

## **BDS market development in the leather sub-sector, Rajasthan**

### **Follow up activities after the BDS MA – a brief report EDA Rural Systems Pvt Ltd, Gurgaon**

**By: Ashok Kumar**

EDA has been using the information and findings of the market assessment (MA) of business development services (BDS) to develop the BDS market for the leather sub-sector whereby artisans involved in making *jooti* and leather goods could obtain required BDS for increasing their income and profits and for ensuring the growth of their micro-enterprises. This brief report documents the use of MA information and findings to develop the BDS market and the progress made on different fronts.

The information and the findings from the BDS market assessment have been used for the following purposes

- ⇒ Identification of BDS to be promoted
- ⇒ Exploration of suitable intervention models for BDS supply
- ⇒ Identification of suitable BDS providers for the identified BDS
- ⇒ Attracting and encouraging BDS providers
- ⇒ Capacity building support to the identified BDS providers
- ⇒ Testing BDS delivery
- ⇒ Exploration of ways to promote the BDS and to increase the outreach of BDS provision

They are discussed below

#### **• Identification of BDS to be promoted**

The BDS market assessment identified 6 broad categories of BDS. They are indicated below with their respective demand levels in percentage

<b>BDS categories</b>	<b>Demand levels (%)</b>
Market links and information	77
Technology for better design and new products	67
Training and technical assistance	66
Sources of input supply	45
Servicing of tools and equipment	38
Assistance in compliance with norms/formalities	16

In addition to the above the categories of services, the demand for cross sector services like land transport, packaging, telecommunication and postal/courier used by leather artisans was also understood but the demand level of this service could not be estimated because of an overall low level of demand. Majority of these services (except transportation) are usually obtained by a small number of artisans who are very progressive in the sub-sector.

Each category includes specific BDS that leather artisans demand for the survival and growth of their enterprises. In the initial stages it is those BDS with relatively high demands from the leather artisans that are being promoted. These services include

- training and technical assistance
- market links and information
- technology for better design and new products.

- **Exploration of suitable intervention models for BDS supply**

After the identification of the three categories of BDS, EDA team brainstormed and attempted to explore appropriate and practical intervention models for different BDS. The criteria that guided the identification of the appropriate business models included the involvement of BDS suppliers from the private sector, adequate opportunity for revenue and profits generation from the BDS provision, higher level of acceptability of service providers among the leather artisans and sustainability and practicality of the models. Based on this, for the three categories of services the following have been adopted.

For the BDS related to market links and information, market agents who are already involved in selling *jootis* after buying from artisans are being encouraged to increase their outreach by covering more artisans in more villages. EDA is developing their capacity in taking up the sale of leather goods. It has been planned to visit a number of retail outlets including outlets like Lifestyle, Shoppers' Stop for knowing the latest trend in leather goods. In addition, entrepreneurs with potential both from the sub-sector and outside are being identified and it is planned to develop their capacity to undertake the sale the *jootis* and leather goods. For the information on exhibitions and fairs that are organised in different places from time to time, EDA has identified some exhibition organisers from the private sector. They organise exhibitions in different cities across the country. In the intervention model envisaged, EDA has identified 2-3 persons from the sub-sector who would make available the stalls in these exhibitions to artisans. The providers for this service would get commissions directly from the exhibition organisers for selling stalls on behalf of the exhibition organisers. The amount of commissions for the service providers would depend upon the number of stalls sold to artisans. The addresses and contact details of the identified exhibition organisers have been provided to the providers of this service. The service providers are in interactions with both the exhibition organisers and artisans to facilitate the participation of artisans in the exhibitions. EDA hopes that the providers for this service would offer other value added services including the types of leather products to be made for a specific exhibition and flexibility of sharing a stall by more than one artisan. It is to be noted that a number of artisans are coming forward to buying stall either on an individual basis or on a joint basis comprising two artisans who will share the cost of a stall.

For the BDS related to training and technical assistance, EDA has envisaged an intervention model where skilful leather artisans from the sub-sector would offer training services on *jootis* and leather goods production. EDA has involved a design institute, Indian Institute of Crafts and Designs (IICD) that will develop a design bank *jootis*. This institute will develop new designs on a regular basis and sell them to artisans directly or by involving other some persons.

For the BDS related to the technology for better design and new products, it is envisaged that this will be taken care of by service providers of training and IICD. In addition, EDA has

identified 2-3 persons who are being encouraged to buy designs from IICD and sell to artisans in villages. EDA plans to utilise other existing market channels like local *haats* (sandy) and suppliers of raw material and accessories for selling new designs. For the lasts (polymer as well as wooden) that are used in *jooti* making, EDA is in the process of identifying persons who can trade polymer lasts. A visit to a last manufacture in Noida (near Delhi) is also planned for this purpose to explore if an outlet in Jaipur can be established for polymer lasts. Two wooden last makers have been identified and they were taken to different villages to understand the demand potential for wooden lasts. These wooden last makers presently obtain small orders for wooden last from their outlet and sell. In the intervention model envisaged, EDA has planned to show the last makers the demand potential and use *haats* for obtaining orders and selling wooden lasts. In order to increase the availability of customised wooden lasts in the sub-sector, EDA proposes to train some entrepreneurs who could make such lasts and sell them.

- **Identification of suitable BDS providers for the identified BDS**

The process of BDS market assessment provided a good understanding on the potential providers for different BDS. While interacting with the existing suppliers for BDS, their views were obtained on how the BDS market for leather artisans could be made more vibrant. While interacting with artisans during the BDS demand assessment, some understanding was developed as to if they could supply some BDS to leather artisans. This was done with understanding their other skills and activities they are undertaking. For example, a few artisans are very skilful in making leather goods but they had not thought of selling this skill by becoming a commercial trainer. After interacting with them and making them understand the market potential for the training service, they showed great interest in becoming trainers and offering the service. Similarly, for the service related to market links and information those artisans who are very well serving the better markets (including Delhi and other cities) mainly with their own products were identified for providing this service to other artisans. With this, these service providers would provide better markets for products made by leather artisans with some commissions. For design related BDS, it was thought that some experts should be involved in the chain as it requires continuous innovations and market understanding. With this understanding IICD has been identified which is in the process of developing a design bank for the leather artisans. EDA is in the process of identifying more providers for different BDS and is also exploring the possibility of bundling different services together wherever required. For example, trainers who are offering services in making *jootis* and leather goods are also providing useful information on how to do costing and pricing of products, information on places to obtain required raw materials and accessories and potential markets for such products. EDA plans not to restrict the identification of suitable BDS providers only from the sub-sector but is identifying providers from outside the sub-sector as well if they are found capable and suitable for providing BDS to the leather artisans.

- **Attracting and encouraging identified BDS providers**

The findings of the BDS MA were shared with the identified BDS providers to enable them to understand the market potential for a service. Additionally, visits of identified BDS suppliers were organised to different villages and their interactions with artisans, the BDS users, were facilitated to enable them to understand the market potential. This was done to demonstrate the market potential for different BDS. For example, providers for training related services and the wooden last makers were taken to different villages in both the villages and their interactions with artisans were facilitated. These visits seem to be very

helpful for the identified BDS suppliers in not only understanding the potential markets for specific services but also in developing a initial rapport with artisans, the BDS users. In order to attract and encourage more providers for respective BDS, business plans are being developed so that they could understand the aspects like viability and profitability of BDS provision. It is expected that these business plans would also help in determining the efforts the BDS providers should make at different stages to be more competitive and profitable.

- **Capacity building support to the identified BDS providers**

The information and findings from the BDS MA has been very helpful in developing the capacity of the identified BDS providers in order to ensure that they deliver quality services with suitable features in an effective manner. The information collected on the quality of services being presently offered and the features that the leather artisans expect in those services has enabled EDA to determine the kind of capacity building support to be provided to the identified BDS suppliers. This information also helped in determining the kind of products to be offered to different sets of artisans in different villages, developing methods for delivering services, pricing of BDS for different set of artisans (depending upon their skill levels) and payment mechanism to be devised for the BDS purchase. For example, the BDS MA informed that training services that are mainly offered by government institutions lack quality and are not delivered in the ways that artisans demand. The trainers are usually not very serious on imparting the skills as they are not responsible to artisans but to the government agencies sponsoring the training programmes. Information on the costing and the pricing of products, sources of raw materials and accessories and information on markets for products are usually not an integral component of the training services offered by government agencies. Such information was used to develop training services by addressing these aspects to increase the acceptability of the service among artisans. The information on paying capacity of artisans and their working schedule in a year helped in devising appropriate delivery methods for the training service and the payment mechanism. Different training products have been developed for different set of artisans – an artisan can learn making better designed *jootis* and pay based on the number of designs learnt; the more designs he learn the more he will pay. Similarly, for training on the leather goods artisans would pay on the basis of number of leather goods that he would receive training on.

Capacity building support being provided by EDA to the providers of training products include

- Mobilising artisan groups in different villages (mainly with service providers) and motivating the artisans to take training in the production of *mojari* or leather goods or both.
- Monitoring the training programme to ensure the provision of quality service
- Providing information on new designs, upcoming markets, sources of quality input and organisations organising market fairs/exhibitions to service providers and artisans
- Assisting service providers in developing their business
- Assisting service provider in determining training costs and prices, training methodology and payment mechanisms
- Providing commercial orientation to service providers

- Enabling providers to promote service and generate business on their own with reduced dependency on EDA
- Addressing any significant issues of concerns of both service providers and service users (like negotiation of training price)

The following support are being provided to the providers of the market related service

- Linkage development with exhibition organisers from the private sector, retailers, exporters and wholesalers of products
- Provision of information on potential markets
- Promotion of service providers among artisans
- Improving negotiating skills of service providers

The principles guiding EDA's activities with respect to capacity building support to the BDS providers include – enabling BDS suppliers to deliver what the BDS users like to obtain and making them independent in all aspects of service provision and business generation.

- **Testing BDS delivery**

The BDS MA is being used to some extent to test the delivery of the developed training products. So far, three training programmes have been delivered on the basis of what artisans expects in them and improvements are being made to make the services more effective on the basis of feedback obtained from BDS users. The service related to the participation of artisans into exhibitions are in the progress and EDA expects that in a month time or so a number of artisans would be participating in exhibitions to be organised by private exhibition organisers. The progress on the other services to be promoted is to be made.

- **Exploring ways to promote the BDS and increase the outreach of BDS provision**

The understanding developed during the BDS MA coupled with further interactions with BDS providers for respective services are helping in exploring suitable ways to increase the outreach of BDS provision. The BDS MA informed that different training products are in greater demand so EDA is trying to increase more service providers. The providers for the training services are identifying agents in different villages to promote and sell the training services. In the process, at a later stage these agents could spin off and start the training service on their own. In order to increase the outreach further, EDA is in the process of developing brochures and pamphlets highlighting features and benefits of the training service and organise demonstrations at the Jaipur and village *haats*. EDA proposes to use existing market channels including *haats*, retail outlets to promote different BDS among potential BDS users. This methodology would also be used for promoting services related to design and the supply of wooden lasts.

### **Future plans**

EDA plans to increase the outreach of the provision of different services to the leather artisans by identifying more providers for respective services and developing their capacities on the basis of BDS MA to enable them to offer services in a more effective and competitive manner.