

## JAIPUR RUGS: TRANSFORMING COMMUNITIES THROUGH SOCIAL ENTREPRENEURSHIP

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*Kakoli Sen and Shruti Gill wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.*

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In early 2022, during his weekly visit to a village in the Indian state of Rajasthan, Nand Kishore Chaudhary (commonly known as “NKC”) stopped in front of a weaver’s house. A 10-year-old girl ran up to him and greeted him: “Good Morning Baba, how are you?” NKC smiled at the girl and asked her in the local Rajasthani language where she had learned to speak the English language so well. She proudly told him that she went to school with other children. Her grandmother was a long-time weaver for Jaipur Rugs. The grandmother added that the child was at the top of her class and hoped to attend college in a big city someday, which would make her parents proud. NKC blessed the little girl. He was overjoyed to see the changes in the family’s lifestyle and to get a glimpse at their newfound dreams.

NKC was born in India, in a small village in the state of Rajasthan. Growing up, he saw first-hand how people socially classified under a particular status or group (known as “caste” in India)<sup>1</sup> were denied education and opportunities for well-paying jobs. NKC learned that marginalized groups had remained impoverished for generations and were ostracized in society. Women in these segments were considered low in terms of social hierarchy, with no voice or perceived value in society. NKC had deeply felt the injustice done to these groups and was determined to work toward their upliftment, especially for the women, which was his motivation to launch Jaipur Rugs. Through his venture, NKC employed rural women from small villages in Rajasthan who had not received formal education. With virtually no other alternative for employment, the women eventually became long term Jaipur Rugs weavers, which helped empower them and bring global recognition to their work.

As India’s major cities developed rapidly over time, new employment opportunities arose in various industries across the country. Access to the internet and mobile technology helped connect small villages to urban centres, offering new opportunities for education and employment for India’s youth. Jaipur Rugs no longer had a vast base of potential weavers from these villages because many people opted for other types of work in large Indian cities. NKC wondered how he would continue recruiting weavers for Jaipur Rugs. More importantly, he wondered if his business could continue its mission to support the social status of people in rural areas, employ women from minority groups, and provide workers with respect, dignity, and self-assurance. Had the company lost its purpose? Did NKC’s organizational vision need to change?

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<sup>1</sup> Stanley A. Wolpert, Muzaffar Alam, and Philip B. Calkins, “India: Caste of India,” Britannica, February 27, 2024, <https://www.britannica.com/place/India/Caste>.

## JAIPUR RUGS: HOW IT BEGAN

When NKC founded Jaipur Rugs in 1978, he understood that economic independence was a crucial factor for empowering individuals. Influenced by historical figures such as Mahatma Gandhi and Rabindranath Tagore, he was committed to upholding the principles of dignity, empathy, and respect for the most marginalized members of society. Therefore, NKC launched Jaipur Rugs and began his social entrepreneurship journey in a remote community in Rajasthan, India. He tirelessly trained and provided carpet weaving jobs to women from the lowest social level of India's caste system, which was derogatorily referred to at the time as "untouchables."<sup>2</sup>

NKC started with just two weaving machines, nine weavers, and a bicycle for transporting material to the weavers. Eventually, however, he grew Jaipur Rugs into a global enterprise that exported its products to over 60 countries and provided sustainable livelihoods to 40,000 women from 600 rural and tribal remote villages across five Indian states. NKC worked directly with the women weavers, removing potential financial exploitation from marketers, intermediaries, and middlemen. NKC became both a globally acclaimed social entrepreneur and one of India's largest manufacturers of hand-knotted rugs. Due to his support for people from the lowest level of India's caste system, NKC was sometimes referred to as the "Gandhi of the Carpet Industry," in reference to the compassion that Gandhi had historically exemplified. Jaipur Rugs continued to thrive both socially and profitably, serving as an inspiration for many other innovative businesses in India (see Exhibit 1).

### Value Systems at Jaipur Rugs

Reflecting on his venture's accomplishments since its founding in 1978, NKC looked back with pride:

Jaipur Rugs' mission was to uplift rural society, deal with minority groups, and provide them with respect, dignity, and self-assurance. Numerous difficulties were encountered during the initial days, including opposition from the neighbourhood *panchayats* [village council], reluctance to work outside of their houses, mistreatment of women, damage to machinery, hostility, etc. This network on an international scale had taken us more than 30 years of tenacious persuading.

NKC and his wife, Sulochana, had three daughters and two sons. They raised their children in an open and welcoming environment, where everyone had equal opportunities. All five children were provided with good education opportunities, before choosing to join the family business. With NKC serving as president, the five children eventually assumed key roles in the company.

NKC's daughter Kavita was in charge of design and craftsmanship, promoting her own Kavi carpet label. NKC's other two daughters, Asha and Archana, lived in the United States and managed the company's US operations under the brand Jaipur Living. NKC's son Yogesh was responsible for sales and marketing, while his other son Nitesh worked with both domestic and foreign teams as director of innovation, supply chain, and technology. Two other NKC family members also held key roles in Jaipur Rugs. His brother-in-law Mahesh Agarwal managed accounts and finance. His other brother-in-law, Navratan Agarwal, managed the company's Bikaner city branch (see Exhibit 2).

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<sup>2</sup> Nand Kishore Choudhary witnessed the systemic denial of education and opportunities, leading to generational poverty and societal ostracization, for the most marginalized members of society who often encountered societal biases and the stigma of being considered on the outskirts of mainstream society; Wolpert, Alam, and Calkins, "India: Caste of India."

## Evolution and Growth

To launch his new social entrepreneurship journey back in 1978, NKC left his banking job and borrowed money from his father. He worked with rural and tribal people in India's remote regions to learn how to weave carpets. His journey, which began in a Rajasthan village, grew to become a thriving business within less than a decade, introducing Indian handicrafts to the international market. In 1992, the Indian government decided to support rural artisans by providing hand-held portable two-way radios (commonly known as "walkie-talkies") to help them organize their labour more efficiently. In 1999, NKC officially named his socially conscious business Jaipur Carpets. The next year, he founded the venture's North American subsidiary, called Jaipur Living, to distribute products in the United States. In 2004, NKC established the Jaipur Rugs Foundation, dedicated to providing support to rural families who worked as weavers.

In 2006, Jaipur Living, the US subsidiary of Jaipur Rugs, was honoured with America's Magnificent Carpet Award in the Outdoor rug category for its Desert collection.<sup>3</sup> Jaipur Rugs adopted digital mobile technology in 2007 to connect its 40,000 craftspeople over the internet. The next year, Jaipur Rugs expanded its physical shops in important markets across the state of Rajasthan to expand its client base. In 2013, NKC was featured on the cover of India's *Outlook Business Magazine* with the headline "Social Entrepreneurs Who Make a Difference."<sup>4</sup> In 2016, the corporation joined the domestic market and further expanded its network, going on to receive various carpet design awards in the following years.

Jaipur Rugs earned many international accolades. In some cases, the company insisted that the rural women weavers journey overseas to personally accept their own recognition. Interestingly, the most intricate and premium carpets in India came from the country's most remote regions. The community of artisans, dedicated to preserving the tradition of hand-knotted rugs, played a pivotal role in maintaining the timeless craft's existence. Jaipur Rugs started with the modest aspiration of providing livelihoods to rural communities. Eventually, the company played a major role in reinvigorating the ancient artistry of rug weaving, which spanned 2,500 years.

## CARPET INDUSTRY IN INDIA

Since the sixteenth century, India had been engaged in the art of carpet weaving and in a well-developed substantial global market for its carpets. India's carpets were renowned worldwide for their graceful designs, eco-friendliness, and subtle allure. Indian carpets came in a variety of types, including Indo-Persian, silk, wool and silk, hand-tufted, Zeigler, Kilim, and others. Notable exports from India in the carpet industry comprised jute, coir, silk, and hand-woven carpets. India held a 40 per cent share in the world's handmade carpet exports and experienced a 7 per cent compound annual growth rate between 2017 and 2018.<sup>5</sup>

Most of India's exported carpets were handcrafted. In fiscal year (FY) 2021–22, the country saw an 18.8 per cent surge in value for its handmade carpet exports, totalling US\$1.51 billion. Key hub states in India for carpet production included Jammu and Kashmir, Himachal Pradesh, Haryana, Punjab, Rajasthan, Gujarat, Kerala, Andhra Pradesh, Telangana, Odisha, and Uttar Pradesh, as well as the country's northeastern states. This industry offered livelihoods to more than 2 million artisans, with a significant number of them being women in rural areas (see Exhibits 3 and 4).<sup>6</sup>

<sup>3</sup> "America's Magnificent Carpet Award: Outdoor Rugs," Jaipur Rugs Foundation, January 31, 2017, <https://www.jaipurrugs.org/awards/americas-magnificent-carpet-award-outdoor-rugs>.

<sup>4</sup> "Good Businesses: Social Entrepreneurs Who Make a Difference," *Outlook Business*, August 31, 2013, <https://d2x7u65ctlzo8.cloudfront.net/main/web-content/media/articles/outlook-business-635675587796792903.pdf>

<sup>5</sup> IBEF, "Carpet Industry and Exports." India Brand Equity Foundation, November 2023, <https://www.ibef.org/exports/carpet-industry-in-india>.

<sup>6</sup> IBEF, "Carpet Industry and Exports."

The United States was the primary importer of carpets and floor coverings from India, with Germany and the United Kingdom following closely behind. These top three importers accounted for a total value of US\$116.64 million. India's hand-knotted carpet exporters had benefited from China's diversification of its carpet output from handmade to machine-manufactured. In FY 2020–21, India's carpet exports to the United States surpassed the US\$1 billion mark, but still left plenty of room for expansion.<sup>7</sup>

India regularly hosted both domestic and international trade shows that showcased the beauty and quality of handmade carpets. These exhibitions provided a platform for exporters to display their products. The Indian government was committed to supporting handloom weavers and craftspeople by offering facilities and subsidies. The Ministry of Textiles and the Ministry of Skill Development and Entrepreneurship signed a memorandum of understanding to promote skill development and entrepreneurship in India's handmade carpet industry. To promote the industry, the government launched several initiatives. In 1982, the Carpet Export Promotion Council India (CEPC) was established under the Ministry of Textiles. Its primary objective was to promote handcrafted rugs, carpets, and other floor coverings. As part of the Market Access Initiative, the CEPC organized fairs and exhibitions to increase market access for these products.<sup>8</sup>

## JAIPUR RUGS PRODUCT RANGE

Jaipur Rugs offered a range of carpets in various sizes, from 2 feet by 3 feet (0.6 metres by 0.9 metres) to 14 feet by 23 feet (4.3 metres by 7.0 metres). Carpet sizes could also be customized according to client preferences. The carpets were woven using various techniques, including hand-knotted, hand-tufted, handloomed, flat weaved, patchworked, and shagged. They were available in an assortment of shapes, including round, square, rectangular, runner, oval, and irregular. The carpets were offered in modern, traditional, or transitional designs, with a wide variety of patterns (e.g., abstract, animals, checks, chevrons, coastal, damask, distressed, erased, floral, geometric, graphic, ikat, kilim, medallion, Moroccan, oriental, patchwork, solid, stripes, trellis, tribal, tropical). The various materials used to make the carpets included wool, bamboo silk, viscose, silk, cotton, polyester, jute, and hemp. Prices ranged from ₹20,000<sup>9</sup> to over ₹300,000. Some Jaipur Rugs weavers (e.g., *manchaha* weavers) were given freedom to design carpets in whatever designs they liked. Various Indian and international designers also contributed their own designs to create magnificent carpets that adorned the homes of art lovers around the world (see Exhibit 5).

## Operations at Jaipur Rugs

The wool for the production of Jaipur Rugs was purchased at a bi-annual auction in Bikaner, a large city in the Indian state of Rajasthan, where wool was segregated by hand. High-quality wool was also imported from New Zealand (e.g., Merino wool) and silk was imported from China. The hand-picked wool was sorted, segregated, and washed before reaching the *katwaris* or spinners. *Katwaris* sifted through the wool and layered the strands together through a process called carding. They placed a small amount of wool on a bristle pad, brushed it with another and removed clumped dirt and knots to give the wool uniformity. They then gently caressed it to evolve into the best quality yarn.

The intertwined fibres of wool had a wave-like pattern of thick and thin strands, stuck together to make the most durable form of yarn with a remarkable texture. The colours were sourced from major dye

<sup>7</sup> IBEF, "Carpet Industry and Exports."

<sup>8</sup> Aamir H. Kaki, "Textiles Ministry Has Taken Various Initiatives to Promote Carpet Industry: Ajay Tamta," The Dollar Business Bureau, March 27, 2017, <https://in.thedollarbusiness.com/news/textiles-ministry-has-taken-various-initiatives-to-promote-carpet-industry-ajay-tamta/49788>.

<sup>9</sup> ₹ = INR = Indian rupee; ₹1 = US\$0.013 on January 1, 2022.

manufacturers such as Colourtex Ind Pvt. Ltd. and Huntsman Corporation. Jaipur Rugs came in a range of more than 3,000 colours, plus many options for customization and eco-friendly dyes certified by the Global Organic Textile Standard. The colours used for Jaipur Rugs products did not bleed or damage the yarn. The result was a durable high-quality rug. The bundles of yarn that were used to weave Jaipur Rugs products were dispatched to the weavers in the villages and loaded onto the looms that had been installed in the homes of the weavers.

Jaipur Rugs weavers were provided with design guides known as “maps” that served as a foundational structure for the weaving. These maps provided the required instructions for each yarn strand, which were carefully followed by the artisans. The maps also allowed weavers to refine the rug designs and accommodate changing customer preferences. Various weaving methods were employed to craft diverse rug styles. The various techniques dictated factors such as quality, design, cost, and even robustness. Jaipur Rugs weavers were organized under various categories. Two major weaver groups were *bunkar* (and *bunkar sakhi*) and *manchaha* (and freedom *manchaha*).

#### Bunkar Weavers

The *bunkar* category comprised most Jaipur Rugs weavers. *Bunkar* weavers were provided with specific pattern designs and weaving material (e.g., coloured wool) to prepare the rugs. Weaving looms were installed in the houses of weavers who had agreed to host the machines. Each day, a group of *bunkar* weavers would travel to these houses to do their work. One weaver, known as the *bunkar sakhi*, was chosen to coordinate, supervise, and manage all weaving activity and travel to nearby villages to continue her supervisory role.

#### Manchaha Weavers

The term *manchaha* (which translated to “expression of my heart” in Hindi) was widely used in the weaving community to represent a sustainable development initiative. However, when *manchaha* weavers were offered a new opportunity to create their own rugs, they embraced rural India’s untapped fashion sense, nurtured their creative potential, and transitioned from exploitation to empowerment. Each handcrafted rug consisted of over 200,000 knots and encapsulated the personal story of its creator. The design incorporated emotions, dreams, and personality. The initiative provided a glimpse of the ability of individuals in rural areas with minimal formal education to create original designs that rivalled the work of global professionals. This social innovation revitalized the age-old art of hand-knotting and promoted economic transformation by providing regular income and instilling confidence. Additionally, the use of leftover hand-spun yarn batches in each rug resolved the industry-wide issue of wastage and created a colour palette as unique as the design. This approach exemplified sustainable production, converting waste into a viable solution.

The *manchaha* initiative was the brainchild of Kavita Chaudhary, Jaipur Rugs’ design director. The project garnered global recognition and was awarded eight prestigious global design awards. Despite competing against major design houses and billion-dollar companies across the world, Jaipur Rugs stood as a remarkable example of empowering women in rural India who had been discriminated for ages. The initiative also helped to preserve the fading art of hand-knotting through passion and sustainable development. These one-of-a-kind rug designs served as a universal connection, weaving together stories that resonated with hearts around the world.

The freedom *manchaha* category of weavers referred to people who had been in prison. The project was intended to help people serving a prison sentence develop skills for their future livelihood and to allow them to express their creativity. Weaving looms were installed within jail premises with the support of the correctional institution authorities. The initiative enabled people in prison to weave dreams and prepare for their eventual return to normal life, after having served their sentence.

### Production Process

All Jaipur Rugs weavers were monitored through the use of an in-house mobile application (app). The Tana-Bana app sent alerts to the Jaipur Rugs head office to help resolve any issues as they occurred, without the need for physical intervention. This approach helped to keep the various tasks in production schedules on time. Effective scheduling, monitoring, and production coordination were key factors for the timely delivery of products to clients. After the rugs were removed from the loom, they were sent to finishing centres to correct any issues or loopholes. The finishing stage had 18 steps, which were all completed by hand. Finally, cleaning and quality checks of the rugs were completed before delivery to the customer. However, it could take up to a month for a carpet to glisten and achieve perfection in the customer's home.

Jaipur Rugs employed three different supply chain models. The first model was the most direct approach, involving the company's close contact with rural artisans. The second model involved working with local entrepreneurs who owned several looms and employed local artisans who used the looms to weave rugs. The third model involved intermediaries or contractors in some specific locations (e.g., the Indian state of Uttar Pradesh). Training centres were set up in various regions of the country and were led by elderly weavers, who usually had 10 to 15 years of experience weaving hand-knotted carpets. The training facilities for these weavers were usually located in their own homes and 10 to 15 people could be trained in one session. The trainers, who had no time to do any weaving of their own, were paid a monthly salary.

Most of the weavers had been associated with Jaipur Rugs for many years—some between 20 and 30 years; others since the company's founding. Most women had joined Jaipur Rugs as children of other weavers. Others joined after they got married and moved to a village where other women weavers worked. Most of the women had no formal education, but they were able to earn some money to help support their family, as well as gain self-confidence. They helped each other learn the art and techniques of carpet weaving, as well as using technology to upload their work information. The weavers even learned to attend virtual meetings with interested parties and clients. Some of the more refined carpets made by the women were purchased by high-profile Indian and international celebrities, who sometimes visited the women to learn about the process of making the beautiful carpets that adorned their homes. The women weavers interacted with the celebrities and proudly showed off their creative work (see Exhibits 6, 7, and 8).

### **SUSTAINABILITY AT JAIPUR RUGS**

In 2004, NKC set up the Jaipur Rugs Foundation, which functioned as the sustainability division of Jaipur Rugs. It operated as a non-profit entity in close collaboration with the artisans. While Jaipur Rugs focused on training and support to unlock the full potential of rural artisans, the Jaipur Rugs Foundation was dedicated to their well-being and developmental endeavours. It also extended opportunities to ambitious rural artisans who aspired to advance and establish their own production facilities. The foundation aided them in securing loans for acquiring additional looms and integrated them into the robust supply chain process. Through this advancement, artisans achieved improved earnings, dignity, and elevated societal esteem. The Jaipur Rugs Foundation was committed to recognizing talent. It strived to motivate and inspire rural artisans to exert themselves and attain success. The foundation provided learning and knowledge-sharing platforms (e.g., conversational sessions with the founder, workshops for honing skills, community training centres) to identify and showcase the talents of rural artisans. All training was facilitated by Jaipur Rugs Foundation personnel in the local language of the artisans.

The Jaipur Rugs Foundation encouraged artisans to educate, teach, and train fellow community members, thus extending their own value chain. Jaipur Rugs considered quality community training, strong

relationships, and community empowerment the cornerstones of a good value chain. As part of the United Nations Sustainable Development Goals, Jaipur Rugs joined the “Business Call to Action” platform in 2012, which encouraged and supported private sector companies to engage in sustainable and inclusive business practices that were aligned with the 17 Sustainable Development Goals.<sup>10</sup> Companies were asked to make specific commitments to address global development challenges such as poverty alleviation, gender equality, environmental sustainability, and access to health care and education. Participating companies pledged to implement innovative business models and practices that contributed to social and environmental progress, while also generating profits. The United Nations platform provided support and recognition to these companies, as they worked toward achieving their commitments.

Since its founding, Jaipur Rugs had impacted over 100,000 lives, empowered almost 30,000 rural women, and provided jobs to over 6,000 people across India. The company also promised to make a difference in the lives of 15,000 craftsmen in the carpet value chain by 2022 by introducing grassroots leadership initiatives. Overall, the company had impacted the lives of 273,731 people in 669 villages across five states by creating 50,703 job opportunities, offering door-to-door health care services to 67,046 people, and providing education to 5,301 individuals in rural villages. As a visionary leader, NKC was renowned for his dedication to both social and environmental sustainability. By providing rural women expertise in carpet weaving, Jaipur Rugs fulfilled several United Nations Sustainable Development Goals, including “1 No Poverty,” “3 Good Health and Well-being,” “5 Gender Equality,” and “8 Decent Work and Economic Growth.”<sup>11</sup>

## CHALLENGES

As the founder of Jaipur Rugs and a social entrepreneur, NKC had built an entire community of carpet weavers (85 per cent of which were women). However, he was facing a challenge in retaining and growing the number of artisans for his mission amid generational transitions. Young women had typically joined Jaipur Rugs from families of weavers. However, young people in rural villages were increasingly migrating to major cities for better employment opportunities, rather than following the family tradition of weaving. With improved lifestyle standards and inclusion in mainstream levels of society, many rural young people no longer felt the need to learn and practice this difficult art as a means to survive. In turn, some senior weavers with 25 or 30 years of experience were choosing not to transfer their skills to their children. The practice of family members learning weaving skills by observing and assisting their parents was diminishing.

NKC felt that the traditional cycle of recruiting and training a new weaver was over. A new process had to be started all over again. This issue would not only increase the cost of acquiring new weavers, it could also cause delivery delays in current orders. Jaipur Rugs wanted to continue following its traditional business model of a sustainable and cost-effective business that met its social commitments. However, the next generation of artisan families was migrating to cities and looking for more lucrative jobs, better salaries, and less emphasis on India’s traditional caste divisions.

India’s carpet industry had also changed. Customer demographics and lifestyles had evolved. Cheaper and more disposable variations of carpets had become available. Indian industries were catering to new consumer preferences for home decor, which was an important factor in creating a robust product offering that met the expectations of the end consumer in a changing business environment (see Exhibits 9 and 10).

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<sup>10</sup> United Nations, “The 17 Goals,” Department of Economic and Social Affairs Sustainable Development, accessed February 26, 2024, <https://sdgs.un.org/goals>.

<sup>11</sup> “About Us,” Jaipur Rugs Foundation, accessed February 26, 2024, <https://www.jaipurrugs.org/about-us>.

## WAY FORWARD

Retaining and growing the number of Jaipur Rugs artisans had become a major concern for NKC. Would Jaipur Rugs be able to sustain the uniqueness and creativity of its carpets over the long term? Could it continue to meet its social community commitments? Or was it time to introduce standardization at Jaipur Rugs through mass production?

Jaipur Rugs was started with a noble cause, at a time when societies were visibly divided, caste-driven social hierarchy was pronounced in villages, the national economy was agriculture-driven, and opportunities were limited. With an improved Indian economy, new job opportunities were driving young adults to major cities. However, not all of India's rural villages had benefited economically. NKC still had a mission beyond the villages of Rajasthan and toward states such as Punjab, Uttar Pradesh, Haryana, Madhya Pradesh, and Gujarat. Although some parts of these states had been developed, many women in village still needed the kind of support that Jaipur Rugs provided to help improve their livelihood.

NKC would have to explore these new villages and spread the word about his mission. It would involve costs to reach potential weavers, set up looms, and manage the operations process. However, there was a promise of fresh new designs and patterns from these villages, as the women weavers from Rajasthan villages had created based on their own lives. NKC started creating nodal offices to monitor quality and began upgrading the Tana-Bana app to incorporate training support from senior weavers. By training new weavers in the centres, rather than working long hours on the looms, senior weavers gained job satisfaction. They attained a higher role in the company, which they saw as personal growth. They were also paid a monthly salary, accompanied by greater job security.

NKC opened new design training centres for girls and women to learn the art of weaving. Jaipur Rugs partnered with schools and raised awareness about its mission, presenting carpet weaving as a skill that young people could easily master. The company's product range was expanded to include more usable and affordable daily-use products such as door mats, room rugs, and wall hangings. The product design and marketing teams researched consumer needs and preferences to develop even more attractive and affordable products. NKC was committed to continue growing Jaipur Rugs and his social vision and mission across India and the world.

## EXHIBIT 1: JAIPUR RUGS VISION, PURPOSE, AND VALUES

### Vision Statement

Jaipur Rugs is a family business that balances the pursuit of profit with spreading kindness to all stakeholders: consumers, artisans, employees, suppliers, and buyers. The business is founded on values instilled by the father and founder, Nand Kishore Chaudhary, including kindness, compassion, and humility. Jaipur Rugs works with people who share these values and aims to empower people who are disadvantaged or rejected.

The artisans, with their passion and labour, help create distinct and high-quality designs, providing a source of growth for their families and pride in their work. This combination of values, products, and artisan blessings gives Jaipur Rugs a competitive advantage and the goal to become an industry leader, while promoting economic and humanitarian benefits for all stakeholders.

By embodying these values and working toward its aspirations, Jaipur Rugs preserves the legacy of its founder and maintains the reputation of a responsible and values-driven business.

### Core Purpose

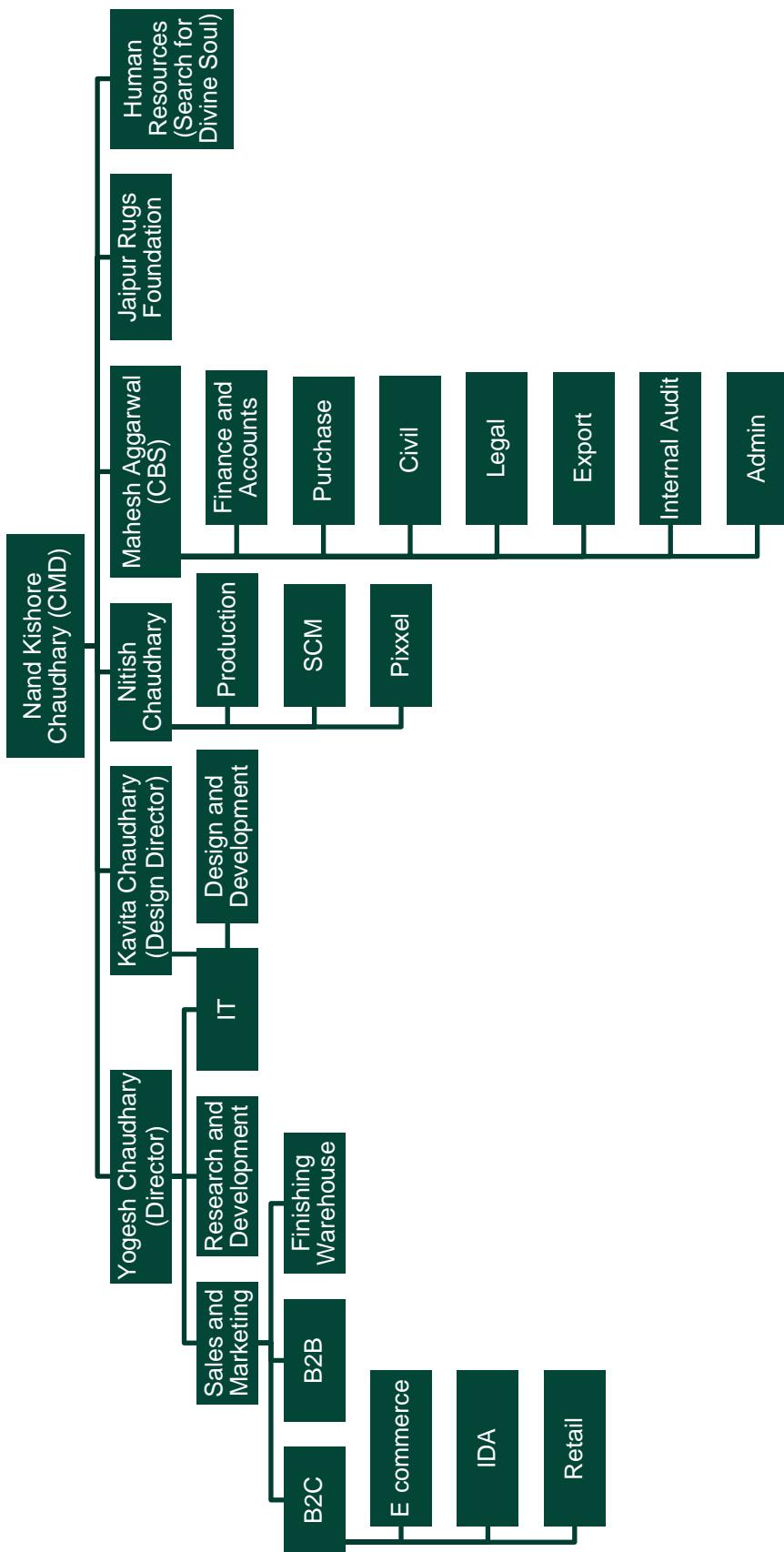
The core purpose goal of Jaipur Rugs is to support the artistic abilities of their artisans and empower them to achieve their aspirations and live with dignity.

### Core Values

- INTEGRITY: Acting in an ethical and fair manner
- HUMILITY: Being modest and lacking in ego
- EMPATHY: Showing love and concern for others by helping to empower them
- SHARED WISDOM: Freely sharing knowledge and encouraging collaboration and input from others
- SARALTA: Embracing simplicity with ease, being open to learning, accepting and understanding without judgment or bias

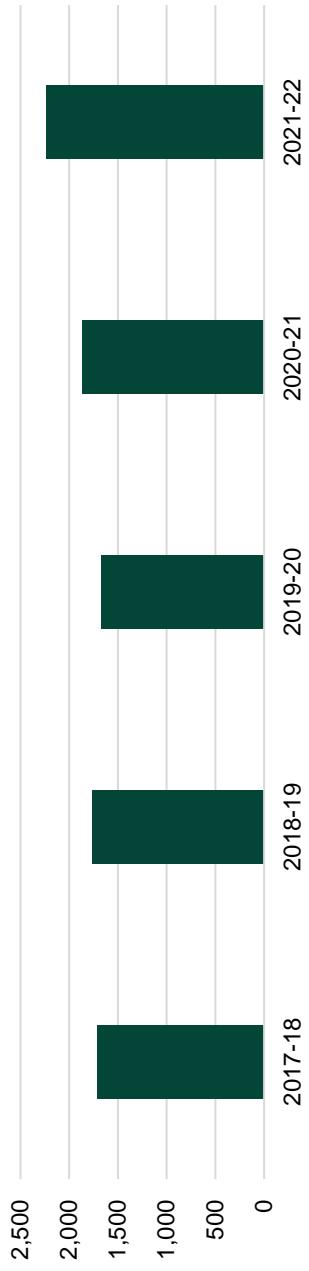
Source: Company documents.

## EXHIBIT 2: ORGANIZATIONAL STRUCTURE OF JAIPUR RUGS



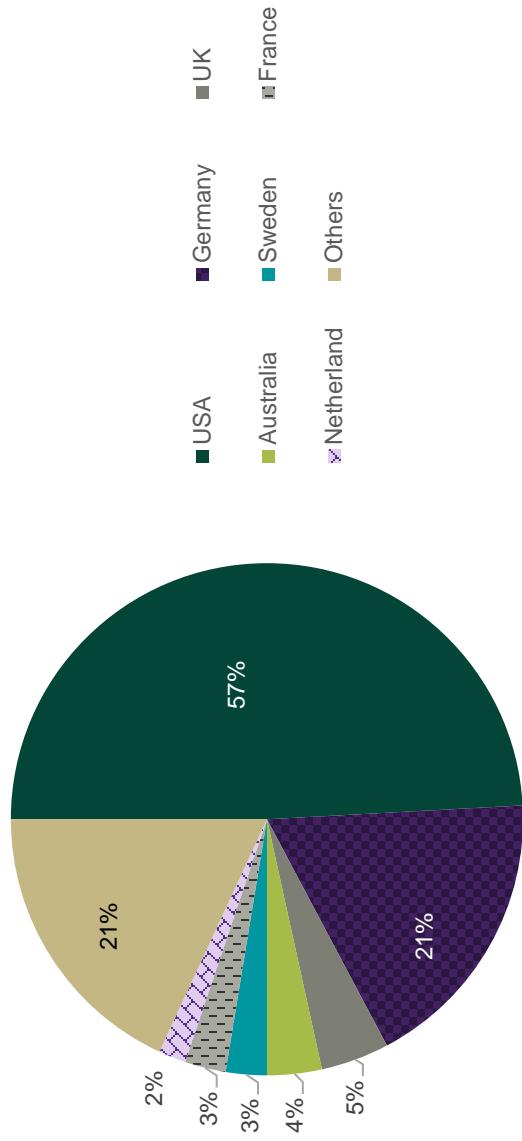
Note: CMD = chief managing director; CBS = chief business strategist; IT = information technology; B2C = business to commerce; B2B = business to business; SCM = supply chain management; IDA = international business development; Admin = administration.  
 Source: Company documents.

### EXHIBIT 3: INDIA'S CARPET AND FLOOR COVERINGS EXPORTS (IN US\$ MILLIONS)



Source: Created by the case authors based on IBEF, "Carpet Industry and Exports," India Brand Equity Foundation, November 2022, <https://www.ibef.org/exports/carpet-industry-in-india>.

### EXHIBIT 4: GLOBAL SHARE OF INDIA'S EXPORTS (2021-22)



Source: Created by the case authors based on IBEF, "Carpet Industry and Exports," India Brand Equity Foundation, November 2022, <https://www.ibef.org/exports/carpet-industry-in-india>.

### EXHIBIT 5: JAIPUR RUGS SELECTED FINANCIAL DATA, 2016 TO 2021 (IN ₹ MILLION)

Particular	FY 2020 21 (Audited)	FY 2019 20 (Audited)	FY 2018 19 (Audited)	FY 2017 18 (Audited)	FY 2016 17 (Audited)
<b>Total Revenue (Including Other Income)</b>	1,673.90	1,436.21	1,552.58	1,253.67	1,334.94
<b>Cost of Sales</b>	1,024.88	809.15	940.15	738.31	855.56
<b>Marketing Expenses</b>	67.50	90.42	56.83	48.65	33.34
<b>Other Expenses</b>	394.01	459.59	404.04	331.08	316.17
<b>Profit before Tax</b>	<b>187.51</b>	<b>77.05</b>	<b>151.56</b>	<b>135.63</b>	<b>129.87</b>

Note: FY = fiscal year; in FY 2019–20, Other Expenses include storm loss of ₹31.96 million. ₹ = INR = Indian rupee; ₹1 = US\$0.013 on January 1, 2022.

Source: Created by the case authors based on company documents.

### EXHIBIT 6: JAIPUR RUGS WEAVER PROFILES

Name	Weaver Profile
Prem	(Village: Aspura) Prem was 36 years old, and associated with Jaipur Rugs for 17 years. She was one of the leaders who supervised <i>manchaha</i> weavers. She manage two villages (Aspura and Ajeeigarh) with more than 40 looms and 110 weavers.
Shanti	(Village: Manpura) Shanti was 40 years old and associated with Jaipur Rugs for 17 years. She had been a <i>bunkar sakhi</i> for three years. By being an amazing leader, she headed all of Manpura village. She was also an efficient spokesperson and represented Jaipur Rugs in talks and events.
Suman	(Village: Dhanota) Suman was 35 years old and associated with Jaipur Rugs for 16 years and was one of the oldest <i>bunkar sakhi</i> for 12 years. She was quite shy but very systematic and organized individual who headed 57 looms in the villages of Dhanota and Tigrira.
Soniya	She was 36 years old and associated with Jaipur Rugs for 16 years. Her work and design were unique and brilliant.
Achi	She was 40 years old and associated with Jaipur Rugs for 20 years. She was a very social and dedicated <i>manchaha</i> weaver.
Kamli	She was 40 years old and associated with Jaipur Rugs for 20 years. She was very hardworking and very efficient.
Kohili	She was 44 years old and associated with Jaipur Rugs for 23 years. She was smart, and quite intelligent.
Dafli	She was 35 years old and associated with Jaipur Rugs for 15 years. She was a <i>manchaha</i> expert and received a European Design Award.
Maya	She was 35 years old and associated with Jaipur Rugs for 14 years. She was hardworking and a passionate weaver.
Batashi	She was 35 years old and associated with Jaipur Rugs for 16 years. She was shy but always had a smile on her face.
Madhu	She was 37 years old and associated with Jaipur Rugs for 16 years.
Durga	She was 46 years old and associated with Jaipur Rugs for 25 years. She was a <i>manchaha</i> expert.
Bugali	She was 25 years old and associated with Jaipur Rugs for 7 years. She was a star weaver known for abstract <i>manchaha</i> designs.
Manju	She was 34 years old and associated with Jaipur Rugs for 15 years.

## EXHIBIT 6 (CONTINUED)

Name	Weaver Profile
Anita	She was 42 years old and associated with Jaipur Rugs for 25 years. She was a smart individual with amazing Leadership quality, she also led the training centre in the village.
Santosh	She was 35 years old and associated with Jaipur Rugs for eight years. She had a very artistic approach to her designs which she weaved with utmost passion.
Wahid	He was 55 years old. Wahid was with Jaipur Rugs for four years and served in prison. He was an amazing spokesman and was very dedicated to his work and the designs he worked on.
Amarchand	He was 27 years old. He was in Dausa Jail and was associated with Jaipur Rugs for four years.
Bufesh Soni	He was 26 years old. He was in Dausa Jail and was associated with Jaipur Rugs for two years.
Chajan Sujan Lal	He was 23 years old. He was in Dausa Jail and was associated with Jaipur Rugs for four years.
Biti singh	He was 25 years old. He was working with Jaipur Rugs for two years and was in Dausa Jail.
Arti	She was 26 years old and associated with Jaipur Rugs for five years. She handled the Self-management project in the village.
Roshini	She was 26 years old and associated with Jaipur Rugs for five years.
Tina	She was 29 years old and associated with Jaipur Rugs for 11 years. She was very smart and efficient in her work.
Bhagwati	She was 32 years old and associated with Jaipur Rugs for 12 years.
Santosh	She was 33 years old and associated with Jaipur Rugs for 12 years.
Prem	She was 41 years old and associated with Jaipur Rugs for 20 years.
Ira	She was 45 years old and associated with Jaipur Rugs for 25 years.
Jyoti	She was 32 years old and associated with Jaipur Rugs for 15 years.
Suman	She was 37 years old and associated with Jaipur Rugs for three years.
Nawratil	She was 37 years old and associated with Jaipur Rugs for nine years.

Source: Created by the case authors based on company documents.

**EXHIBIT 7: JAIPUR RUGS WEAVERS—STORIES TO TELL****Bimla Devi, Aaspura (Rajasthan)**

Competing with over 5,000 applicants from 56 countries and over 40 award categories, Bimla Devi transcended the boundaries of culture, design, gender, and most importantly, personal struggles when she won a German design award.

Bimla was a humble weaver from Aaspura, Rajasthan. She married young but tragedy struck when her husband died before the birth of their second child. From a weaver to an artisan and an award-winning designer, she dedicated herself to empowering other women in her community and rural villages across India.

A huge salute to our Queen, Bimla.

**Dafali Devi, Aspura (Rajasthan)**

Dafali Devi was the first woman from a small village in Rajasthan to win a European product award for her rug representing India. Through her grit, determination, and creativity, Dafali broke the stereotype of village women being under-confident with no big dreams to accomplish. She set an example for her fellow artisans to excel in art with constant training and unlearning insecurities. Dafali inspired us to hold on to our dreams, regardless of what may come.

**EXHIBIT 7 (CONTINUED)****Bhanwari, Bikaner (Rajasthan)**

For the past 20 years, Bhanwari has been spinning yarn.

She says, "I believe women should earn; only then can they be independent."

After Bhanwari got married, she started to realize that she would like to have a job and secretly learned to spin and card wool when her mother-in-law was busy with household chores. She then realized how far she could go with the support of her family and dedication, working day and night to refine her craft.

Later, inspired by her friend Chhelu, Bhanwari decided to look past her inhibitions to become a quality supervisor, which provided many adventures. She recalled working for hours and losing track of time. In her sixties, Bhanwari represented the women of rural India who were not ready to be confined by their circumstances.

Source: Company documents.

**EXHIBIT 8: NAND KISHORE CHAUDHARY WITH HIS WEAVERS**

Source: Company documents.

### EXHIBIT 9: JAIPUR RUGS PRODUCT PRICE RANGE (BASED ON TECHNIQUE)

Hand-knotted	₹20,000 to ₹9,55,000/-
Hand-tufted	₹20,000 to ₹3,00,000/-
Handloomed	₹20,000 to ₹3,00,000/-
Flat weaved	₹20,000 to ₹12,00,000/-
Shagged	₹20,000 to ₹50,000/-

Rectangular	2 x 3 feet
Irregular	3 x 5 feet
Round	4 x 6 feet
Runner	5 x 8 feet
Oval	6 x 9 feet
Square	8 x 10 feet
	9 x 12 feet
	10 x 14 feet
	12 x 15 feet

Note: 1 foot = 0.3 metre; ₹ = INR = Indian rupee; ₹1 = US\$0.013 on January 1, 2022.

Source: Created by the case authors based on company documents.

### EXHIBIT 10: JAIPUR RUGS COMPETITORS AND PRODUCT RANGE

Competition	Company Description	Product Offering
Safavieh	Well-known brand in the rug industry, offering a wide range of rugs, including handmade options known for their quality and variety of design	Hand-knotted, handloom, hand-tufted, hand-woven, natural hides, natural sheepskin, and power-loomed
Surya	Leading rug and home decor company known for its extensive range of rugs, including handmade and hand-tufted options	Handcrafted, hand-hooked, hand-knotted, handloomed, hand-tufted, hand-woven, machine-woven
Nourison	Global manufacturer and distributor of handmade rugs and other home furnishings, offering a diverse range of rug styles and designs	Hand-hooked, hand-knotted, handloomed, hand-tufted, hand-woven, machine-made, loom-woven, power-loomed, tufted, and handmade
Feizy	Established name in the rug industry, known for its hand-knotted and hand-tufted rugs, offering a wide variety of styles and patterns	Handcrafted, hand-hooked, hand-knotted, handloomed, hand-tufted, hand-woven, and machine-woven
Oriental Weavers	One of the largest machine-made rug manufacturers globally that also produced some handcrafted rugs	Handcrafted, hand-hooked, hand-knotted, handloomed, hand-tufted, hand-woven, and machine-woven
Kaleen Rugs	Family-owned business that offered a diverse range of rugs, including hand-tufted and hand-woven options	Handcrafted, hand-hooked, hand-knotted, handloomed, hand-tufted, hand-woven, and machine-made, loom-woven, power-loomed, tufted, and handmade

**EXHIBIT 10 (CONTINUED)**

Competition	Company Description	Product Offering
Loloi Rugs	Well-regarded company in the rug industry, offering a wide range of rug styles	Hand-knotted, handloomed, hand-tufted, hand-woven, and power-loomed
Momeni Rugs	Prominent name in the rug industry, known for a diverse range of rug designs, including handmade options	Hand-knotted, handloomed, hand-tufted, hand-woven, and power-loomed
Capel Rugs	One of the oldest and most respected rug manufacturers in the United States, offering a wide range of rugs, including handmade and hand-tufted options	Hand-knotted, handloomed, hand-tufted, hand-woven, and power-loomed

Source: Company documents.