**Innovation - Pratham-A Point of Light in Mumbai**

*Madhav Chavan and Farida Lambay, two local college professors, founded Pratham in Mumbai in 1994. Along with eight other local activists, they started out with the goal of ensuring that every Mumbai child between three and ten years of age went to school. Their initiative had the support of UNICEF, the Mumbai municipal corporation, and several local industrialists.*

1. The *balwadi* (“preschool”) program—Pratham’s oldest, serving 53,000 children—provides classes for three- to five-year-olds not enrolled in other preschools.

2. The *balsakhi* (“child’s friend”) remedial program places teachers’ assistants in municipal primary school classrooms to help lagging children at risk of dropping out. Started in 1998, the program now serves roughly 35,000 children.

3. The bridge course program targets children aged six to ten who have dropped out of school or never attended one. The program aims to educate children sufficiently to enroll them in municipal schools.Started in 1998, it now serves 12,000 children.

4. The 13 *pratishristi* (“parallel universe”) computer-assisted-learning centers in municipal schools were created in 1999 to familiarize children with computer technology and to enhance traditional learning. These centers now reach 8,000 children. After school and during holidays, the centers are used for adult computer training.

Pratham has now helped start educational programs in 12 other Indian cities and regions, with an additional 13 planned in the next 6 to 12 months. The organization serves 35,000 children outside Mumbai—a number expected to grow to 70,000 by the next school year. Pratham plans to establish programs in the 300 largest Indian cities by 2005 and to have nationwide universal primary education by 2010. McKinsey consultants have supported Pratham by providing strategic advice on growth and governance, as well as helping to design the *balwadi* health program.

Friends of Pratham have started Pratham chapters in the USA, UK and the Middle East, to promote and support the Pratham cause in India. Overseas funding agencies such as the NOVIB, NPL, AIF have also been sufficiently impressed by the work of Pratham, to start funding certain Pratham activities in a few states

Four key elements make Pratham’s work unique. Comprehensive Geographical Outlook, All Encompassing, Replicable and Strong Foundation. For six years, since inception Pratham had not owned a single building or vehicle or paid rent for any space, including its administrative offices. The organization was forced to build rooms for a number of classes, on donated land, after some of them had lost their premises to demolition three times in a row—one of the hazards of relying on donated space. Taking into account average rental rates in the poor areas of Mumbai, this reliance on free space almost halves the program’s cost, saving $80 to $100 a year on each *balwadi* (“preschool”).

By adopting a decentralized model of neighborhood classes, Pratham ensured that small children could easily walk to school. Classes are held in spare rooms in community centers, mosques and temples, municipal schools, or the buildings of other organizations. When nothing else is available—as is the case for over half of the *balwadi*—classes meet in teachers’ homes. A partnership with the Mumbai government permitted Pratham to hold its remedial-education and computer classes in municipal schools. Partnerships have provided the necessary infrastructure and more. Several corporate partners, such as ICICI (formerly the Industrial Credit and Investment Corporation of India) and Hindustan Petroleum, have gone far beyond their typical level of involvement with nonprofit organizations by providing office space and equipment and by lending employees, at full salary, to serve on Pratham’s executive group. A local university and an international foundation fund other members of the executive group. Other corporations have committed more modest financial support or in-kind contributions, such as computers and employee volunteers, who play a variety of administrative and support roles in Pratham.

Pratham quickly realized that such partnerships would require an open organization that welcomed people at different levels and locations, and on a variety of terms. Instead of limiting donors to an arm’s-length role, as many nonprofits do, Pratham invites companies to be part of the organization, creating a powerful sense of ownership among both donors and staff members. This policy encourages personal initiative on the part of the people connected with Pratham, ranging from the young *balwadi* teacher who asks a friend to help start another *balwadi* to the corporate chief executive who asks another CEO to help start a Pratham program in the city.

Successful partnerships are usually created by key corporate employees who have a

strong commitment to Pratham and lead their companies’ involvement with it. Clearly, this policy involves trade-offs. A lack of control over the physical infrastructure means that class venues are sometimes below par: an outdoor classroom becomes unusable during heavy rains, for example. It is harder to create an effective management group when members come and go, and welcoming the various contributions of many different donors requires creativity and tolerance. But a willingness to welcome managers from a variety of companies has allowed Pratham to build a more professional management team than most nonprofits have, and the

diversity of viewpoints has sharpened its strategy. Most important, Pratham’s capital-light approach has enabled it to grow and to reach more children - a real achievement in a nonprofit world wheremost organizations remain small.

Pratham’s approach has led to unexpected benefits as well. The requirement that each neighborhood find a rent-free place for preschools has ensured broad community involvement and support. Conducting classes in public venues has increased awareness and acceptance among parents

**Developing Effective Teachers**

Although Pratham’s capital-light strategy has enabled it to grow, the organization’s ability to develop committed and loyal teachers is the key to its social impact. Recruiting and training more than 6,000 teachers and 250 supervisors who receive below-market stipends has not been easy. Ensuring the consistent delivery of quality instruction is perhaps even more difficult, considering that most of Pratham’s teachers have a high-school education or less and no teaching experience.

**Recruiting and retention**

Overcoming these problems has required creative new solutions to the nonprofit version of the “war for talent” because Pratham pays *balwadi* teachers only 250 rupees (about $6) a month. Unskilled jobs such as domestic service pay two to five times as much. Sometimes Pratham’s teachers earn up to 200 rupees more from tuition fees, but many waive them for poorer parents. From the outset, it was obvious that Pratham couldn’t afford certified teachers and would be unlikely to attract people already working full-time for a living. Instead, the organization decided to recruit people from outside the workforce and to give them extensive training. In India, as in many other developing countries, unmarried young women traditionally don’t work outside the home. These women, many of whom have had a fair amount of education, make ideal *balwadi* teachers. To attract them, Pratham has seen to it that *balwadi* teachers work only part-time and in their local communities. It has also publicized the importance and social impact of the program, thereby increasing the job’s social stature, and has actively cultivated the organization’s brand name. Young women who would otherwise not be working thus join Pratham to help their communities. Since its first wave of hires, found as organizers canvassed Mumbai’s neighborhoods to sign up children for the program, recruiting has relied exclusively on word of mouth. Turnover is low: Job vacancies are never even listed, since departing teachers find and train replacements before leaving.

To inspire this kind of loyalty, Pratham builds a sense of community and empowerment among its staff, much as it does among its corporate partners. A *balwadi* teacher views her class almost as a start-up venture, since she is likely to have started it and developed its activities herself. Pratham’s highly decentralized organization fosters this sense of ownership: *balwadi* in Mumbai are divided into 50 autonomous *mahila mandals* (“women’s groups”), each registered as a separate NGO. Budgets, training, and oversight processes for all programs are determined centrally, but all other details are left to each teacher and ward. Pratham’s ultimate vision is for these women’s groups to become completely self-sufficient, linked to headquarters only for training and oversight. Already, several *balwadi* now finance themselves through a combination of tuition fees and contributions from local charities.

This decentralized approach has solved a problem all large organizations face: how to release the creativity and energy of thousands of people and avoid bureaucratic inertia. Even as new programs have been added, Pratham’s recruiting strategy has proved unexpectedly robust. When the organization started to open its computer-training centers, it was thought that a more formal recruiting program would be needed. Before recruiting began, however, word of mouth generated a surprising number of applicants (including some who had better-paid jobs) with basic computer skills. These people wanted an opportunity for advancement, and the computer-center teachers have since formed their own companies and are franchising their model in poor areas of Mumbai. Pratham’s recruiting strategy can easily be applied outside India. In all countries, a large number of people don’t work full-time, for a variety of reasons. The challenge for nonprofits is to use their creativity to develop positions that can make use of the knowledge, skills, and enthusiasm of these people.

**Ensuring high-quality instruction**

Many nonprofit organizations—and many companies—believe that giving workers freedom means ignoring performance management. Pratham has taken the opposite approach: by maintaining strict performance standards and providing systematic training, it can turn people without teaching experience into effective instructors who then have the freedom to develop their *balwadi*. Today, Pratham maintains 24 teams responsible for both preparing and evaluating teachers. The teams run rigorous pre- and in-service training programs for them, attend their meetings, and make frequent unannounced visits to every *balwadi*, where teachers are evaluated on how children respond and behave in class. Children, in turn, are evaluated for physical, behavioral, and cognitive development, and report cards are sent home three times a year. This type of formal training and monitoring infrastructure is rare in the nonprofit world because of budget constraints and a reluctance to spend money on overhead. But Pratham has found that such an infrastructure is critical to achieving the organization’s goals.

The ultimate test of Pratham’s strategy is its impact on educational outcomes, and here the evidence is overwhelming. A recent study found that Pratham’s *balwadi* students are far more likely to go to primary school than are children who haven’t been to preschool. More than 40 percent of the children in Pratham’s bridge course program are now in school, and tests show that they are doing better in language arts and mathematics than their classmates. In the remedial program, tests show that the number of children with no literacy or numeracy skills dropped by half and that the proportion of older children achieving basic educational competencies doubled.

***Points for reflection- Answer in about 150 words***

1. What were the underused resources accessed by Pratham?
2. Who are the intended beneficiaries of Pratham? What were the issues faced by them?
3. What innovations are embedded in Pratham’s resource strategy?
4. Describe the partnerships Pratham had and how it helped in its strategy and social impact.
5. List the factors that contribute to Pratham’s sustainability.

**Drishtee - Enhancing** **access and** **empowering** **communities by** **supporting** **rural entrepreneurship.**

Drishtee works towards creating an impact on rural lives by building an ecosystem of micro-enterprises through Drishtee-trained entrepreneurs. Operating where access is difficult, the Drishtee model aggregates communities around a village entrepreneur. These micro-enterprises provide economic opportunities to the poor by facilitating access, generating employment and delivering essential services in an affordable way.

Drishtee's network is growing and with over 10000 entrepreneurs. This low cost, direct delivery supply chain has in turn created significant cost and time savings, and provided an effective channel for enterprises to sell a range of products and services.

**Drishtee as an Innovator:**

More than 600,000 villages of India house two-thirds of its people, and earn one-third of the national income. A report by the National Council of Applied Economic Research (NCAER) in India shows that rural consumers represent more than 50 percent of consuming classes and are the prime target market for consumer goods and essential services such as education, healthcare and employment. Despite such an open market, around 68% of the rural economy still lies untapped. Villagers are desperate for appropriate services at affordable cost - from education to market access, from telecom to healthcare, from financial intermediation to entertainment. But the non-availability of such services linked to the lack of perceived opportunities in rural areas by the investors creates a dead end for progress.

**Drishtee’s innovation is manifested in charting an alternate distribution network for products and services in rural India.**

**Drishtee as an Initiator:**

Drishtee has been able to successfully initiate and run several services in various parts of Rural India, for which the villagers mostly have to travel to the nearest town or city.

* **Education**
* **Employment generation**
* **Initiation in Women Empowerment**
* **Providing Health services**
* **In Promoting the Rural Artisans**
* **Micro-finance and Banking**

**EDUCATION**

Every poor farmer seeks a better life for his children and intuitively knows that a better life is possible only through education. Unfortunately, few villages have access to good education.

Education empowers people to take control of their lives in many ways and opens new opportunities.. Drishtee's objective is to provide relevant education to the undeserved to bring them closer to the level of urban youth and to use this education to foster in them the confidence and ability to do jobs – for others and themselves. This objective has a very close fit with Drishtee's overall objective of creating an impact in villages by creating an ecosystem of microenterprises run by entrepreneurs with a focus on women, trained by Drishtee, to provide economic opportunities to the poor.

Drishtee's main stay service for long has been computer education and with over 30,000 village youth that have been trained, Drishtee has built substantial experience and capacity in this area. Indeed Drishtee's courses have even built a brand image for themselves in several villages.

Drishtee's provides a sound kiosk-based platform comprised of services such as Health, Education, Banking and Microfinance, and livelihood services, such as rural BPOs along with opportunities to provide market access and linkages for physical products such as eyeglasses, mobile phones, and agricultural products.

CEEP- Centre for Education & Entrepreneurship Programme is delivered by Drishtee through its subsidiary Quiver Infoservices Ltd and aims to spread the light of knowledge in every household of Rural India.

In today's times, one cannot imagine life without computers. However, of the 70 % of the Indian population who reside in rural areas, there are people who have never even seen a computer, leave alone worked on one. They are completely alienated away from fast pace of the upcoming technologies. This dichotomy has reaffirmed our conviction about spreading computer literacy down to the grass root level. CEEP, Centre for Education & Entrepreneurship Programme, with a team of focused motivated individuals, has been able to build appropriate course material that aims to impart computer skills as well as employment, within a very short time frame, offering economic prices to the students of all income groups. The unique feature of this computer education is the focused approach i.e. on completion of this programme, the students, armed with computer knowledge and their course completion certificates shall be able to setup their own businesses or find competitive jobs in the market. The underprivileged in India have realized the vast potential the computers hold for social and economic development. The mindset is evolving. Slowly and gradually, this silent computer revolution will take India towards an empowered nation status and CEEP is in the process of laying the foundation for that day. It is no longer a mission impossible!

In addition to Computer literacy programme, we have also managed to successfully establish ourselves as Spoken English training center with over 600 students enrolled over the past 1 year. Commonly known as STEP- Step towards English Proficiency, it is a training and testing package of English Communication with special focus on speaking skills. STEP has been launched by CEEP keeping in view the growing demand of English in all the educational and professional areas.

STEP has been specially designed for the needs of the Indian learners at a basic level of English proficiency. Young students of school or college level, housewives, job-seekers or even the kids can register for STEP because of its flexible structure and relevant training methodology.

It relates the candidates with very suitable content and easy to understand study instructions. Overall focus on Reading, Writing, Listening and Speaking covers all the gaps in anyone's Communication abilities. STEP covers all these gaps for the takers.

STEP on one hand, tells the Beginner - how to speak in English, what are the ways and how one should write good English; on the other hand it trains the Learners for better communication, on writing with least grammatical hiccups and how to make better impact while speaking.

Learning is a new experience at STEP with exposure to Multi-media based audio-visual kits, customized work sheets and trained Faculties.

The course also provides a STEP certificate for the advantage of recognition in the world of competition.

Till now CEEP has trained more than 30000 students in the states of Assam, Haryana, U.P and Bihar and we are now spreading our mission to the states of Tamil Nadu and Orissa.

**RURAL HEALTHCARE**

The World Bank reported in 2002, that one episode of hospitalisation is estimated to account for 58% of per capita expenditure pushing 2.2% of the population below the poverty line. Even more disconcerting is the fact that 40% of those hospitalised had to borrow money or sell off assets. Often this leads to families losing their primary earning source – the family’s agricultural land. It is not just the treatment cost. Lost wages, travel, and time of family members to care for the sick all take a toll. A 2004 State Government report found that health expenditures had been significant in causing indebtedness of farmers, which in turn was a proximate cause of farmers’ suicides.

It is well documented that very few villages in India have easy access to qualified or trained health workers or doctors.

Drishtee's health initiative started in 2000 and went through several iterations and pilots but did not have the desired impact. One of the primary causes of this was that we did not address the existing eco-system of the quack and the local chemist.

It was when Nike supported Drishtee for its 'Victree' women entrepreneur programme that Drishtee discovered the solution. Drishtee's solution is to appoint and train a women health franchisee at each cluster of villages on defined routs. In addition to basic emergency care also trained by Drishtee for non-invasive diagnostic and path tests (BP; Strip tests).

This health franchisee is linked at the back end with a qualified MBBS doctor and laboratory technicians who takes weekly physical rounds of villages on the specified route and for the rest of the week are available for telephonic consults through the health franchisee.

The woman health franchisee has several advantages

* She is initially not perceived as a threat by the quacks. However she is accessible to at least 50% of the population (women) who hesitate to go to a male quack. She therefore quickly assimilates within the local eco-system
* She is generally more trusted by the population and is more responsive and caring particularly for the children including the girl child. She is also available constantly in the village
* The availability of diagnostics and basic pathology helps optimize the doctor time and costs and make in some cases even the quacks recommend the tests
* She acts as a powerful role model for other women in the community.

Drishtee has tested this model with excellent outcomes and aims to replicate this by inducting over 2500 health franchisees. It needs to partner with various organisations for funds and healthcare technologies. In diagnostics, for instance, Drishtee is partnering with Honeywell Inc. for a pilot,

***Points for reflection- Answer in about 150 words***

1. What innovations are embedded in Drishtee’s strategy?
2. Who are the intended beneficiaries of Drishtee? What were the issues faced by them?
3. How does Drishtee’s interventions contribute to rural empowerment?
4. Describe the social impact of Drishtee’s rural healthcare intervention
5. List the factors that contribute to Drishtee’s sustainability.

**AKASHGANGA**

At a time when information technology was almost unknown in the villages of India, a group of seven dynamic, young entrepreneurs came together with the purpose of leveraging information technology for the use of rural dairy farmers. Though they had very limited seed money—about US$10,900 (Rs 500,000)—they had over 50 years combined professional experience in dairying, engineering, and finance. Above all, they had the vision and commitment to developing tools that could increase the efficiency and productivity of the Indian dairy industry at a grassroots level. In 1996, they established Shree Kamdhenu Electronics Private Ltd. (SKEPL) as a private limited company. SKEPL provides integrated solutions, marketed under brand name of AKASHGANGA (meaning “milky way” in Hindi), that automate the milk collection process in village dairy cooperative societies. The company’s products include an automatic milk collection system, an electronic weighing scale, a dairy information system kiosk, and a milk analyzer that tests for levels of fat and non-fat milk solids. Currently, the majority of the company’s customer base is in the states of Gujarat and Maharashtra.

**Market overview**

The National Dairy Development Board (NDDB) was set up by the national government in 1965 with a mandate to strengthen and expand the cooperative dairy movement in India. Since then, India has emerged as the world’s largest milk-producing nation. Production has increased by approximately 4% a year, growing from 21.2 million metric tons in 1968 to 84.6 million metric tons in 2001—capable of supplying India’s very large population with 226 grams of milk per person per day. In India dairying is not only a business but also the main source of income of millions of small and marginal farmers, including landless milk producers.

A village society, or dairy cooperative society (DCS), is formed by primary producers under the guidance of a supervisor or milk supply officer from the nearest cooperative district union (district-level cooperative that owns a processing plant). A milk producer (dairy farmer) becomes a member by buying a share of the society and agreeing to sell milk exclusively to that society. Each society has a milk collection center where farmers take their milk twice a day, in the morning and in the evening. A society is typically located within five to ten kilometers of the villages supplying the milk.

Though dairy cooperatives are found throughout India, the cooperative movement has been most successful in a few states, notably Gujarat. Gujarat’s success can be attributed to a higher rate of farmer activism and more efficient political institutions. Over the years, states have developed popular dairy brands such as Amul (from Gujarat), Vijaya (from Andhra Pradesh), Verka (from Punjab), Saras (from Rajasthan), Nandini (from Karnataka), Milma (from Kerala) and Gokul (from Maharashtra). These brands have earned high degrees of brand recognition and customer confidence, especially within in their respective states.

**Global Challenges for the Indian Dairy Industry**

The Indian dairy industry faces challenges from the international dairy market. Chief among these challenges is that India, as a signatory to the World Trade Organization (WTO), is obligated to open its milk and milk products markets to international dairy companies. Because the Indian dairy industry is characterized by relatively high costs in milk production, processing, and marketing, and relatively poor quality of milk due to unhygienic handling

**Business model**

SKEPL’s business model is centered on providing technology-based products and services to help milk cooperatives become more efficient and productive. The company provides complete IT-enabled solutions that automate the milk collection processes at local milk cooperatives. In addition, it provides weighing scales, milk analyzers, accounting and management software, and support services.

**Automatic Milk Collection Systems**

In the product development process, SKEPL designed the AKASHGANGA Automatic Milk Collection Systems (AMCS) to increase the efficiency and speed of the collection process. Upon arriving at the village dairy cooperative society, farmers proceed to the receiving counter and insert their plastic identification card into the card-reader, which automatically reads his identification number. Farmers then pour the milk into a bucket on the weighing scale. The weight of the milk is displayed on a digital readout and that data is automatically transferred to the micro-processor or PC-based system (depending on which system the cooperative uses). The AMCS calculates the amount to be paid to the farmer based on the weight of milk and the fat content at the price specified by the milk union.

**Weighing Scales**

The electronic weighing scale manufactured by AKASHGANGA has a stainless steel base, a milk receiving pail which holds 10 kilograms, a large digital display, and load cells to compensate for temperature variation

**Milk Analyzers**

District unions buy milk from village cooperative societies and pay on the basis of weight and average non-fat solid (SNF) content of the milk. Farmers are paid on the basis of the weight and fat content of the milk some time they are paid less for their milk based on the fat-to-weight ratio than what district union pays village cooperatives for the same milk. This is because the equipment by district union is much more advance which is expensive and unaffordable for village dairy societies. AKASHGANGA recognized this unmet demand and developed an affordable milk analyzer that is designed for fast and cost-effective analysis of milk. The milk analyzers measure the fat, non-fat solids, and protein composition of the milk.

**Accounting and Management Software**

AKASHGANGA has developed two software applications as part of their product portfolio. Both software packages’ are developed in local languages and have localization features, which makes it easy to port to any one of India’s fourteen main languages. *Rojmel* software is targeted to meet the accounting and management needs of village dairy cooperative societies.

**Product Development and Supply Chain**

SKEPL devotes considerable effort to understanding customer needs and introducing or modifying product and service offerings accordingly. Organizational decision-making for new product first requires approval by the board of directors. Responsibility for design, development, and introduction of the new product is then assigned to one of the four managing directors. All of SKEPL’s products and services are developed and manufactured in-house

**Pricing, Promotion, and Branding**

SKEPL customizes the Automatic Milk Collection Systems (AMCS) in a variety of configurations according to customer needs.

* Microprocessor-based AMCS without analyzer
* PC-based AMCS without analyzer
* PC-based AMCS with analyzer

Free trials are offered in order to demonstrate the value, convenience, and usability of the AMCS. The Company also makes efforts to ensure that current customers are satisfied. It provides intensive training in operating and maintaining its systems.

**Partners and alliances**

SKEPL has an alliance with ICICI Infotech Ltd., a large software consulting firm in India, aimed at joint marketing and business development. ICICI Infotech is promoted by ICICI Bank Ltd. The company has developed an integrated enterprise resource planning (ERP)/supply chain management software system that will seamlessly connect milk societies, milk unions, and milk federations on one technological platform.

**Challenges**

SKEPL has faced several challenges in its operations including initial customer resistance, difficult physical conditions, and lack of infrastructure in rural India. A key challenge for SKEPL was the need to sell the AMCS system to village farmers who are often reluctant to adopt new products and services until the benefit is proven to them. SKEPL also plans to provide Internet access to dairy farmers as well, enabling them to exchange e-mail and obtain information in local languages about market prices of milk products and dairy inputs, as well as general access to information on local hospitals, government offices, and educational institutions.

**Key lessons**

AKASHGANGA’s experience has shown that private sector enterprises like SKEPL can play an important role in providing poor communities with the benefits of appropriate technology solutions and, importantly, that they can do so profitably.

AKASHGANGA is an example of how information technology is being used as a catalyst for synergies between social development and business objectives. SKEPL demonstrates how the development benefits of improved efficiency and transparent and fair prices for dairy farmers can be combined with the business objectives of growth and profitability in a sustainable and mutually beneficial relationship.

Human resource development has also been an important developmental benefit of SKEPL’s operations. By hiring and training locally, AKASHGANGA has contributed to the development of human capital in rural areas. Unemployed youth have been able to earn livelihoods locally within their rural community instead of migrating to the big cities.

***Points for reflection- Answer in about 150 words***

1. What innovations are embedded in AKASHGANGA’s strategy?
2. Who are the intended beneficiaries of AKASHGANGA? What were the issues faced by them?
3. How does AKASHGANGA improve the rural economy?
4. Describe the social impact of AKASHGANGA.
5. List the factors that contribute to AKASHGANGA’s sustainability.