
- Phase One: Idea Generation This is the initial stage where a business looks for ideas regarding a new product. Some of the sources of new product ideas include the business customers, competitors, newspapers, journals, employees and suppliers. Small businesses may be limited when it comes to technical research-based idea generation techniques. This stage is crucial as it lays the foundation for all the other phases, as the ideas generated shall guide the overall process of product development.
- Phase Two: Screening The generated ideas have to go through a screening process to filter out the viable ones. The business seeks opinions from workers, customers and other businesses to avoid the pursuit of costly unfeasible ideas. External industry factors affecting small businesses, such as competition, legislation and changes in technology, influence the enterprise's decision. At the end of the screening process, the firm remains with only a few feasible ideas from the large pool generated.

- Phase Three: Concept Development The enterprise
  undertakes research to find out the potential costs,
  revenues and profits arising from the product. The
  business conducts a SWOT analysis to identify the
  strengths, weakness, opportunities and threats
  existing in the market. The market strategy is set
  out to identify the product's target group, which
  facilitates segmentation of the product's market.
  Market segmentation is important as it enables
  the firm to identify its niche. The identified niche
  influences most of the marketing decisions.
- Phase Four: Product Development Product development entails the actual design and manufacture of the product. Development commences with the manufacture of a prototype that facilitates market testing. Based upon the results of the tests, the business owner decides on whether to undertake large-scale production or not.
- Phase Five: Commercialization and Rollout
   Favourable results in the development stage result in large-scale production and commercialization. Here, the business launches its promotion campaign for the new product. The market research conducted during the conception stage influences the timing and location of the product launch.
- The participants will be taught the purpose and method of using SWOT analysis as a tool.

# Step 2: Learn the Basics of a SWOT Analysis to Evaluate a Product (20 minutes)

 The facilitator can use the example of commonly used products such as mobile phones, soaps, shampoos, etc.

A SWOT analysis looks at the strengths and weaknesses, opportunities and threats your business faces.

By focusing on the key factors affecting your business, now and in the future, a SWOT analysis helps you understand where your business has competitive advantage and what issues you should be addressing.

# 1. What is a SWOT Analysis?

A SWOT analysis is a tool to help your business succeed. SWOT stands for Strengths, Weaknesses, Opportunities and Threats. The SWOT analysis is an organized way of identifying these for your business.

Strengths and weaknesses are internal characteristics of your business. For example, your strengths might include a unique product or a good reputation. A weakness might be a shortage of financing.

Opportunities and threats are outside factors, for example, new technologies or regulations, or changes in the competition.

You can use a SWOT analysis in different situations. It is a useful way of starting to write a business plan or update your marketing plan. You might carry out a SWOT analysis in preparation for raising finance. The analysis helps to show that you really understand your business and your market.

You can use SWOT analysis as part of a regular process of reviewing business performance. You can do a more focused SWOT analysis of a product or service that you offer, for example, as part of your product development plans.

# 2. Carrying out a SWOT Analysis

Decide whom to involve. Key participants are likely to include the managing director and heads of departments. Involve other employees to get a fuller picture and gain their commitment to the process. Consider bringing in sympathetic outsiders who know your business and market (e.g., customers and suppliers).

Many businesses find using a consultant helpful for their first SWOT analysis.

- Brainstorm the issues.
- Ask everyone to identify the strengths and weaknesses they feel the business has, and any opportunities or threats they think the business faces.
- Encourage participants to make suggestions without trying to judge how important the issue is.
- Concentrate especially on identifying weaknesses and threats.
- Be aware that lack of honesty is a common problem. Most people find it easier to identify strengths and opportunities, particularly if the performance of key people (including managers) is one of the weaknesses.
- You may want to use checklists of possible strengths, weaknesses, opportunities and threats to prompt further suggestions.
- Organize the ideas.
- Separate ideas into strengths, weaknesses, opportunities and threats.
- Recording suggestions on Post-It notes or cards that can be re-arranged makes it easy to organize related ideas into groups.
- Create a digital summary that you can share. You can download a SWOT analysis template from Best Templates.
- Assess the importance of the issues identified.
- To help you, use relevant data from your own and similar businesses.

- Update your conclusions from any previous SWOT analysis. For example, a strength may no longer exist (e.g., if last year's cutting-edge product is now outdated).
- Assess whether your strengths (or weaknesses) provide a significant competitive advantage (or disadvantage). For example, a strong R&D programme is useless unless you have the resources to make the most of the results.
- Do not be surprised if some factors crop up as both a strength and a weakness.
- ☑ Create a simple, clear action plan.
- There is no point conducting a SWOT analysis if it doesn't result in action.
- Set out what will be done to address weaknesses, capitalise on opportunities and deal with threats. This includes the steps to be taken, the personnel involved, timeframes and budget.
- Involve key personnel in drawing up the action plan to gain their commitment.
- Keep the analysis and action plan to hand for review before making important decisions. For example, as a reminder of what you should be looking for when recruiting a new employee.

# 3. Strengths

Your strengths are usually easy to identify through your continuing discussions with customers and suppliers. Your records (e.g., sales) will also help to suggest areas where you are particularly strong (e.g., rising sales for a product).

Sound finances may give you an advantage over your competitors.

#### Important factors might include:

- Positive cash flow;
- Growing turnover and profitability;
- Skilled financial management, good credit control and few bad debts;
- A strong balance sheet; and
- Access to extensive credit, a strong credit rating and a good relationship with the bank and other sources of finance.

Marketing may be the key to your success. For example, your business may enjoy:

- market leadership in a profitable niche;
- □ a good reputation and a strong brand name;
- an established customer base;

- □ a strong product range;

- use of design and innovation;
- market leadership in a profitable niche;
- ☑ a good reputation and a strong brand name;
- an established customer base;
- □ a strong product range;
- effective R&D;
- □ a skilled sales team;

Management and personnel skills and systems may underpin your success. These may include factors such as:

- management strength;
- the ability to make quick decisions;
- skilled employees, successful recruitment, effective training and development;
- good motivation and morale;
- efficient administration.

Strengths in production may include the right premises, plant and suppliers. You may benefit from:

- ☑ a good location;
- effective purchasing and good relationships with suppliers.

Be aware that strengths are not always what they seem.

- Strengths may also be weaknesses. For example, market leaders are often complacent and bureaucratic.
- Strengths often imply threats. For example, your accountant who handles all the finances may leave.

# 4. Weaknesses

Your weaknesses are often known but ignored. A SWOT analysis should be the starting point for tackling underperformance in your business.

Poor financial management, resulting in situations where:

in a new plant or product development;

- all available security, including personal assets and guarantees, is already pledged for existing borrowings;
- poor credit control leads to unpredictable cash flow.

Lack of marketing focus, leading to:

- unresponsive attitudes to customer requirements;
- ☑ a limited or outdated product range;
- a bad website;
- a poor or non-existent online presence (e.g., on social networking sites and in content marketing);
- complacency and failure to innovate;
- ✓ over-reliance on a few customers.

Management and personnel flaws are often hard to recogzise without hindsight, such as:

- failure to delegate and train successors;
- expertise and control locked up in a few key personnel;
- inability to take outside advice;
- high staff turnover.

Inefficient production, premises and plant can undermine any business. Typical problems include:

- poor location and shabby premises;
- outdated equipment, high cost production and low productivity;
- long leases tying the business to unsuitable premises or equipment;
- inefficient processes.

# 5. Opportunities

External changes provide opportunities that well-managed businesses can turn to their advantage. Changes involving organizations and individuals which directly affect your business may open completely new possibilities, such as:

- deterioration in a competitor's performance, or the insolvency of a competitor;
- improved access to potential new customers and markets (e.g., overseas);
- increased sales to existing customers, or new leads gained through them;
- the development of new distribution channels (e.g., social media platforms);
- improved supply arrangements, such as just-intime supply or outsourcing non-core activities;

- the opportunity to take on a key employee from a competitor;
- the introduction of financial backers who are keen to fund expansion.

The broader business environment may shift in your favour. This may be caused by:

- Political, legislative or regulatory change. For example, a change in legislation that requires customers to purchase a product.
- Economic trends. For example, falling interest rates reducing the cost of capital.
- Social developments. For example, demographic changes or changing consumer needs leading to an increase in demand for your products.
- New technology. For example, new materials, processes and cloud-based platforms.

#### 6. Threats

Threats can be minor or could possibly destroy the business. These are changes involving organizations and individuals that directly affect your business and having far-reaching effects such as:

- improved competitive products or the emergence of new competitors;
- reliance on legacy products or services for large chunks of revenue;
- loss of a significant customer;
- creeping over-reliance on one distributor or group of distributors;
- failure of suppliers to meet quality requirements;
- price rises from suppliers;
- key personnel leaving, perhaps with trade secrets;
- lenders reducing credit lines or increasing charges;
- a rent review threatening to increase costs, or the expiry of a lease;
- legal action (e.g., being sued by a customer).

The broader business environment may change to your disadvantage, due to:

- Political, legislative or regulatory change. For example, new regulation increasing your costs or requiring product redesign.
- Economic trends. For example, lower exchange rates reducing your income from overseas.
- Social developments. For example, consumer demands for 'environmentally-friendly' products.

New technology. For example, technology that makes your products outdated or gives competitors an advantage.

# 7. Analysis into Action

The results of SWOT analysis – and the action needed – will be different for every business. Successful businesses focus on capturing market niches and creating 'barriers to entry' to reduce possible competition.

Capitalize on opportunities that play to your strengths. The SWOT analysis may also suggest various strategic options such as:

- following a strategy of aggressive expansion where opportunities match your strengths;
- moving away from areas of significant threat to more promising opportunities;
- focusing on turning around weaknesses in areas of significant opportunity;
- taking defensive measures in areas of threat where you are weak.

# Address your weaknesses:

- Decide which weaknesses need to be addressed first. Other weaknesses must be acknowledged and respected until time and resources allow a solution.
- Some weaknesses can be turned into strengths or opportunities. For example, it might be possible to turn a shortage of production capacity into rarity value for your product.
- Some weaknesses have a clear solution. For example, financial weakness might be solved by raising further funds, and management shortcomings by recruiting new personnel.
- Some weaknesses will take time and money to address. For example, you may need to start a programme of improvements through training.

# Protect yourself against threats. For example:

- Build relationships with suppliers and customers;
- Promote good employee relations;
- Make sure you have clear and reasonable contracts with suppliers, customers and employees;
- Take out insurance cover against obvious potential disasters, such as cybercrime and data theft;
- Draw up realistic contingency plans to cope with possible crises;
- Introduce the right types of service contract for key personnel;

- Invest in legal protection for your intellectual property; and
- Take advantage of low fixed-interest rates to move your overdraft to long-term loans.

#### 8. SWOT Checklist

- Involve **employees** from all the key areas of your business in your SWOT analysis.
- Consider involving key customers, suppliers or other sympathetic outsiders who know your market and can provide an objective view.
- Ask participants to **collect and review information** on internal resources and external factors affecting the business.
- Arrange a **brainstorming** session to identify your firm's strengths and weaknesses and the opportunities and threats facing it.
- Decide whether you have the skills and objectivity to **chair** the session yourself, or if you should use an external facilitator.
- Encourage an **open and honest** atmosphere. Avoid judging or disagreeing with suggestions; try to draw out weaknesses and threats.
- Review internal operations such as finances, marketing, production, management and personnel to identify strengths and weaknesses.
- Review external organizations (e.g., competitors, customers and suppliers) and the business environment and market to identify **opportunities** and threats.

- When there are no further suggestions, discuss the ideas that have been raised; **agree** on the key strengths, weaknesses, opportunities and threats
- Identify any **additional information** you need to confirm your analysis. If necessary, carry out further market research.
- Assess the **significance** of your results. Identify areas where you have a competitive advantage or disadvantage.
- Create an action plan to tackle weaknesses, capitalize on strengths and opportunities and deal with threats.
- Use the analysis and action plan as a **review tool** before important decisions.

# Step 3: Evaluate the Product of an Enterprise using the SWOT Analysis (20 minutes)

- Participants need to identify who all should be part of the SWOT analysis.
- Participants must be given a product in which they have a good knowledge of the market and the available options.
- Participants, in teams of two, can conduct the SWOT analysis and answer questions on developing new variants of products to take on competition, including the development of a new brand and building it.

**Session Objectives:** Participants will be able to analyse the second P (Price) and develop a product pricing policy appropriate to the market segments in which they decide to operate.



#### Methodology

- Discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers
- Projector/laptop

# Step 1: Define Price and Pricing Strategies (20 minutes)

- Price is the value that is put on a product or service and is the result of a complex set of calculations, research and risk-taking ability.
- Participants need to understand the difference between cost and price.
- Participants can be probed on the impact of price on a customer: expensive products may not be purchased by everyone as affordability is an issue. Products priced lower may be perceived to be inferior in quality.
- Participants can now discuss the concept of pricing strategy.
- A pricing strategy considers segments, ability to pay, market conditions, competitor actions, trade margins and input costs, amongst others. It is targeted at the defined customers and against competitors.

# Step 2: Understanding Different Pricing Strategies (20 minutes)

**Premium pricing:** High price is used as a defining criterion. Such pricing strategies work in segments and industries where a strong competitive advantage exists for the company. Example: Baskin & Robbins in icecreams and Reid & Taylor in suiting.

**Penetration pricing:** Price is set artificially low to gain market share quickly. This is done when a new product is being launched. It is understood that prices will be raised once the promotion period is over and market share objectives are achieved. Example: mobile phone rates in India; housing loan interest rates, hotel tariffs, etc.

**Economy pricing:** No-frills price. Margins are wafer thin; overheads such as marketing and advertising costs are

very low. This strategy targets the mass market and high market share. Example: friendly wash detergents; Nirma; local tea producers.

**Skimming strategy:** High price is charged for a product till such time as competitors allow, after which prices can be dropped. The idea is to recover maximum money before the product or segment attracts more competitors who will lower profits for all concerned. Example: the earliest prices for mobile phones, VCRs and other electronic items where a few players ruled initially and attracted lower cost Asian players later in the US and European markets.

# Step 3: Creating a Pricing Strategy for the Product (20 minutes)

- Participants will be able to differentiate between each of the pricing strategies based on the example/ genre of products.
- Participants will identify the right pricing strategy for their product and develop a strategy.

In short, a pricing strategy refers to various methods that small businesses use to price their goods or services. It's an all-encompassing term that can account for things like:

- Actions that competitors take

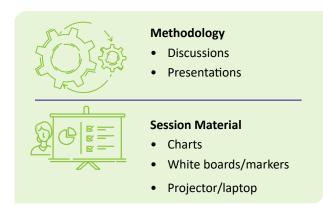
- ☑ Input costs
- Production and distribution costs

#### Variable costs

Pricing strategies are useful for numerous reasons, though those reasons can vary from company to company. Choosing the right price for a product will allow you to maximize profit margins if that's what you want to do. Contrary to popular belief, pricing strategies aren't always about profit margins. For instance, you may opt to set the cost of a good or service at a low price to maintain your hold on market share and prevent competitors from encroaching on your territory.

In these cases, you may be willing to sacrifice profit margins to focus on competitive pricing. But you must be careful when engaging in an action like this. Although it could be useful for your business, it also could end up crippling your company. A good rule of thumb to remember when pricing products is that your customers won't purchase your product if you price it too high but your business won't be able to cover expenses if you price it too low.

**Session Objectives:** Participants will be able to analyse and decide on the third P (Place) and the fourth P (Promotion) as per market conditions.



# Step 1: Define Place in 4 Ps (5 minutes)

- Participants can be urged to think on how products reach consumers from where they are produced.
- A comparison can be made of selling products in a local market vs. buying from a store, selling in rural areas vs. selling in urban areas.
- In the marketing mix, the process of moving products from the producer to the intended user is called placing. In other words, it is how your product is bought and where it is bought. This movement could be through a combination of intermediaries such as distributors, wholesalers and retailers. In addition, a newer method is the internet which itself is a marketplace now.

Using the right place, a company can increase sales and maintain these over a longer period. In turn, this would mean a greater share of the market and increased revenues and profits.

Correct placement is a vital activity that is focused on reaching the right target audience at the right time. It focuses on where the business is located, where the target market is placed, how best to connect these two, how to store goods in the interim and how to eventually transport them.

# Step 2: Understanding the Role of a Distribution Channel (25 minutes)

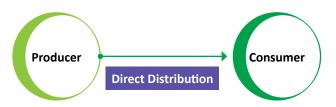
- Participants must understand the relevant distribution channel and the role of and need for intermediaries.
- Participants must identify the distribution channel required for their product and how to create more access to customers without middlemen.

#### What is a Distribution Channel?

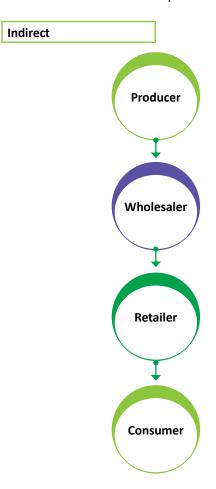
A distribution channel can be defined as the chain comprising all activities and processes required to move a product from the producer to the consumer. Also included in the channel are the intermediaries involved in this movement in any capacity. These intermediaries are third party agencies that act as wholesalers, transporters, retailers and provide warehouse facilities.

#### **Types of Distribution Channels**

There are **four main types of distribution channels.** These are:



In this channel, the manufacturer directly provides the product to the consumer. In this instance, the business may own all elements of its distribution channel or sell through a specific retail location. Internet sales and one-on-one meetings are also ways to sell directly to the consumer. One benefit of this method is that the PO has complete control over the product, its image at all stages and information on the user experience.



#### **Indirect Distribution**

In this channel, a company will use an intermediary or a set of intermediaries to sell a product to the customers. The company may sell to a wholesaler who further distributes to retail outlets. This may raise product costs since each intermediary will add its margin on the cost. This channel may become necessary for large producers who sell through hundreds of small retailers.

#### **Dual Distribution**

In this type of channel, a company may use a combination of direct and indirect selling. The product may be sold directly to a consumer while, in other cases,

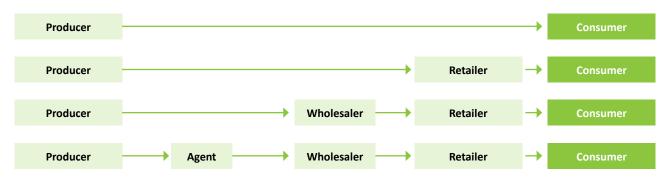
it may be sold through intermediaries. This type of channel may help reach more consumers but there may be the danger of channel conflict. The user experience may vary and an inconsistent image for the product and a related service may begin to take hold.

#### **Reverse Channels**

The last, most non-traditional channel allows for the consumer to send a product to the producer. This reverse flow is what distinguishes this method from the others. An example of this is when a consumer recycles and makes money from this activity.

# Types of Intermediaries

# **Consumer goods**



Distribution channel intermediaries are middlemen who play a crucial role in the distribution process. These middlemen facilitate the distribution process through their experience and expertise. There are four main types of intermediaries:

# 1. Agents

The agent is an independent entity who acts as an extension of the producers by representing them to the user. An agent never actually gains ownership of the product and usually makes money from commissions and fees paid for her/his services.

# 2. Wholesalers

Wholesalers are also independent entities. But they purchase goods from a producer in bulk and store them in warehouses. These goods are then re-sold in smaller quantities at a profit. Wholesalers seldom sell directly to an end user. Their customers are usually another intermediary such as a retailer.

# 3. Distributors

Similar to wholesalers, distributors differ in one regard. A wholesaler may carry a variety of competition brands and product types. A distributor, however, will only carry products from a single brand or company. A distributor may have a close relationship with the producer.

#### 4. Retailers

Wholesalers and distributors will sell the products that they have acquired to the retailer at a profit.

Retailers will then stock the goods and sell them to the ultimate end user at a profit.

# **Importance of Distribution Channels**

It may seem possible and smart for a company to directly distribute its own products without the help of a channel and intermediaries. This is especially so because the internet allows sellers and buyers to interact in real time. But, in actual practice, it may not make business sense for a company to set up its own distribution operation. Large-scale producers of consumer goods, for example, need to stock items of necessity such as soap, toilet paper and toothpaste in as many small and large stores in as many locations as possible. These locations may be as close together as two on the same street. They may also be remote rural convenience stores, rest stops and petrol stations. It would be counter-productive and costly for the company to attempt to achieve this without a detailed distribution channel.

Even in cases where a company does sell directly, there remain activities that are performed by an outside company. A laptop may be sold from a company website to a consumer directly, but it will be sent out using an existing courier service. This is why, in some form or the other, all producers must rely on a distribution channel.

 Understanding promotion as a means to communicate about the product to the customer.

# Step 3: Promotion of 4Ps (30 minutes)

Need for promotions strategy for an enterprise.

#### What is Promotion?

Promotion is a type of communication between buyers and sellers, in which sellers persuade buyer to purchase their goods or services through promotion. It helps in making the people aware of a product, service or an

enterprise. It also helps to enlarge the public image of a company. This element of marketing may also create interest in the minds of buyers and can also generate loyal customers.

It is one of the basic elements of marketing mix consisting of the four Ps, viz., price, product, promotion, and place. It is also an element in the promotional mix or promotional plan.

# **Types of Promotion**



#### **Advertising**

Advertising is meant to create awareness of a product, service or a company with the help of television, radio or social media.

Advertising is done through various mass media, including traditional media such as newspapers, magazines, television, radio, outdoor advertising or direct mail; and new media such as search results, blogs, social media, websites or text messages.



# **Direct Marketing**

Direct marketing is a form of advertising where organizations communicate directly to customers through a variety of media, including cell phone text messaging, email, websites, online advertisements, database marketing, fliers, catalogue distribution, promotional letters and targeted television, newspaper and magazine advertisements as well as outdoor advertising. Among practitioners, it is also known as a direct response.



#### **Sales Promotion**

Sales promotion uses both media and non-media marketing communications for a predetermined, limited time to increase consumer demand, stimulate market demand or improve product availability.



#### **Personal Selling**

Personal selling is a method where companies send their agents to the consumer to sell the products personally.

Here, the feedback is immediate, and they also build trust with the customer which is very

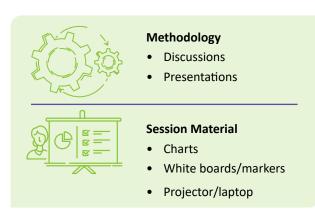
important.



#### **Public Relations**

Public relations is the practice of managing the spread of information between an individual or an organization (such as a business, government agency, or a non-profit organization) and the public. A successful public relations campaign can be beneficial to the brand of the organization.

**Session Objectives:** Participants will be able to develop a marketing strategy and plan with the appropriate marketing mix, comprising decisions on the market segment(s), product and its variants, pricing policy, positioning and promotion policies.



# Step 1: Marketing Strategies using 4 Ps (30 minutes)



#### **Purpose of Marketing Mix**

The 4Ps were formalized and developed over the years by experts to ensure the creation and execution of a successful marketing strategy. Through their use, an attempt is made to satisfy both the customer and the seller. When properly understood and utilized, this mix has proven to be a key factor in a product's success.

# **Developing a Marketing Mix**

Intuition and creative thinking are essential job requirements for a marketing manager. But relying on just these can lead to inaccurate assumptions that may

not deliver results. To ensure a marketing mix that is based on research and combines facts with innovation, a manager should go through the following systematic process:

# 1. Defining Unique Selling Proposition

The first item on the marketing manager's agenda should be to define what the product has to offer or its unique selling proposition. Through customer surveys or focus groups, there needs to be an identification of how important this unique selling proposition is to the customers and whether they are intrigued by the offering. It needs to be clearly understood what the key features and benefits of the product are and whether they will help ensure sales.

# 2. Understanding the Consumer

The second step is to understand the consumer. The product can be focused by identifying who will purchase it. All other elements of the marketing mix follow from this understanding. Who is the customer? What do they need? What is the value of the product to them? This understanding will ensure that the product offering is relevant and targeted.

# 3. Understanding the Competition

The next step is to understand the competition. The prices and related benefits such as discounts, warranties and special offers need to be assessed. An understanding of the subjective value of the product and a comparison with its actual manufacturing distribution cost will help set a realistic price point.

# 4. Evaluating Placement Options

At this point, the marketing manager needs to evaluate placement options to understand where the customer is most likely to make a purchase and what are the costs associated with using this channel. Multiple channels may help target a wider customer base and ensure ease of access. On the other hand, if the product serves a niche market, then it may make good business sense to concentrate distribution to a specific area or channel. The perceived value of the product is closely tied to how it is made available.

# 5. Developing Communication/Promotion strategy

Based on the audience identified and price points established, the marketing communication strategy can now be developed. Whatever promotional methods are finalized need to appeal to the intended customers and ensure that the key features and benefits of the product are clearly understood and highlighted.

# 6. Cross-check of the Marketing Mix

A step needs to be taken back at this point to see how all the elements identified and planned for relate to each other. All marketing mix elements are interdependent and rely on each other for a strong strategy. Do the proposed selling channels reinforce the perceived value of the product? Is the promotional material in keeping with the distribution channels proposed? The marketing plan can be finalized once it is ensured that all four elements are in harmony and there are no conflicting messages, either implicit or explicit.

# Step 2: Creating a Marketing Mix (30 minutes)

- Using an example, the participants can understand how to create a marketing mix.
- The participants must be creating a marketing mix by following the above six steps and keeping the basics of 4 Ps in mind.
- The facilitator will evaluate their plans based on the challenges faced by their product in the current environment.

#### **MARKETING MIX EXAMPLE - VASELINE**

# **The Company**

Vaseline stands for a group of well-known products that are in the category of high-quality skin and beauty care product market. Vaseline is one of the brands manufactured and sold by Beiersdorf, which was established in 1882. In the UK, the company has always focused on ensuring availability of its products to as many people as possible. In addition, the company has always strived to understand the varied needs of its vast consumer base and bring as many specific products to market as possible.

# Marketing mix for new product line

Market research revealed an opportunity in the market for a younger customer base. This led to the launch of Vaseline Visage Young in 2005. This product was developed for girls in the 13- to 19-year age range.

For the eventual launch of the product, the company needed to develop a balanced and relevant marketing mix to appeal to its young audience. Through its initial launch in 2005 to a subsequent re-launch in 2007, the company focused closely on the marketing mix balance to help ensure that all elements of the product appeal to the target audience to achieve success.

# **Product**

The company gave significant importance to on-going research to understand the constantly evolving market and consumer dynamics. This knowledge has helped the company develop more innovative new products that fulfil consumer needs. Through this research, it became clear that younger consumers wished for a more specific product that addressed the skin needs of their age category. The need was for a product that offered a beautifying regime for daily use rather than a medicated product that targeted specific skin problems. The latter were abundantly being offered by competition. The product was subsequently re-designed to meet these specialized requirements.

From the company's perspective, some of the changes helped meet its commitment to the environment which included more efficient packaging to reduce waste, and use of more natural products and recyclable plastic.

#### **Price**

An effective pricing strategy considers the product's perceived and actual values. The final price should be based on both these in order to make the product attractive to both buyer and seller. After its re-launch, Vaseline Visage Young was priced a little higher than before to account for the new formula, better packaging and extended range of products. Since the product is being bought by mothers for their daughters, it remained low enough to remain good value for money. Effective pricing means that sales from this product account for nearly 7 percent of all Vaseline Visage sales.

# **Place**

As mentioned, Vaseline aims to have a wide reach for its products to ensure that it is easily available wherever needed by the extensive target market. The primary channels used are retail stores. High street stores such as Boots and Superdrug account for nearly 65 percent of all sales. Another portion comes from grocery chain stores such as ASDA or Tesco. This covers young people making their own purchases (mostly high street) as well as their mothers buying for them (mostly grocery stores). These stores ensure a cost-effective distribution channel that has a wide reach. The company manages its own cost by selling to wholesalers rather than directly to smaller stores. It also does not sell online directly, but the product is sold through stockists.

# **Promotion**

Vaseline has always tried to base its promotions on the actual lifestyle of its target market. The company does not find above-the-line promotions to be very effective as these are one-way communications through TV, for example. Instead, the promotion is more consumer-

led through different below-the-line solutions. Sample sales are a key activity that allows consumers to try out the actual product. There is also an interactive online magazine FYI (fun, young, independent) to increase product visibility and association. The company has also maintained a strong social media presence on popular social media networks. This use of new media has ensured a better brand awareness and association among target audience.

#### Conclusion

Through its successful use of a balanced marketing mix, Vaseline Visage Young has managed to create a clear position in the market. It addresses a need felt

by a specific niche segment. Traditional distribution methods are balanced by a unique product and updated promotional strategies. This ensures that the brand message reaches the right people at the right time in the right way.

As we see from the Vaseline example, it is vital for any company to focus judiciously on all elements of the marketing mix while planning for a product. Eventually, there may be a need to divert more resources towards one element such as strong distribution channels over promotional activities. But this needs to come after a clear plan and strategy has been decided upon. An effective marketing mix can mean the difference between a flash in the pan product or one that is bound to become a well-loved classic.



**Session Objectives:** Participants would be able to tune the procurement and production to serve markets to maximize revenue and contribution, by carrying out, where necessary, break-even analysis for the entire supply chain or part(s) of it.



#### Methodology

- Group discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers
- Projector/laptop

#### Step 1: Costing for Supply Chain (30 minutes)

 Participants will be able to calculate their total costs from the supply chain.

# What is Costing?

Costing is the way the entrepreneur calculates or works out how much each individual product (goods or service) costs to produce and sell.

#### Why is it Important to Cost before Pricing?

To be able to set the price of the product fairly and competitively.

# **Components of Costs**

**Direct or variable costs:** These vary directly with the number of items made or sold. These include all money spent for supplies and materials to make the product or to provide the service, for example, the cost of raw materials, packaging and labour.

**Indirect or fixed costs:** These are the business expenses or overheads that must be paid whether or not the products are produced or sold. Indirect costs include items such as rent, electricity, telephone, salaries, insurance and depreciation.

Rural women's cooperative groups often do not understand why they should calculate costs. It is important that they understand both the "why" and "how" of calculating costs.

Start the session with a discussion on the importance of calculating costs. Use the example given in the hand-out to emphasize the need for calculating costs. Proceed with teaching different cost concepts.

Divide members into groups and give them the case study for calculation of costs.

Go around all the groups during the discussion and see that they are on track. Convene the groups in a plenary to check whether each group understood the concepts. If necessary, do the calculations yourself and explain to all participants.

If the women understand break-even analysis, they will be able to know the level of sales at which they can cover all their costs and begin to earn a profit.

# Why Calculate Costs?

A women's group was earning a profit of 10,000 Baht a month after paying all members for their labour. The members were very happy and did not calculate the cost of production. Their product was in demand and, if this was so, they did not have to spend time on any calculation. Do you think this attitude is right? Is it necessary for this group to know the cost of production?

The calculation of costs is important, regardless of whether a group is doing well or not. It is only when the women know how much each product costs, that they can price the product well. It is important to calculate costs because it is possible to cut costs only by attending to details.

Women's groups often forget several elements of costing. They tend to underestimate their own labour and, therefore, the profits they calculate may be overstated. It is important that groups recognize the voluntary contributions by members. When women begin to analyse costs, they also look into the details of the process and can find ways in which work can be reorganized to reduce costs.

A major cost element is that of raw material. For instance, in one group, each woman buys the vegetables to make herbal sweets at home and brings them to the group for sale. In another group, each woman purchases the cotton or silk raw material, weaves on her loom at home and brings the items to the group for sale. These groups can save costs if they buy the raw material together. A group that makes artificial flowers buys all their raw material (paper, glue, metal, colour) together. The simplest way to reduce cost of raw material is by making bulk purchases. This results in individual saving and enables lower pricing of the product, making it more competitive in the market.

# Thus, calculation of costs helps in:

- a. Determination of the costs of products and services sold by the group;
- b. Control and reduction of costs; and
- c. Making decisions about pricing, volume of production and sales.

# Step 2: Break-even Analysis (30 minutes)

# **Break-even Analysis**

You can use this tool for initially setting a product's price or for calculating the effects of a price change. It will help you to understand that for certain prices, you need different levels of production to break even, that is, cover all your variable and fixed costs. The break-even point is where your total revenue equals your total cost. Below break-even, you will incur losses. Above this point, you will realize profits.

(INR)	Tomato 1	Tomato 2	Tomato 3	Tomato 4	Tomato 5
Selling price/kilogram	22	24	26	28	30
Variable cost/kilogram	8	9	8	9	8
Contribution per kilogram (A)	14	15	18	19	22
Sales (kilogram/annum)	27,500	27,000	25,000	20,000	18,000
Revenue	6,05,000	6,48,00	6,50,000	5,60,000	5,40,000
Fixed costs / annum(B)	4,00,000	4,00,000	4,00,000	4,00,000	4,00,000
Variable costs	2,20,000	2,43,000	2,00,000	1,80,000	1,44,000
Profit/loss	- 15,000	5,000	50,000	- 20,000	- 4,000
Break-even point (kilogram of tomatoes/ annum)	28,571	26,667	22,222	21, 053	18,182

- Break-even point can be explained using the above example.
- Participants will do the break-even analysis for their own products.

# PRODUCTION AND SUPPLY CHAIN MANAGEMENT

#### **Course Introduction**

This course will introduce major decision areas in production of goods and delivery of services by a PC. It will explore strategies for designing and managing the operations for balancing efficiency with responsiveness of a supply chain in a competitive environment, by combining inventory, transportation, location and information technology judiciously.

# **Course Objective and Scope**

By the end of the course, participants should be able to understand:

 The concept of flow of goods, services, information and finance in a supply chain, from procurement to consumption;

- The role of production and operations management for optimizing cost, quality, delivery and flexibility for responding to market demand efficiently; and
- 3. The inherent relationship among decisions at the strategic, tactical and operating levels of production.

# **Generic Readings for the Course**

- a. https://collegeforadultlearning.edu.au/thedifferences-between-purchasing-procurementand-supply- chain-management/
- b. ALC Board of Directors Training Module

# **Faculty Profile**

- a. Experience on the shop floor; and
- b. Experience with PC-level procurement activities.

# **Overview of Course**

S. No	Objective					
	Participants will be able to					
	Practicum Task 1					
1	Identify the various elements of a production system, and its linkage to procurement and marketing.					
	Practicum Task 2					
2	Picturize a supply chain with a collective/PC as the focal firm and understand the contribution of inventory, location decisions, transportation and IT.					
	Practicum Task 3					
3	Understand the nature of decisions at the strategic, tactical and operating level of a production system.					
4	Estimate the cost of production of a given product in an enterprise.					
5	Estimate demand for a given product based on market data and plan procurement, production and distribution in the long term as well as short term.					
6	Design the procurement and distribution systems for different products of an enterprise, with a view to provide excellent customer service and achieve market superiority.					
7	Appreciate the role of inventory to balance production capacity with market demand.					
8	Understand the role of the human element in the production system regarding production volume and product quality.					

#### **Practicum Tasks**

The following Ps need to be fulfilled for completion of the course:

**Pre-requisites** Participants need to be divided in groups of three and must be allocated an enterprise to work with. The enterprise can be a PC, dairy, rice mill, local manufacturers or any private enterprise with a yearly turnover of over INR 200,000.

- The required permissions need to be taken before hand to ensure that the participants can utilize their time productively for effective interactive learning.
- Every team must be given the Practicum task in advance and the corresponding worksheet.
- At the end of the Practicum, each team must present its analysis in the course Facilitation Workshop.
- **Task 1:** The groups of participants must visit the allotted enterprise and understand the procurement process in relation to its products and marketing.
- **Task 2:** The groups of participants must visit the allotted enterprise and understand the production process of the enterprise and place it at the centre of procurement and marketing.
- **Task 3:** The groups of participants need to estimate the market demand and corresponding procurement needs of the enterprise based on various factors.

The worksheets for Practicum tasks are given below:

#### Worksheet 1 for Task 1

The women have to visit different procurement centres and organize a survey to answer the following questions.

- 1. What are the raw materials for the given product?
- 2. From where and how is the material procured?
- 3. Who are the vendors and is there a selection method?
- 4. How is quality ensured at procurement?
- 5. On what basis are payments made to the vendors?

The women have to visit the enterprise to answer the following questions:

In what form is the payment made? 03

How much is procured?

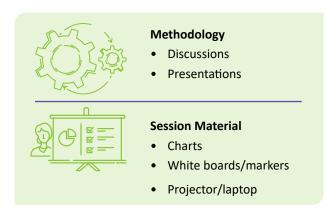
Who decides the procurement quality and quantity?

#### Worksheet 2 for Task 2 & 3

- **1** Explain the production process.
- How many products are made from the same material?
- How much quantity of each product is made?
- What are the standard sizes in which the products are sold?
- How long after the packing can the product be used?
- 6 Is there a difference in the quantity procured and quantity produced?
- For every unit of product, how much of material must be procured?
- 8 Where are these products stored?
- **9** How do you supply these to the market?

# **SESSION PLAN 1**

**Session Objectives:** Participants will be able to identify the various elements of a production system and its linkage to procurement and marketing;



# Step 1: Define a Production System (20 minutes)

- Understanding the production system with a household cooking process of preparing a sweet dish for a festival.
- Use a flow chart for making the dish.
- Compare the same chart to a production flow chart of making murmura or puffed rice from the video: https://www.youtube.com watch?v=sgbi3a0ZUvg.

# Step 2: Technical Elements of a Production System (15 minutes)

Figure 15: Functions of production management

- Selecting right production capacity;
- Production planning;
- Production control;
- Quality and cost control;
- Inventory control; and
- Maintenance and replacement of machines.

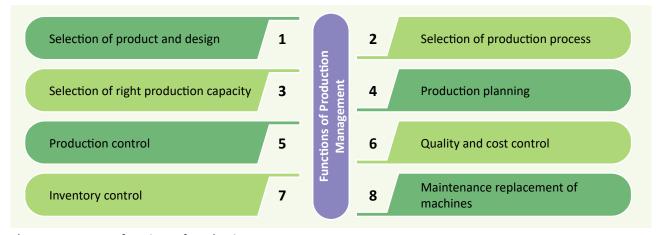
The above functions of production management are briefly discussed below.

#### 1. Selection of Product and Design

Production management first selects the right product for production, as a part of the overall business decision. Then it selects the right design for the product. Care must be taken while selecting the product and design because the survival and success of the company depend on it. The product must be selected only after detailed evaluation of all the other alternative products. After selecting the right product, the right design must be selected. The design must be according to the customers' requirements. It must give the customers maximum value at the lowest cost. So, production management must use techniques such as value engineering and value analysis.

#### 2. Selection of Production Process

Production management must select the right production process appropriate to the market demand for the quality of the product and its volume. Production managers get involved in decisions concerning the choice of technology, machines, material handling systems, etc.



# The components or functions of production management are as follows:

- Selection of product and design;
- Selection of production process;

# 3. Selecting Right Production Capacity

Production management must select the right production capacity to match the demand for the product. This is because too much or too little

capacity is likely to lead to market-related and costrelated issues, that may result in serious business problems. The production manager must plan the capacity for both short- and long-term production. Among other tools, he can use break-even analysis for capacity planning.

# 4. Production Planning

Production management includes production planning. Here, the production manager decides about routing and scheduling. Routing means deciding the path and flow of work and sequence of operations. The main objective of routing is to discover the best and most economical sequence of operations to be followed in the manufacturing process. Routing ensures a smooth flow of work. Scheduling means to decide when to start and when to complete a production activity.

#### 5. Production Control

Production management also includes production control. The manager must monitor and control the production volume and quality. She must find out whether the actual production is done as per plans or not. She must compare actual production with the plans and identify deviations. She then takes necessary steps to correct the deviations.

# 6. Quality and Cost Control

Production management has quality and cost control as two major focus areas. Quality and cost control are given a lot of importance in today's competitive world. Customers all over the world want good-quality products at the most competitive prices. To satisfy this demand of consumers, the production manager must continuously improve the quality of her products by various means such as

incorporation of new technology, automation, HR development and process control. Along with this, she must also take essential steps to reduce the cost of manufacturing operations.

# 7. Inventory Control

Production management includes inventory management as an essential driver for meeting the market demand effectively. The production manager must monitor the level of inventories. There must be neither over-stocking nor understocking of inventories. In the case of the former working capital will be blocked and the materials may be spoiled, wasted or misused. If there is an under-stocking, production may not happen as per schedule or there will be very little quantity of the product in the market, affecting the business adversely.

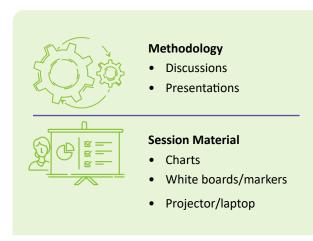
#### 8. Maintenance and Replacement of Machines

Production management ensures proper maintenance and replacement of machines and equipment. The production manager must have an efficient system for continuous inspection (routine checks), cleaning, oiling, maintenance and replacement of machines, equipment, spare parts, etc. This prevents breakdown of machines and avoids production losses.

# Step 3: Presentation of Practicum Task 2 (25 minutes)

- Using all its components, present the production plan.
- The team presents and the facilitator takes feedback based on the order of events and if all elements have been covered.

**Session Objectives:** Participants will be able to visualize a supply chain with a collective/PC as the focal firm and understand the contribution of inventory, location decisions, transportation and IT.



# Step 1: Defining a Supply Chain (20 minutes)

#### **Introduction to Soil and Water Conservation**

- https://www.youtube.com/watch?v=FAwi2H-LOwc
- Facilitators plays the video for the participants and they map the supply chain.
- Supply chain management is a process used by companies to ensure that their supply chain is efficient and cost-effective. A supply chain is a collection of steps that a company takes to procure inputs, transform them and take the finished product to the consumer.

# Plan

The initial stage of the supply chain process is the planning stage. We need to develop a plan or strategy in order to address how the products and services will satisfy demands and necessities of the customers. In this stage, the planning should mainly focus on designing a strategy that yields maximum profit.

For managing all the resources required for designing products and providing services, a strategy must be designed by the companies. Supply chain management mainly focuses on planning and developing a set of metrics.

# Develop (Source)

After planning, the next step involves developing or sourcing. In this stage, the firm mainly concentrate

on building a strong relationship with suppliers of raw materials required for production. This involves not only identifying dependable suppliers but also determining different planning methods for shipping, delivery and payment to the suppliers.

Companies need to select suppliers to deliver the items and services they require to develop their product. Therefore, in this stage, supply chain managers need to construct a set of pricing, delivery and payment processes with suppliers and create the metrics for controlling and improving the relationships.

Finally, the supply chain managers can combine all these processes for handling their goods and services inventory. This handling comprises receiving and examining shipments, transferring them to the manufacturing facilities and authorizing supplier payments.

#### Make

The third step in the supply chain management process is the manufacturing or making of products that were demanded by the customer. In this stage, the products are designed, produced, tested, packaged and synchronized for delivery.

Here, the task of the supply chain manager is to schedule all the activities required for manufacturing, testing, packaging and preparation for delivery. This stage is considered as the most metric-intensive unit of the supply chain, where firms can gauge the quality levels, production output and worker productivity.

#### • Deliver

The fourth stage is the delivery stage. Here products are delivered to the customer at the destined location by the firm through the distribution chain. This stage is basically the logistics phase, where customer orders are accepted, and delivery of the goods is planned. The delivery stage is often referred to as logistics, where firms collaborate for the receipt of orders from customers, establish a network of warehouses, pick carriers to deliver products to customers and set up an invoicing system to receive payments.

#### • Return

The last and final stage of supply chain management is referred as the return. In the stage, defective or damaged goods are returned to the firm by the customer. Here, companies need to deal with customer queries and respond to their complaints.

This stage often tends to be a problematic section of the supply chain for many companies. Planners of the supply chain need to discover a responsive and flexible network for accepting damaged or defective products back from their customers and facilitating the process of fresh supply to customers who have issues with the products.

#### Step 2: Defining Inventory and Understanding Purpose (20 minutes)

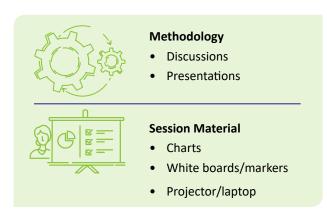
- Participants are asked about their inventory management process for storing commodities.
- Compare commodities with different shelf lives.
- Discuss other parameters for decision-making in inventory maintenance: warehousing, cost, delivery time, turn around

#### Step 3: Requirement of an Inventory Management System (20 minutes)

Inventory management systems track goods through the entire supply chain or a portion of it as a part of the business operations. That covers everything from production to retail, warehousing to shipping, and all movements of stock and parts between. Practically, it means a business can see all the small moving parts of its operations, allowing it to make better decisions and investments. Different inventory managers focus on different parts of the supply chain—though small businesses are usually more interested in the ordering and sales end of the chain.

- Contextualize the tool based on the enterprise run by the participants.
- Equip the participants with basics to use the system.

**Session Objectives:** Participants will be able to understand the nature of decisions at the strategic, tactical and operating level of a production system.



#### Step 1: Identify Decision Making Points in the Supply Chain (20 minutes)

- Probe the participants on where decisions are made in the supply chain.
- The participants could be divided into four teams and given a supply chain.
- They need to be given charts to map their supply chain.
- Identify areas and the decision that needs to be made.

#### Step 2: Understanding Different Decision-making Levels (20 minutes)

#### **DECISION-MAKING IN PRODUCTION**

Operations managers are required to make a series of decisions in the production function. They plan, organize, staff, direct and control all the activities in the process of converting all inputs into finished products. At each level, operating managers are expected to make decisions and implement them too.

The decisions made by operations managers about the activities of production systems tend to fall into three general categories:

- Strategic decisions relating to products, processes and manufacturing facilities. These decisions are major ones, having strategic importance and long-term significance for the organization;
- Operating decisions relating to planning of production to meet demand. These decisions are necessary to ensure that the on-going production of goods and services meets the market demand and provides reasonable profits for the organization; and
- Control decisions relating to planning and controlling are concerned with the day-to-day activities of workers, quality of products and services, production and overhead costs and maintenance of machines.

#### The table given below shows the type of decisions and the areas of their involvement:

Type of decisions	Area of Involvement	Nature of Activities
I. Strategic Decisions (planning products, processes and facilities)	<ol> <li>Production processes</li> <li>Production technology</li> <li>Facility layout</li> <li>Allocating resources to strategic alternatives</li> <li>Long range capacity planning and facility location</li> </ol>	Developing long range production plans including process design  Selecting and managing production technology  Planning the arrangement of facilities and for optimal distribution of scarce resources among product lines or business units  Answering the how much and where questions about long range production capacity
II. Operating Decisions (planning production to meet demand)	<ol> <li>Production planning systems</li> <li>Independent demand inventory demand</li> <li>Resource requirements planning systems</li> <li>Shopfloor planning and control</li> <li>Materials management</li> </ol>	Aggregate planning and master production scheduling planning and controlling finished goods inventories Planning materials and capacity requirements Short range decisions about what to produce and when to produce at each work centre Managing all facts of materials system

III. Control
Decisions
(planning and
controlling
operations)

- 1. Productivity and employees
- 2. Total quality control
- 3. Project planning and control techniques
- 4. Maintenance management and reliability

Planning for the effective and efficient use of human resources in operations

Planning and controlling the quality of products and services

Planning and controlling projects

Planning for maintaining the machines and facilities of production

The above decision-making chart elaborates various considerations on how the decisions are made for production.

#### ■ Step 3: Mapping Each Decision-making Aspect to the Supply Chain (20 minutes)

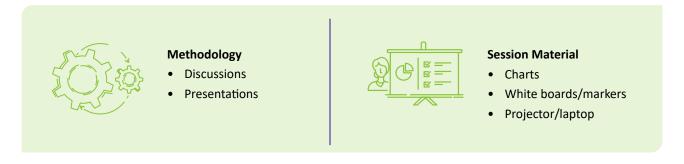
Each team needs to keep the decision-making activity on the table.

Feedback will be given based on all points of decision making.

Each team will be given 5 minutes to present its Practicum task of production.



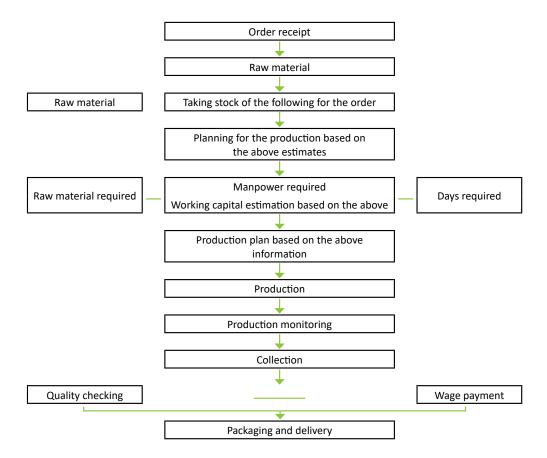
Session Objectives: Participants will be able to estimate the cost of production of a given product in an enterprise.



#### Step 1: Define Production Unit (5 minutes)

A typical production or processing unit may have a process flow like this. Here the process starts with

a client placing an order; otherwise, production can be initiated based on the market demand. An important component in production is the raw material management.



#### Step 2: Presentations of Practicum Task 1 & 3 (20 minutes)

#### **Raw Material Management**

Raw material management is an important component with respect to the sustainability of the livelihood as well as in cost management. The main elements in raw material management are:

- 1. Raw material regeneration/production;
- 2. Alternatives in raw material;
- 3. Location of the raw material; and
- 4. Cost of procuring/generating the raw material.

Identify the raw material to be procured and the cost of procurement from each vendor.

#### The participants need to fill the costs below:

#	Aspect	Factors Influencing It
1	Raw material cost	1. 2. 3.
2	Procurement or own production of raw material	1. 2. 3.
3		

#### Step 3: Understanding Processing Management (10 minutes)

#### **Processing Management**

After the procurement and treatment of raw material, managing the production process is the next crucial step. Apart from the active/maximum involvement of producers, this process requires inspection and quality management. The main aspects that need to be looked into are organization of production system, wage/ compensation management and physical arrangement of the production process.

Answer the following questions and discuss

- What should be the basis of work-distribution in an enterprise?
- What are the factors that influence wage?
- Draw the production process flow-chart

#### Step 4: Estimating Cost of Production (25 minutes)

Having identified the product that needs to be produced, the next question is how much and what should be the selling price.

#### **Format for Costing**

	SHEET FOR THE PRODUCT COSTING	
COSTING HEADS	AMOUNT INR	REMARKS
Cost of raw material		
Cost of ordering		
Cost of transportation		
Cost of credit		
Cost of raw material processing		
Cost of chemicals		
Cost of transportation		
Cost of fuel		

	SHEET FOR THE PRODUCT COSTING	
COSTING HEADS	AMOUNT INR	REMARKS
Cost of Production		
Wages		
Transportation		
Finishing		
Transportation		
Wages		
Packaging		
Defects/wastage		
Total		
Overhead		
Тах		
TOTAL COST OF PRODUCTION		
Unit cost (total cost of production/ total production)		
Price for wholesale		
Price for retail		

- Participants would try to list the cost heads and the facilitator needs to support wherever required.
- Based on the Practicum, participants should be able to fill out certain costs at least and the facilitator would give inputs wherever necessary.
- Participants will be divided in two teams for filling the given cost sheets after the format has been explained by the facilitator.
- Participants would have to present estimates of cost of production and feedback of the facilitator would

- be incorporated into the costs and a final estimate would be presented to the facilitator.
- The facilitator would evaluate each estimation on the following parameters:
  - a. Inclusion of all elements of costs;
  - b. Making reasonable estimates of cost of each material;
  - c. Covering the entire process management; and
  - d. Comparing with the actual costs to the estimates.

**Session Objectives:** Participants will be able to estimate demand for a given product, based on market data and plan procurement, production and distribution in the long term as well as short term.



#### Methodology

- Discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers
- Projector/laptop

#### Step 1: Demand Estimate as a Key Parameter for Production Estimation (10 minutes)

- Participants can be probed on how they make monthly purchases of household commodities.
- Elaborate the concept of demand and demand estimation using the same example.

Demand estimation involves determination of approximate volume of a product demanded for a product or a service during a particular period of time.

#### Step 2: Demand of the Product (10 minutes)

- The facilitator takes a commodity for the entire session preferably from the production unit visited by the participants.
- Participants need to estimate the demand using the daily sales of a vendor and number of vendors.

#### Step 3: Understanding the Procurement Process (20 minutes)

Time plann		People Invo	olved		Production	Planning			Previous Ye	ar data
Rabi	Kharif	Board Members	Progressive Farmers	Other Specialist	Crop/ Vegetable	Number of Farmers	Area under Cultivation	Average Productivity	Production in the Area	Average Earning per Quintal

- The procurement process needs to be converted based on the product into similar tables.
- These tables are explained to the participants.

#	Particulars	Unit	No. of Units	Per Unit Amount (in INR)	Total Amount (in INR)
A.	Ploughing				
	Tractor with labour + fuel (own/rent)				
	Pair of bullocks				
Sub-T	otal (A)				
B.	Inputs				
1	Seed				
2	Cow dung				
3	Fertilizer				
	Α.				
	B.				
	C.				
4	Pesticides/insecticide				
	Α.				
	В.				
	C.				
5	Others				
	Α.				
	В.				
	C.				
Sub-T	otal (B)				
C.	Labour				
1	Land preparation				
	Men				
	Women				
2	Weeding				
	Men				
	Women				
3	Harvesting				
	Men				
	Women				
	otal (C)				
D	Transportation				
	Gunny bags				
	Field to home				
	Home to <i>mandi</i>				
	otal (D)				
	Cost (A+B+C+D)				
E	Sales Details				
	Income				
Net P	rofit (Income – Cost)				

#### ■ Step 4: Presentations (20 minutes)

- Participants are divided into two teams for the following activity.
- The activity involves the teams making procurement and distribution plans.
- The facilitator would be giving the participants feedback on their plan.

**Session Objectives:** Participants will be able to design the procurement and distribution systems for different products of an enterprise, with a view to provide excellent customer service and achieve market superiority.



#### Methodology

- Discussions
- Presentations



#### Session Material

- Charts
- · White boards/markers
- Projector/laptop

#### Step 1: Defining a Distribution System (20 minutes)

- Participants will try to understand the three levels of a distribution system.
- Level Zero is the simplest and involves a direct sale from manufacturers to consumers with no intermediary.
- Level One has one intermediary as the middleman between the producer and consumer. An example is a retailer between the manufacturer and consumer.
- Level Two involves two intermediaries between the producer and consumer. An example here would be a wholesaler selling to a retailer who then sells to the consumer.
- Level Three is where an agent or broker comes in. Agents work on behalf of companies and deal primarily with wholesalers. From here, wholesalers sell to retailers who then sell to consumers.
- Step 2: Evaluating Distributors Profiles (20 minutes)
- Participants need to evaluate different profiles based on the product.

- Participants will be divided in four teams to evaluate one profile each.
- Distributors: A distributor is a wholesaler who assumes extra responsibility. In addition to fulfilling retailer orders, distributors actively sell products on behalf of the producers. From managing orders and returns to acting as a sales representative, they go beyond being the middleman between retailers and producers. They perform market analysis and are constantly searching for new opportunities to achieve peak sales performance. A distributor focuses on a particular area and market which allows her/him to cultivate strong relationships with manufacturers. Unlike a wholesaler, she/he is most likely have a stronger affiliation with particular companies. Distributors have a direct responsibility to making sure products are flying off retail shelves.

For example, distributors may work out an agreement with a popular beverage company that works with them regularly, whereas wholesalers are used on a need-by-need basis. They have the option to sell to retailers and other sellers or directly to consumers and businesses.

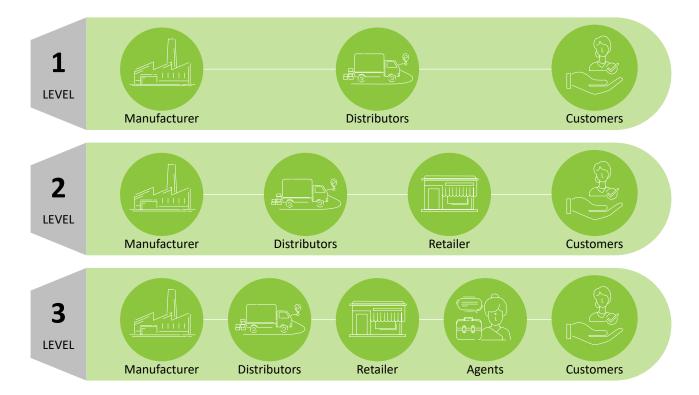
- Wholesalers: A wholesaler fulfils orders of retailers by reselling goods, often in large quantities for manufacturers. Wholesalers purchase in bulk, typically, which lowers the price, from either distributors or manufacturers. This allows wholesalers to make a profit because they can sell the goods to retailers in smaller packages that yield higher prices. Unlike distributors, wholesalers only deal with the storage and delivery of goods. But, in certain cases, you must go through a wholesaler to get to a distributor.
- Retailers: Retailers are the outlets where consumers can purchase products. This is your local grocery store or Big Bazaar or D-Mart down the street. They can sell through storefront locations or through online channels. Retailers purchase products from distributors or wholesalers.
- Brokers and Agents: They handle the logistics of the sales. Agents handle contracts, marketing and pulling together specialized shipments. A part of their job is customer relationship management.
   On behalf of manufacturers, they take ownership of products through the distribution process. They represent the producer in the sales process.

#### **Channels of Distribution**









#### **Distributor profiles**



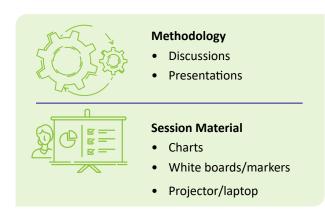
#### Step 3: Presentation (20 minutes)

- Each team will have to present a distribution plan for the product of an enterprise.
- Mulukanoor Distribution Management.

#### **Distribution Strength of MCRB**

- It distributes seeds to farmers in the villages.
- Asks all partners to distribute fertilizers, pesticides, etc., in the villages.
- Works on 25 percent advance and rest adjusted to farmers' accounts.
- Distribution in different villages happens at different times, thus ensuring a control and tracking of products.
- Prices are announced at least two days earlier to the purchase or distribution.
- Godowns (warehouses) in every village.
- Strong credit facilities.

**Session Objectives:** Participants will be able to appreciate the role of inventory to balance production capacity with market demand.



#### Step 1: Defining Stock Management (30 minutes)

 Stock management is the function of understanding the stock mix of a company and different demands on that stock. Demands are influenced by both external and internal factors and are balanced by the creation of purchase order requests to keep supplies at a reasonable or prescribed level. Stock management is important for every business enterprise.

 Broadly, the decision depends on whether the benefits associated with it are higher or not compared to the alternatives. If it is, you may go ahead with the decision; otherwise, you may have a second look at it.

Let's look at all these three options in detail

#### Sell

Now when you have decided to sell

#### Store/Stock

Managing stock is another area which requires a lot of dynamic decision making and a very strong information system to ensure that there is a minimum of losses.

# Stock Management Stock Manage

#### Step 2: Appreciating the Role of inventory (30 minutes)

• Participants need to list the inventory requirement of the product.

**Session Objectives:** Participants will be able to understand the role of the human element in the production system regarding production volume and product quality.



#### Step 1: Case Study (30 minutes)

- In a textile unit, 40 women tailors are working to make clothes for infants.
- On an average, three dresses are produced by each woman per day (?).
- Two women, Sita and Gita, are working in the production unit. The participants will be posed a question:
  - 1. Will both Sita and Gita make three dresses a day? Why or why not?
  - 2. Do you think they will produce similar products?
  - 3. Will their products be similar on every day?

#### ■ Step 2: Appreciating the Role of the Human Element in Production (30 minutes)



FIELD WORK (Practicum Tasks & Reflection Workshops)		



# ENTERPRISE EXCELLENCE



# NURTURING AND HARNESSING COLLECTIVE ENERGY

#### **Course Introduction**

The course develops in the participants a critical understanding of the role and functions of human resources in an enterprise and the need for developing them. The course will provide the participants a comprehensive overview of key HR management concepts, practices and issues, such as recruitment, selection and induction, performance evaluation and management, HR development, etc.

#### **Course Objective and Scope**

The participants develop the capacity to:

- 1. Design an organization structure;
- 2. Analyse factors for selection and recruitment; and

 Create structures for goal setting for individuals consistent with the organizational vision, mission and goals.

#### **Generic Readings for the Course**

- a. https://www.hrhelpboard.com/hr-policies.htm
- https://www.shrm.org/resourcesandtools/ tools-and-samples/toolkits/pages/ understandinganddevelopingorganizationalculture. aspx
- c. https://pdfs.semanticscholar.org/7249/ d6ab15ba1876a44c5551f83059c7f4cadcc7.pdf

#### **Recommended Faculty Profile**

- 1. Head of HR in any organization or company; and
- 2. A person who has experience in teaching HR concepts and practices.

#### **Overview of Course**

S. No.	Objective
	Practicum Task 1
	Participants will be able to
1	Analyse the role of HR in an organizational setting and the need for effective HR policies.
2	Assess the HR needs of a business consistent with its scope as defined by the boundaries of its value chain.
3	Analyse the societal, organizational, functional and personal perspectives of organizational design.
4	Develop a clear organogram with focus on team performance but without ambiguous relationships among the employees.
5	Analyse and develop criteria for employment, performance evaluation, rewards, promotion, development, etc.
6	Develop an HR policy which ensures a harmonious working environment.
	Practicum Task 2
7	Develop the HR development policy, including training for PC members, BOD, employees, suppliers and distributors.
8	Foster an organizational culture marked by mutual trust, cooperation, support, team spirit and meaningful dialogue.

#### **Practicum Tasks**

The following Practicums need to be fulfilled for completion of the course:

#### **Pre-requisites**

 All participants must be divided into groups of three and allotted a manufacturing unit and a service unit for visit.

- The worksheets need to be briefed and given to the participants in advance.
- The analysis of each Practicum needs to be presented by the participants in the sessions.

Task 1: Study a PC/Enterprise and Map its HR activities; and

#### Worksheet 1 for Task 1

- **Q1.** Whose responsibility is it to hire a desirable candidate for the job profile?
- **Q2.** How many staff members are there and on what parameters are their salaries decided?
- **Q3.** Do PC members conduct any orientation programme for new hires?
- **Q4.** Where can members/staff of PC raise their concerns?
- **Q5.** What kind of mechanisms does the HR function use to map staff performance?
- **Q6.** What purpose and value does the HR function add to organizational development?

### Task 2: Develop a plan for HR activities of their enterprises.

#### Worksheet 2 for Task 2:

Questions	Answers
1. What kind of HR policies do you want to frame for your enterprise?	
2. What kinds of activities does the PC take to ensure the capacity building of its employees? How does PC ensure the capacity building of its employees?	
3. Who takes care of the capacity building of the employees?	
4. Have they made any policy for maintaining the organizational culture? What kind of culture do they have? Do you opt for any of these for your own organization and why?	
5. Visit PC members and ask them about their experience with the team culture. How do they feel working in a team?	

#### Resource

#### What is HR?

HR is used to describe both the people who work for a company or organization and the department responsible for managing resources related to employees. The term HR was first coined in the 1960s when the value of labour relations began to garner attention and when notions such as motivation, organizational behaviour and selection assessments began to take shape.

HR management is a contemporary umbrella term used to describe the management and development of employees in an organization. Also called personnel or talent management (although these terms are a bit antiquated), HR management involves overseeing all things related to managing an organization's human capital.

#### **HR Management**

#### HR management is about:

- Addressing current employee concerns: Unlike company managers who oversee the day-to-day work of employees, HR departments deal with employee concerns such as pay, benefits, employee investments, pension plans and training. Their work may also include settling conflicts between employees or between employees and their managers.
- Acquiring new employees: The HR management team recruits potential employees, oversees the hiring process (background checks, drug testing, etc.) and provides new employee orientation.
- 3. Managing the employee separation process: The HR management team must complete a specific set of tasks if an employee quits, is fired or is laid off. Paperwork must be completed to ensure that the process is completed legally. Severance pay may be offered or negotiated, benefits must be settled, and access to company resources must be severed via the collection of keys, badges, computers or sensitive materials from the employee.
- 4. Improving morale: Effective HR teams encourage company employees to do their best, which contributes to the overall success of the company. Their work often involves rewarding employees for good performance and creating a positive work environment.

#### HR Development

#### The HR department is responsible for:

- Managing job recruitment, selection and promotion;
- Developing and overseeing employee benefits and wellness programmes;
- Developing, promoting and enforcing personnel policies;
- Promoting employee career development and job training;
- Providing orientation programmes for new hires:
- Providing guidance regarding disciplinary actions; and
- Serving as a primary contact for work-site injuries or accidents.

#### **SESSION PLAN 1**

**Session Objectives:** Participants will be able to analyse the role of HR in an organizational setting and the need for effective HR policies.



#### Methodology

- Discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers

#### Step 1: Presentation (15 minutes)

 Each team will present its analysis from the Practicum tasks. The norms/guidelines for the presentation mentioned in introduction must be adhered to.

#### Step 2: Understanding the Role of HR in Organization Development (5 minutes)

The facilitator should explain the role of HR using the examples from Practicum, e.g., the PC has some policies for benefits that can be availed by members and non-members.

#### Step 3: Discuss the Purpose of HR Policies (15 minutes)

The facilitator will discuss HR policies and the importance of building organizational values.

The facilitator can also state some examples related to HR policies. She/he should ask the women to give some examples of policies which they want to inculcate in their enterprise and the reasons for them.

#### Resources

#### What is HR Policy?

According to a definition, "HR policies are formal rules

and procedures that dictate how certain matters should be addressed in the workplace including employee rights and duties. HR policies are tied to employment law. To avoid non-compliance and penalties from the government, employer must adhere to HR policies."

#### Why do We Need HR Policies?

HR policies are basically a course of action embraced by a business.

#### Purpose Solved by HR Policies (Reasons a Business Needs Them)

- 1. They are one of the means of communication between the employer and employee.
- 2. Conveys various guidelines which are to be followed within the company.
- 3. Create a benchmark to treat all employees equally and fairly.
- 4. Help senior management in better decision making.
- 5. Make work processes more transparent.
- 6. Prevent misunderstandings which can arise between the employer and employees.
- 7. Businesses with policies in place succeed in the long run in contrast to those that do not have any policy in place.
- 8. HR policies, when placed well, result in risk reduction.
- 9. HR policies give a strategic direction to the company.
- 10. They make employees more productive.

#### Step 4: Understanding Quality Requirements for your Enterprise's Product (5 minutes)

Participants will list the enterprise's products and what would be defined as its quality. Participants would be able to map quality factors to a failure cost and its consequences.

#### Step 5: Closing (10 minutes)

Participants will appreciate the importance of quality in a given enterprise:

https://www.youtube.com/watch?v=AD3gs1cW1sU:V Laval

**Session Objectives:** Participants will be able to assess the HR needs of a business consistent with its scope as defined by the boundaries of its value chain.

- Define the service industry and manufacturing industry.
- Define parameters for quality for each of the industries.



#### Methodology

- Discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers

## Step 1: Explain the Value Chain of the Enterprise (20 minutes)

- The facilitator asks the participants to break down the business activities of the PC.
- Participants can connect with the course on value chain management of the PC to identify the activities at various levels.
- Step 2: Case Study: Video of Lijjat Papad (20 minutes)

https://www.youtube.com/watch?v=QyweD6yvkAs

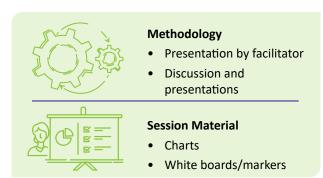
The facilitator encourages the participants to identify and list the activities taking place in the organization.

Also identify the people taking up these activities; the number involved in each and discuss the skill set required to perform these activities.

Step 3: Identify HR Required in Terms of the Number and Skill Sets for the PC (20 minutes)

**Session Objectives:** Participants will be able to analyse the societal, organizational, functional and personal perspectives of organizational culture and design.

- Distinguish factors which define organizational culture of different companies.
- Analysing the societal, organizational, functional and personal perspective for their own organization.



Step 1: The Facilitator will Explain Factors that Shape an Organization's Culture and its Design (20 minutes)

#### **Factors that Shape an Organization's Culture**

Some of the cultural characteristics that distinguish most organizations include:

#### Values

At the heart of organizations' cultures are commonly shared values. None is right or wrong, but organizations need to decide which values they will emphasize. These common values include:

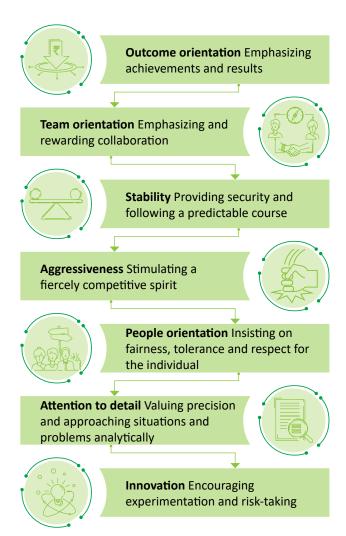
#### **Degree of Hierarchy**

The degree of hierarchy is the extent to which the organization values traditional channels of authority. The three distinct levels of hierarchy are "high"— having a well-defined organizational structure and an expectation that people will work through official channels; "moderate"—having a defined structure but an acceptance that people often work outside formal channels; and "low"—having loosely defined job descriptions and accepting that people challenge authority.

An organization with a high level of hierarchy tends to be more formal and moves more slowly than an organization with a low level of hierarchy.

#### **Degree of Urgency**

The degree of urgency defines how quickly the organization wants or needs to drive decision-making and innovation. Some organizations choose their degree



of urgency but others have it thrust on them by the marketplace.

A culture with high levels of urgency has a need to push projects through quickly and a high need to respond to a changing marketplace. A moderate level of urgency moves projects at a reasonable pace. A low level of urgency means people work slowly and consistently, valuing quality over efficiency. An organization with high urgency tends to be fast-paced and supports a decisive management style. An organization with low urgency tends to be more methodical and supports a more considered management style.

#### **People Orientation or Task Orientation**

Organizations usually have a dominant way of valuing people and tasks. An organization with a strong people orientation tends to put people first when making decisions and believes that people drive the organization's performance and productivity. An organization with a strong task orientation tends to put tasks and processes first when making decisions and believes that efficiency and quality drive organization performance and productivity. Some organizations may get to choose their people and task orientations. But

others may have to fit their orientation to the nature of their industry, historical issues or operational processes.

#### **Functional Orientation**

Every organization places emphasis on certain functional areas. Examples of functional orientations may include marketing, operations, R&D, engineering or service. For example, an innovative organization known for its R&D may have at its core a functional orientation toward R&D. A hospitality company may focus on operations or service, depending on its historical choices and its definition in the marketplace.

Employees from different functions in the company may think that their functional areas are the ones that drive the organization. Organizational leaders must understand what most employees perceive to be the company's functional orientation.

#### **Organizational Sub-cultures**

Any organization can have a mix of sub-cultures in addition to the dominant culture. Sub-cultures exist among groups or individuals who may have their own rituals and traditions that, although not shared by the rest of the organization, can deepen and underscore the organization's core values. Sub-cultures can also cause serious problems.

For example, regional cultures often differ from the overall culture that top leadership tries to instil. Perhaps aggressiveness that is common in one area may not mesh with a culture emphasizing team building. Or an organization with a culture built around equality may have trouble if the national culture emphasizes hierarchy and expects people to bow to authority. Managers and HR professionals must recognize those differences and address them directly.

Step 2: The Facilitator will Ask the Groups to Prepare a Presentation on one of these Factors which will Define their Organizational Culture (20 minutes)

**Pre-requisite:** Participants will be divided into five groups and will be assigned one of these factors.

- Discuss, explain and analyse the factors responsible for developing the organizational values.
- A Q & A round will be part of presentation for every group
- Step 3: Facilitator will Summarize the Key Points (20 minutes)

**Session Objectives:** Participants will be able to develop an organogram with focus on team performance but without ambiguous relationships among the employees.



#### Methodology

- Discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers

#### ■ Step 1: Different Team Cultures and their Effect on Performance (10 minutes)

The facilitator will explain different organizational cultures and their effects by using examples of existing companies and their cultures.

Types of Organizational Culture	Explanation	Effect on Performance
Competitive	It is all about succeeding. So, companies that cultivate a "competitive culture" will rely on tiger teams which are expected to achieve specific goals efficiently. Their leaders are focused on beating the competition and are driven by personal and team achievements	A competitive culture is for companies that are focused on individual results first, so encouraging "the team" to handle things may not be the best option. This is one of those cases when using a group instead of a team might be a good idea. There will be a lot of "superstars" competing, so expecting them to collaborate on a common goal would seem unnatural, to say the least. As team success takes a back seat to individual accomplishments, gelled teams would fail to achieve what leaders of competitive culture companies consider to be a positive result.
Controlled	Controlled culture requires order and alignment based on clear data-driven goals and objectives. Often focused on finance or manufacturing, companies that opt for this kind of culture rely heavily on annual business plans and key performance measurements	Controlled culture is characterized by excessive bureaucracy and complex management mechanism which prevents creative and independent teams from reaching their full potential. What's more, this approach will demoralize the creatives, as they will feel trapped without freedom to make decisions.
Creative	This culture is all about self-expression. This means that leaders allow their employees to utilize their creativity and encourage "out-of- the-box" thinking. This fluid organizational structure is aligned around self- organizing teams and collaborative project groups	Just as highly structured teams have to struggle, uncertainty and unpredictability will prevent them from reaching the desired productivity.

Types of Organizational Culture	Explanation	Effect on Performance
Collaborative	This type of organizational culture relies heavily on teamwork, consensus and decision-making based on a shared view of desired results. The main differences between "collaborative" and "creative" companies are that the former value trustworthiness and teamwork above creativity and aggressiveness. Here, the focus is on marketing and customer service as these companies often regard user satisfaction as a success metric	A collaborative culture is not really for start-ups, but more for scale-ups which strive towards becoming an enterprise. Implementation of this culture implies a larger workforce, as well as the need to keep all employees involved in the process. Companies with collaborative cultures will most likely use matrix management and complex double and triple line reporting structures, so it is no surprise that they will rely on matrix teams. Creative and flexible teams would be held back by consensus decision making, while rigid teams would lack clear leadership and straightforward set of rules to rely on.

#### Step 2: Analysing the Best Culture for an Enterprise (10 minutes)

- Divide the participants into four groups and allot a culture from the table.
- Discuss and write individual points on the following questions:
- Step 3: Summarize and Decide the Best Culture for Your Collective Enterprise (20 minutes)
  - Write the points which will define your culture.
  - Support it with arguments why it is important for the performance.

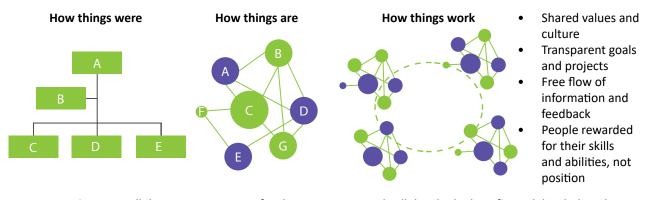
What kind of culture does your enterprise promote?

Why do you think it is good for the growth of enterprise? Do you think that we should switch the culture of your enterprise with any culture? Will it help to add growth of your enterprise?

Which of these cultures is best to assess the performance of an enterprise as well as of its employee?

#### Step 4: Draw an Organogram for Your Enterprise and Decide the Accountability, Hierarchy and Performance Measurement (20 minutes)

The facilitator will show examples of organograms.



- Participants will draw an organogram for their enterprise and will decide the best fit model including the culture and performance criteria for their organization.
- Presentation

Session Objectives: Participants will be able to analyse and develop criteria for employment, performance evaluation, rewards, promotion, development, etc. Pre-requisite: The session would be taken with the participants divided into groups of three participants each.

#### Methodology

Step 1: The Facilitator will Explain and Discuss the Facets of HR given in the Table (20 minutes)

The objective of the explanation is to make participants understand the societal, organizational, functional and personal perspectives of organizational design (OD).

Facet of HR	Outline	Link with OD
Communication	Ensure that employees are aware of the organization's goals. Correct, suitable and timely information must be communicated wherever it is required within the structure of the business. Ensure that employees are willing and able to communicate.	Business strategy and goals Psychological aspects of OD Structure of the organization Processes Design model Systems
Teamwork	Ensure that policies are in place allowing employees to participate in teamwork both between and within departments, e.g., functional or geographical structures. Ensure that employees participate in teamwork allowing all to work towards achieving organizational goals.	Achieving business goals Supporting the structure Psychological aspect of OD Processes Design model Systems
Recruitment and selection	Ensure that policies and processes are in place guaranteeing that the organization has the right number of employees with the required capabilities and competencies.	Achieving the goals of the organization Processes within the OD processes and systems
Engagement	Implement policies and practices that allow employees to feel engaged in their jobs.	Achieving the goals of the organization Psychological aspect of OD processes systems
Performance management	Ensure that policies and practices are in place enabling line managers to suitably manage their employees for desired performance. Ensure that goals and objectives are aligned with organizational objectives.	Business strategy and goals Processes Design model systems
Alignment – internal/ external	Ensure that all HR functions are aligned with the business strategy and that relevant employees are aware of external influences.	Business strategy and goals Design model systems
Authority and leadership	Depending on the design and structure of the business, HR has to ensure that key employees have the authority they require and ensure that departments are being led in the same direction.	Business strategy and goals Supporting the structure Processes Design model
Cooperation or compliance	Depending on the nature of the job, ensure that employees are at a minimum compliant level. Where necessary, HR must ensure that employees cooperate allowing synergy. This can be a source of competitive advantage	Supporting the structure Processes Design model systems
Psychological contract	The role of HR is to ensure that each employee's psychological contract is in place. This is directly linked to the attitude of the employee that then allegedly controls their behaviour.	Psychological aspect of OD Processes Systems

Facet of HR	Outline	Link with OD
Equality, managing diversity, fairness and justice	HR should ensure that all employees are treated equally, with fairness and justice. This is required legally and ethically.	Processes Systems
Training	All employees will, at some stage, require training. HR's role is to determine which employee has what training and who performs the training. This affects the morale, skill and motivation of employees.	Business strategy and goals Systems
Flexible working	HR can introduce policies and processes to allow employees to work flexibly. This can include part-time work, working from home or job-sharing. Flexible working also involves implementing a strategy of functional, financial or numerical flexibility, depending on the design, nature and structure of the business.	Supporting the structure Processes Systems
Reward	HR's role is to implement policy and procedures, ensuring that intrinsic and extrinsic rewards are suitably matched to the needs of the organization and employees. HR would also ensure that the goals and objectives given to employees are directly linked to achieving the organizational goals.	Business strategy and goals Supporting the structure Processes Systems
Knowledge sharing	HR would implement processes and ensure that employees are suitably engaged so that employees would share knowledge with other relevant departments and employees.	Psychological aspect of OD Processes Systems
Change management	In times of change, HR would ensure that employees are not only able to change their job roles, etc., but that they are willing to change.	Psychological aspect of OD Supporting the structure Processes Design model Systems
Making a difference	Part of the psychological contract is that employees want to feel they make a difference. HR's function here is to introduce systems that allow employees to identify the contribution they make to the company.	Psychological aspect of OD
Job role/ description	HR needs to identify the specific requirements for each and every job within the organization. This is then used as a management and legal document to ensure that employees are clear on what their roles are. Job descriptions are also used in recruitment. They allow possible new recruits to clearly see what their role would be within the organization.	Business strategy and goals Supporting the structure Processes Design model Systems
International HR – culture	With many companies now being global, HR needs to ensure staff is aware of cultural issues affecting the business in any one location. HR also needs to identify whether the organization undertakes an ethno-centric, polycentric, region-centric or geo-centric staffing policy.	Psychological aspect of OD Supporting the structure Design model Culture
Problem-solving	HR would ensure that processes and rewards are in place which encourage employees to proactively participate in problem solving. HR would ensure that staff have the correct attitude and ability.	Psychological aspect of OD Processes Systems

Facet of HR	Outline	Link with OD
Innovation	Similar to problem-solving, HR would ensure that relevant staff have the competencies to be innovative in their job. HR would ensure that rewards are linked to innovation, as long as the innovation is linked to achieving organizational goals.	Psychological aspect of OD Supporting the structure Processes Design model Systems
Management	HR would ensure that training and development policies and processes are in place. HR's role is to recruit and develop staff in such a way that enables them to manage other staff in a suitable and correct manner.	Business strategy and goals Supporting the structure Processes Design model
Redundancy	As and when required, HR would oversee any redundancy process. HR would look at re-deployment, assistance in locating other work, the levels of redundancy payments and ensure that the remaining workforce remain motivated and engaged with the business.	Business strategy and goals
Outsourcing	The design and structure of the business may make it necessary to outsource particular job roles. HR would oversee this process and ensure that all policies and practices are in line with the needs of the organization.	Business strategy and goals Supporting the structure Processes Systems
Health and safety	This is a crucial aspect of HR. Health and safety only become issues when something goes wrong. HR needs to ensure that all staff is suitably trained and informed on health and safety issues. HR also needs to ensure that the organization complies with all relevant health and safety regulations.	Processes Legal requirements
Organizational commitment	Implement policies and practices that allow employees to become committed to the organization.	Psychological aspect of OD Processes

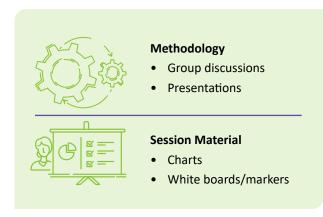
- Step 2: From the List of Functions Described in the above Table, for a Company that You Work for or Know Quite Well, Identify Five Most Important and Five Least Important Facets of HR Affecting the Performance of the Organization (20 minutes)
- 1. Now explain why you have chosen these functions.
- 2. Does the structure or overall design influence the most and least important HR management functions?

Pre-requisite: Divide participants in four groups.

- Step 3: Discuss and Present the above Activity (20 minutes)
- Each team has to present its analysis.

Session Objectives: Participants will be able to develop an HR policy which ensures equity, equal opportunity, diversity, workplace satisfaction and work-life balance, identifies employees indulging in undesirable behaviour and attitudes such as wilful inaction, sloth, disobedience, anti-organizational activities, inability to contribute in teams, etc., and deals with them through appropriate procedures.

- Create policies for enterprise.
- Discuss and analyse different parameters to ensure legal mechanisms in an enterprise.



 Step 1: Discuss the Various Parameters of HR Roles in Maintaining Equity, Equal Opportunity, Diversity, Workplace Satisfaction and Work-life Balance (15 minutes) **Equity:** Establishing and promoting pay equity starts with leadership. That does not mean that HR is powerless but HR is handicapped without support from senior leadership. If leadership is not already on board, HR needs to make the case for pay equity and show why it is important to the bottom line. Fairness, especially fair pay, is a huge factor in employee engagement and motivation. When there is a lack of fairness, people become disengaged.

Equal Opportunity: As an equal opportunity employer, the enterprise remains committed to providing safe, inclusive and respectful workplaces, which are free from discrimination and harassment. Equal opportunity means that every person can participate freely and equally in areas of public life such as in the workplace, in education or in accessing goods and services. Discrimination is treating, or proposing to treat, someone unfavourably or bullying them because of a personal characteristic protected by law. Equal opportunity law aims to promote everyone's right to equal opportunities; eliminate, as far as possible, discrimination, sexual harassment and victimisation; and provide redress for people whose rights have been breached.

Work-life balance: Flexible work arrangements, telecommuting and a variety of leave, family support and wellness programmes are more often integrated and aligned with business objectives. Researchers have noted that organizational culture and supervisory support are key factors in accounting for the availability and effectiveness of work-life balance practices.

The impacts of work-life balance practices			
'Positive' Impacts	Agree/Agree Strongly		
Fostered good employment relations	88%		
Helped retain more female employees	79%		
Helped reduce absenteeism	66%		
Improved staff motivation and commitment	64%		
Helped lower labour turnover	60%		
Helped increase productivity	50%		
Eased recruitment	49%		
'Negative' Impacts			
Increased managerial workloads	37%		
Increased overall costs	31%		
Led to shortages of staff at key times	27%		
Base: 267 (number of authorities responding to the question) Source: DETR survey of local authorities, 2000			

#### **Workplace Satisfaction**

Six proven strategies to improve job satisfaction for employees:

Be realistic with your expectations: Often the cause of stress and anxiety is unrealistic expectations placed on employees who don't feel they are able to voice their concerns when they feel overwhelmed. Work is increasingly taking away from personal life. It may be difficult to align the companies' goals with keeping workers happy. But honest and frank discussions around expectations will go a long way in this regard.

**Recognize good work:** Realizing and rewarding hard work is one of the easiest and cheapest ways to improve employee happiness. No one wants to feel like their efforts are not being recognized, so, praise your employees when they are working hard and going the extra mile.

**Focus on the long-term:** Instead of looking at "quick wins", keep in mind the long-term strategic goals of the company and make sure all employees are on the same page. Working towards a common goal and mission can be an extremely good motivator.

Communicate more than you should: There is no such thing as too much communication. In fact, a lack of communication is the most frequent cause of workplace frustration. Work on creating an open, honest communicative culture, where your team is comfortable communicating its own thoughts and this starts with you sharing yours.

Care about employee well-being: Show that you genuinely care about your employees' well-being. Take a two-pronged approach. Mental well-being is often overlooked but is an essential part of job satisfaction. Creating a calm anxiety-free work environment can help get the best out of your employees. And physical well-being such as offering to subsidize gym memberships and promoting a fit healthy lifestyle by giving employees time for exercise is both inexpensive and a great way to create better work-life balance for your employees.

Offer opportunities for learning: Employee growth is one of the most important aspects of engagement. Once employees feel like they have stagnated, they will eventually get bored and look elsewhere for stimulation and new challenges. Keep star talent on board by offering them opportunities to grow in the career and the company. This could include training, a challenging promotion or a learning budget that allows employees to pursue outside interests.

Step 2: Discuss the Different Situations to Address which HR Takes Action (15 minutes) The facilitator will explain different scenarios in which action can be taken and its importance to organization development.

#### Resources

All employees are expected to meet performance standards and behave appropriately in the workplace. The goal is to guide the employee to correct performance or behaviour by identifying the problems, causes and solutions, not to punish the employee.

In general, corrective action should be progressive, beginning with the lowest severity action before employing actions of more severity. Any formal corrective or disciplinary action must follow the principles of "corrective measures".

After establishing that corrective or disciplinary action is warranted, use some or all the following steps:

Verbal Warning

The supervisor should:

- Set a time and place to ensure privacy.
- Make notes about what they want to say in advance.
- Remember that the employee has a right to choose representation. State clearly that they are issuing an oral warning.
- Be specific in describing the unacceptable performance or behaviour.
- Remind the employee of the acceptable standards or rules. If they are available in writing, they should be provided to the employee.
- State the consequences of failure to demonstrate immediate and sustained improvement, or further disciplinary action may be warranted.
- Note the oral warning on their calendar.

#### **Written Warning**

If the supervisor gave an oral warning and the problem performance or behaviour persists, a written warning may be given. This action may be used more than once. However, if the problem continues to persist, repetitive letters may not be the solution. A written warning should:

- State clearly at the outset of the letter that it is a written warning and cite the appropriate personnel policy or contract provision.
- Describe the performance problem(s) or work rule violation(s) in very specific detail and attach

- documents which support the supervisor's conclusions.
- Outline previous steps taken to acquaint the employee with the issue and attach copies of the documents that are referred to.
- Describe the impact of the problem.
- Note the employee's explanation or that the employee declined to offer one. If it was unacceptable, the supervisor should explain why.
- Explain the expectations regarding behaviour and/or performance.
- Clarify that if the employee doesn't demonstrate immediate and sustained improvement, the consequence may be further disciplinary action, up to and including dismissal.
- Note the appropriate policy or contract provision for the employee's appeal rights.
- The warning letter should be delivered to the employee using appropriate delivery procedures such as proof of service, and a copy forwarded to HR to be placed in the employee's personnel file.

#### **Suspension without Pay**

A suspension may be the next step in progressive corrective action after written warning(s). Typically, suspension will prevent an employee from working and requires the employee to leave without pay for one to 10 working days, as specified in the letter.

#### The letter should:

- State that the action is a suspension without
- Inform the employee of the number of days she/he will be suspended with the beginning and ending dates.
- Describe the problem, previous corrective measures and impact of the continued behaviour or performance.
- State the supervisor's expectations and consequences of failure to improve.
- Notify the employee of their appeal rights, if appropriate.

Depending upon the contract or personnel programme the employee is covered by, a letter of intent to suspend may be required, which provides the employee with the right to appeal against the intended action to the next higher management level before the action is implemented.

#### Reduction of Pay within a Class

This alternative is normally used when a supervisor does not wish to remove the employee from the work site, but serious discipline is appropriate. Contact your employee relations consultant for more information regarding this corrective action.

#### **Demotion to a Lower Classification**

This action involves moving an employee to a lower level position and may be temporary or permanent. Demotion may be appropriate in cases of inadequate performance of responsibilities at a level, rather than violation of work rules. It should be based upon a reasonable expectation that the employee will perform successfully in the lower classified position. Contact your Employee Relations Consultant for more information regarding this action.

#### **Dismissal**

This action may be appropriate after performance counselling and progressive corrective action have failed to get the employee to correct the problem(s). Contact your Employee Relations Consultant for more information regarding this action.

#### Step 3: Write Suitable Policies for your Organization related to such Actions (30 minutes)

- Identify suitable techniques and measures which need to be taken care of in terms of HR responsibility for maintaining the discipline in the organization.
- Measures to assure the employee's responsibility towards betterment of the organization.
- Describe the reason for such polices.

**Session Objectives:** Participants will be able to develop an HR development policy, including training for PC members, BOD, employees, suppliers and distributors.



#### **Session Material**

- Charts
- White boards/markers

- Step 1: Presentation of the Practicum 2 (20 minutes)
  - Each team will share its learnings from Practicum 2.
  - The teams will compare their enterprise with other external enterprises.
- Step 2: Consolidate the Different Parameters to Build Capacity of Different Types of Members in an Organization (40 minutes)

S. No	Person Associated with PC	Strategy of HR in PC	Strategy You Will Use
1			
2			
3			
4			
5			
6			
7			
8			

- Step 3: Feedback Needs to be given on the Plans Presented by Each Team on the Following Parameters:
  - Understanding of the HR role in building capacity of its employees.

  - ✓ New and innovative idea for their enterprise.

**Session Objectives:** Participants will be able to foster an organizational culture marked by mutual trust, cooperation, support, team spirit and meaningful dialogue.

- Understand techniques and measure for fostering organzsational culture.
- Implement them in an enterprise.



#### Methodology

- Group discussions
- Presentations

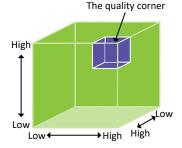


#### **Session Material**

- Charts
- White boards/markers

#### Step 1: A Culture of Teamwork from an Employee's View (15 minutes)

How do I feel about my job? About the work I do? Competent? Worthwhile? Do I enjoy it?



How do I feel about work group? Teamwork? Loyalty? Trust? Collaboration? about my company? Valued? Included? Proud? Loyal? Teamwork?

How do I feel

- Divide women in four groups and ask them to write their views on the above questions.
- Presentation based on the discussion and analysis.
- Step 2: The Facilitator will Explain the Role and Importance of HR in Defining the Organizational Culture (25 minutes)

HR impacts company culture and plays a key role in helping to ensure an organization's culture stay relevant. Corporate culture is not a fixed state — it evolves with changing demographics, workplace norms, industry forces and other factors. It's possible to measure your organization's culture and use that information as a baseline for future improvements, notes the Society for Human Resource Management.

#### HR leaders should consider the following:

- It's possible to measure organizational culture and use that as a barometer for engagement and workforce effectiveness
- HR leaders have a direct impact on company culture.
- Cultures change and are moulded by many factors.

The ways to evaluate that and change its trajectory if

**Changing Demographics:** Different generations have unique desires and expectations regarding an organization's culture.

Industry Trends: An organization's culture doesn't exist in a vacuum. The tone is set by the leadership, but it's affected by a variety of external agents. Changing norms in the workplace, political factors, a tight job market in the industry, a shortage of skilled labour and other elements can change your culture and make it increasingly important. Take a closer look at industry trends that might influence your organization's culture. For example, if your company must allow staff to work from anywhere in order to attract talent in a competitive industry, then it might be time to adopt flexible scheduling and tele-commuting policies.

New Technology: Technology also has an impact on an organization's culture. As companies become more global, teams must work across different cultures, geographies and time zones. Collaborative tools are playing a larger role in the conversation. If you're lagging in using technology to help support your culture, now may be the time to determine how technology can help you better align.

**Employee Engagement:** How engaged are your employees?

Understanding employee engagement can help you see how effective your culture is. When employees are engaged, they're likely more connected to your mission and more productive. If strategic assessments reveal low engagement, it's time to look at what areas of your culture can be changed to more effectively engage your team from clarifying your purpose to improving your management style.

The Big Picture: Your organization's mission and vision statement convey your culture. You may also use core values to convey your organization's approach to serving customers and stakeholders and treating employees. Revisiting these documents can help businesses determine if anything has changed and

what's influencing organizational culture. For example, a strategic pivot might have fundamentally affected your mission.

HR impacts company culture in several ways. Establish a process where you regularly evaluate your organization's culture, and then work to determine what steps you can take to maximize your culture's impact on the bottom line.

Step 2: Analyzing Above Mentioned Ways with Respect to a PC (20 minutes)

- Participants will form five groups and will be assigned one of the above-mentioned ways.
- Discuss and define the PC's way to define and maintaining the organizational culture.
- Step 3: Participants will Present Their Analysis and Suggestions on Building Organizational Culture (20 minutes)

#### Assessment will be based on following parameters:

- Relation to the PC's organizational functioning.
- New idea and approach.



# SUSTAINING NATURAL RESOURCES AND EMERGING ORGANIC SOLUTIONS

#### **Course Introduction**

The course is meant to help the participants identify important gaps in existing agricultural practices and analyse key initiatives that can fill them and build strategies and models for sustainable growth of local agriculture practices, covering farm, dairying, etc. The participants are exposed to the Triple Bottom Line (TBL) concept of people, planet and profit; its practice will augur well for the sustainability of the business they will be involved in.

#### **Course Objective and Scope**

By the end of the course, participants should be able to:

- 1. Build an environment-sensitive mind-set in tune with the triple bottom line concept; and
- 2. Implement a few tools and techniques for small-scale farming which nurtures environment without any reduction in income.

#### **Recommended reading**

a. http://www.newfarm.org/features/1002/roland\_bunch/

#### **Faculty Profile**

- b. Lead farmers; and
- c. Organic farmers.

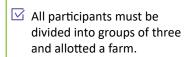
#### **Overview of Course**

S. No.	Objective		
	Participants will be able to		
1	Have a working notion of environment and natural resources.		
Practicum Task 1 & 2			
2	Develop and use techniques for conservation and optimum utilization of water and soil.		
3	Appreciate the potential of solar energy for pumping of water and stay away from diesel-driven pumps.		
4	Adopt smart farming techniques in their lands to cope with changing climate conditions.		
Practicum 3			
5	Understand principles of sustainable agriculture.		
6	Adopt techniques to reduce post-harvest losses.		
7	Understand and implement integrated farming techniques.		
8	Evaluate the existing and new environment-friendly and smart practices through the TBL framework.		

#### **Practicum Tasks**

The following Practicums need to be fulfilled for completion of the course:

#### **Pre-requisites**



The worksheets need to be briefed and given to the participants in advance.

The analysis of each Practicum needs to be presented by the participants in the sessions.

## Task 1: Visit an organic farm and observe various beneficial practices.

#### Worksheet 1 for Task 1

- 1. What is different about this farm compared to a typical one?
- 2. What are the best practices followed here?
- 3. What is the size of the farm?
- 4. What are all the types of crops and how much quantity of each is produced?
- 5. If they are organic/pesticide-free farms, how long did it take for them to convert?
- 6. What are the pre-requisites?
- 7. How is it beneficial environmentally and economically?
- 8. What is the difference in revenue by selling the items compared to the typically grown produce?
- 9. How does your produce reach the customer? Specify the distribution channel.

## Task 2: Identify best practises and present a plan to implement them on their own farms

#### Worksheet 1 for Task 2: Worksheet

- Name the best practices you learnt from your first visit.
- 2. What are the benefits?
- 3. Any pre-requisites for implementing the practice?
- 4. Explain your plan for implementing the practice.

# Task 3: Adopt one of the best practices they learnt during the visit.

#### Worksheet 1 for Task 3:



Present the success of the project with the challenges involved

What is the support required for implementing the practice better?

#### **SESSION PLAN 1**

**Session Objectives:** Participants will be able to have a working notion of environment and natural resources.



#### Methodology

- Discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers
- Projector/laptop

#### Step 1: Understanding the Environment (10 minutes)

- Define environment as the natural world, as a whole or in a particular geographical area, especially as affected by human activity. Take some examples from the participants about the interdependence of environmental elements.
- Point to change in monsoon patterns, rise in temperatures, etc.

#### Step 2: Define Ecological Balance (20 minutes)

Ecological balance is a term used to describe the equilibrium between living organisms and human beings, plant kingdom and animal kingdom and their natural environment. Photosynthesis that takes place in the ecosystem contributes to building a good environment and stabilizes the coexistence of all organisms. Harmonious relationships reflect healthy and desirable ecological balance. Human beings play a crucial role in maintaining the ecological balance because they have the highest thinking capacity as compared to other living organisms. Sufficient food availability to all living organisms and their stability reflect the existence of ecological balance. This balance is very important because it ensures survival, existence and stability of the environment.

Survival of all organisms is actualized due to ecological balance. Various species survive because favourable

ecosystems were created. A favourable ecosystem ensures that each organism thrives and multiplies as expected by nature. Organisms get enough food to keep them alive. Ecological balance is also important because it leads to the continuous existence of the organisms. It ensures that no particular species is exploited or overused. For example, human activities such as farming and resource exploitation are checked to prevent excessive destruction of the forests. Deforestation leads to drought. Drought reduces food production resulting in insufficient food. Insufficient food leads to starvation and later death, reducing the existence of some species.

In addition, ecological balance ensures the stability of organisms and environment. It creates a conducive environment for organisms' multiplication and thriving. It enhances a stable environment that is free from ecological imbalances such as flood, hunger caused by drought, windstorm that may wipe out everything and over-hunting of the predators. This calls for collective efforts to ensure that a stable environment is created. Human activities influence environmental stability. Tree planting and reduced deforestation rate prevent undesirable climate change. Control of excessive wild animal hunting maintains the desired population growth. Therefore, human beings can contribute positively to create and maintain ecological balance.

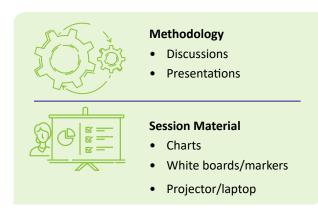
In summary, ecological balance is necessary for the existence of the world. Earth's inhabitants such as human beings, plants, animals and other microorganisms continue to survive. These species get a conducive environment to multiply and thrive. The world gets to produce sufficient food for all species. Hunger caused by drought becomes history. This is because droughts will never be experienced at any point. Also, green environment is maintained. This means that the world achieves its equilibrium state that benefits and protects all living organisms in it.

#### Step 3: Identify Natural Resources (30 minutes)

• Participants need to list the natural resources they use and identify scope for better management.

Resource	Mismanagement	Potential Remedy
E.g.: Water	Rain-water flows into the drainages and ocean	Rain-water harvesting

**Session Objectives:** Participants will be able to develop and use techniques for conservation and optimum utilization of water and soil.



#### Step 1: Conservation of Soil and Water in Agriculture (20 minutes)

#### **Introduction to Soil and Water Conservation**

Soil and water conservation is a worldwide strategy in the context of sustainable natural resource management (Rauch 2007).

Soil and water conservation are those activities at the local level which maintain or enhance the productive capacity of the land including soil, water and vegetation in areas prone to degradation through prevention or reduction of soil erosion, compaction, salinity, conservation or drainage of water and maintenance or improvement of soil fertility (WOCAT 2007).

These activities are to be selected and implemented according to the respective local conditions; i.e., the strategy is adapted at the local level.

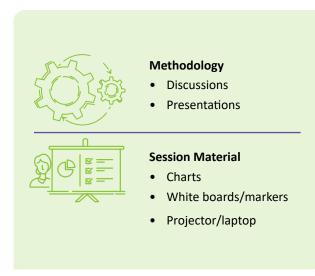
Soil and water conservation is an integral part of watershed management. Although watershed management was formerly considered to be nearly synonymous with soil and water conservation, it goes far beyond today, comprising a variety of further activities that attempt to improve the living conditions of the people living within the respective watersheds (e.g., building of social infrastructure such as schools) (Bollom 1998).

Introducing soil and water conservation in the river catchment may further the sustainable utilization of natural resources for the benefit of local people (as the overall goal of watershed management). Its success will depend on the participation of local people and their traditional knowledge. After detailed analyses of the watershed, they will together select, implement and carry out the soil and water conservation measures suitable for the natural and human conditions of the river catchment.

#### Step 2: Presentation of Conservation Techniques (40 minutes)

- Participants will present their learnings from Practicum 1.
- Participants, with the help of the facilitator, will discuss the application of the techniques on their own farms.
- Participants will be able to appreciate the role of these techniques independently.

**Session Objectives:** Participants will be able to appreciate the potential of solar energy for pumping of water and stay away from diesel-driven pumps.



#### Step 1: Appreciating Solar Energy (40 minutes)

Solar energy is an alternative renewable energy that is increasingly becoming mainstream due to cost feasibility and higher efficiency. Apart from producing power for offices and households, solar energy can be used for power dryers, cookers, solar stills, lighting, refrigeration and even air conditioning. There is increasing usage of solar energy for agricultural purposes, which consumes considerable amount of power in India.

Solar power technology would be a reasonable choice for agricultural tools. Solar Photovoltaic (SPV) cells directly convert the light energy from the sun into electricity. Concentrated solar power) systems use an indirect method for the conversion process. Other than SPVs and concentrated solar power, there are other new techniques such as dye-sensitized solar cells, luminescent solar concentrators, bio-hybrid solar cells, photon enhanced thermionic emission systems, etc. All these technologies can be deployed in small volumes; they are portable which makes it easier to use them in agriculture.

#### **Solar Farming**

Solar Farming in India: Solar farming uses power generated from solar energy to operate agricultural or farming tools. It is simple, cost-effective, reliable and long-lasting. Most common agricultural tools such as tractors, watering systems, rotator, roller, planter, sprayers, broadcast seeders, etc., work on battery power and fuel oil. In solar farming, the battery power is replaced with solar power, so that the usage of electricity from grid-power and non-renewable sources

can be reduced. Here is a list of agricultural tools that are currently being operated in India using solar energy:

#### **Solar Water Pumping System**

A SPV water pumping system consists of solar panels, an on-off switch, a control and tracking mechanism, and a motor pump. This system essentially uses SPV cells for converting solar energy into electrical energy. A SPV cell array can range in capacity from around 200 watts to 5 kilowatt-peak based on the needs of different water sources such as bore-wells, open wells, reservoirs, streams, etc.

Parameters such as the daily water requirement, water source and geographic location must be kept in mind before selecting a suitable solar pump. Although its operation is similar to other pump systems, the duration and quantity of pumping water might vary, depending on the solar radiation intensity, location, season, etc. A system with 1,000 watt peak capacity can irrigate about two acres of land, pumping approximately 40,000 litres of water per day. A solar pump system with 5 horse power capacity costs around INR 439,000. Some states in India offer subsidies of up to 80 percent to farmers for encouraging the use of solar energy. Several manufacturers such as Kirloskar, Schneider Electric, Tata Solar, etc., offer a wide range of solar pumping systems in India.

Solar water pumping requires less power and is costeffective because it does away with the need for expensive fuels such as diesel to operate. A solar pumping system with 1,000 watt peak capacity can give savings of up to INR 45,000 per year as compared to a diesel-operated pump. The system's environmental impact is nearly zero since there is no internal combustion engine as found in regular motors.

#### **Solar Dryer**

Solar dehydrators or dryers are used in farms to dry crops before sending them to the market. These dryers commonly use passive solar panels for generating energy. A large-scale solar dryer usually consists of a shed, drying racks and a solar collector (panels). The crops are dried when hot air is circulated through the shed by natural convection or using a fan.

Domestic and compact solar dryers can handle farm produce such as vegetables, fruits, spices, etc. Solar cabinet dryers can be used for drying perishable, semiperishable and wet processed food material (such as potato chips, leafy vegetables) without contamination. Forced circulation solar dryers use an array of solar collectors connected together to maximize airflow. This type of dryers has components such as solar air heaters, electric blower, connecting ducts, drying chamber and control systems for air temperature and flow rate. These dryers are used to dehydrate high value products.

Natural convection solar tunnel dryers are another type that can be used for drying bulk material with high moisture content. These dryers have exhaust fans at the upper end of the tunnel to drive away humid air. Adequate insulation is ensured on the floor and upper sides of the dryer to prevent heat loss.

Dryers are sold in India by various manufacturers within a cost range of INR 15,000-20,000. Subsidies are also available for dryers just like any other solar installations.

#### **Solar Greenhouse**

Solar greenhouses make optimum use of solar energy for providing heating and insulation. Specialized solar greenhouses can collect and store energy for night-time use or during cloudy weather. SPV cells can be used to collect solar energy for additional insulation in colder climates. Another solution is to use water tanks heated by solar power for circulating heat, which maintains the temperature at a level suitable to grow vegetables throughout the year, enabling vegetable production during off-seasons. Such greenhouses using passive solar technology have been built for costs starting at INR 30,000 in Ladakh.

In warmer climates, solar greenhouses can be used to create a cooler zone required for certain crops. Cooling pumps can be powered by SPV cells placed either on top or along the sides of the greenhouse.

Greenhouses also require proper ventilation with exhaust mechanisms to reduce humidity and get fresh air inside. Solar energy can be used for such ventilation systems. Simple vents using natural convection and heat from the sun is one option and another is to have a solar-powered exhaust fan.

## **Solar Electric Fence**

Solar powered electric fences are highly effective and dependable for large fields and cattle farms. These fences typically consist of a SPV unit as a source of power, an energizer that produces high voltage impulses (8 kilovolt) emitted in intervals of 0.9 to 1.2 seconds, along with a 12 volt battery. The impulse carries 10 milli-ampere of current and delivers a shock lasting for a fraction of a second. The batteries can be recharged using readymade solar fence chargers. Battery operated solar fences may cost from INR 45,000-50,000 per acre. Cheaper versions costing as low as INR 10,000-25,000 per acre have been developed using locally made materials in some places in India.

## **Solar Milking Machine**

Solar milking machines for cows operated on solar power instead of diesel or electric power are another innovation. A SPV module connected to batteries powers the machine. A mobile milking machine along with solar panels and battery backup is available for INR 70,000. Some states such as Karnataka provide subsidies of up to 50 percent for these machines. There are manual milking machines that can be either hand- operated or connected to solar power as well.

#### **Solar Mowers and Tractors**

Solar electric mowers are available with cordless and rechargeable battery options. These lawn mowers do not emit toxic fumes and do not require frequent re-fuelling to run. Only a few hours of recharging from a solar-powered battery charger are required. It is also possible to convert an existing fuel or electric lawn mower into a solar mower.

Similarly, tractors and planting machines are available with solar panels on top to power them. Solar-powered tractors can easily handle non-energy intensive operations like planting and harvesting. Their operating costs would be a fraction of those of conventional tractors. However, the technology is relatively new in India and used in a few places along with conventional tractors. May be in a decade, we will have fully solar-powered agricultural machines. Electronic sensors used to determine soil moisture, precipitation and location-specific weather data can also be made to work with solar energy. They can also be programmed to be remotely operated.

# **Advantages of Solar-powered Farming**

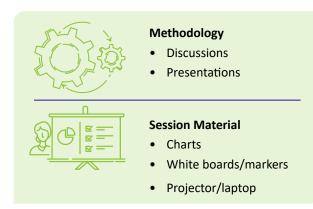
So solar farming is not only environmentally friendly but also reliable and cost-effective. Maintenance cost is low, since there will be fewer moving parts and lesser impact of oil corrosion. The Indian government is also helping farmers by providing subsidies and loans to acquire solar powered agricultural tools. Agricultural experts are being encouraged to guide farmers in operating them.

# Step 2: Comparing Diesel Driven Pumps to Solar Pumps (20 minutes)

 The participants will make the comparison between pumps based on:

Investment	Lifetime	Access to	Cost Benefit
needed		Services	Analysis

**Session Objectives:** Participants will be able to adopt smart farming techniques in their lands to cope with changing climate conditions.



## Step 1: Smart Farming Techniques (40 minutes)

According to estimates, nearly 80 percent of farmers in the US use some kind of smart farming technology while in Europe the number is 24 percent and picking up fast. These farmers have used a suite of modern information and communication technologies such as precision equipment, the Internet of Things, sensors and actuators, geo-positioning systems, big data, unmanned aerial vehicles (drones), robotics, etc., to understand their need and adopt suitable measures. Collectively, these technologies enhance the precision of the decisions taken and increase the productivity of crops. The number itself tells how efficient these technologies are. In fact, several multilateral organizations that have studied other developing nations across the world have suggested smart farming technologies as one of the measures to improve agricultural output.

At the soil level, smart farming technologies measure the impedance rate of the soil, moisture, water retention, nitrogen, phosphorus, potassium, NPK values and nutrient migration. At the crop level, a certain measure of chlorophyll, susceptibility, plant level temperature and humidity help the farmers to identify the need and use the correct kind and amount of crop augmenting measure. When it comes to everything above the soil, smart technologies are important to measure the weather conditions such as ambient temperature, humidity, dew point, rainfall, etc. One of the biggest benefits of using smart technologies is that the data are stored for historical purposes. This means that the records a device stores today, based on which the farmer acts, will be available at a later date as well. This will help in gathering more precise data along with the nature of concern for a specific region more quickly than now.

# Step 2: Contextualizing Techniques of Farming (20 minutes)

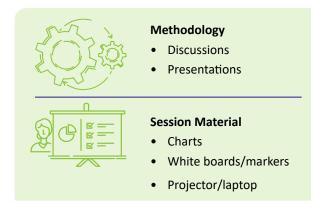
- Evaluate the need for smart farming in the agriculture practised in the area of the participant.
- Create a plan for implementation of these techniques.
- Identify the benefits in terms of

Saving of water, power and manual labour Reduction in pest attacks, loss of crops, etc

Improvement of yield

Change in farmers' income per acre

**Session Objectives:** Participants will be able to understand principles of sustainable agriculture.



# Step 1: Defining Sustainable Agriculture (40 minutes)

Sustainable agriculture can be defined in many ways, but ultimately it seeks to sustain farmers, resources and communities by promoting farming practices and methods that are profitable, environmentally sound and good for communities. Sustainable agriculture fits into and complements modern agriculture. It rewards the true values of producers and their products. It draws and learns from organic farming. It works on farms and ranches large and small, harnessing new technologies and renewing the best practices of the past.

## In short sustainable agriculture is:

**Economically Viable:** If it is not profitable, it is not sustainable.

**Socially Supportive:** The quality of life of farmers, farm families and farm communities is important. **Ecologically Sound:** We must preserve the resource base that sustains us all.

Beyond this definition, sustainable agriculture has been defined in several ways, for example, as a system that

can indefinitely sustain itself without degrading the land, the environment or the people. It reflects our concern with the long-term viability of agriculture.

Dr. John E. Ikerd, Extension Professor at the University of Missouri, offers his view of sustainability: "A sustainable agriculture must be economically viable, socially responsible and ecologically sound. The economic, social and ecological are interrelated, and all are essential to sustainability. An agriculture that uses up or degrades its natural resource base, or pollutes the natural environment, eventually will lose its ability to produce. It's not sustainable. An agriculture that isn't profitable, at least over time, will not allow its farmers to stay in business. It's not sustainable. An agriculture that fails to meet the needs of society, as producers and citizens as well as consumers, will not be sustained by society. It's not sustainable. A sustainable agriculture must be all three – ecologically sound, economically viable and socially responsible. And the three must be in harmony."

## **Zero Budget Agriculture**

Zero-budget natural farming is a holistic alternative to the present paradigm of high-cost chemical inputs-based agriculture. It is very effective in addressing the uncertainties of climate change. Its principles are in harmony with the principles of agro-ecology. Its uniqueness is that it is based on the latest scientific discoveries in agriculture and, at the same time, it is rooted in Indian tradition. The United Nations Food and Agriculture Organization, in April 2018, urged all countries to move towards the adoption of agro-ecology to meet the twin goals of global food security and conservation of the environment.

# Step 2: Contextualize Sustainable Farming with the Participants (20 minutes)

- Participants will enlist sustainable agricultural practices.
- The facilitator will evaluate their plans of implementation.

**Session Objectives:** Participants will be able to adopt techniques to reduce post-harvest losses (PHL).



## Methodology

- Discussions
- Presentations



## **Session Material**

- Charts
- White boards/markers
- Projector/laptop

## Step 1: Defining PHL (40 minutes)

Figure 17: Post-harvest value chain

Phases	Harvesting & Primary Processing	Storage & Crop Protection	Processing	Market Linkage
Key Activities	<ul> <li>» Harvesting</li> <li>» Drying</li> <li>» Grading</li> <li>» Sorting</li> <li>» Produce aggregation</li> <li>» Loading</li> <li>» Transporting</li> </ul>	<ul> <li>» Pre-cooling</li> <li>» Packaging</li> <li>» Ripening</li> <li>» Cold storage</li> <li>» Warehousing</li> <li>» Quality control assessment</li> </ul>	<ul><li>» Grading</li><li>» Sorting</li><li>» Secondary Processing</li></ul>	<ul> <li>» Packaging</li> <li>» Branding</li> <li>» Transporting</li> <li>» Market information</li> <li>» Wholesale market</li> <li>» Retail market</li> </ul>
Drivers of PHL	Improper harvesting leads to crop losses during and post-harvest. Lack of primary processing soon after harvesting adversely affects shelf-life and increases PHL.	Currently, there is a huge gap in infrastructure at the farm gate especially for cold storage and pack-houses. Poor storage and crop protection facilities contribute to significant spoilage and crop loss.	The huge gap in food processing significantly limits value addition. In India only 2% of the total fruit and vegetable produced are processed currently. Inadequate processing capabilities, particularly near farm contributes significantly to PHL.	Lack of market information and linkages both contribute to PHL. Lack of information on prices and demand leads farmers to often make uninformed choices and distress sales. Farmers are not able to access the optimal price for their product within current markets.

## **Key Factors Affecting PHL**

Barriers such as lack of awareness, limited access to finance and few near-farm markets for primary processed produce restrict small holding farmers' adoption of best practices and mechanization.

Small holding farmers are unaware of the quality specifications required by different types of buyers, and face key barriers to adopting good practices, including affordability and availability of technology. Fear of crop loss and the short-term need for liquidity often prompts small holding farmers to sell their produce as soon as possible and is a constraint for investing in primary processing technologies. Small holding farmers also do not actively seek information on mechanization to harvest, sort or grade produce. Given the market

penetration and distribution of available technologies, current solutions are also not accessible, affordable or right-sized for small farm use. Further, the absence of near-farm markets for primary processed produce like dried tomatoes has restricted small holding farmers from overcoming challenges in the harvesting and primary processing phase.

Lack of economies of scale limits private sector participation in near-farm primary processing activities. Primary processing can greatly reduce PHL and improve farmer incomes and livelihoods for fruits and vegetables, which represent the crop group with the highest levels of PHL. At present, however, primary processing carried out by farmers is limited to small scale efforts such as de-husking, deseeding, peeling and drying in some

crops, and processing for products such as jams, jellies, dried fruits and chilli powder. Private sector investment requires scale in terms of number of customers (farmers) and demand (number of units sold), which can be met by existing organized groups of farmers that collaborate and participate in primary processing of significant volumes of produce. Currently, very few companies like Our Food, Connect Farmer and S4S (DesiVDesi) equip farmers with primary processing capabilities. The primary motivation for these companies has been to empower small holding farmers to be able to earn better prices for their produce.

To overcome postharvest losses, growers, packers, shippers, and retailers must win the race against time and employ strict measures to get the produce from the farm – and to your fork – while keeping it as fresh as possible.

Here, Deltsidis offers six pointers in the post-harvest process that if you employ, can help you avoid suffer major losses.

- 1. Assess maturity: The first step in the post-harvest handling process is assessing maturity you want to make sure you pick the crop at the appropriate stage, and you want to make sure the pickers are trained on evaluating maturity. There are plenty of resources online that provide maturity indices with specific information for each crop detailing the appropriate harvesting stage. For example, UCDavis has technical sheets with photos that illustrate various maturity stages.
- 2. Check your water quality: Check your water source, and make sure that it is of excellent quality before use. Be sure to evaluate the water quality frequently, using tests strips to evaluate chlorine content, etc. If you have a tank you're using to dunk the produce in, be sure to check the water and change it frequently. As time goes on and more produce comes in from the field, the water can become contaminated and spread to the other fruits. To sanitize, use sodium hydrochloride, bleach, hydrogen peroxide, peroxy acetic acid or ozone. All of these can be used for either conventional or organic crops. This way you are making sure you are not transferring the pathogen from one fruit to the other. You need to effectively kill them and make

sure that any lesions do not allow the pathogens to enter. The packing house manager should know after how many loads the water should be changed. If there is a bad quality load, you'll need to change the water immediately after that.

- 3. Check your water temperature: Make sure water isn't too cold. For example, in some fruits using colder water will cause internalization of soft-rot bacteria into the fruit stem scar and subtending tissue. As the fruit cools and tissues contract, a vacuum is created, causing water and any potentially pathogenic organisms suspended in the water to be drawn into micro-wounds, pores or other natural openings in the fruit.
- 4. Avoid injury: When you have cuts or cracks in the fruit, it creates entry points for microorganisms.

  To avoid this, make sure that knives are sharp and that your crew is trained properly. The knives must not only be sharp but they should be clean. When transporting from the field to the packinghouse, make sure you don't overload the truck, because the fruit at the bottom can get compressed.
  - Also, make sure to gently load the produce onto trucks. Do not toss or throw produce onto the truck. This will help you avoid bruising.
- 5. Keep your produce cool: Harvest in the morning when it is cool, and be sure to keep fruit out of direct sunlight. After it's been harvested, move the product to the processing facility as soon as possible and move the fruit into a cooler quickly after processing. Procedures to increase the rate of cooling include forced air cooling (within the storage room), hydro cooling and icing (which is not always recommended).
- 6. Proper storage: Make sure that the storage area is separate from the processing area. Make sure the area is properly sanitized and that racks are away from walls to allow for cleaning and air circulation.

# Step 2: Plan for Reducing Post-harvest Storage (20 minutes)

- Participants will create plans for reducing PHL.
- Participants will brainstorm to identify the areas of improvement and create solutions for storage and reduction of PHL.

**Session Objectives:** Participants will be able to understand and implement integrated farming techniques.



## Methodology

- Discussions
- Presentations



## **Session Material**

- Charts
- White boards/markers
- Projector/laptop

# Step 1: Defining Integrated Farming (40 minutes)

The International Organisation of Biological Control describes integrated farming according to the UNI 11233-2009 European standard as a farming system where high quality organic food, feed, fibre and renewable energy are produced by using resources such as soil, water, air and nature as well as regulating factors to farm sustainably and with as little polluting inputs as possible.

Particular emphasis is placed on an integrated organic management approach looking at the whole bio-farm as a cross-linked unit, on the fundamental role and function of agro-eco-systems, on nutrient cycles which are balanced and adapted to the demand of the crops, and on health and welfare of all livestock on the farm. Preserving and enhancing soil fertility, maintaining and improving a diverse environment and the adherence to ethical and social criteria are indispensable basic elements. Crop protection takes into account all biological, technical and chemical methods which then are balanced carefully and with the objective to protect the environment, to maintain profitability of the business and fulfil social requirements.

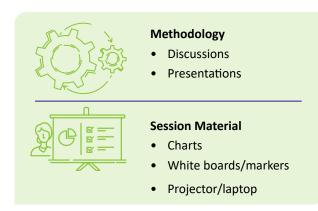
European Initiative for Sustainable Development in Agriculture have an integrated farming framework which provides additional explanations on key aspects of integrated farming. These include: organization & planning, human & social capital, energy efficiency, water use & protection, climate change & air quality, soil management, crop nutrition, crop health & protection, animal husbandry, health & welfare, landscape & nature conservation and waste management pollution control.

Linking Environment and Farming in the UK promotes a comparable model and defines integrated farm management as whole farm business approach that delivers more sustainable farming. Its integrated farm management consists of nine interrelated sections: organization & planning, soil management & fertility, crop health & protection, pollution control & by-product management, animal husbandry, energy efficiency, water management, and landscape & nature conservation.

# Step 2: Implementation Plan (20 minutes)

Participants will create plans for implementing integrated farming.

**Session Objectives:** Participants will be able to evaluate the existing and new environment-friendly and smart practices through the TBL framework.



## Step 1: Triple Bottom Line (20 minutes)

## The three bottom lines

The TBL consists of social equity, economic, and environmental factors. The phrase, "people, planet, and profit" to describe the TBL and the goal of sustainability, was coined by John Elkington in 1994 while at Sustain Ability, and was later used as the title of the Anglo-Dutch oil company Shell's first sustainability report in 1997. As a result, one country in which the 3P concept took deep root was the Netherlands.

# People, the Social Equity Bottom Line

The people, social equity, or human capital bottom line, pertains to fair and beneficial business practices toward labour and the community and region in which a corporation conducts its business. A TBL company conceives a reciprocal social structure in which the well-being of corporate, labour and other stakeholder interests is interdependent.

An enterprise dedicated to the triple bottom line seeks to provide benefit to many constituencies and not to exploit or endanger any group of them. The "upstreaming" of a portion of profit from the marketing of finished goods back to the original producer of raw materials, for example, a farmer in fair trade agricultural practice, is a common feature. In concrete terms, a TBL business would not use child labour and monitor all contracted companies for child labour exploitation, would pay fair salaries to its workers, would maintain a safe work environment and tolerable working hours and would not otherwise exploit a community or its labour force. A TBL business also typically seeks to "give back" by contributing to the strength and growth of its community with such things as health care and education. Quantifying this bottom line is relatively

new, problematic and often subjective. The Global Reporting Initiative has developed guidelines to enable corporations and NGOs alike to comparably report on the social impact of a business.

## Planet, the Environmental Bottom Line

The planet, environmental bottom line, or natural capital bottom line refers to sustainable environmental practices. A TBL company endeavours to benefit the natural order as much as possible or at the least do no harm and minimize environmental impact. A TBL endeavour reduces its ecological footprint by, among other things, carefully managing its consumption of energy and non-renewables and reducing manufacturing waste as well as rendering waste less toxic before disposing of it in a safe and legal manner. "Cradle to grave" is uppermost in the thoughts of TBL manufacturing businesses, which typically conduct a life cycle assessment of products to determine what the true environmental cost is from the growth and harvesting of raw materials to manufacture to distribution to eventual disposal by the end user.

Currently, the cost of disposing of non-degradable or toxic products is borne financially by governments and environmentally by the residents near the disposal site and elsewhere. In TBL thinking, an enterprise which produces and markets a product which will create a waste problem should not be given a free ride by society. It would be more equitable for the business which manufactures and sells a problematic product to bear part of the cost of its ultimate disposal.

Ecologically destructive practices, such as overfishing or other endangering depletions of resources are avoided by TBL companies. Often environmental sustainability is the more profitable course for a business in the long run. Arguments that it costs more to be environmentally sound are often specious when the course of the business is analysed over a period of time. Generally, sustainability reporting metrics are better quantified and standardized for environmental issues than for social ones. A number of respected reporting institutes and registries exist including the Global Reporting Initiative, CERES, Institute 4 Sustainability and others.

The ecological bottom line is akin to the concept of ecocapitalism.

# **Profit, the Economic Bottom Line**

The profit or economic bottom line deals with the economic value created by the organization after deducting the cost of all inputs, including the cost of the capital tied up. It, therefore, differs from traditional accounting definitions of profit. In the original concept, within a sustainability framework, the "profit" aspect needs to be seen as the real economic benefit enjoyed

by the host society. It is the real economic impact the organization has on its economic environment. This is often confused to be limited to the internal profit made by a company or organization (which nevertheless remains an essential starting point for the computation). Therefore, an original TBL approach cannot be interpreted as simply traditional corporate accounting profit plus social and environmental impacts unless the "profits" of other entities are included as a social benefit.

## Step 2: Evaluating Practices of TBL (40 minutes)

# **Calculating the TBL**

The 3Ps do not have a common unit of measure. Profits are measured in dollars. What is social capital measured in? What about environmental or ecological health? Finding a common unit of measurement is one challenge.

Some advocate monetizing all the dimensions of the TBL, including social welfare or environmental damage. While that would have the benefit of having a common unit—dollars—many object to putting a dollar value on wetlands or endangered species on strictly philosophical grounds. Others question the method of finding the right price for lost wetlands or endangered species.

Another solution would be to calculate the TBL in terms of an index. In this way, one eliminates the incompatible units issue and, as long as there is a universally accepted accounting method, allows for comparisons between entities, e.g., comparing performance between companies, cities, development projects or some other benchmark.

An example of an index that compares a county versus the nation's performance for a variety of components is the Indiana Business Research Center's Innovation Index. There remains some subjectivity even when using an index, however. For example, how are the index components weighted? Would each "P" get equal weighting? What about the sub-components within each "P"? Do they each get equal weighting? Is the people category more important than the planet? Who decides?

Another option would do away with measuring sustainability using dollars or using an index. If the users of the TBL had the stomach for it, each sustainability measure would stand alone. "Acres of wetlands" would be a measure, for example, and progress would be gauged based on wetland creation, destruction or status quo over time. The downside to this approach is the proliferation of metrics that may be pertinent to measuring sustainability. The TBL user may get metric fatigue.

Having discussed the difficulties with calculating the TBL, we turn our attention to potential metrics for inclusion in a TBL calculation. Following that, we will discuss how businesses and other entities have applied the TBL framework.

#### What Measures Go into the Index?

There is no universal standard method for calculating the TBL. Neither is there a universally accepted standard for the measures that comprise each of the three TBL categories. This can be viewed as a strength because it allows a user to adapt the general framework to the needs of different entities (businesses or non-profits), different projects or policies (infrastructure investment or educational programmes) or different geographic boundaries (a city, region or country).

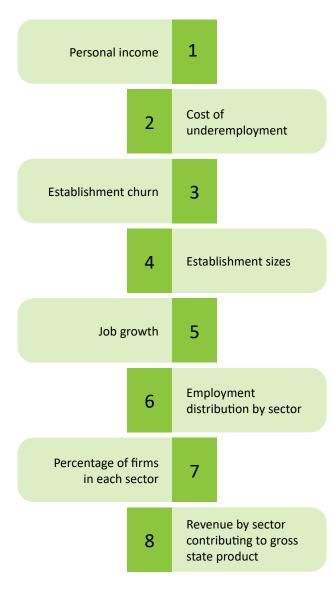
Both a business and local government agency may gauge environmental sustainability in the same terms, say, reducing the amount of solid waste that goes into landfills but a local mass transit might measure success in terms of passenger miles while a for-profit bus company would measure success in terms of earnings per share. The TBL can accommodate these differences.

Additionally, the TBL is able to be case (or project) specific or allow a broad scope—measuring impacts across large geographic boundaries—or a narrow geographic scope like a small town. A case (or project) specific TBL would measure the effects of a particular project in a specific location, such as a community building a park. The TBL can also apply to infrastructure projects at the state level or energy policy at the national level.

The level of the entity, type of project and the geographic scope will drive many of the decisions about what measures to include. That said, the set of measures will ultimately be determined by stakeholders and subject matter experts and the ability to collect the necessary data. While there is significant literature on the appropriate measures to use for sustainability at the state or national levels, in the end, data availability will drive the TBL calculations. Many of the traditional sustainability measures, measures vetted through academic discourse, are presented below.

## **Economic Measures**

Economic variables ought to be variables that deal with the bottom line and the flow of money. It could look at income or expenditures, taxes, business climate factors, employment, and business diversity factors. Specific examples include:



## **Environmental Measures**

Environmental variables should represent measurements of natural resources and reflect potential influences to its viability. It could incorporate air and water quality, energy consumption, natural resources, solid and toxic waste, and land use/land cover. Ideally, having long-range trends available for each of the environmental variables would help organizations identify the impacts a project or policy would have on the area. Specific examples include:

1	- Sulphur dioxide concentration
2	- Concentration of nitrogen oxides
3	- Selected priority pollutants
4	- Excessive nutrients
5	- Electricity consumption
6	- Fossil fuel consumption
7	- Solid waste management
8	- Hazardous waste management
9	- Change in land use/land cover

# **Social Measures**

Social variables refer to social dimensions of a community or region and could include measurements of education, equity and access to social resources, health and well-being, quality of life, and social capital. The examples listed below are a small snippet of potential variables:

1	Unemployment rate
2	Female labour force participation rate
3	Median household income
4	Relative poverty
5	Percentage of population with a post-secondary degree or certificate
6	Average commute time
7	Violent crimes per capita
8	Health-adjusted life expectancy

# **FIELD WORK (Practicum Tasks & Reflection Workshops)**

# VALUE CHAIN MANAGEMENT

## **Course Introduction**

A value chain is a set of linked activities that work to add value to a product. It consists of actors and actions that improve a product while linking commodity producers to processors and markets. The course aims to develop — in the participants — competencies necessary for choosing a given value chain out of different possibilities and for pursuing it. The course delves into evaluation of options available by taking multiple factors of HR, technology and capital into consideration. The course would help participants keep their focus on the market and customer demand while designing and managing the value chain.

# **Course Objective and Scope**

By the end of the course, participants should be able to:

 Analyse different value chains of a given raw material; and 2. Analyse factors for selecting and carry out feasibility analysis for deciding the most viable value chain.

# **Generic Readings for the Course**

- a. http://www.economicsdiscussion.net/price/pricing-policy-meaning-objectives-and-factors/21757
- b. https://www.bgateway.com/resources/increaseyour-profitability
- c. https://www.enterprise-development.org/ implementing-psd/value-chain-development/
- d. https://www.investopedia.com/terms/c/costbenefitanalysis.asp

# **Faculty Profile**

- a. Manager at any production unit like rice mills, dairy (with multiple products); or
- b. Local entrepreneurs and manufacturers

with good exposure to the philosophy and principles of supply chain management.

# **Overview of Course**

S. No.	Objective
	Participants will be able to
	Practicum Task 1 & 2
1	Identify various products out of a given raw material and corresponding value chains.
2	Estimate the investment required for each value chain of a given raw material based on the stage of value addition at which the value chain terminates.
3	Estimate and analyse the demand of each value-added product from a given raw material and decide on the promising ones.
4	Carry out a detailed feasibility analysis for confirming the implementation of a given value.
5	Conduct a cost-benefit analysis for promising and feasible value chains to make a final choice.
6	Decide on the pricing policy of commodities, products and services based on the value added at different stages of the value chain, relative to the market conditions.
7	Develop plans for further value addition in future.
8	Understand the differences and relationship between a value chain and its corresponding supply chain, and learn to use supply chain management tools to enhance the profitability of the value chain.

## **Practicum Tasks**

The following Practicums are to be fulfilled for completion of the course modules:

## **Pre-requisites**

- Participants will be divided into groups of three and allocated a raw material such as turmeric, mango, wheat, rice, milk, etc.
- Each team will be attached to a manufacturing enterprise which will perform the role of an expert on the topic of value chains for its raw material.
- Each team will be given the questionnaires in advance.
- At the end of the Practicum, each team will present its analysis in the Facilitation Workshop.

**Task 1:** Participants will work in groups to examine the different possible value chains from a raw material they are assigned to work on.

#### Worksheet 1 for Task 1

- 1. List the possible value-added products for a given value chain.
- 2. What is the difference between the price of the product and the raw material?
- 3. What is the cost of producing one unit of each product from the possible value chains?
- 4. What are the different technologies/techniques used to manufacture the product?
- 5. What is the investment needed for each value chain?
- 6. What kind of HR or skills are needed for the given value chain?
- 7. What is the share of production of each value chain from the same raw material in a day?

**Task 2:** Participants will work in groups to estimate the demand for various possible products of the same raw material from their respective value chains by visiting supermarkets, departmental stores, local grocery stores (*kirana* shops) in their neighbourhood, etc.

# Worksheet 2 for Task 2:

- 1. Based on the possible value chains, list the products.
- 2. What is the price of each product?
- 3. What is the supply of the given product in a month?
- 4. What quantity is sold every month?

## Resource

## Definition

Value chain analysis is a process where a firm identifies its primary and support activities that add value to its final product and then analyses these activities to reduce costs or create and enhance product differentiation.

A value chain represents the internal activities a firm engages in when transforming inputs into outputs.

## **Understanding the Tool**

Value chain analysis is a strategy tool used to analyse internal firm activities. Its goal is to recognize the activities that are most valuable (i.e., provide cost advantage or create differentiation advantage) to the firm and the ones which could be improved to provide a competitive advantage. In other words, by looking into internal activities, the analysis reveals a firm's competitive advantages or disadvantages. The firm that competes through differentiation advantage will try to perform its activities better than competitors would do. If it competes through a cost advantage, it will try to perform internal activities at lower costs than competitors would do. When a company can produce goods at lower costs than the market price or provide superior products at high market prices relative to costs, it earns profits.

M. Porter introduced the generic value chain model in 1985. A value chain represents all the internal activities a firm engages in to produce goods and services. It is formed of primary activities that add value to the final product directly and support activities that add value indirectly.

Although, primary activities add value directly to the production process, they are not necessarily more important than support activities. Nowadays, competitive advantage mainly derives from technological improvements or innovations in business models or processes. Therefore, such support activities as 'information systems', 'R&D' or 'general management' are usually important sources of differentiation advantage. On the other hand, primary activities are usually the source of a cost advantage, where costs can be easily identified for each activity and properly managed.

A firm's value chain is part of a larger industry's value chain. The more activities a company undertakes compared to the industry's value chain, the more vertically integrated it is. Figure 18 shows an industry's value chain and its relation to a firm level value chain.

Industry's Value Chain Raw Intermediate Manufacturing Marketing After-sales Materials Goods & Sales service Company's Value Chain in Manufacturing Inbound Operations Outbound Marketing & Service Logistics Logistics Sales Firm Infrastructure **Human Resource Management Procurement** Technology

Figure 18: Connection between an industry's and a company's value chains

# Using the tool

There are two different approaches on how to perform the analysis, depending on the type of competitive advantage a company wants to create (cost or differentiation advantage). The table below lists all the steps needed to achieve a cost or differentiation advantage using value chain analysis.

Competitive advantage types		
Cost advantage	Differentiation advantage	
This approach is used when organizations try to compete on costs and want to understand the sources of their cost advantage or disadvantage and the factors that drive those costs.	The firms that strive to create superior products or services use differentiation advantage approach (good examples):	
<ul> <li>Step 1. Identify the firm's primary and support activities.</li> <li>Step 2. Establish the relative importance of each activity in the total cost of the product.</li> <li>Step 3. Identify cost drivers for each activity.</li> <li>Step 4. Identify links between activities.</li> <li>Step 5. Identify opportunities for reducing costs.</li> </ul>	<ul> <li>Step 1. Identify the customers' value-creating activities.</li> <li>Step 2. Evaluate the differentiation strategies for improving customer value.</li> <li>Step 3. Identify the best sustainable differentiation.</li> </ul>	

## **Cost Advantage**

To gain a cost advantage, a firm has to go through five analysis steps:

# Step 1. Identify the firm's primary and support activities

All the activities (from receiving and storing materials to marketing, selling and after-sales support) that are

undertaken to produce goods or services and satisfy the customer are clearly identified and separated from each other. This requires an adequate knowledge of the company's operations because value chain activities are not organized in the same way as the company itself. Managers who identify value chain activities have to look into how work is done to deliver customer value.

# Step 2. Establish the relative importance of each activity in the total cost of the product

The total costs of producing a product or service must be broken down and assigned to each activity. Activitybased costing is used to calculate costs for each process. Activities that are the major sources of cost or done inefficiently (when benchmarked against competitors) must be addressed first.

## Step 3. Identify cost drivers for each activity

Only by understanding the factors that drive costs, can managers focus on improving them. Costs of labour-intensive activities will be driven by work hours, work speed, wage rate, etc. Different activities will have different cost drivers.

## Step 4. Identify links between activities

Reduction of costs in one activity may lead to further cost reductions in subsequent activities. For example, fewer components in the product design may lead to less faulty parts and lower service costs. Therefore, identifying the links between activities will lead to better understanding of how cost improvements would affect the whole value chain. Sometimes, cost reductions in one activity lead to higher costs for other activities.

## Step 5. Identify opportunities for reducing costs

When the company knows its inefficient activities and cost drivers, it can plan on how to improve them. Too high wage rates can be dealt with by increasing production speed, installing more automated processes.

## **Differentiation Advantage**

Value chain analysis is done differently when a firm competes on differentiation rather than costs. This is because the source of differentiation advantage comes from creating superior products, adding more features and satisfying varying customer needs, which results in higher cost structure. The following steps are adopted for achieving differentiation advantage:

# Step 1. Identify the customers' value-creating activities

After identifying all value chain activities, managers focus on those activities that contribute the most to creating customer value. For example, Apple products' success mainly comes not from great product features (other companies have high-quality offerings too).

# Step 2. Evaluate the differentiation strategies for improving customer value

Managers can use the following strategies to increase product differentiation and customer value:

- Add more product features;
- Focus on customer service and responsiveness;
- Increase customization; and
- Offer complementary products.

## Step 3. Identify the best sustainable differentiation

Usually, superior differentiation and customer value will be the result of many interrelated activities and strategies. The best combination of them should be used to pursue sustainable differentiation advantage.

## **SESSION PLAN 1**

**Session Objectives:** Participants will be able to identify various products out of a raw material and corresponding value chain.



## Methodology

- · Group discussions
- Presentations



## **Session Material**

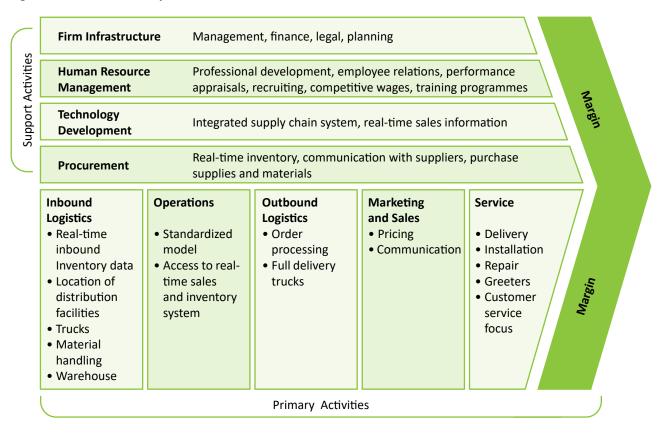
- White boards/markers
- Charts

# Step 1: Defining Value Chain (20 minutes)

 A value chain is the process or activities by which a company adds value to an article, including production, marketing and provision of after-sales service.

- Participants are supposed to discuss various value chains they are aware of, e.g., rice flour.
- Different elements of the value chain will be elaborated on.

Figure 19: Value chain analysis



# Step 2: Explaining the Various Chains in Practicum (20 minutes)

- Participants will present their Practicum P2 learning.
- They can draw the value chain and map its different elements to the activities of the enterprise.
- The facilitator will probe the participants to evaluate the extent of their learning and provide clarifications wherever required.

# Step 3: Drawing Value Chain of the Same Raw Material (20 minutes)

- Participants can be divided into teams and challenged to identify multiple products and value chains of the same raw material.
- Participants can evaluate the other resources needed for the value chains, etc.

**Session Objectives:** Participants will be able to estimate the investment required for each value chain of a given raw material based on the stage of value addition at which the value chain terminates.



# Methodology

- Discussions
- Presentations



## **Session Material**

- Charts
- White boards/markers
- Projector/laptop

# Step 1: Understanding the Total Cost of the Value Chain (20 minutes)

- Participants will identify the different points of the value chain where costs would be incurred.
- Participants would have to make a list of questions to understand the different costs incurred at each step.

# Step 2: Calculating the Cost of Each Element of the Value Chain (20 minutes)



Cost of primary activities



Cost of secondary activities

Product Selection Decision					
	FPO Total	Tomato	Okara	Brinjal	Cauliflower
Variable costs of goods sold	# 205	# 50	# 70	# 40	# 45
Gross profit margin	# 915	# 250	# 380	# 180	# 105
Other variable costs	# 30	# 0	# 20	# 10	# 0
Variable contribution margin	# 885	# 250	# 360	# 170	# 105
Traceable fixed costs:					
Sales salaries	# 280	# 70	# 95	# 65	# 50
Procurement salaries	#180	# 50	# 70	# 40	# 20
Packaging salaries	#105	# 30	# 25	# 20	# 30
Advertising of specific produces	#115	# 30	# 50	# 20	# 15
Rent and utilities	# 70	# 20	# 30	# 15	# 5
Total traceable fixed cost	#750	# 200	# 270	# 160	# 120
Total contribution	# 135	# 50	# 90	# 10	# 15
Non-traceable fixed costs:					
FPO advertising	# 40	# 40	# 40	# 40	# 40
General and administrative overhead	# 60	# 60	# 60	# 60	# 60
Total	# 100	# 100	# 100	# 100	# 100
Net operating profit	+ 35	+ 50	+ 10	+ 90	+ 115

• Participants can calculate the cost of a given value chain of the same raw material

# Step 3: Presenting the Investment Cost (20 minutes)

- Participants would be divided into four teams to present their investment plans based on the previous exercise.
- The facilitator can give feedback based on participants' understanding of each budget head, estimate of costs and covering all the different aspects of investments.

**Session Objectives:** Participants will be able to estimate and analyse the demand of each value-added product from a given raw material and draw inferences.



## Methodology

- · Group discussions
- Presentations



## **Session Material**

- White boards/markers
- Charts
- Step 1: Understanding Demand and its Importance (20 minutes)
- Demand is an economic concept referring to a consumer's desire to purchase goods and services and willingness to pay a price for a specific good or service. Holding all other factors constant, an increase in the price of a good or service will decrease the quantity demanded, and vice versa, in

- a perfectly competitive market. Market demand is the total quantity demanded across all consumers in a market for a given good or service. Aggregate demand is the total demand for all goods and services in an economy.
- The facilitator will explain the definition of demand and the importance of measuring it for a business
- Demand refers to consumers' desire to purchase goods and services at given prices.
- Demand can mean either market demand for a specific good or aggregate demand for the total of all goods in an economy.
- Demand, along with supply, determines the actual prices of goods and the volume of goods that changes hands in a market.
- Step 2: List the Possible Products from the same Raw Material (10 minutes)
- Participants will be divided in four teams.
- Each team would be given a raw material to work with.
- Step 3: Presentation (30 minutes)
- Participants will be presenting the demand estimate of different products of the same raw material.

**Session Objectives:** Participants will be able to carry out a detailed feasibility analysis for confirming the implementation of a selected value chain.



## Methodology

- Group discussions
- Presentations



## **Session Material**

- White boards/markers
- Charts

# Step 1: Define Feasibility Analysis (20 minutes)

A feasibility study is an analysis that takes all of a project's relevant factors into account—including marketing, technical, legal, resources, financial and scheduling considerations—to ascertain the likelihood of completing the project successfully. Project managers use feasibility studies to discern the pros and cons of undertaking a project before they invest a lot of time and money into it. Feasibility studies also can provide a company's management with crucial information that could prevent the company from entering blindly into risky businesses.

# Step 2: Understanding Tools for Conducting Feasibility Studies (20 minutes)

Feasibility studies reflect a project's unique goals and needs, so each is different. However, the tips below can apply broadly to undertaking a feasibility study. You may, for example, want to:

- Get feedback about the new concept from the appropriate stakeholders.
- Analyse and ask questions about your data to make sure that it's solid.
- Conduct a market survey or market research to enhance data collection.
- Write an organizational, operational, or a business plan.
- Prepare a projected income statement.
- Prepare an opening day balance sheet.
- Make an initial "go" or "no-go" decision about moving ahead with the plan.

# Step 2: Identifying the Best Tool for Feasibility Tests (20 minutes)

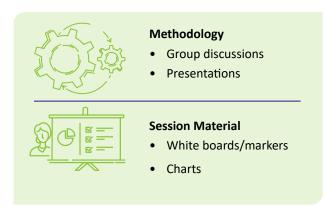
- Participants are divided in pairs to create a plan for conducting a feasibility analysis for a value chain.
- The facilitator would give feedback on the plan based on the viability and suitability to the context of the enterprise.

**Key Takeaways** 

A feasibility study assesses the practicality of a proposed plan or project. A company may conduct a feasibility study if it's considering launching a new business or adopting a new product line.

It's a good idea to have a contingency plan in case of unforeseeable circumstances or if the original project is not feasible.

**Session Objectives:** Participants will be able to conduct a cost-benefit analysis for promising and feasible value chains to make a final choice.



# Step 1: Understanding Cost-benefit Analysis (20 minutes)

- Cost-benefit analysis, sometimes called benefitcosts analysis, is a systematic approach to estimating the strengths and weaknesses of alternatives used to determine options which provide the best approach to achieving benefits while preserving savings.
- The basic example of cost-benefit analysis can be given by the example of buying vegetables at the doorstep versus buying at a market/mandi. Participants need to evaluate the gap in costs and services provided.
- Cost-benefit analysis is a strategy used by enterprises to determine if a given opportunity is viable or not.

# Step 2: Process of Conducting a Cost-benefit Analysis (20 minutes)

The costs involved in a cost- benefit analysis might include the following:

- One-time investment for setting up the value chain, comprising procurement organization, processing, storage and distribution facilities, and all expenses incidental thereto.
- Direct costs would be direct labour involved in manufacturing, inventory, raw materials, manufacturing expenses.
- Indirect costs might include electricity, overhead costs from management, rent, utilities.
- Intangible costs such as customer impact of pursuing a new business strategy, project or construction of a manufacturing plant, delivery delays of product, employee impact.

- Opportunity costs such as alternative investments or buying a plant versus building one.
- Cost of potential risks such as regulatory risks, competition and environmental impacts.

Benefits might include the following:



Revenue and sales increases from increased production or new product 2

Intangible
benefits, such
as improved
employee safety
and morale, as
well as customer
satisfaction due
to enhanced
product offerings
or faster delivery



Competitive advantage or market share gained as a result of the decision

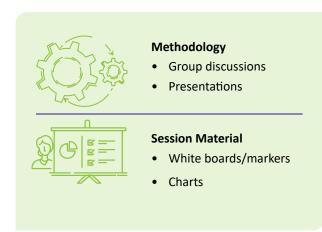
## Basic format for cost- benefit analysis

	Solution A	Solution B	Solution C
Total Costs	10,000	15,000	20,000
Total Benefits	12,000	19,000	23,000
Cost-benefit ratio	1.20	1.27	1.15

# Step 3: Conducting a Cost- benefit Analysis on the Given Enterprise

- Participants will be divided into two teams.
- One team will identify all costs while the other will identify all benefits.
- The facilitator will list them on the board for each solution and the cost- benefit analysis will be conducted.
- Using percentages or ratios, the concept of viability needs to be explained. The facilitator can also highlight the limitations of cost-benefit analysis here.
- Subjectivity involved in intangible costs and opportunity costs can cause misleading judgements, leading to wrong choice of value chain.

**Session Objectives:** Participants will be able to decide on the pricing policy of commodities, products and services based on the value added at different stages of the value chain, and relative to the market conditions.



# Step 1: Understanding Pricing Policy (40 minutes)

- Participants can be probed on their understanding of pricing of various brands of the same product.
- Participants should be given examples of mobile phones, TVs, etc.
- Participants should be able to identify factors of a pricing policy.

## 1. MARKET COMPETITION

A pricing policy is to be set in the light of a competitive situation in the market. We have to know whether the firm is facing perfect competition or imperfect competition. In perfect competition, producers have no control over the price. A pricing policy has special significance only under imperfect competition. However, if the firm wants to distinguish itself by product differentiation, it has flexibility in setting a price for the product.

# 2. GOAL OF PROFIT AND SALES

Businessmen use the pricing device for the purpose of maximizing profits. They should also stimulate profit combined with sales. In any case, sales should bring more profit to the firm.

## 3. LONG RANGE WELFARE OF THE FIRM

Generally, businessmen are reluctant to charge a high price for the product because this might result in bringing more producers into the industry. In real life, firms want to prevent the entry of rivals. Pricing should take care of the long-term profitability of the company.

## 4. FLEXIBILITY

Pricing policies should be flexible enough to meet changes in economic conditions of various customer industries. If a firm is selling its product in a highly competitive market, it will have little scope for pricing discretion. Prices should also be flexible to take care of cyclical variations.

## 5. GOVERNMENT POLICY

The government may prevent firms from forming price cartels. Often, the government prefers to control prices of essential commodities with a view to prevent exploitation of consumers. The entry of the government into the pricing process tends to inject politics into price fixation.

## 6. OVERALL GOALS OF BUSINESS

Pricing is not an end in itself but a means to an end. The fundamental guide to pricing, therefore, is the firm's overall goals. The broadest goal is survival. On a more specific level, objectives relate to rate of growth, market share, maintenance of control and finally profit. The various objectives may not always be compatible. A pricing policy should never be established without consideration as to its impact on the other policies and practices.

## 7. PRICE SENSITIVITY

The various factors which may generate sensitivity to price changes are variability in consumer behaviour, variation in the effectiveness of marketing effort, nature of the product, importance of service after sales, etc. Businessmen often tend to exaggerate the importance of price sensitivity and ignore many identifiable factors which tend to minimize it.

## 8. ROUTINIZATION OF PRICING

A firm may have to take many pricing decisions. If the data on demand and cost are highly conjectural, the firm has to rely on some mechanical formula. If a firm is selling its product in a highly competitive market, it will have little scope for price discretion. This will have the way for routinized pricing.

# Step 2: Identifying the Role of Each Factor Relevant to the Enterprise (20 minutes)

- Participants would be given a product and they have to list the role of each factor in its pricing policy.
- Participants will be able to appreciate how the pricing policy increases market share, gaining profits and surviving in the market.

**Session Objectives:** Participants will be able to develop plans for further value addition in future.



## Methodology

- Group discussions
- Presentations



## **Session Material**

- Charts
- White boards/markers
- Projector/speakers

# Step 1: Understanding the Extent of the Value Chain using Dairy (30 minutes)

- A dairy can be used to just pasteurize and homogenize milk or make multiple products from milk.
- The extent to which the value chain can be built is based on various factors such as availability of investment, HR, technology, etc.
- Participants can visualize the various possibilities of dairy products and the sophisticated technology that is required to process.

https://www.youtube.com/watch?v=p927NZHvyLY

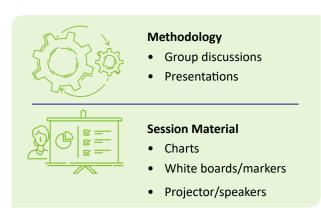
# Step 2: Understanding of Growth of an Enterprises (20 minutes)

- Participants will watch the following video to understand the process of value chain development: https://www.youtube.com/watch?time\_ continue=88&v=KnAVgP2YjYE
- In the private sector development community, 'value chain development' refers to an approach which takes a product or commodity as the basis for analysis; most often, the product is agriculturebased.
- Users of the approach analyse the whole trajectory for that product, from inputs through farming, harvesting, processing and transport, to sale to the consumer. The analysis helps users to identify interventions that help producers and traders to meet market demand – in more pro-poor ways.
- Users of the value chain development approach typically take a systemic perspective, aiming to address the root causes of market malfunction.
   Some caution that the approach is demanding – particularly in the wide range of technical skills that may be needed. Managing an initiative that involves many stakeholders also requires skill.

## Step 3: Making Future Plans (10 minutes)

- Participants will evaluate the possibilities for making new plans to extend the existing value chains or set up new value chains.
- Participants need to be given exposure on new and unexplored value chains.
- Participants' understanding of market needs and potential for new products needs to be developed.

**Session Objectives:** Participants will be able to understand the differences and relationship between a value chain and its corresponding supply chain, and learn to use supply chain management tools to enhance the profitability of the value chain.



# Step 1: Difference in a Value Chain and Supply Chain (40 minutes)

## Value Chain vs. Supply Chain: An Overview

The term value chain refers to the process in which businesses receive raw materials, add value to them through production, manufacturing and other processes to create a finished product, and then sell the finished product to consumers. A supply chain represents the steps it takes to get the product or service to the customer.

While a supply chain involves all parties in fulfilling a customer request and leading to customer satisfaction, a value chain is a set of interrelated activities a company uses to create a competitive advantage.

# Value Chain

The idea of a value chain was pioneered by American academic Michael Porter in his 1985 book *Competitive Advantage: Creating and Sustaining Superior Performance.* He used the idea to show how companies add value to their raw materials to produce products that are eventually sold to the public.

The concept of the value chain comes from a business management perspective. Value chain managers look for opportunities in which to add value to the business. They may look for ways to cut back on shortages, prepare product plans and work with others in the chain to add value to the customer.

There are five steps in the value chain process. They give a company the ability to create value exceeding the cost of providing its good or service to customers.

Maximizing the activities in any one of the five steps allows a company to have a competitive advantage over competitors in its industry. The five steps or activities are:

- Inbound Logistics: Receiving, warehousing, and inventory control;
- Operations: Value-creating activities that transform inputs into products, such as assembly and manufacturing;
- Outbound Logistics: Activities required to get a finished product to a customer. These include warehousing, inventory management, order fulfilment, and shipping;
- **4. Marketing and Sales:** Activities associated with getting a buyer to purchase a product; and
- Service: Activities that maintain and enhance a product's value, such as customer support and warranty service.

In order to help streamline the five primary steps, Porter says the value chain also requires a series of support activities. These include procurement, technology development, HR management and infrastructure.

A profitable value chain requires connections between what consumers demand and what a company produces. Simply put, the connection or sequence in the value chain originates from the customer's request, moves through the value chain process and finally ends at the finished product. Value chains place a great amount of focus on things such as product testing, innovation, R&D and marketing.

# **Supply Chain**

The supply chain comprises the flow of all information, products, materials and funds between different stages of creating and selling a product to the end user. The concept of the supply chain comes from an operational management perspective. Every step in the process—including creating a good or service, manufacturing it, transporting it to a place of sale, and selling it—is part of a company's supply chain.

The supply chain includes all functions involved in receiving and filling a customer request. These functions include:



Supply chain management is an important process for most companies and involves many links at large corporations. For this reason, supply chain management requires a lot of skill and expertise to maintain.

While many people believe logistics—or the transportation of goods—to be synonymous with the supply chain, it is only one part of the equation. The

supply chain involves the coordination of how and when products are manufactured along with how they are transported.

The primary concerns of supply chain management are the cost of materials and effective product delivery. Proper supply chain management can reduce consumer costs and increase profits for the manufacturer.



# Step 3: Connect Supply Chain and Value Chain (20 minutes)

- The supply chain and value chain needs to be connected.
- Participants need to identify factors to improve profitability.
- Participants' ideas can be bucketed into one of the eight factors.

# 1. Four ways to increase business profitability

There are four key areas that can help drive profitability. These are reducing costs, increasing turnover, increasing productivity and increasing efficiency.

You can also expand into new market sectors or develop new products or services.

# 2. Manage your costs

Close management of your costs can drive your profitability. Most businesses can find some wastage to reduce, it's important not to cut costs at the expense of the quality of your products and services.

Have you looked at your key cost areas? Your key cost areas to consider are: **Suppliers:** Are you getting the best deal from suppliers? Can you negotiate better terms or do you need to change supplier? Can you drive better deals by consolidating your supplier base? Can you buy on a 'just in time' basis to make more effective use of your working capital? However, in the case of collectives and PCs, our aim is to maximize the members' income; this strategy for cost reduction has to be carefully applied to supplies from third parties, i.e., non-members.

**Finance:** Do you need to review your finance facilities? Are they at the most competitive terms available? Are you using any loans and overdrafts effectively?

**Premises:** Have you examined whether you are getting the most out of your space? Are there more efficient ways to use your premises? Could you sublet some unused space? In the case of many rural businesses, this may not be a fruitful option.

Value Chain: Have you assessed whether you can cut waste and lower the costs of your materials? Check whether you can modify your procurement, production and distribution processes so they are streamlined and use minimum resources to cut costs.

## **Uncover Real Costs**

Using activity-based costing is an effective way to find the real cost of specific business activities. Activity-based

costing shows you how much it costs you to carry out a specific business function by attributing proportions of all your costs, such as salaries, premises or raw materials, to specific activities.

The initial analysis may take a little time but using activity-based costing often shows up costs (and therefore potential efficiencies) that you would not normally uncover using more traditional costing methods.

## 3. Review Your Offer

Look carefully at what you offer, whom you sell to and at what price and see if you can make improvements.

## **Pricing Considerations**

It's a good idea to review your pricing regularly. Changes in your marketplace may mean that you can raise your prices without risking sales. However, it's wise to test any price rises before you make them permanent.

# **Find your Best Customers**

It's not just your price list that affects your profitability – the type of customers you're selling to, i.e., the market segment you have chosen to serve, can also make a big difference.

Consider the Pareto principle (often known as the 80/20 rule) and how it could apply to your business. In simple terms, applying the Pareto principle suggests that around 80 percent of your profit is gained from 20 percent of your products or services. The same percentage of profit is often also gained from the same percentage of customers.

Focusing on your most profitable customers – even if it means letting the less profitable ones go – could boost your profitability, so long as it is handled carefully.

## Can you Sell More to Your Best Customers?

You may also be able to sell more to your most profitable customers. Consider the following opportunities:

**Up-selling:** selling them premium products that make a greater contribution to your profit; **Cross selling:** analysing what they buy and offering

complementary products; and

**Diversifying:** identifying a need and developing new products and services to meet them.

## 4. Buy more Effectively

One of the most obvious routes to increasing your profitability is to buy more effectively. It makes sense to review your supplier base regularly and see if you can buy the same raw materials more cheaply or efficiently. However, try to ensure that you maintain quality at the same time. As said earlier, this cannot be applied indiscriminately to member-suppliers or seasonal supplies.

**Get the best deal from your suppliers.** Identifying your key areas of expenditure will show where you spend most money.

Once you know where your money is going, shop around. Try bargaining with your suppliers; ask if you can have price reductions or discounts for early payment.

Consider using your status as a valued customer to negotiate long-term contracts or realistic annual minimum spends with regular suppliers to obtain a better price. You could also buy as part of a consortium with other similar businesses. If you can't strike a better deal, consider switching to other suppliers.

Review the number of suppliers you use. Buying from too many can be inefficient — it takes up more time and dilutes your buying power. However, avoid placing all your business with one or two suppliers, it could leave you very vulnerable if things go wrong as in the case of packaging materials, consumables and similar items.

## **Cut Waste Throughout the Business**

A review of common areas of waste could help you see how to reduce them, for example:

Can you cut your power costs, e.g., is all equipment turned off when it's not being used?

Are you getting the best deals from your power suppliers?

Are you paying for unused services, e.g., unused phone lines or photocopiers?

## 5. Concentrate your Sales Efforts

There are two key strategies for boosting profitability through sales; selling more to existing profitable customers and finding similar customers to sell to.

# Work with your best customers

You should know who your best customers are, what they buy and when they buy it.

You can usually put your customers and the products or services they buy into one of four categories:

High sales and high profit;

High sales and low profit;

Low sales and high profit; and

It makes sense to encourage customers who provide high sales and high profit. You can also significantly boost your profitability by nurturing customers who provide high profit on low sales.

If customers are providing low profit from high sales, you can revise pricing to generate more revenue from them. If customers are generating both low sales and low profits, consider whether it's worth your while continuing to do business with them.

## Find new 'best' customers

Make a judgement on expanding your customer base by finding new customers who have a similar profile to your existing profitable customers.

If you are sure you have covered your existing market as much as you can, consider moving into new markets.

# 6. Expand your Market

Moving into new market areas can transform a business and, handled correctly, can significantly increase your profitability. However, expanding into new markets can be risky – and mistakes can prove very expensive.

## Do your research

Before you start, carefully research the potential opportunity. Can you tailor or adapt existing products or services for new markets? This can provide new revenue at minimal cost and is ideal for boosting profit. For example, if you manufacture tools for the garden market, are there any potential applications for the tools in the construction industry?

Do you understand who your potential new customers are, why, when and how they will buy the product or service and how much they will pay for it?

You can also use social media to do research and gain alternative insights, opinions and feedback from your customers.

## **Developing new products and services**

If you're developing a new product or service for a new market, it is good to carefully consider its viability. Key questions include:

Do you have the skills and expertise inhouse or will you have to buy them in?

Have you got the commitment and resources available to make the new project work?

Can you minimize the risk?

Can you be sure there's a demand for the new product or service at a price you can make a profit on?

## Team up and reduce the risk

Rather than going it alone, partnerships and joint ventures can provide you with increased security in establishing yourself successfully in a new or expanded market.

## 7. Boost Productivity

All businesses can minimize wastage costs and still remain competitive.

## Measurement

Measure your operational efficiency on an on-going basis. Put systems and processes in place that will enable you to get the most from your resources.

For example, you could regularly monitor how many employee hours it takes to perform specific tasks or provide services. If the time increases, it indicates inefficiency – the quicker you eliminate this, the more your profitability will benefit.

The commitment to managing productivity must come from the top to be successful. Communicate your productivity targets and measurements so staff feel they have something to aim at.

You can also consider introducing staff incentives to keep to targets but define them carefully so quality is not adversely affected by increased speed of production. Defining KPIs that are most suitable for your business would give you clear targets to aim for. They should reflect your goals, be measurable and comparable and allow for corrective action to keep your targets on track.

## Streamline your processes

Stepping back on a regular basis and questioning whether there are more efficient ways to reach your goals is not a bad thing. For example, you may always produce a particular type of product at a specific time in the month. But would it ease your cash flow if you produced, shipped and invoiced it earlier or later in the month?

It's useful to get an idea about how comparable businesses approach similar issues. This is known as benchmarking. Benchmarking can be on a basic, likefor-like level, such as comparing energy costs between similar businesses, or it can be more detailed, such as sharing data and analysing production and stockholding patterns with other businesses you trust.

The additional perspective that benchmarking offers can provide new ideas and momentum to make your business more efficient.

When benchmarking, it is a good idea to focus on similar areas to KPIs you have already identified. Although there are no standard templates you can use to benchmark your business, you could take the following steps:

Deciding on the areas of your business that you want to improve or compare to others: You could do this through research techniques, such as informal conversations with customers, employees or suppliers, focus groups or marketing research, quantitative research, surveys and questionnaires.

Research your business' processes and functions thoroughly and calculate how you will measure potential improvement.

Finding industries that have similar processes you want to introduce – if you want to bring in an integrated IT system, you should find other businesses that currently use these types of system.

Locate the businesses that are profitable in the industries you are interested in benchmarking – you can do this by consulting customers, suppliers or trade associations. Survey these companies for their measures and practices and identify business process alternatives. If a business is reluctant to provide this information, you may get it through trade associations or commercial market reports.

# 8. Checklist: Improving the Profitability of your

Improving your business' profitability can help you to plan for change and growth.

How you increase your business' profitability will depend on a number of factors such as the business sector you work in, size of your business or its operating costs. However, you could review these options:

- Locating areas in your business that could be improved or made more efficient, e.g., general business processes or administration.
- Using KPIs to analyse your strengths and weaknesses, e.g., rising costs or falling sales.
- Assessing your general business costs, e.g., overheads, how discounted deals with loyal customers affect your profits, how productive your staff are.
- Reviewing your areas of business waste and reduce them, e.g., power supply costs.
- Regularly reviewing the pricing of your products.
- Testing the prices of any products you review before making the changes permanent.
- Improving your profitability through your best customers by using up-selling, cross selling and diversifying techniques to improve your profit margins.
- Identifying areas of expenditure and limiting these by bargaining with your suppliers.
- Long-term deals with suppliers to negotiate a better price on products.
- Researching new opportunities in your business sector and identifying where you could expand the market.
- Put monitoring systems and processes in place, e.g., benchmarking.

# TOTAL QUALITY MANAGEMENT

## **Course Introduction**

Focus on quality is key in any industry. This training course will help participants understand total quality concepts and techniques for managing, controlling and improving quality. This course exposes participants to principles and techniques of Total Quality Management (TQM). This would enable the participant to design and implement quality improvement processes in the workplace. The participants would create and apply relevant practices to their own enterprise/PC.

## **Course Objective and Scope**

By the end of the course, the participants should be able to:

- 1. Imbibe the principles of TQM; and
- 2. Develop a TQM strategy for an enterprise.

# **Generic Readings for the Course**

- a. https://www.slideshare.net/justinsolin/total-qualitymanagement-56112246
- b. https://asq.org/quality-resources/total-qualitymanagement
- c. https://cleartax.in/s/total-quality-management

## **Recommended Faculty Profile**

a. Local entrepreneurs and manufacturers.

# **Overview of Course**

S. No	Objective		
	Participants will be able to		
	Practicum Task 1		
1	Appreciate the importance of quality in the enterprises through the visits to the enterprises.		
2	Differentiate between the quality parameters of a production and servicing unit.		
	Practicum Task 2		
3	Create strategies for ensuring customer focus and focus on quality in the leadership of the enterprise		
4	Create strategies for employee engagement and process approach for the enterprise.		
5	Create strategies for ensuring systems approach and continual improvement.		

S. No	Objective
6	Create strategies for ensuring factual approach to decision making and mutually beneficial supplier relationships.
7	Imbibe the concepts of TQM.
8	Implement tools for quality management.

## **Practicum Tasks**

The following Practicums need to be fulfilled for completion of the course:

## **Pre-requisites**

- All participants must be divided into groups of three and allotted a manufacturing unit and servicing unit for a visit.
- The worksheets need to be briefed and given to the participants in advance.
- The analysis of each Practicum needs to be presented by the participants in the sessions.

Task 1: Visit a manufacturing unit and a servicing centre (like a restaurant) and analyse the various quality management practises.

## Worksheet 1 for Task 1

- 1. Who are your customers?
- 2. What is your product/service?
- 3. What does quality mean for your product/service?
- 4. How do you measure it?
- 5. How do you ensure that the quality is maintained?
- 6. Do you take feedback from customers?

Task 2: Apply the principle of TQM to create a Quality Management Plan for their enterprise.

# Worksheet 2 for Task 2

Questions	Answer
1. How do we measure quality? What are the different levels of quality checks?	
2. Are senior management fully committed to the quality concept?	

Questions	Answer
3. Can we ensure buy-in across the organization?	
4. What training will staff require?	
5. Are you rewarded to ensure quality?	
6. Have there been any recent improvements in your process for quality?	
7. How is feedback from customers collected?	
8. How is the feedback incorporated in the enterprise?	

## Resource

## **Definition of TQM**

TQM is defined as a customer-oriented process and aims at continuous improvement of business operations. It ensures that all allied works (particularly work of employees) are aligned to common goals of improving product quality or service quality, as well as enhancing the production process or process of rendering of services. However, emphasis is placed on fact-based decision making, with the use of performance metrics to monitor progress.

# **Primary Elements of TQM**

TQM can be summarized as a management system for a customer-focused organization that involves all employees in continual improvement. It uses strategy, data and effective communications to integrate the quality discipline into the culture and activities of the organization. Many of these concepts are present in modern quality management systems, the successor to TQM. Here are the eight principles of TQM:

- 1. Customer-focused: the customer ultimately determines the level of quality. No matter what an organization does to foster quality improvement—training employees, integrating quality into the design process or upgrading computers or software—the customer determines whether the efforts were worthwhile.
- 2. Total employee involvement: All employees participate in working toward common goals. Total employee commitment can only be obtained after fear has been driven from the workplace, when empowerment has occurred and when management

has provided the proper environment. Highperformance work systems integrate continuous improvement efforts with normal business operations. Self-managed work teams are one form of empowerment.

- 3. Process-centred: A fundamental part of TQM is a focus on process thinking. A process is a series of steps that take inputs from suppliers (internal or external) and transforms them into outputs that are delivered to customers (internal or external). The steps required to carry out the process are defined and performance measures are continuously monitored in order to detect unexpected variation.
- 4. Integrated system: Although an organization may consist of many different functional specialties, often organized into vertically structured departments, it is the horizontal processes interconnecting these functions that are the focus of TQM:
- Micro-processes add up to larger processes, and all processes aggregate into the business processes required for defining and implementing strategy. Everyone must understand the vision, mission and guiding principles as well as the quality policies, objectives and critical processes of the organization. Business performance must be monitored and communicated continuously; and
- » Every organization has a unique work culture, and it is virtually impossible to achieve excellence in its products and services unless a good quality culture has been fostered. Thus, an integrated system connects business improvement elements in an attempt to continually improve and exceed the expectations of customers, employees, and other stakeholders.
- 5. Strategic and systematic approach: A critical part of the management of quality is the strategic and systematic approach to achieving an organization's vision, mission and goals. This process, called strategic planning or strategic management, including the formulation of a strategic plan that integrates quality as a core component.
- 6. Continual improvement: A large aspect of TQM is continual process improvement. Continual improvement drives an organization to be both analytical and creative in finding ways to become more competitive and more effective at meeting stakeholder expectations.
- 7. Fact-based decision making: In order to know how well an organization is performing, data on performance measures are necessary. TQM requires that an organization continually collect and analyse data in order to improve decision making accuracy,

- achieve consensus and allow prediction based on past history.
- **8. Communications:** During times of organizational change, as well as part of day-to-day operation,

effective communication plays a large part in maintaining morale and motivating employees at all levels. Communications involve strategies, methods and timeliness.

# The key principles of TQM

Commitment from the management				
Plan (drive, direct)	Do (deploy, support, and participate)	Check (review)	Act (recognize, communicate, revise)	
Employee empowerment				
Training	Excellence team	Measurement and recognition	Suggestion scheme	
Continuous Improvement				
Systematic measurement	Excellence teams	Cross-functional process management	Attain, maintain and improve standards	
Customer focus				
Partnership with suppliers	Service relationship with internal customers	Customer-driven standards		

# **TQM's Benefits and Advantages**

- Strengthened competitive position
- Adaptability to changing or emerging market conditions and to environmental and other government regulations
- Higher productivity
- Enhanced market image
- Elimination of defects and waste

- Reduced costs and better cost management
- Higher profitability
- Improved customer focus and satisfaction
- Increased customer loyalty and retention
- Increased job security
- Improved employee morale
- Enhanced shareholder and stakeholder value
- Improved and innovative processes

## **SESSION PLAN 1**

**Session Objectives:** Participants will be able to appreciate the importance of quality in the enterprise through the visits to the enterprises.



## Methodology

- Discussions
- Presentations



## **Session Material**

- Charts
- White boards/markers

# Step 1: Presentation (15 minutes)

Each team will present its analysis from the Practicum tasks. The norms/guidelines for the presentation mentioned in introduction must be adhered to.

# Step 2: Understanding Quality and Factors that Impact Quality (5 minutes)

The facilitator should broach with the participants the importance of quality at the household level, e.g., performance of children at school, taste of food prepared, etc.

The facilitator must discuss with the participants the factors that impact quality, e.g., performance of children can be impacted by the teacher's skill, parents' interest, children's ability, motivation, etc.

Step 3: Differentiate the Costs of Quality, viz.,
 Internal and External Failure, Appraisal, Prevention Costs (15 minutes)

The facilitator defines the different costs and asks participants to map the factors given by them to the different categories of cost of quality.

Quality costs fall into four categories, which are:

- Prevention costs: You incur a prevention cost in order to keep a quality problem from occurring. It is the least expensive type of quality cost, and so is highly recommended. Prevention costs include proper employee training in assembling products and statistical process control (for spotting processes that are beginning to generate defective goods) as well as a robust product design and supplier certification. A focus on prevention tends to reduce preventable scrap costs because the scrap never occurs.
- Appraisal costs: As was the case with a prevention cost, you incur an appraisal cost in order to keep a quality problem from occurring. This is done through a variety of inspections. The least expensive is having production workers inspect both incoming and outgoing parts to and from their workstations, which catches problems faster than other types of inspection. Other appraisal costs include the destruction of goods as part of the testing process, depreciation of test equipment and supervision of the testing staff.
- Internal failure costs: An internal failure cost is incurred when a defective product is produced. This appears in the form of scrapped or reworked goods. The cost of reworking goods is part of this cost.
- External failure costs: You also incur an external failure cost when a defective product was produced but now the cost is much more extensive, because it includes the cost of product recalls, warranty claims, field service and, potentially, even the legal costs associated with customer lawsuits. It also includes a relatively unquantifiable cost, which is the cost of losing customers.

# Step 4: Understanding the Quality Requirements for the Product of your Enterprise (5 minutes)

Participants will list the products of the enterprise and what would be defined as the quality for the product. The participants would be able to map the factors to different categories and their consequences.

## Step 5: Closing (10 minutes)

Participants will appreciate the importance of quality in a given enterprise:

https://www.youtube.com/watch?v=AD3gs1cW1sU: V Laval Dairy video

**Session Objectives:** Participants will be able to differentiate between the parameters of production and servicing unit.

- Define the service industry and manufacturing industry.
- Define parameters for quality for each of the industries.



# Methodology

- Discussions
- Presentations



## **Session Material**

- Charts
- White boards/markers

# Step 1: Differentiate between Service and Manufacturing Industry (15 minutes)

- Contrast and build on the products and services used by participants at a domestic level, e.g., buying a pressure cooker and repairing one.
- The cooker is made by a company, here called the manufacturer but the damages are repaired by a mechanic (who provides a service).
- Articulate the principles used to differentiate

- between the service and manufacturing industries.
- Use hotels/restaurants as an example to portray the continuum of goods and services.

# Step 2: Define Quality Parameters for a Given Product (15 minutes)

- Identify a household product used by the participants and describe its quality.
- Describe the qualities in the student module of the product based on its reliability, functionality, aesthetics, adaptability, usability, appropriateness.

# Step 3: Define Quality Parameters for a Given Service (15 minutes)

- Identify a household service used by the participants and describe its quality.
- Describe the qualities of the product based on friendliness/courteousness of employees, safety/ risk of service, billing/invoicing procedure, responsiveness to requests, appearance of physical facilities, approachability of the service provider, willingness to listen to the customer, honesty and an ability to communicate with clarity.

# Step 4: List the Quality Requirements for the Enterprise Product and Service (15 minutes)

- Identify the product developed by the enterprise and define its quality.
- Identify areas of service and customer interaction to define quality of service.

**Session Objectives:** Participants will be able to create strategies for customer focus and ensuring focus on quality in leadership of the enterprise.

- Define customer focus and focus on quality in leadership.
- Create strategies for both aspects.



# Methodology

- Group discussions
- Presentations



## **Session Material**

- Charts
- White boards/markers

**Pre-requisite:** The session would be taken with the participants divided into groups of three members each.

# Step 1: Case study to Define Customer Focus (15 minutes)

Sarita and Haritha want to set up a detergent manufacturing plant. There are two companies they are interested in, Surf and Nirma. Sarita asked her neighbour about what she used whereas Haritha asked the 10 houses in her street. The participants must make a decision on whose product would make higher sales.

- The participants need to be divided into teams of three to discuss and brainstorm.
- Identification of customer and the importance of their opinion should be focused on.

# Step 2: Defining Quality Needs of the Customer (10 minutes)

- Acknowledge the presence of an internal and external customer.
- Identify and understand customer of the enterprise.
- Identify methods to understand the customer better through feedback.

# Step 3: Strategies for Customer Focus (10 minutes)

Each team would be given a product and members need to define and present a feedback form as a strategy

- Think of ways/methods to:
  - » Create a feedback form for the product being developed by the teams; and
  - » Compare the feedback forms and understand the implications of the data.

# Step 4: Defining Focus of Leadership on Quality (15 minutes)

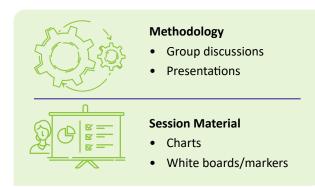
- Correlate the strategic vision and mission of the enterprise with emphasis on quality.
- Defining quality of the product at the level of leadership, e.g., agri-based products would be using an optimal amount of pesticides and hence producing higher quality or a dairy that produces milk of a certain fat content.
- Analysing gaps in processes for the production.

# Step 5: Strategies for Focus on Quality at Leadership (10 minutes)

- · Setting up quality teams.
- Identifying internal customers and defining their quality needs.
- Catering to the quality needs of the internal customer.

**Session Objectives:** Participants will be able to create strategies for employee engagement and process approach for the enterprise.

- Define employee engagement for quality.
- Define process approach for quality.
- Develop strategies for each of the principles.



# Step 1: Defining Employee Engagement (10 minutes)

The facilitator gives two situations where the participant can understand the difference between taking ownership and fulfilling a responsibility, e.g., the difference at the level of the mind-set when you keep your house clean and when you hire someone for its maintenance.

- Discuss in pairs the thought process in completing the same task but as different people.
- **Responsibility:** The task is taken up as it is assigned by someone who is hiring you or a manager.
- Ownership: The task is taken up as one understands the importance of the need and delivers it with/ without anyone assigning it to them.
- From the above situation, draw the analogy for empowering an employee to take up tasks out of their job role.

# Step 2: Strategies for Employee Engagement (10 minutes)

- Begin by drawing a connection from developing a strategic vision and mission statement of the leadership to the performance of every employee in the enterprise.
- Using the example of ministers as law makers and IAS officers to implement the law, ask the participants to understand leaders who define quality but every employee must be able to deliver at every level for achieving the vision.
- Focus on appreciating and recognizing the need for incentivizing employees to deliver good quality work.

- Have the high performing employees from different teams to become part of quality circles.
- Conduct sessions of quality checks and training for all employees.

## Resources

Demonstrate that you value people – your regard for people shines through your action and words. Your goal is to ensure and show your appreciation for each person's unique value.

Participants must be able to analyse for themselves the importance of the following principles:

- 1. Share leadership vision: help people feel that they are part of something bigger than themselves and their individual jobs.
- **2. Share goals and direction:** share the most common and important goals and direction for your group.
- **3. Trust people:** trust the intention of the people to do the right thing, make the right decision and make choices that still work.
- 4. Provide information for decision making: make certain that you have given people or made sure that they have access to all the information they need to make thoughtful decisions.
- Delegate authority and impact opportunity, not just more work: don't just delegate the drudge work, delegate some of the fun stuff too.

# Step 3: Define and Design Strategies for the Process Approach (20 minutes)

Design	Purchasing	Producation		
Technical requirements, commercial requirements, etc.	Material properties, cost, etc.	Assemble, scrap, etc.		
Customer Design Raw Materials Finished Product				

- 1. First, identify your key processes.
- 2. Second, define standards for those processes.
- 3. Third, decide how the process will be measured and evaluated.
- Fourth, document your approach to achieving the desired quality, as determined by your measurements.
- 5. Fifth, continuously improve.

# Step 4: Develop Strategies for a Process Approach (20 minutes)

- Identify processes in the enterprise.
- In teams of three, participants can give ideas on improving processes.

## Resources

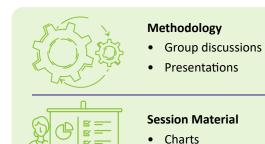
## **Process Mapping**

Any continuous improvement effort has to begin
with an accurate understanding of the process that
has been identified for improvement. The process
can be in any part of a company's business but must
be able to be mapped to identify the flows that
make up the process.

- For example, in the supply chain, a business process could be the manufacturer of a finished good, the purchase of goods from a vendor or the service of an item sold to customers. The mapping of any of these processes involves identifying and documenting the physical flow as well as the information flow.
- The process mapping will show graphically the flows in the process from start to finish which will include activities, personnel and outcomes.
- The benefit that the process map gives to providing continuous improvement is that it defines the scope of the process, interface with other processes and a starting point against which improvement can be measured.

**Session Objectives:** Participants will be able to create strategies for ensuring a systems approach and continual improvement.

- Define a systems approach and continual improvement.
- Develop strategies for both elements (suggest the most relevant strategy



# Step 1: Define a Systems Approach (15 minutes)

 Although an organization may consist of many different functional specialties often organized into vertically structured departments, it is the horizontal processes interconnecting these functions that are the focus of TQM.

White boards/markers

- Micro-processes add up to larger processes, and all processes aggregate into the business processes required for defining and implementing strategy. Everyone must understand the vision, mission and guiding principles as well as quality policies, objectives and critical processes of the organization. Business performance must be monitored and communicated continuously.
- Thus, an integrated system connects business improvement elements in an attempt to continually improve and exceed the expectations of customers, employees and other stakeholders.

# Step 2: Strategies for Systems Approach (15 minutes)

- Identify the systems in the organization.
- Identify gaps in the systems.
- Discuss ideas for reducing the gaps.

# Step 3: Define Continuous Improvement (10 minutes)

- Understanding quality management as a journey.
- How the procurement process of milk can be improved by use of technology, etc.

# Step 4: Strategies for Continuous Improvement (20 minutes)

#### Resources

TQM is a popular approach to quality in a business that seeks to improve quality and performance which will meet or exceed customer expectations. This can be achieved by integrating the quality function and key processes throughout the company.

One core component to TQM is the principle of continuous improvement. There are a number of tools available to ensure that continuous improvement is successful, which include:

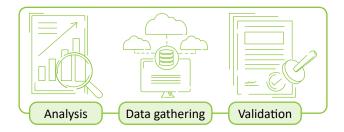
Process mapping;

Root cause analysis; and

Plan-Do-Check-Act (PDCA) cycle.

## **Root Cause Analysis**

Root cause analysis is the manner in which a business will determine the root cause of a problem, incident or quality concern. This is achieved by the following three steps, which drive identification of the root cause:



There are three phases which make up a root cause analysis process.

# 1. Open Phase

This initial phase allows participants to brainstorm the issue to identify possible root causes. In this phase, the team can create a cause and effect diagram which can be useful during brainstorming sessions.

As part of this process, the team can identify possible causes with one of five areas listed on the cause and effect diagram. Those cause categories are manpower, methods, materials, machines and measurements. The team can then organize their ideas for the root cause around those categories.

## 2. Narrow Phase

In this phase, the team reduces the number of possible root causes to a number that can be focused on. Each of the possible root causes identified in the open phase

is discussed by the team in more depth to determine if they should be retained on the list.

## 3. Closed Phase

In this final stage, the team must come to a consensus on a root cause. This will involve validating the root cause based on evidence, whether that is using measurable data or subjective evidence from interviews with staff, customers or vendors.

The analysis of measurable data can be performed using a number of statistical methods such as a scatter plot diagram, check sheets to identify the frequency of an event or using a Pareto chart.

## **PDCA Cycle**

The PDCA cycle was developed by W. Edwards Demming, the architect of TQM. He created a simple approach for carrying out change. The PDCA cycle consists of four phases: plan, do, check and act.

 Plan: The planning stage usually begins after a company has been through a root cause analysis

- and identified an issue or problem that needs to be addressed. The business will then plan how the improvements need to be achieved.
- Do: Following the planning stage, the business will then proceed with the changes that have been planned in order to address the issue identified in the root cause analysis. This may be as simple as purchasing a new piece of equipment for a production line or complex such as changing the way in which vendors are evaluated.
- Check: After the business has followed the plan and made changes to address the issue or problem, the check phase should be used to validate that the changes made have had the required results. If the check phase does not validate that issue has been resolved, then the business will need to start the PDCA cycle again at the planning stage and develop a new plan to achieve the necessary results.
- Act: The final phase of the PDCA cycle requires that once the issue has been resolved, the business should incorporate the changes into its standard operating procedures and, if necessary, roll out the changes to other parts of the business.

#### **SESSION PLAN 6**

#### **Session Objectives:** Participants will be able to:

- Create strategies for ensuring a factual approach to decision making; and
- Create mutually beneficial supplier relationships.



#### Methodology

- Group discussions
- Presentations



#### **Session Material**

- Charts
- White boards/markers

#### Step 1: Define 'Factual Decision Making' (15 minutes)

In order to know how well an organization is performing, data on performance measures are necessary. TQM requires that an organization continually collect and analyse data in order to improve decision making accuracy, achieve consensus and allow prediction based on past history.

#### Step 2: Using Data for Making Decisions (15 minutes)

- Refer to feedback forms developed by the participants and for customer focus.
- Identify the data that can be understood and gathered.
- What are the implications of that data?
- In teams of three, answer: What can be the changes or new practices put into place to improve quality?

#### Step 3: Mutually Beneficial Supplier Relationship (30 minutes)

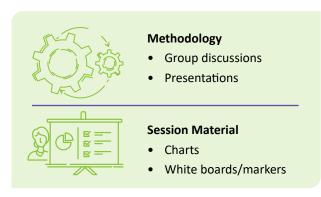
- Make connections to negotiation techniques for 'stakeholder management and think win-win from 'structuring life and personal excellence'.
- Identify different suppliers of raw materials.
- Recognize the nature of relationship with the supplier.
- Applying the principles of building successful partnerships with the suppliers.
- Present two strategies for each of these relationships, with participants in groups of three.

#### Think Win-Win

The idea is to have the courage to seek mutual benefit from all human interactions instead of having winners on one side and losers on the other. Achieving a "win-win" way of interacting with others is more than just being nice or looking for a quick fix. In fact, a win-win solution isn't easy. When it is not possible to reach a win-win solution, then you should suggest a "no deal."

#### **SESSION PLAN 7**

**Session Objectives:** Participants will be able to imbibe the eight concepts of TQM.



#### Step 1: Presentation of Practicum 2 (20 minutes)

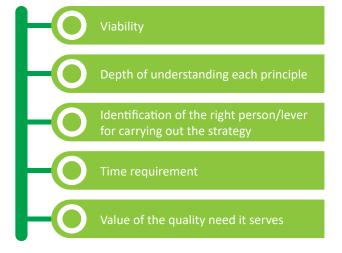
- Each team will share its learnings from Practicum 2.
- Teams will compare their enterprise with another external enterprise.
- Teams would rate the enterprises on the basis of the eight principles of TQM.

#### Step 2: Consolidate the Eight Principles (40 minutes)

The teams need to be given the graphic organizer

S. No	TQM Principle	Strategy/ Plan	Actors/ Anchors in the Solution
1	Customer centred		
2	Total employee involvement		
3	Process centred		
4	Integrated systems		
5	Leadership & strategic focus		
6	Continuous improvement		
7	Fact-based decision making		
8	Communication		

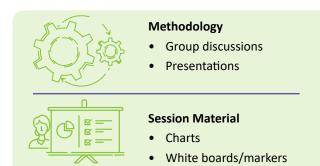
Step 3: Feedback Needs to be given on the Plans Presented by Each Team on the Following Parameters (20 minutes)



#### **SESSION PLAN 8**

Session Objectives: Participants will be able to:

- Understand quality measurement tools: flow chart and fish bone diagram; and
- Implement them in an enterprise.



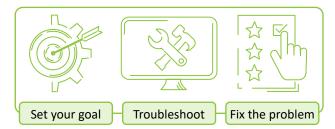
Step 1: Measurement as an Important Aspect of Quality Management (10 minutes)

best.
Example: The best quality milk would mean a standard such as A1/A2 milk, which would have specifications on the breed of the animal, nutritional value, fat percentage.

Quantitatively defining the

Share the manufacturing and service standards of other relevant enterprises quantitatively

Step 2: The Process of Quality Control has Three Steps (20 minutes)



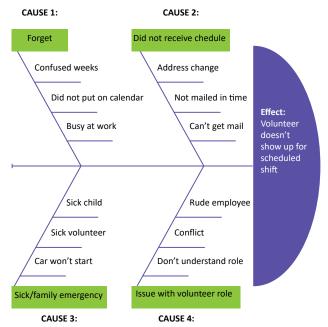
Step 3: Understand and Implement the Quality Management Tools (20 minutes)

Participants should be divided into teams of three and should be given one of the charts.

#### **Fishbone Diagram**

A cause and effect diagram, also known as a fish-bone diagram, shows the many possible causes of a problem. To use this tool, you need to first identify the problem you are trying to solve and simply write it in the box (head of the fish) to the right. Next, you will list the major causes of the problem on the spine of the fish. Causes are typically separated into categories of people, process, materials and equipment. Causes are then identified through brainstorming with a group familiar with the problem. Once all of the possible causes are identified, they can be used to develop an improvement plan to help resolve the identified problem.

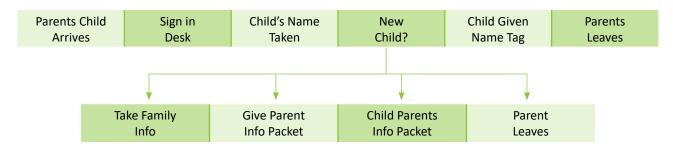
Figure 21: Fish-bone diagram



#### **Flowchart**

Flowcharts are also used to document work process flows. This tool is used when trying to determine where the bottlenecks or breakdowns are in work processes. Flow-charting the steps of a process provides a picture of what the process looks like and can shed light on issues within the process. Flowcharts are also used to show changes in a process when improvements are made or to show a new workflow process. This example provides a picture, so that those checking children in will know the steps each takes depending on whether it is their first time or a child who has been there before.

#### Children's ministry drop-off process



Step 4: Feedback (10 minutes)

Each team would be filling them for their respective enterprises/a given product and feedback would be given on the understanding of the enterprise processes and systems.



FIELD WORK (Practicum Tasks & Reflection Workshops)	



# INTEGRATED LEARNING GUIDELINES



## **Guidelines for Community Leadership Engagement**

Community leadership engagement day is designed to serve as a platform for interaction between the participants and community leaders in the same region. This would be useful to the participants in two respects: (i) learning from the experiences and insights of local leadership; and (ii) entry for development of a network of people to approach and learn from as they start their own ventures. The community leadership engagement modules emanate from the belief that people who have grown and succeeded in the same environment as the participants would have more relevant lessons to offer for their learning.

Community leadership engagement is organized on a Sunday every month.

Community leaders are invited based on their contribution to society, their journey in starting an enterprise or the role they played in the development of the region, e.g., lead farmer, teacher, sarpanch, etc.

Identifying and getting community leaders from different walks of life can widen the possibilities for the participants at the individual as well as societal level. Diversity in the background and profiles of the leaders would further help the participants broaden their entrepreneurial and management perspectives and the concept of leadership.

A community leader should be accessible to the participants even after the day of interaction for mentoring when needed.

A community leader exemplifies the possibilities of succeeding even in the most unfavourable conditions. A community leader should encourage and inspire participants to explore and learn constantly.

#### **Sharing Circles**

A 'sharing circle' is a closed network or space of participants, characterized by extreme mutual trust and potential vulnerability. These spaces are meant to drive a sense of belongingness and kinship among the participants. The rules below need to be well established and exemplified by the facilitator:

- The thumb rule of 'sharing circles' is protection of the privacy of information, emotions and feelings shared in the circle;
- The circles are non-judgemental spaces and to share anything about the circle or of the other participants is viewed as a violation of trust; and

 No participant member is allowed to make judgements on people based on the information shared in the circle.

Sharing circles generally adopt broad themes such as identifying one's support system, exploring the influence of past on the present, accepting the flaws in oneself and others and forging ahead, ethical dilemmas, fears within oneself, etc.

Sharing circles will not lead to the same results for every member. This implies that the facilitator allows the flow of the conversation to the extent that everyone has time to share her reflections/feelings. A facilitator prods the participants to think beyond what they know and understand through guiding questions.

A sharing circle is also not meant for participants to persuade others to accept or convince them of a point of view but to teach them to be more accepting of each other even while sharing a conflicting belief system.

Sharing circles must be organized at the end of every Facilitation Workshop.

A few illustrative plans or activities which can stimulate the sharing circle and set it in motion are presented below. The facilitator can explore concepts beyond, as the plans below are not exhaustive.

#### 1. LIFE HIGHLIGHTS GAME

Begin by asking the participants to close their eyes for one minute and consider the best moments of their lives. This can include moments they've had alone, they've shared with family or friends; these moments can pertain to professional successes, personal revelations or exciting life adventures.

After the participants have had a minute or so to run through highlights of their lives, inform them that their search for highlights is about to be narrowed. Asking the participants to keep their eyes closed, direct them to take a moment to decide what they would want to relive if they had only thirty seconds left in their lives. Ask each participant to answer the following questions:

#### Questions

How hard was it to choose those 30 seconds?

What were your thoughts on choosing that instance?

Did you neglect a narrative because you felt you will be judged? (yes or no)

What did you think of others when they were narrating their 30 seconds that they wanted to re-live?

The first part of the activity enables participants to reflect on their lives, while the second part enables them to get to know their co-workers on a more intimate level. The second part of the game is the "review" section. The leader of the activity will ask every participant what her 30 seconds entailed and why she chose it; it will allow the participants to get a feel for each other's passions, loves and personalities.

https://www.ted.com/playlists/539/why\_you\_should\_document\_your\_life Closing

#### 2. KNOW EACH OTHER

#### Things you need to prepare:

Pens	Paper
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How to play the game

Gather your team around; give each member a pen and a paper. Ask them to write two true things and a lie about themselves. Collect all the papers, shuffle them and give one to each participant. Let the member read aloud the two truths and one lie written by their colleague, let her guess who owns the paper and tell what they think is the lie out of the three options given, and let the owner verify the information.

Sharing circles are not format specific and facilitators can create a system that works best with the given group of participants. The ideal size of a circle is about 10-12 people.

#### 3. TRANSFORMATION EXPERIENCES

The facilitator opens with the statement, "Hello, here is the idea for tomorrow's sharing circle. It is to basically to know all of us through stories from our lives and share who we are and what has shaped us."

The following questions are written on the chart paper:

- An experience of transformation when, out of a crisis or difficulty, you discovered a gift in your life.
- An experience of causing harm to someone and then dealing with it in a way you felt good about.
- 3. A time when you were in conflict with your parents or caregiver.
- 4. An experience where you discovered that someone was very different from the negative assumptions you first made about that person.
- 5. An experience of feeling that you did not fit in.

Each participant is given a chart paper, crayon and sketch pens to draw these experiences from any of the above two questions. (This helps them reflect). Participants will be asked to choose the question that is related, in a way, to her transformation. The guiding questions are a means to think through. They could add any more relevant stories of transformation.

The participants share these transformational experiences.

#### 4. DON'T JUDGE TOO QUICKLY-I

- Set a fun mood.
- Stay focused on the characters of the story.

"I remember a mini-paradigm shift I experienced one Sunday morning on a subway in New York. People were sitting quietly – some reading newspapers, some lost in thought, some resting with their eyes closed. It was a calm, peaceful scene.

Then suddenly, a man and his children entered the subway car. The children were so loud and disruptive that instantly the whole climate changed.

The man sat down next to me and closed his eyes, apparently oblivious to the situation. The children were yelling back and forth, throwing things, even grabbing people's papers. It was very disturbing. And yet, the man sitting next to me did nothing.

It was difficult not to feel irritated. I could not believe that he could be so insensitive as to let his children run wild like that and do nothing about it, taking no responsibility at all. It was easy to see that everyone else on the subway felt irritated, too. So finally, with what I felt like was unusual patience and restraint, I turned to him and said, "Sir, your children are really disturbing a lot of people. I wonder if you couldn't control them a little more?"

- STOP STORY! Ask the participants what they think about the three characters:
  - » The man
  - » The reciter/passenger
  - » The kids

The man lifted his gaze as if to come to consciousness of the situation for the first time and said softly, "Oh, you're right. I guess I should do something about it. We just came from the hospital where their mother died about an hour ago. I don't know what to think and I guess they don't know how to handle it either."

https://www.youtube.com/watch?v=UToyc-AnEJ4

Share your thoughts

#### 5. DON'T JUDGE TOO QUICKLY-II

Hello,

The session plan is below:

**Detailed Instructions:** 

Today, we will critically provide feedback to each other.

- Have the group arrange themselves in a horseshoe pattern with one chair (the receiver chair facing the horseshoe). The receiver then puts questions to the group or individuals who will provide her with valuable feedback.
- An individual sitting in the warm seat will get 10 minutes' time to receive all the feedback.

How (Questions)?

Situation: Describe the situation. Be specific about when and where it occurred. Behaviour: Describe observable behaviours.

Impact: Describe what you thought or felt.

Prompts for feedback questions

Regarding events/ incidents regarding personality (negative & positive)

#### **Regarding Working Together**

Which personality When did When did you see Which event/ of mine do you you feel I was my competencies incident made you think will hinder unproductive at not being utilized get angry/fed up my growth in the work? to my best? with me? future? Where do Which you think I competencies What was your am impacting should I focus on What inspires you happy moment for my personal about me? my working with me? and professional environment negatively? growth?

· Open round of feedback.

#### They can add some more questions!

 Article: https://www.forbes.com/sites/ jacquelynsmith/2014/01/29/8-ways-negativefeedback-can-lead-to- greater-success-atwork/2/#1a5d607a48c5

#### 6. ME-PAST-PRESENT-FUTURE

- Which family member are you most similar with and how?
- Who had the most influence on the choices you eventually made for your life when you were growing up?

- What had been the best day of your life?
- A time when you were outside your comfort zone?
- What is the one thing in your life you wish you had done differently?
- What title would you give to the current chapter of your life? Why?
- What is one thing coming up in your life that matters?
- How would you define your ideal future to look like?
- What's one thing about the future that scares you?
- What's holding you back from your dreams?



The performance of the participants in the programme will be assessed through complete programme evaluation of the knowledge and skills gained by them. The following five components are employed to carry out the evaluation:

S. No	Evaluation Component	Marks allotted	Remarks
1	Questions from Facilitation Workshop(s) and Practicums (including multiple choice questions and those requiring one-line answer)	30	
2	Attendance	10	To include women's mobilization
3	Viva-voce	10	
4	Group exercise (groups of 5) to assess how the women can work in a group and present as a group Marks will be awarded to the group as a whole and each group member will get the same score.  10 marks - chart preparation  10 marks - concept presented  10 marks - quality of presentation	30	
5	Video-based questions (to assess the ability to analyse) - 10 questions	20	Generalized answers can be given.
	Total	100	

#### Details of the evaluation components are explained below:

- 1. The question paper should include multiple choice and one-line answer questions from only the materials learnt by the participants in the Facilitation Workshops and Practicums.
- 2. Marks for attendance will be awarded as per set criteria.
- 3. For the video-based evaluation, the women are shown a video on one of the topics covered during the training programme. Conceptual understanding based on the video will be assessed and marks will be awarded.
- 4. Group exercises will be administered and assessment will be done for the group as a whole.

The total evaluation will be for 100 marks. Grades will be given on the basis of the scores obtained and as per the criteria in the following table. Successful participants will be awarded a certificate.

Marks obtained	Grade
Above 80	A
60-80	В
50-60	С
<50	D



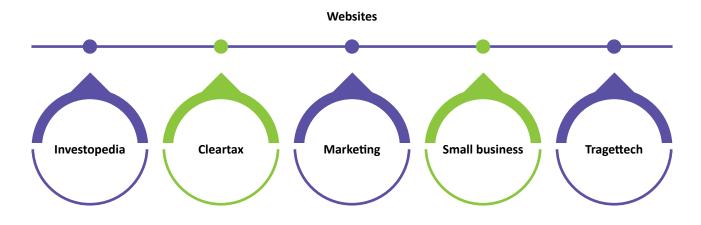
# BIBLIOGRAPHY



The curriculum has been prepared on the basis of material drawn from various sources. The following websites and books have been of immense help in the development of the modules for various courses:

- 7 Habits of Highly Effective People by Stephen Covey
- The Fifth Discipline by Peter Senge
- Material for capacity building of Board of Directors by Access Livelihoods India Limited.
- USAid Ago Producer Modules

- Entrepreneurship Development Training Module by DSW
- Guide for Training Community Leaders to improve Leadership & Management Practices
- Think.Coop by International Labour Organization
- Strengthening Female Leadership in Farmers' Groups and Cooperatives by IFAD & SNV



The websites mentioned in the resources/recommended readings have served as resources in developing the respective courses.

### **FEEDBACK FORM FOR FACILITATION WORKSHOPS**

I.	Location:
	Day:
II.	Facilitation:
	Course name:
	Session no:
	Taken by:
	Attendance:
	Following session plan:
	Hours taken:
III.	Amenities
	Food quality
	Clean washroom
	Classroom Infrastructure
IV.	Aids needed:
V.	Programme organized on time: Yes/No
VI.	Sharing circles: Yes / No
	Community leadership: Yes / No
VII.	Community leadership. res / NO
VIII.	Quality of facilitation:
IX.	Engagement of participants













