

## Case Study: The Rise of Lijjat Papad – A Women-Led Entrepreneurial Success Story

### Introduction

In 1959, in the bustling city of Mumbai, seven women with a capital of Rs. 80 began rolling papads (thin, crispy lentil wafers) on a rooftop. What started as a small-scale business to support their families soon turned into one of India's most successful women-led cooperatives, known as Shri Mahila Griha Udyog Lijjat Papad. Today, Lijjat Papad has grown into a ₹1600+ crore (\$200 million) enterprise, employing over 45,000 women across India.

**But how did a home-based food business scale into an internationally recognized brand without compromising on its cooperative principles?**

### Entrepreneurial Insights from Lijjat Papad

#### 1. Entrepreneurial Vision and Leadership

Unlike traditional startups with a hierarchical structure, Lijjat operates as a worker-owned cooperative where every member is an equal partner. This flat organizational structure ensures that profits are shared and every woman has a sense of ownership in the business.

#### Discussion Question:

- **What are the advantages and challenges of operating a cooperative business model compared to a traditional startup?**

#### 2. Women's Empowerment Through Economic Independence

Lijjat Papad is not just a business; it is a **social movement** that empowers women by providing them with **self-employment** opportunities. Women from underprivileged backgrounds can join Lijjat without any educational qualifications and start earning from day one.

#### Discussion Questions:

- How does Lijjat's employment model contribute to social entrepreneurship?
- Could this model be replicated in other industries to empower women entrepreneurs?

#### 3. Financial Sustainability Without External Investors

Unlike modern startups that rely on venture capital or loans, Lijjat **self-financed** its growth through reinvested profits. The company follows a **zero-debt policy**, ensuring **financial independence** without dilution of ownership.

#### ✦ Discussion Questions:

- What are the benefits and risks of growing a business without external funding?
- If Lijjat were to scale up using **venture capital or bank loans**, how would that impact its cooperative structure?

### 4. Branding and Marketing Without Large Budgets

Lijjat built its brand **organically** through **word-of-mouth marketing** and **community engagement**. The brand's logo, featuring a **smiling rabbit**, became a symbol of trust and quality. Despite **minimal advertising**, Lijjat gained national and international recognition.

#### Discussion Questions:

- What lessons can modern entrepreneurs learn from Lijjat's **low-cost marketing strategies**?
- In today's digital era, how can Lijjat **leverage social media and e-commerce** to expand its business?

### 5. Scalability Without Losing Core Values

Lijjat has expanded its product range beyond papads to include **spices, wheat flour, and detergents** while maintaining its **handmade production model**. However, this raises a key entrepreneurial dilemma: **should they automate production for higher efficiency, or continue with handmade methods to preserve employment?**

#### Discussion Questions:

- Should Lijjat **automate production** to scale further, or should it stick to its traditional model?
- How can Lijjat **expand globally** while retaining its cooperative identity?

### Challenges and Future Prospects

While Lijjat has enjoyed **sustained success**, it faces several challenges:

1. **Rising competition** from large FMCG brands (Haldiram's, ITC, and MTR).
2. **Changing consumer preferences** – demand for healthier, innovative snacks.
3. **Expanding global reach** while maintaining its cooperative business model.
4. **Retaining traditional production methods** versus modernizing operations.

## Key Takeaways for Entrepreneurship Students

- **Social entrepreneurship** can be as profitable as commercial entrepreneurship.
- **Scalability** is possible without external funding or venture capital.
- **Empowerment-driven business models** create long-term impact.
- **Branding does not always require large marketing budgets.**
- **Cooperative leadership** can be an alternative to hierarchical management.

## Classroom Activity: Business Simulation

**Scenario:** You are launching a women-led cooperative similar to Lijjat in the modern market. Develop a **business plan**, including:

- **Product selection**
- **Pricing strategy**
- **Marketing plan (offline + digital)**
- **Scaling strategy without losing cooperative values**

## Task for Students:

- Imagine you are a business consultant for Lijjat Papad. Prepare a **strategy report** detailing how Lijjat can overcome these challenges while staying true to its core values.

## Conclusion

Lijjat Papad is a remarkable example of entrepreneurship with a purpose. It showcases how vision, financial discipline, community engagement, and sustainable growth can build a lasting legacy. For aspiring entrepreneurs, Lijjat teaches that profit and purpose can go hand in hand.