





**INTERNSHIP REPORT ON INTERNATIONAL CITIZEN SERVICE**  
**ENTREPRENEUR (ICSE) PROJECT OF VOLUNTARY SERVICE OVERSEAS**

**SUBMITTED TO:**

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**BRAC Business School**

**DATE OF SUBMISSION**  
**17<sup>TH</sup>, MAY 2015**



**BRAC BUSINESS SCHOOL**

**BRAC UNIVERSITY**



## **LETTER OF AUTHORIZATION**

Date: 17<sup>th</sup> May 2015

**Mr. Suntu Kumar Ghosh**

Assistant Professor

BRAC Business School

BRAC University

**Subject: Submission of Internship Report on Voluntary Service Overseas (VSO)**

Dear Sir,

I am a students of BRAC Business School, hereby submit the Internship Report on Voluntary Service Overseas (VSO) required for the completion of my Bachelors of Business Administration degree. I have followed every instruction you have provided and tried my best to ensure that all the information is authentic and relevant.

The report concentrates on the basic information and my major works done in Voluntary Service Overseas (VSO) as an intern. I hope that all the information and analysis provided within the report will be up to your expectations and will be glad to provide clarification to any inquiries you may have.

Thank you.

Sincerely,

ASIF IQBAL SHUVRO

ID - 11304013

## **ACKNOWLEDGEMENTS**

I would like to thank the Almighty for making the preparation and completion of this Internship Report possible.

Furthermore, I would like to thank our honored faculty, Mr. Suntu Kumar Ghosh, for his immense support and guidance for making this experience even more fruitful and worth the hard work.

Lastly, I would also like all the team members and VSO management authority for their continuous endeavor, dedication and hard work for making the assigned VSO project a success and enable me to accomplish this report possible in the end.

## EXECUTIVE SUMMERY

*This report is done as a part of my bachelors of business administration degree and helped me to understand the basic information and my major works done in Voluntary Service Overseas (VSO) as an intern. This report also facilitated with some understanding of the academic theories associated with the courses of BBA.*

*This report was conducted for the sole purpose of attaining greater practical knowledge on the activities done as an intern in Voluntary Service Overseas (VSO), and at the same time it is an essential part for the completion of my undergrad degree in BBA. This paper contains the basic information of Voluntary Service Overseas (VSO). Moreover, this report contain brief insights into the departments of Voluntary Service Overseas (VSO). The crucial and the most important part this report contains is the major activities done as an intern in the company. Furthermore, the corresponding learnings, findings and recommendations are also discussed in this report. These variables upon being deliberated further turn out to be the handful of factors of this report.*

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## *Origin of the Report:*

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For the fulfillment of the course BUS 400 Internship, respected teacher Mr. Suntu Kumar Ghosh has assigned the task to prepare an internship report on Voluntary Service Overseas (VSO).

## *Objective:*

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The main objective of the report is to help us to develop an understanding and insights of the major activities done as an intern in Voluntary Service Overseas (VSO).

## *Scope:*

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This report works only on the recent data collected from recent tasks done on the assigned project of VSO only.

## *Methodology:*

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Data has been collected for the report from mainly primary sources and very few secondary sources. The methodology I have used here are collecting primary data from the main responsibilities and information gathered while doing the internship in VSO, VSO website data and other relevant websites which played an important role to cover some of the aspects discussed here.

## *Limitations:*

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- 1) Tough to collect personal information.
- 2) Time is a limitation that would mostly with stands a comprehensive study on the topic selected.
- 3) Lack of communication due to strikes/hartals.



## *Introduction:*

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### **About**

Voluntary Service Overseas (VSO) is the world's leading international development organization that uses volunteers to fight poverty and reduce inequality.

VSO recruits professionals to work as volunteers, living and working alongside local populations in developing countries. VSO has sent over 50,000 volunteers to over 140 developing countries. As of 2014 VSO currently works in 35 countries in Africa, Asia and the Pacific.

VSO was founded in 1958 by Alec and Moira Dickson through a bishop's letter to the London paper, The Sunday Times, as an educational experience overseas for school-leavers, initially only male, before starting university. Volunteers offered unskilled help in return for basic accommodation and pocket money. In 1962, the practice changed to using university graduates volunteers.

By 1980, the unskilled volunteers had been completely phased out and the length of service had been extended to two years. Active volunteer numbers initially dropped to about 750, but by 2003 had returned to about 1,400. Since December 2004, applications to volunteer have been accepted from those between ages 20 and 75, who also must have at least two years' experience in their field. The average age of current volunteers is 38.

In the early 1990s, in order to meet growing demand for highly specialized and skilled volunteers from its partners in developing countries, VSO established partner agencies in Canada, the Netherlands, Kenya/Uganda (VSO Jitolee), and the Philippines (VSO Bahaginan). In 2004, VSO launched a partnership called iVolunteer Overseas (iVO) in India with iVolunteer, an existing volunteering program of MITRA, an Indian NGO. VSO's structure evolved to become an international federation which now includes Ireland, China and India as VSO Bangladesh as the above named countries. International volunteers are recruited through all of these bases, and they can be placed in any one of VSO's programmes (e.g. an Irish volunteer working in Nepal, or a Ugandan volunteer working in Tajikistan).

In 2011 VSO, in partnership with Lattitude Global Volunteering, Restless Development, Skill share International, Progressio, International Service and Tropical Health Education Trust

(THET) launched International Citizen Service ICS to provide volunteer placements for 18-25 year-olds. The group, funded by the Department for International Development DFID, now includes Raleigh International and Tearfund and will work with 3,000 volunteers annually across 60 countries.

### **Mission**

VSO's mission is to bring people together to fight poverty. VSO believes that it is only when people step forward – either as local, national or global citizens can lead to sustainable change happen. By enabling people and, in turn, their communities to play a more active role in development, volunteering provides the means through which the essential preconditions for sustainable change – ownership, participation, empowerment and inclusion – can be realized. VSO promotes volunteering as a powerful and practical way to tackle poverty and inequality.

### **Values**

- By thinking globally, the world can be changed.
- Progress is only possible by working together.
- Knowledge is our most powerful tool.
- People are the best agents of change.

### **Where VSO Works?**

During 2013/14 VSO had programmes in the following countries: Bangladesh, Burkina Faso, Cambodia, Cameroon, China, Ethiopia, The Gambia, Ghana, India, Indonesia, Kenya, Laos, Lesotho, Malawi, Mongolia, Mozambique, Myanmar, Nepal, Nigeria, Pakistan, the Philippines, Papua New Guinea, Rwanda, Sierra Leone, South Africa, South Sudan, Sri Lanka, Swaziland, Tajikistan, Tanzania, Thailand, Uganda, Vanuatu, Zambia and Zimbabwe.

VSO's international volunteers can be of any nationality, and applications are managed by recruitment partners in a number of international locations, including China, India, Indonesia, Ireland, Kenya, the Netherlands, the Philippines, southern Africa and the UK.

## **Funding of VSO**

VSO is generally funded by the donations of:

- Individuals
- Businesses
  - ✓ Accenture
  - ✓ Cocoa Life
  - ✓ Randstad
  - ✓ IBM
- National governmental bodies
  - ✓ UKAID funding from the Department of International Development (DFID)
  - ✓ Irish Aid
  - ✓ Australian Department of Foreign Affairs and Trade (DFAT)
  - ✓ Scottish Government
  - ✓ SVSO Swedish International Development Cooperation Agency (SIDA)
  - ✓ The Royal Norwegian Embassy
  - ✓ Swiss Agency for Development and Cooperation (SDC)
- Multilateral government agencies
  - ✓ European Union
  - ✓ Unicef
  - ✓ World Bank
- Trusts
- Foundations

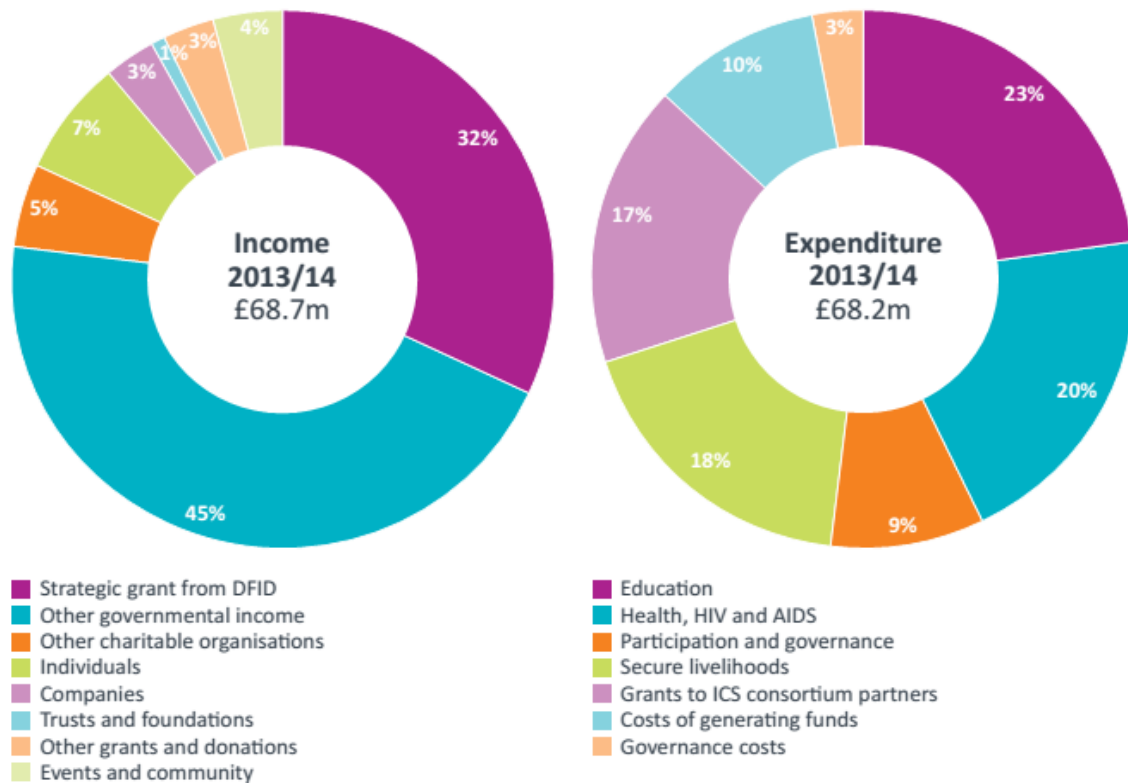


Fig: Income and Expenditures of VSO (2013/2014)

**About Voluntary Service Overseas Bangladesh (VSOB)**

VSO Bangladesh works in communities, sharing skills and experience with local people and organizations who can use them to help address poverty. Volunteers work directly with people’s organizations in a sustainable people-to-people approach, with the villagers themselves shaping and providing a focus for our work. Together, VSO Bangladesh seek to support disadvantaged groups to unite as active citizens with the capacity, confidence and platforms to participate in development.

VSO Bangladesh focuses on groups who are most excluded from the social and economic growth in Bangladesh and who are the least resilient to economic and environmental shocks. They include:

- Extremely poor or marginalized women, including widows, female agricultural day laborers, landless women, abandoned women, and impoverished mothers and women of reproductive age.

- Adolescents and youth, focusing on those in poor rural communities facing un/underemployment.
- Excluded groups, including indigenous communities, people living with HIV and AIDS and people with disabilities.

## *Departments:*

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### **Structure and Governance**

Voluntary Service Overseas (VSO) is a company limited by guarantee. VSO has three wholly owned subsidiaries: "VSO Trading Limited" (England and Wales), "British Executive Service Overseas" (England and Wales) and "Beijing VSO Consulting Company Limited", a Chinese-registered, wholly foreign-owned enterprise.

VSO's governing body is the International Board, currently comprising 10 trustees. The day-to-day management of VSO is carried out by the Global Leadership Team. The Global Leadership Team has operational oversight of VSO's global work. Each Global Leadership team member is responsible for an area of VSO's global operations, including finance, human resources and organizational development, and geographical management of Africa Group and Asia and Pacific Group.

VSO is part of the "VSO Federation", an international network of organizations that share VSO's vision of a world without poverty, in which people work together to fulfil their potential. The VSO Federation comprises VSO (operating as both VSO International and VSO UK), VSO Ireland, VSO Jitolee (Kenya), VSO Netherlands and VSO Bahaginan (Philippines). Each VSO federation member is a self-governing, not-for-profit legal entity. Each federation member (and VSO UK) has nominated a representative to the VSO Federation Council, an advisory body created to advise the International Board on matters relevant to the VSO Federation

## **Project Departments of VSO Bangladesh**

VSO Bangladesh works across different programme areas which are fully integrated in our planning. VSO Bangladesh develops alliances with other organizations, the government and communities to complement and add value to one another's work, for a comprehensive approach to tackling poverty in Bangladesh. VSO Bangladesh aim to reach at least 698,216 people directly by 2015. As the results are subsequently scaled up with our partners across the districts, the total reach will be at least 2.5 million impoverished and marginalized people. The thematic project departments are:

### ***Good governance:***

Good progress has been made in democratic governance in Bangladesh, yet much remains to be done to translate this into real improvement in areas such as living standards and social inequality. With support of our NGO partners and international volunteers, VSO Bangladesh build strong and effective people's organizations through our citizen committees and youth clubs, which represent and comprise of disadvantaged members of our target communities. Citizen committees are linked closely to local governance bodies, such as the Union Parishads to increase accountability, transparency in budgeting and decision-making, and effectiveness at fulfilling their mandate of service delivery and community development. Youth clubs focus on model villages to support the design, implementation and replication of initiatives, targeting specific drivers of local poverty which can be tackled through improved local governance.

### ***Sustainable livelihoods***

Thirty-six million Bangladeshis are chronically hungry, by 2050 this will have grown by 100 million more. Bangladesh is also extremely vulnerable to climate change and declining freshwater resources. Here technical skill in agriculture, animal husbandry and fisheries is low and marginalized farmers are poorly connected to marketing chains.

Our approach includes identifying and replicating community-designed innovations, such as diversification of agriculture and using water more efficiently, while taking into account local skills, resources, practices and challenges. VSO Bangladesh also bring in relevant ideas and practices from both the developing and developed countries through our international

volunteers. This is done by capacity building among local producers, both to establish market linkages, and to improve and diversify their livelihoods practices.

### ***Inclusive health rights***

Although Bangladesh has made promising progress in raising its overall health status and living standards, critical primary health problems persist. The country suffers from widespread childhood malnutrition, and has one of the highest rates of maternal mortality in the world. There is also a high incidence of preventable diseases, due to the lack of access to and information about sanitation, hygiene, nutrition and sexual health.

VSO Bangladesh work to improve quality of and access to rural primary healthcare services. Through the expertise of our healthcare volunteers, VSO Bangladesh will build technical capacity among targeted groups of community health workers, especially in maternal health and community clinics. VSO Bangladesh also build capacity among the youth clubs as peer educators in the areas of sexual and reproductive health, HIV and AIDS, nutrition, and hygiene and sanitation. VSO Bangladesh will support the activation of government health services, to increase local awareness of and access to the services available.

### ***My Department:***

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The departmental project I have worked under is called International Citizen Service Entrepreneur (ICSE) which is a pilot project of the International Citizen Service (ICS). International Citizen Service (ICS) is the UK's leading global volunteering programme for young people who want to do voluntary development work abroad. ICS brings together young people from different countries to fight poverty – with volunteers from the UK working alongside volunteers from the developing world.

ICS works with projects that have specifically requested our help – and where the energy and skills of young volunteers can make a direct impact. Each project is designed to fight poverty and make a lasting difference by working with local people to meet local needs.

Funded by the Department for International Development, ICSE is led by VSO, in partnership with a number of respected development organizations. All in-country projects are run by

partners with expertise in international and youth volunteering. Each partner is working towards three development outcomes:

- Project impact overseas.
- Volunteer personal development.
- Active citizens in the UK and overseas.

On VSO ICS's impactful development programmes, UK volunteers work with local volunteers, and a local community partner on a range of projects based on five core areas:

- Youth unemployment
- Education
- Youth leadership
- Health awareness raising
- Climate change

VSO offers ICS Entrepreneur (ICSE), projects based on supporting the growth of small businesses and entrepreneurs.

### **How the ICSE Project Works**

There is a group of 5 to 7 volunteers from the UK, supported by two full-time Team Leaders – one from the UK and one from the Bangladesh

We worked with international volunteers (UK), learning from each other and sharing ideas. We lived with a host family, who helped us integrate with the community and understand the culture.

We also helped to organize and take part in community action days, designed to address specific issues such as sexual health, hygiene and computer skills. This means we had a broader impact on the local community, beyond your specific project placement.

Throughout our placement we were supported by in country staff and will be equipped with lots of training before you leave too to make sure you are fully prepared.



## *Job Responsibilities:*

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### **Basic Project Information**

The ICSE project where I worked is a one year project consisting of three cycles of 3 months each based in Pairabondh Village, Rangpur Bangladesh and in the middle of the project we have to attend Mid-Phase review where we reviewed our project progress till the Mid-Phase.

The efforts of our project are threefold:

1. We are working to reduce female and youth unemployment by developing two handicraft businesses in the community. Our predecessors (cycle one volunteers) selected two entrepreneurs; our focus will be on the skill-development of these two entrepreneurs, selecting and training production workers, and on developing business plans.
2. All of our efforts in the community are focused around improving youth participation, primarily through the two Youth Clubs. We will be working to improve their capacity so they can continue the work after our ICSE project has concluded.
3. Throughout the project, we will be developing the skills and experiences of our team of ten volunteers so that they can be active citizens back in their own communities at the end of the programme.

## How we worked?

We always worked in sub teams and after two weeks there were team rotations around the major activities and our major activities consisted of:

1. Market Research.
2. Entrepreneur Reselection
3. Entrepreneur Development.
4. Production Worker Selection and trainings.
5. Business Planning.
6. Community Integration.

We had four sub teams to achieve the major activities that we had and the sub teams are:

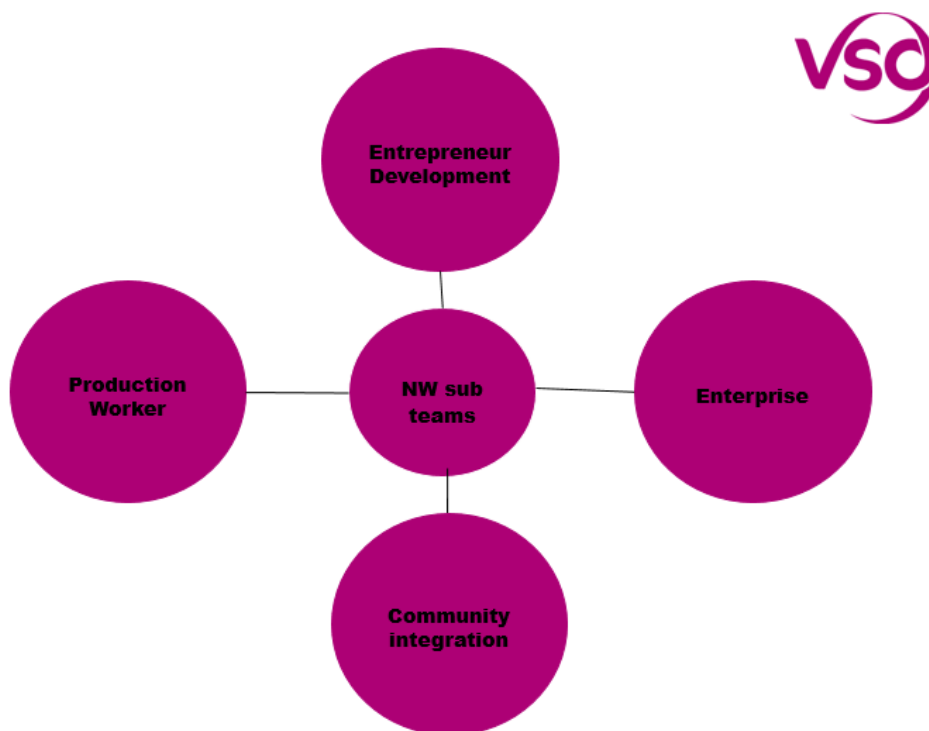


Fig: North West Sub Teams

## Major Activities

### *1. Market Research:*



## **North-West Market Research**



For market research, we conducted two waves of surveys reaching over 800 potential consumers. The objective of the first wave of surveys was to establish whether the products recommended were sellable, their product lines and to determine target markets. From the data analysis; we selected three products that showed the greatest potential. The objective of the second wave of surveys was to establish product features and design preferences that were in consumer demand. We conducted this research in areas most likely to reach our target audience to get the most reliable information. We conducted surveys at the largest academic institute in Rangpur, Carmichael College and targeted consumers in Rangpur city and local villages. The detailed market research and is given in the findings section of this report and the survey questionnaires can be found in the appendix of this research.

### *Supplier Interview Visit*

As part of our research we conducted an interview with the managing director /compliance manager of the largest handicrafts business in the Rangpur area - Classical Handicraft Products. The purpose of the interview was to acquire more information about the production process, cost of raw materials, potential suppliers/ demand and worker requirements.

The business is now one of the two main production houses in Rangpur, it was founded in November 2007; they mainly produce rugs in various sizes and colours. They are currently buying their materials (T shirt cuts from clothes factories,) in bulk from Dhaka at a cost of 18 -20 taka per 1kg. In regards to the various colours, the lighter material is more expensive than dark coloured materials but the lighter material is in higher demand.

They have 240 workers that work 6 days a week and produce an average of 50,000 rugs in a month. The price of one rug (60x90") is approximately \$1.19 but this ranges due to size and material quality. They are currently trialing the production of different bags and laptop cases using a jute substitute and the excess material they do not use for rugs. If they meet a certain criteria and recycle these unused materials, they receive cash incentives from the government, however the managing director suggested it was a risky market.

They export to Germany as there is no demand in Bangladesh for jute rugs. Although they claimed there is no minimum order, it is clear they are producing these rugs for wholesale export.

For unskilled workers the starting wage is 3,000 BDT plus healthcare and travel expenses. Instead of hiring trainers for new workers the more experienced workers train new workers in on -the-job training. Different designs of rugs take different times to produce, complicated designs take more time to produce, and for example 1 Jute clutch bag takes one day to produce.



Fig: A glance to the Classical Handicrafts in Rangpur





Fig: Sample Prototype Jutebags (Rucksack and Satchel)



Fig: Sample Prototype Interior Designs (Cusions and Lampshades)

## ***2. Entrepreneur Re-Selection:***

### ***Background***

One of the goals of the first cycle of the VSO ICSE project in NW Bangladesh was to select two entrepreneurs from two local youth clubs in Payrabondh. The first cycle selected two candidates: Romana from Chowdhury Youth Club and Anarul from Bazlur Rahman Youth Club. Following their selection, the two entrepreneurs were invited to a learning visit in Sylhet with VSO ICSE volunteers.

### ***Issue***

During the learning visit in Sylhet, Anarul (Previous selected entrepreneur) was alleged to have smoked marijuana in his accommodation. It is believed that he lost consciousness and the volunteers were unable to gain access to his room. Out of concern for Anarul's safety, the police were called. The following morning, Anarul left the learning visit without informing anyone and returned to village. Subsequently, a number of unsubstantiated rumors have been circulating in the village regarding the conduct of VSO ICSE volunteers and the other entrepreneur. As a result of Anarul's behaviour, Bazlur Rahman Youth Club has cancelled his membership and his conduct has raised serious questions about his suitability as an entrepreneur on the VSO ICSE project.

### ***Investigation***

We delegated the task of investigating these claims, deciding on an appropriate course of action, and selecting a new entrepreneur if necessary; this was supervised by the Team Leaders and Project Officer. The team began by meeting with Anarul at the PJKUS (partner organization) office where he had an opportunity to express his views on the situation in Sylhet. Anarul confessed to having consumed marijuana on the learning visit, although he claimed he had been pressured by VSO ICSE national volunteers. He also admitted to leaving the learning visit without informing anyone but denied spreading rumors about the VSO ICSE volunteers. He stated that he was willing to accept the conclusions of the volunteers' investigation and any subsequent action.

We then invited representatives from both Youth Clubs to present their views on the situation. The Youth Clubs submitted written statements to the effect that Anarul's membership had been

revoked following the consumption of illegal drugs and his subsequent behavior in Sylhet and Pairabondh.

Following a discussion with the whole VSO ICSE NW team, it was decided that Anarul behaviour was not compatible with the values and ethos of VSO ICSE and that he was not suitable to be one of the project's entrepreneurs. Anarul was invited back to the PJKUS office, where he was presented with the Youth Clubs' statements and was verbally informed that he could no longer continue as a VSO ICSE entrepreneur.

### ***Re-Selection***

We decided to select a new entrepreneur by initially referring back to the entrepreneur interview assessment results from the first cycle. They selected the three candidates from Bazlur Rahan Youth Club with the highest interview scores: Golap with a score of 45, Tajul Islam with a score of 34, and Mosaddeka with a score of 31. All three of them were invited for an interview, which the volunteers had compiled to assess the candidates' attitudes and ethics. The interview included questions on the candidates' other commitments, whether they were still interested in being an entrepreneur and several scenario-based questions on how they would handle situations they may face as an entrepreneur.

We conducted successful interviews with both Golap and Mosaddeka. Golap came across as calm and confident during the interview and he provided some good answers to the scenario questions; he achieved an average interview score of 35.66 out of 45. Mosaddeka also interviewed well, scoring an average of 27 out of 45. However, it became clear both prior to and during the interview that Mosaddeka did not have the support of her family, who were concerned about Mosaddeka's safety and future if she continued with the VSO ICSE programme, as a result of the rumors about VSO ICSE. Unfortunately, despite being informed of his interview in good time, with several reminders, Tazul Islam failed to arrive at the allocated time. When subsequently contacted by a volunteer, he behaved in a very unprofessional manner and he said that he no longer wanted to be an entrepreneur.

We discussed the interview results with the rest of the team, the Team Leaders and the Project Officer. The team concluded that Golap would be the most suitable candidate for the entrepreneur position. He achieved the highest scores on both interviews and he had presented himself well in all interactions with the volunteers. Moreover, Golap has been involved with various volunteering activities with VSO and PJKUS for the last four years. He has very good

leadership skills as he is the president of Bazlur Rahman Youth Club. The volunteers are confident in his ability to run and potentially expand the business through marketing and networking in the future.

### ***Code of Conduct***

Both entrepreneurs were then invited back to the PJKUS office to sign the Entrepreneur Code of Conduct, in both English and Bengali so it could be easily understood by all parties. The Code of Conduct ensures the entrepreneurs understand the behavior and attitude expected of them by VSO ICSE and holds them to account. The Code of Conduct can be found in the appendix of this report.

|  |   |
|--|---|
| <p><b><u>Name:</u></b> Najmul Huda Golap<br/> <b><u>Born:</u></b> 1986, Pairaband, Rangpur<br/> <b><u>Marital Status:</u></b> Unmarried<br/> <b><u>Siblings:</u></b><br/>           Two younger brother and sisters<br/> <b><u>Parents:</u></b><br/>           Father: Nurul Islam<br/>           Mother: Mosammad Golinur Begum</p>  | <p><b><u>Name:</u></b> Rumana Khatun<br/> <b><u>Born:</u></b> 10<sup>th</sup> July, 1994, Pairaband, Rangpur<br/> <b><u>Marital Status:</u></b> Married<br/> <b><u>Husband:</u></b><br/>           Shariful Islam<br/> <b><u>Siblings:</u></b><br/>           one brother<br/> <b><u>Parents:</u></b><br/>           Father:<br/>           Rafiqul<br/>           Islam<br/>           Mother:<br/>           Sajeda<br/>           Begum</p>  |
|--|---|

Fig: Details of the two final entrepreneurs.



### ***3. Entrepreneur Development:***

We arranged four types of training for the development of the entrepreneurs.

These trainings aimed to help our entrepreneurs brush up on any skills they think they may need. There were four initial training areas identified. The entrepreneurs were also present for the extensive production worker development training provided by the production worker team. In all of the training sessions that Romana, our female entrepreneur was invited to, her husband Shariful was invited and later he attended too where we arranged snacks for everyone who was at each training session. In addition, all of the session venues were selected according to the preference of the trainers.

The four training areas were:

- Public Speaking
- Mentoring
- Basic Business Management Training
- Finance Training

#### ***Public Speaking Training***

Firstly, we arranged a public speaking session specifically for Romana. Golap decided he did not want to take part as he is already a good public speaker. The session lasted for approximately 40 minutes. The session was conducted on the rooftop of PJKUS office. We gave poems for Romana to read whilst standing in front of a small audience. The aim of the session was to help Romana develop her confidence, stage presence and body language. Constant feedback was given to Romana during the session. The session was successful as Romana demonstrated good skills and there were only a few minor things she needed to think about regarding her body language and movement whilst she was delivering speech.

#### ***Personal Mentoring***

Our second training was also especially for Romana. We arranged an informal mentoring session for Romana with Shahin. Shahin is a female entrepreneur and assistant chairman of the Women's Chamber of Commerce. We took Romana to Shahin's shop where the mentoring session took place. The idea was to give Romana a chance to engage with an influential established female entrepreneur and a potential positive role model. Romana's husband was

also invited to the session to give Romana support. We wanted Shahin to help Romana with her confidence, inform Romana of the realities of being a female entrepreneur and the commitment required to make her jute bag business a success.

The trainer honorarium was TK 600 for a single 2 hour session.

After one session of mentoring for Romana, we received feedback from Shahin that no further sessions were required in the meantime but Shahin would be happy to take more mentoring sessions in the future if required.

### ***Business Management Training***

The third training we arranged was business management training. Our trainer was Zahangir Kabir, a business management lecturer from Begum Rokeya College in Pariabond. The training took place from 31<sup>st</sup> March to 2<sup>nd</sup> April in a class room at Begum Rokeya College in Pairabond as it was the trainer's preference and he was comfortable conducting the session there. Three days training session were delivered with a duration of 2 hours per session. He covered topics around:

- How run a business effectively
- How to sustain a business
- Profitable business strategies
- How to manage the workforce, including motivation and team building.
- Organizing work and the business
- Decision making

The trainer honorarium was TK 1500 for all 3 days of training.

We questioned both entrepreneurs once the 3 day training was complete to get their feedback about the training session and the trainer Zahangir Kabir. Both entrepreneurs gave the trainer a five out of five which means they found he was an excellent mentor. Both entrepreneurs also said that the topics the mentor covered were relevant. They also learnt new things that they did not know before the training which would be helpful for them to run their business.

### ***Finance training***

The fourth and final training we arranged once the business management training was complete was finance training. Our trainer was Omar Farouque, an assistant professor of accounting at Begum Rokeya University. The training took place from 4<sup>th</sup> April to the 6<sup>th</sup> April at Begum Rokeya University in Omar Faruque's office as it was his preference and he was comfortable conducting the session there. Three training sessions were delivered with a duration of 2 hours per session. We took the entrepreneurs, Golap and Romana along with Romana's husband and one youth club member from Bozlor Rahman youth club. The mentor covered topics around the financial aspects of running a business as well as the trainer covered basic account management for a business. This included:

- Basic Accounting methods for a sole proprietorship
- Finance Management
- Profitable business strategies
- Organizing finances
- Financial forecasting

The trainer honorarium was TK 2000 for all 3 days of training.

We questioned both entrepreneurs once the 3 day training was complete to get their feedback about the training session and the accounting and finance trainer Omar Farouque. Both entrepreneurs gave the trainer a five out of five which means they found he was an excellent mentor. They also gave the finance training a five out of five. Both entrepreneurs also said that the topics the mentor covered were relevant and that they learnt new things that they did not know before the training which would be helpful for them to run their business.

### ***Entrepreneur Handbook***

We also completed an entrepreneur handbook which details various mentors for legal, production HR and clients. It also covers legal aspects and requirements for running a business which could be helpful for the entrepreneurs. The hand book has an English version and a translated Bangla version which can be found in the appendix of this report.

#### 4. Production Worker Selection and trainings:

##### **Production Worker Selection and Basic Training:**

14<sup>th</sup> march, 2015 to 16<sup>th</sup> March 2015, we conducted three days of “Basic Training” in the Begum Rokeya Complex. The training covered basic production process including sewing, cutting and shaping. In three days we facilitated basic training for thirty production worker candidates, fifteen from Chowdhury Youth Club (CYC), Khordomuradpur, and fifteen from Bazlur Rahman Youth Club (BRYC), Sodorpur. There were 26 female and 4 male candidates in total. The candidates were nominated by their youth clubs as members interested in becoming production workers.

During the basic training days, our trainer, Koli Apa also helped us to assess and highlight the best candidates. An interview session as conducted for each candidate by ICS members and our entrepreneurs and we asked some basic question to gauge their interest, capabilities and confidence about this business.

We selected fourteen female workers from the 30 candidates. Although the project target was only to select 12 workers, two additional workers were selected in anticipation of drop outs.

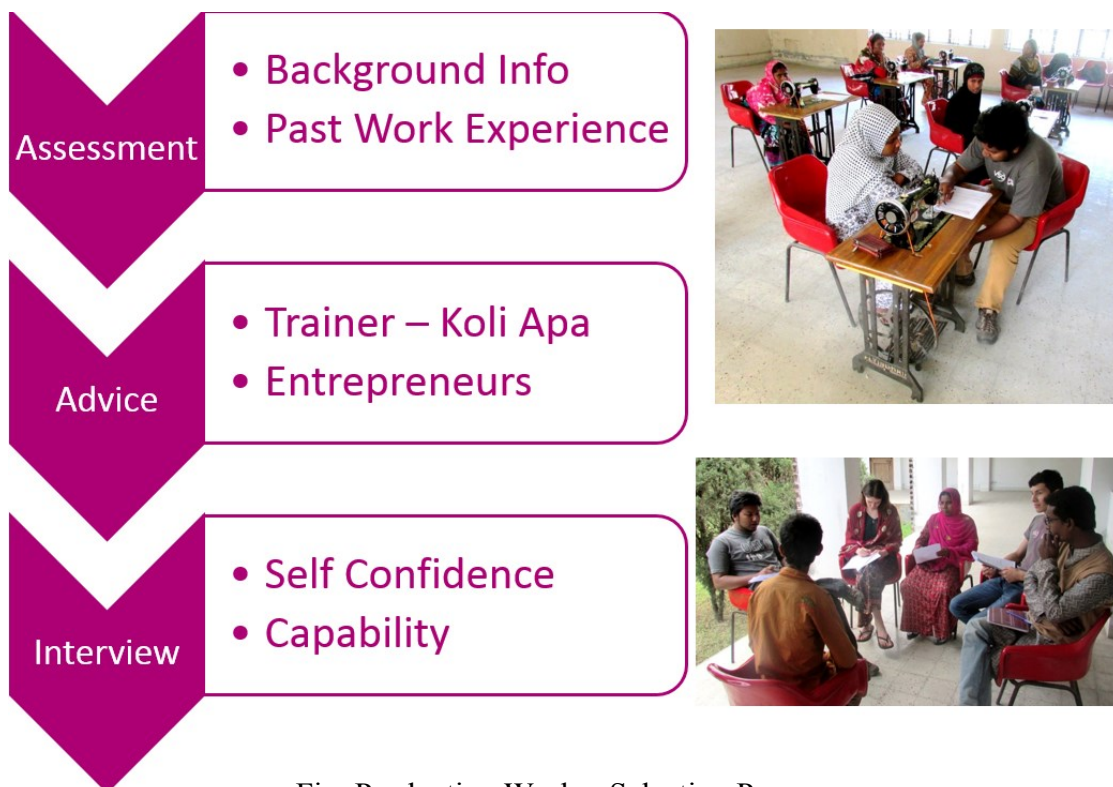


Fig: Production Worker Selection Process

### ***Intensive Training:***

#### ***Venue***

once the 14 workers were selected from basic training we needed to provide a more comprehensive and thorough training. For long term training venues we decided on BRYC, and Rayhan (CYC president's) house. The agreed price to rent the room in Rayhan's house was 2000 BTK (1000 BTK for rent + 1000 BTK to cover electricity costs). BRYC came free of charge with 1000 BTK to cover electricity.

#### ***Trainers***

We selected 3 trainers for the intensive training, all 3 of who are highly experienced in their field of expertise: Romana's business has Koli Apa delivering jute bag training while Gulap's business has Mala Apa leading on lampshade training and Shahin Apa leading on cushion training. Mala and Shahin are both present in each other's training for mutual support.

We agreed to pay both Mala Apa and Shahin Apa 18,000 BTK for 20 half days of training, with Koli Apa being paid 23,000 for 20 half days training including use of her assistant.

Production workers will be paid 225 BTK per day (120 BTK per half day). The legal minimum is 4500 per month for a full time worker in training, to work out a daily wage we divided that into 20 working days, then halved for half days. Please note legal minimum salary is raised to 5300 BTK when a worker is not in training.

#### ***Training Materials***

The purchase committee needs to be called whenever drawing from the Start up Grant. The Project Officer, Ziaul Haque, is responsible for calling the purchase committee together. We organized a purchase committee meeting to arrange the purchase of all non-perishable materials to come out of cycle 2's start up grant, all these materials can be used in the production house's created by cycle 3. It is important to be aware that the fans, floor mats, ceiling mats and electric wiring were all budgeted for from this budget and do not belong to BRYC/Rayhan's family (there is a spreadsheet that can be found reflecting these purchases in the team laptop in folder 'production worker training') and will be moved with all the other production materials to new production house when created.

### ***Project Impact Questionnaire***

To measure the impact our project and this training has had on the lives of our production workers and entrepreneurs, we distributed a questionnaire to them within the first few days of training regarding finance, nutrition, health and self-confidence. We also created a similar questionnaire including all questions from the first with extra questions concerning employability, thoughts on the project and lifestyle change. **This second questionnaire is to be conducted at the end of cycle 3** as we think this would be a great way to measure the positive change (if any) that we have had on the primary beneficiaries of this project. The results of the first and the template for the second questionnaire can be found in the team laptop in a folder named ‘Monitoring & Evaluation’.

### ***Continuation of Training***

The training we have arranged will continue till just before cycle 3 arrive in the field. We, our trainers, entrepreneurs and our production workers all feel that further training will be necessary in cycle 3. Shahin Apa and Mala Apa suggested that their trainees would benefit from a further 3 month training specifically on tailoring and sewing as this will allow the workers to make a larger variation of products for Golap Bhai’s interior design business. While 3 months may be excessive, we strongly recommend that cycle 3 start thinking of arranging some form of additional training as soon as they get into the field.

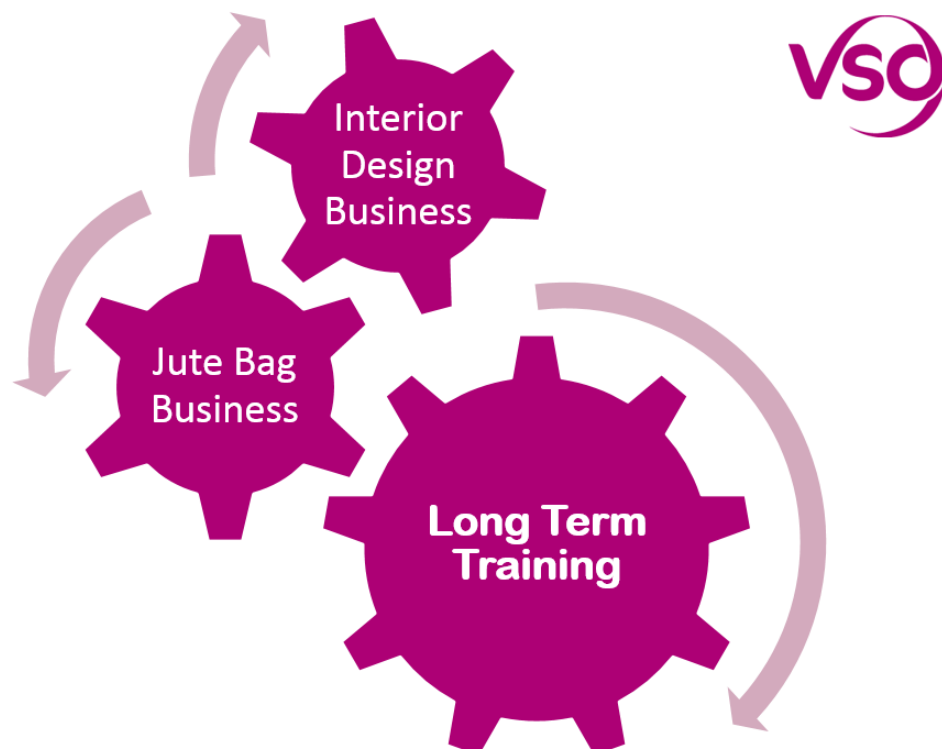






Fig: Final Selected Production Workers and Trainings.



### ***5. Business Planning:***

We created a comprehensive business plan for each entrepreneur. In the business plans we formulated a business strategy as accurately as possible. We talked about the main business, product description and features, potential markets and marketing strategy. We also covered the legal area of this business – legal requirements and the business structure. We also included possible suggestions for the operation plan and production process of the business. Also, in the SWOT & PESTE analysis we figured out some factors that might impact on the business. Risk factor is a crucial part of this report where we find out some risks involved in this business so that the entrepreneurs can take precautions to face them. We created prototypes of the products to check our findings and work out the approximate unit cost which we then included in the finance section of the appendices. One of the main purposes of this business plan was to give the entrepreneurs a clear idea about the businesses.

Once the business plans were completed we conferred with the team and the entrepreneurs to find out if there was anything that could be improved. Both the business plans can be found in the appendix of this report.

### ***6. Community integration:***

In the part of community integration we have successfully completed three community action days (CAD) and two active citizen days (ACD). The main objectives of CADs are to address any issues faced by the community and taking necessary steps to solve the issues together with the youths of the community. ACD's main aim was to address the insights of the important aspects of the culture of Bangladesh and the learnings from them. The details of the CADs and ACDs are given below:

#### ***CAD 1: Youth Club Integration***

The aim of this CAD was to improve the décor of both Chowdhury and Bozlur Rahman Youth Clubs (YC) and to integrate all the YC members with the VSO volunteers and improve the working environment for both the YC's and VSO. To complete the CAD we needed 4 VSO volunteers and 4 YC members who had the responsibility of sourcing the materials and decorating the Youth Club. It was estimated the CAD would take three days to complete, however due to some damp walls it was not finished in time so the YC took the responsibility



of finishing it off. Overall we found this CAD successful in terms of integrating the YC members with the volunteers; however, some of the YC members lacked motivation to help when we had organized time with them. We found some members a lot more willing than others, and as a team successfully worked together in the decoration.

### ***CAD 1: International Mother Language Day***

International Mother Language day is an observance held annually on 21<sup>st</sup> February worldwide to promote linguistic and cultural diversity. The day is in remembrance of the deaths of many who were shot and killed in Dhaka for protesting against the decision of the ruler of Pakistan. It's a very symbolic day for Bangladeshi people. On this day we organized a memorial event that would improve relationships with the volunteers and community members. This involved a rally and a public speaking. It also involved volunteers placing flowers to show respect to the language martyrs. This CAD was seen as a success as we promoted the VSO ICSE project with the local community.

### ***CAD 2: Education is the Path to Success***

According to UNDP, the mean number of years of education in Bangladesh is 4.6 years for girls and 5.6 for boys. In order to get our message across about the importance of young children staying in education, we decided, with the help of the youth clubs, to do a CAD with the local BRAC school children. We planned to do activities which we thought would engage the mixed audience we had of young BRAC school children and their guardians which were public speaking, a drama on the importance of education and a drawing activity for the children. This CAD took place on 03 March 2015 and was conducted in the Begum Rokeya complex in Pairabond, Rangpur. The outcomes were; Spreading the message of the importance of education, Encouraging children and their guardians to think about career alternatives made possible through education and ultimately encouraging more children, especially girls, to continue on to secondary school education. Some challenges we faced were timing as it took a long time to plan such a successful CAD and communication issues.

### ***CAD 3: Livestock Management***

A training session was arranged on 25<sup>th</sup> March 2015 for our third and final Community Action Day (CAD). The session fundamentally consisted of basic things to know about domesticating the domestic animals such as cow, sheep, hen etc. A descriptive training

on the disease prevention, vaccination methods, food habits of animals etc. Was provided. In total, thirty-five volunteers from both Choudhury and Bozlur Rahman Youth Clubs were present as well as the VSO ICSE volunteers. Training was conducted from 9 am to 4 pm and two professional trainers were present.

In the next day, 26<sup>th</sup> March, there was the follow up vaccination giving event for the domestic cows of the community. The community people were aware and invited by intense mic-ing throughout the community on 25<sup>th</sup> March afternoon. The vaccination giving event was conducted from 7 am to 9 am in the morning of 26<sup>th</sup> March 2015. There were 108 participants, in total 168 cows! All of the cows were successfully vaccinated in collaboration with the Youth Clubs and VSO ICSE Volunteers.

To conclude, the CAD 3 was very helpful for the people of the community and it was an effective way to integrate the community people together making the whole event a huge success.

### ***ACD 2: Independence Day of Bangladesh***

March 26 is the national Independence Day of Bangladesh. This day is celebrated all over the Bangladesh and also all over the world. It commemorates the country's declaration of independence from Pakistan on late hours of 25 March 1971 and the start of Bangladesh Liberation War in 1971. The day is a memorial to the deaths of thousands of innocent civilians who died in the subsequent Bangladesh Liberation War. For the ACD we wanted to develop active citizens who are aware of the significance of independence both in Bangladesh and globally. In order to accomplish this we set up a cultural show consisting of several activities; guided discussions, history lessons and sporting activities. The ACD was seen as a success because the discussion motivated the YC members and youth of the society. All activities were organized by the Youth Club members and monitored by the UK volunteers.

## *Learnings:*

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The key learnings of the project were:

1. Conducting market surveys in local rural markets to gather information for the market research.
2. Analyzing the survey responses and making reports in order to conduct the market research.
3. Undertaking market research for the enterprise developments for two handicraft entrepreneurs.
4. Leading and managing teams in the field; worked to create two model villages through sustainable development to improve livelihood opportunities in the surrounding areas.
5. Formulating and implementing effective strategy across different teams; Formulated and put into place detailed strategy on training handicraft entrepreneurs.
6. Human resource learnings gained by the selection of in total 14 production workers by evaluation, basic training and interview.
7. Acquired the knowledge of arranging basic training of 30 potential handicraft workers and longtime intensive trainings for final 14 production workers.
8. Communication and building interpersonal relation; learned to integrate local youth club members together with volunteers from the United Kingdom to promote quality of life and actively motivated community.
9. Preparing business plans, analyzing the handicraft markets in Rangpur and considering the scopes and risk a business strategy was formulated as accurately as possible.
10. Financial planning and budgeting.
11. Writing program proposals.
12. Cross cultural learnings; learned about the UK culture and values of the western world.
13. Enhanced English skill one step further; by working alongside the UK volunteers the proficiency in English has developed drastically.

## Findings:

### Market Research and Survey findings:

#### Product feature data analysis and findings for Student market

As part of our market research, we took questionnaires to Carmicheal College in order to survey a large student population. As identified in our previous research, Students make a large potential market. The purpose of this research was to establish product features and design for both Interior design business and Jutebag business. In total 278 students took part in the survey. We analyzed the data and have summarized below the students preferences for each product.



Fig: Sample Designs for Jute Bags and Interior Designs

### *Jute Bag*

The students were asked to choose their preferred bag type, rucksack or satchel. 61% of the students chose rucksack and 39% chose satchel. We recommend using the rucksack as the main product and the satchel as a potential side line product.

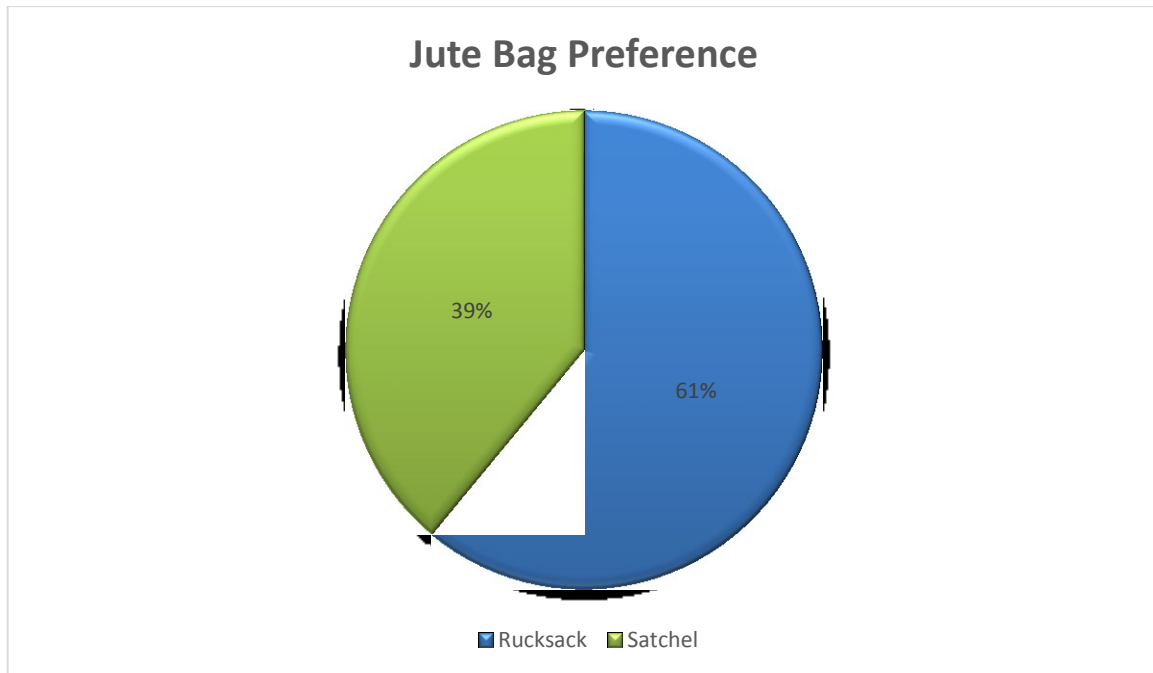


Chart: Jute Bag preference statistics

Below are some features that should be included in the bag:

- Medium size (25L)
- Requires Top Handle
- Combination fastenings
- Both Padded straps and back
- None-jute protective bottom

Color in order of preference

- Bright
- Dark

Pocket preference in order

- Side
- Front
- Inside Pockets

Product feature preference in order

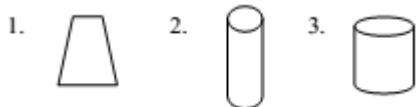
- Waterproof cover
- Water bottle compartment
- Stationery Compartment
- Laptop/ file compartment

Pattern preference in order

- Plain
- Stripes
- Handicraft
- Modern

***Lampshade***

Shape preference in order



Material preference in order

- Cotton
- Linen
- Parchment/paper

Pattern preference in order

- Plain
- Floral
- Check

Color preference in order

- Natural
- Bright

Decoration

- Tassels
- Embroidery

***Cushions***

When we surveyed the students, we asked them if they would only buy the cushion cover excluding the cushion pillow. 67% said they would only buy the cushion cover and 33% said they would buy a cushion with the pillow included. We recommend offering the cushion pillow as an optional product. We also discovered that the cushions can be sold as a set and individually.

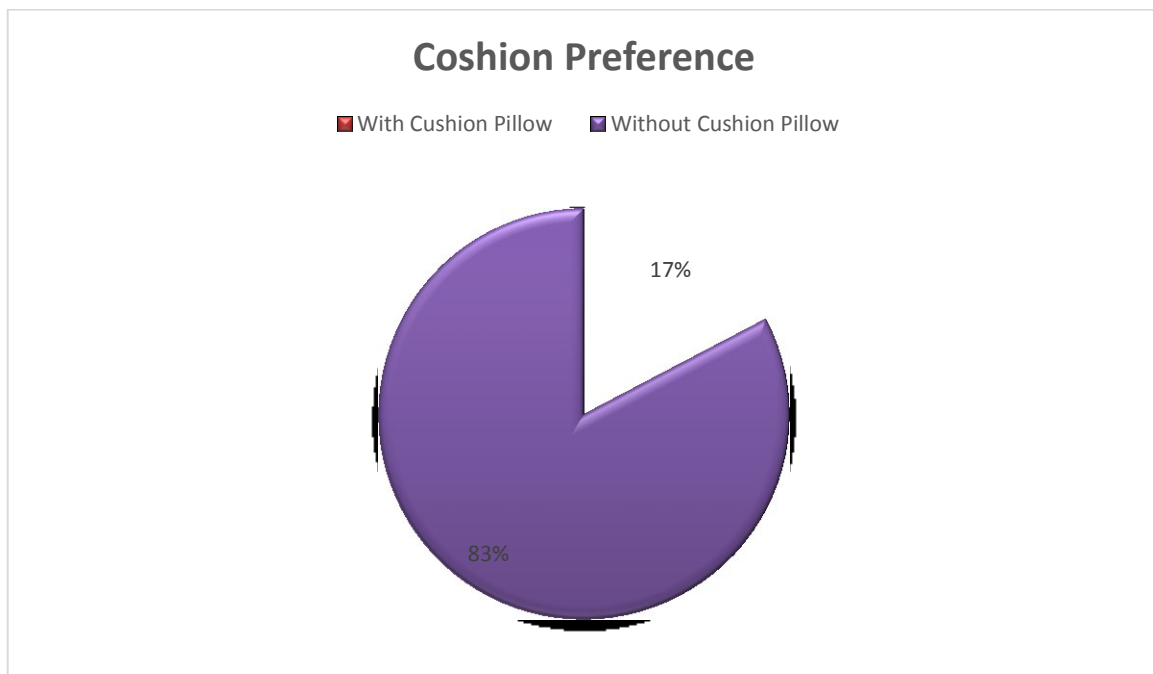


Chart: Cushion preference statistics

Shape preference in order

- Square (by far most popular)
- Circle
- Rectangular

Pattern preference in order

- Plain
- Floral
- Check

Material preference in order

- Cotton
- Silk

Size of preference in order

Medium (20")

Small (14")

Decoration preference in order

Sequin/Beading  
Embroidery  
Patchwork

Colour preference in order

Bright  
Natural  
Dark

As part of our market research, we asked the students whether the students could find use for a floor cushion in their home. 58% of the students said yes they would which opened up a potential side product for the business.

***Product feature data analysis and findings for other markets:***

Some of the products have more than one market. For example in the interior design business, cushions and lampshades also attracted consumers 30+. In the jute bag business, parents were the target market for the Jute school bag and the general shopping public for the grocery bag. In order to find out product features for these markets, as they may differ from the student market, we had to conduct surveys in the Rangpur city area. More than 200 surveys were completed.



### Jute school bag

For the jute school bag, only parents were surveyed as they would be the prime targets to buy the product for their child. The average age of the participants was 36.

The consumers stated their preferences for the children's bag:

- Rucksack but potential satchel market
- Medium size (15 L)
- Top handle required
- Combination fastenings
- Both padded back and straps
- Non- protective jute bottom

#### Colour in order of preference:

- Bright
- Dark

#### Pockets in order of preference:

Front  
Side  
Inside  
Front

#### Product features in order of preference:

- Waterproof compartment
- Name tag
- Tiffin box compartment
- Water bottle compartment

#### Pattern features in order of preference:

Modern  
Stripes  
Handicraft patterns  
Spots

### Cushion 30+

It was found that consumers over 30 would only buy the cushion cover and not the cushion pillow. The average age of participants was 35. Below are the participant's preferences:

- Medium sized and small sized (Medium slightly more popular)
- Made from cotton

#### Shape in order of preference: Square and Circle

## *Recommendations:*

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1. Ensuring involvement of Youth Club members in-
  - Local community activities.
  - Ensuring their company for any kind of outgoing activities.
  - Participation in team decision making.
2. Fix a schedule two days' notice for any meetings.
3. In meeting asking youth club members for their ideas first about community integration activities and related issues.
4. Translating all the project workings in Bangla for the Entrepreneurs and Youth Club members.
5. Ensuring Youth Club members to improve to learn English and UK Volunteers to improve Bangla.
6. Interacting with Youth Club members as much as possible.
7. Promote any achievement of the project along with project objectives in a leaflet and pass it on in the community.
8. Provide news letters in Bangla to some tea stalls, homes or in notice boards
9. Ensure number of female UK volunteers as the same as the number of national female volunteers.
10. To have dedicated members of Youth Club team to work with ICSE where continue to provide good support and feedback via team leaders.
11. Review the number of project that Youth Club members are involved in so that they can give time for ICSE project.
12. More involvement and support from regional co-coordinator to improve relationship with Youth Club.

## *Conclusion:*

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Finally, in conclusion I want to say our most valuable experience. It may sound a bit informal but I think it is a risk worth taking. The report continued with its insights, both theoretical and practical approaches, research methodologies, potential handicraft customers' perceptions and expectations, their preferences and has reached all the way to the end. Information that I have gathered is very little but the experience of gathering all the information is priceless. It may be little but it is valuable information. The most valuable information was able to the sense the intensity of the rural markets in the future. How consumers view point can be immensely important for startup businesses. Consumers are smart, savvy, emotional, and they are sensitive. Most importantly, now I know that to survive in the handicraft industry proper communication, relation and caring for consumers is a must.

Last but not the least there is no denying Voluntary Service Overseas (VSO) is doing a great job. They were able to reduce poverty from past decade. They are trying to come up with better solutions as they think for the community and people and hopefully will continue in the future.

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**Appendix 1.0 (Entrepreneurs Code of Conduct)**

**VSO ICS ENTREPRENEUR CODE OF CONDUCT**

As an entrepreneur selected by VSO ICSE, I agree to abide by the following code of conduct at all times.

1. No consumption of drugs and alcohol.
2. Abide by the rules and regulations of VSOB and its partner organization, PJKUS.
3. No discrimination on any grounds including race, gender or social status.
4. Treat employees with respect at all times and ensure Bangladesh Labor Code is observed.
5. No form of harassment, sexual or otherwise, will be tolerated.
6. Full commitment and co-operation to the VSO ICSE project.
7. Ensure transparency and accountability for all actions.
8. Proper utilization and efficient use of resources is necessary with minimal wastage.
9. No form of corruption or violence will be tolerated.
10. In the event of an unsuccessful venture, it will be the youth clubs' responsibility to make a decision on how to proceed with the business. The youth club may choose to take over the responsibilities of the business.
11. In the event of a violation of the code of conduct, the entrepreneur and the youth club will take the necessary decisions and actions to resolve the issue.

ENTREPRENEUR

WITNESSED BY

NAME:

NAME:

SIGNATURE:

POSITION:

DATE:

SIGNATURE:

DATE:

**Appendix 1.1 (Entrepreneur Re-Selection Questionnaire)**

ICSE Entrepreneur Selection-2015,  
Pairaband, Mithapukur, Rangpur, Bangladesh

Candidate Name:

Score:

Assessor Name:

1. Why do you think you will be suited for the position? Tell some specific attributes that you have which will be beneficial for you as an entrepreneur.

Score:    1    2    3    4    5

2. Do you currently have any commitments which may affect your role as an entrepreneur?

Score:    1    2    3    4    5

3. VSO will help you with initial startup resources. However, you may have to invest your own savings or take a loan. You will be responsible for your investments. Do you agree with the term?

YES \ NO

4. Scenario: You have to select one of two applicants with the same skills, score and education. One difference between the two candidates is that one of them is male and the other is female. Who would you choose and why?

Score: 1 2 3 4 5

5. Consider a scenario where you took a business decision in a hurry as you were busy with other arrangements. This decision turned out to be a poor one and has badly affected your production. What can you learn from this mistake and what will you do to prevent a similar situation in the future?

Score: 1 2 3 4 5

6. One of your production members has harassed another member. A conflict has occurred amongst the workers. What is your action against the harassment issue? And how will you educate the rest of the members about VSO's code of conduct?



Score: 1 2 3 4 5

7. What action would you take if you or one of your production members breaks the code of conduct or VSO rules?

Score: 1 2 3 4 5

8. Your production is moving at a very slow rate. How will you motivate your production members improve productivity?

Score: 1 2 3 4 5

9. Suppose you are selected as an entrepreneur. Consider the scenario where VSO volunteers are making suggestions to you with the intention to help your business. However, the suggestion doesn't match with what you are planning to do. How will you handle the situation?

Score: 1 2 3 4 5

10. Suppose, you are offered better price for your product without paying the govt. taxes and at the same time a strike is going on. Will you sell your product? Why or why not?

Score: 1 2 3 4 5

**Marking Criteria:**

- 1- Very weak response or demonstration of skill.
- 2- Weak response or demonstration of skill.
- 3- Average response or demonstration of skill.
- 4- Strong response or demonstration of skill.
- 5- Very strong response or demonstration of skill.

## Appendix 1.2 (Entrepreneurs Handbook)

### VSO Entrepreneur Handbook

## Legal

### 1.1. Mentor Details

Name: Anisur

Position: UP Chairman Secretary

Phone Number: 01720334064 (Reja UP Chairman – 0172627915)

Expertise: Labour Law, Low level consumer law, Minor village court happenings:  
Frequent land disputes, rare wage disputes

### 1.2. Trade License Criteria

- National ID Card
- Nature of Business
- Business must be legal
- Processed at UP
- Takes 1 Day to process
- Valid for 18 months
- Valid all over Bangladesh
- Costs 200 BDT

### 1.3. Wages & Hours

Minimum wage for Bangladesh – 5,300 BDT p/m

Maximum legal hours – 8 hours p/d

Maximum overtime hours – 4 hours p/d

Minimum full time hours – 6-8 hours p/d with one day p/w no more than 5 hours work

Average Wages in local area:

- City – 300 BDT p/d (not handicraft specific)
- Village – 200 BDT p/d (not handicraft specific)
- Handicraft – No less than 350 BDT p/d

Salary based pay is a more structured pay system with more benefits.

Wage based pay is an hourly based pay and has fewer benefits.

**Difference in legal rights of salary based and wage based employees**

### 1.4. Worker Benefits

#### **Maternity Leave**

- Salary – 6 months full pay
- Wage (hour based salary)– 6 months full/half pay (business discretion)
- No doctor fees must be reimbursed

### **Sick pay**

- Salary based employees- pay + medicine as prescribed by a doctor
- Wage based employees- no pay, no medicine (if condition is severe medicine + minimum wage)
- **Does piece rate pay count as Wage based pay?**

### **Education**

- You cannot take a student out of any education they have started at any level as a worker, if they can manage studies and work simultaneously this is fine.

## **1.5. Business insurance**

- Business insurance is mandatory
- Insurance covers only damage to physical assets, not medical fees
- Insurance is based on businesses capital
- If injured at work it is the business's responsibility to cover medicals fees as prescribed by a doctor. Business themselves, not the insurance companies, are legally obliged to cover full pay of salary based employees or half pay of wage based employees while employee is off work sick.

## **Production Process**

### **2.1. Mentor Details**

Name: Shariful Islam

Position: Floor Manager

Phone Number: 01705837521

Expertise: Tailoring, Computer Skills, Sewing, Mechanical Operations

#### Mentor Details

Name: Angura Begum

Position: Factory owner

Phone Number: 01957893592/01932171280

Expertise: Knows production of 300+ Jute designs & lampshades, cushion covers, rugs/mats & bags

### **2.2. Factory/workshop based production process**

- Production house – easier for manager to regulate product quality and process. This is the preferred method for managers.
- Experienced factory workers paid by the piece
- Inexperienced factory workers paid monthly salary
- Waste in factory is all stored for future projects (recycled materials can be used as design)

- Have all workers under one roof, in a good working environment
- Can return home easily at the end of the day/domestic issues

### 2.3. Home Production

- Home production – more freedom for the worker
- Only big waste pieces of waste retained in home production
- Home workers paid by the piece (gives them time at home to fulfil other domestic responsibilities)
- Home workers work from samples

### 2.4. Machinery needed

- Sewing machine
- Cross-Cutter **for what**
- Hand-weaver **for what**
- Overlock is used for complex sewing and is a must when using Linen
- When using leather a different needle is needed for both manual and electric sewing machines

### 2.5. Jute Grocery Bag

**Factory production** - 10 Stages to production, fastest possible time is 12 minutes

**Home production** - 1-2 hours to produce for experienced worker

### 2.6. Jute School Bag

**Factory production** – 17-20 stages to production, Experienced workers could produce in 15-20 minutes, inexperienced workers 1-2 hours

**Home production** – 1 day to produce

### 2.7. Interior Products (Cushions/Lampshades)

**Factory Production** – Experienced worker – 3/4 products per day

### 2.8. Quality Control Methods

- In factory inspector checking bags for imperfections before sent to the shop
- Retailer independently checking in-store, rectifying any mistakes on site

## HR

### 3.1 Mentor Details

Name: M.D. Zahangir Kabir

Position: Begum Rokeya College Business Management Lecturer

Phone Number: 01733180148

**Expertise:** Enterprise management, consulted for local area businesses, profit maximization, personnel motivation, mobile banking.

### **3.2 Bookkeeping**

- Businesses in the local area tend to make up their own basic book keeping systems. Those who are illiterate can hire a book keeper for 3,000TK a month
- Businesses with a longer business cycle (more than one month turnover period) will need to use the more complex debit/credit book keeping system

### **3.3 Profit & Tax**

- The business will need to pay profit based tax once it registers with the Union Parishot
- Information on income tax can be found at the Income Tax Office (Kor Bobon) which is situated in Rangpur opposite the Jilai school. **CORRECT NAME OF SCHOOL**
- When the business starts making profit it should keep approximately 5-10% of profit as expendible capital.
- **NEED TO FIND OUT MAXIMUM AMOUNT EARNT FOR INCOME AND BUSINESS TAX BEFORE YOU HAVE TO PAY ANY TAX!!!!**
- **WHAT IS THE TAX RATE ONCE YOU START PAYING**

### **3.4 Loans & Microfinance**

- Microfinance loans are the only option for entrepreneurs with no land to be mortgaged
- The interest on microfinance loans are higher than bank loans

### **3.5 Working Wages, Conditions & Hours**

- **MINIMUM & AVERAGE WAGE NEEDED**
- Average work hours are normally 8 hours per day
- Sometimes including an hour lunch break **IS THIS MANDATORY?**
- During festivals businesses may pay workers paid a bonus or give presents
- X1.5 more pay for overtime is the legal minimum, but in practise it is negotiable

### **3.6 Female workers**

- Women tend not to want to work overtime
- Attitudes towards working women has changed and family or general society is more supportive
- Women like to work near their home in order to better manage domestic emergencies

### **3.7 Potential Worker Benefits**

- In Rangpur NGOs are providing free health services to labourers (such as Care Bangladesh). It may be worth investigating whether this service can be accessed.
- **OTHER BENEFITS???**

## Clients

### 4.1 Mentor Details

Name: Angura Begum

Position: Factory owner

Phone Number: 01957893592/01932171280

Expertise: Knows production of 300+ Jute designs & lampshades, cushion covers, rugs/mats & bags

### 4.2 Export

- No demand in Bangladesh
- European market values handicraft products higher than locals
- Angor Begum's bags sold at 1200 BDT to contacts in Rangpur City (CHP, RDRS, World Vision & Karupolli)
- Bags then sold in bulk to Europe



**Appendix 1.3 (Market research survey questionnaire)**

|   |               |                   |                      |
|---|---------------|-------------------|----------------------|
| Location:<br>ঠিকানা:  | Age:<br>বয়স: | Gender:<br>লিঙ্গ: | Occupation:<br>পেশা: |
| Product: Jute Bag and Cushion<br>পণ্য: পাঁটের ব্যাগ   |               |                   |                      |
| Do you like this product? (আপনার কি পণ্য পছন্দ হয়েছে?)   |               |                   |                      |
| Would you buy this product? (আপনি কি এই পণ্যটি কিনবেন?)   |               |                   |                      |
| How much would you pay for the product if it met your needs? (আপনার মতে এই পণ্যের মূল্য কত হওয়া উচিত ? ) |               |                   |                      |
| Where would you buy this item? (আপনি কোথা থেকে এই পণ্যটি কিনে থাকেন?)                                     |               |                   |                      |
| Which of the designs pictured do you prefer? ((আপনার কোন ডিজাইন টি পছন্দ হয়েছে? কেন ? )                  |               |                   |                      |
| Would the product be useful to you? Why? (এই পণ্য ব্যবহারে আপনি কি ভাবে উপকৃত হবেন? )                     |               |                   |                      |

What similar products do you already own? (ইতোমধ্যে আপনার এরকম কি পণ্য আছে ?)

Who do you think is most likely to buy this product? (এরকম পণ্যের ক্রেতা কারা হতে পারে এবং কেন?)

Do you think this product has other possible uses? (এই পণ্য আর কি কি কাজে ব্যবহার হতে পারে আপনার মনে হয়? )

Additional Notes: (মন্তব্য)

## **Appendix 1.4 (Business Plan for Golap's Interior Design Business)**

### **1. Introduction**

#### **A. Executive Summary**

This is a traditional production business specializing in applying classical handicraft styles to contemporary interior products. It offers a stylish range of lampshades and cushions to consumers who value the importance of styling their home. The business is a sustainable cottage industry working towards women empowerment. It will be a small dedicated workforce trained by industry experts with over 20 years' experience. It's main target market is students and adults aged 30+ in Rangpur City and surrounding villages. There is potential growth for this business as it will generate repeat custom from customers and consumers which could make it one of the top businesses in the industry. There is also opportunity to target international markets through larger production houses in the Rangpur area.

#### **B. Personal Profile**

Golap is an entrepreneur in the interior design sector. From an early age he established strong leadership qualities and was recently selected as president of his village's local youth club; Sodorpur Youth Club. His main goal in life is to start his own business. The VSO ICSE project is helping him to fulfill his dreams. In addition he wants to engage himself in social works and is passionate about working with active cultural organizations. Finally he plans to see his business expand and address the issue of unemployment. Through this business he wants to help the disadvantaged women of his community, this will help generate employment and economic development.

### **2. Description of the Business**

#### **A. What is The Business?**

The business centers on the production of unique handicraft interior products. It will be innovative with its product selection, seeking out gaps in the interior design market which other businesses have not identified. It will seek to create a distinctive selection of Lampshades & Cushion products having recruited local women who have been trained by mentors with over 20 years of experience in the industry. The business will seek to meet the demands of local and wider markets by fusing traditional Bangladeshi artisanship with contemporary practical products. One of the businesses core objectives is to produce locally sourced products.

#### **B. Statement of Aims and Objectives**

- To establish a sustainable social business with the underprivileged people of the local community.
- To boost the economy of the community as the profit of the business expands demand to employ more production workers will grow.
- To produce ethically sourced handicraft products.

- To develop a network of buyers.
- To train the local village people into skilled production workers; decreasing unemployment, targeting women.
- To expand the business by selling products to further domestic and international markets.

### **C. Products**

The business will focus on two main start up product lines; Handmade lampshades and cushions designed to meet the desires of local Bengali consumers in the North-West region. This business will have the opportunity to expand by developing other product lines within the interior design market.

### **Interior design business product lines**



### **D. The Market**

The business will be based in Rangpur city where the handicraft sector is particularly strong, meaning good access to relevant raw materials and potential buyers for handicraft producers. The handicraft sector is steadily growing in Bangladesh and the government has shown a keen interest in making the sector more economically viable, making it highly appropriate to start a small business venture in this market. The business has two main target markets in North-West Bangladesh: the local people of Rangpur city and in the villages of Pairabondh area. This business will also work as a third party production house to larger handicraft businesses that export to meet the demand of international clients.

## **3. Business Operations**

### **A. Legal structure**

#### **Sole Proprietorship**

Sole proprietorship is the simplest form of business structure in Bangladesh. It is suitable for very small single-owner type business that does not carry any risks. Unlike a private limited liability company, a sole proprietorship does not provide limited liability protection and your personal assets are not protected from business risks.

### Sole-Proprietorship – Key Facts

- A sole proprietorship in Bangladesh does not constitute a separate legal entity therefore it is not distinct from the owner/ proprietor. The business owner is personally accountable for all liabilities incurred during the course of the business.
- Any Bangladeshi citizen of at least 18 years of age is eligible for a sole proprietorship.
- A local commercial address must be provided as the business address for the sole proprietorship.
- Profits of the sole proprietorship are treated as income of the individual who owns the entity, thus it is subjected to a tax rate as that of personal income.
- As a Bangladesh sole proprietorship is not a legal entity, it cannot register another business firm.
- Sole proprietorships do not need to audit their accounts as any profits will be taxed as personal taxes.
- A Trade License is the basic requirement for proprietorship, this needs to be renewed annually.

### Sole Proprietorship Advantages

- **Ease of setting up:** It is the easiest and least expensive business structure to set up.
- **Owner Control:** As a sole proprietor you are in complete control of all the business affairs including decision making.
- **No profit sharing:** You accrue all income generated by the business.
- **Ease of termination:** Terminating a sole proprietorship is easier, less time consuming and less expensive than other business entities.
- **Least compliance requirements:** You are free of the obligation of filing returns annually and only need to renew your membership every year.

### B. Legal Requirements

A trade License is the basic requirement for proprietorship and needs to be renewed annually.

### Documents Required and Registration Procedure

In order to register a sole proprietorship business in Bangladesh, at first, under Upzella Community the business has to be registered in Upzella office. The entrepreneur only needs National Identification Card to submit along with 200/- BDT to the office. The form is available in the Upzella office and it will take two days to complete the procedure.

The following documents/information are required:

- Proposed business name in Bangla
- Description of principal activities
- Local business address for the proposed business in any commercial area.
- Lease/Rent Agreement or title deed for the office address.
- Copy of National ID for the owner.

## Worker requirements

- In the contract agreement, salary, working hours and duration of employment need to be clear.
- Payment of salary need to be cleared within the first week of the month. (Depends on the entrepreneur how they pay their workers according to the contract.)
- Workers will get holidays according to the holiday policy of the Bangladesh government.
- Workers have to submit a written application two days before they need temporary leave for any circumstance.
- For final recruitment the employer must provide an “Offer Letter” to potential employees.
- For dismissal, employer must give two warnings to the employee and then on the third warning the employer can dismiss that employee without notice.
- Under the Bangladesh labor act the workers will work maximum eight hours with a lunch break of one hour.
- According to the Bangladesh government there are five working days in a week (Sunday-Thursday). In Private sector there are six working days in a week (Saturday-Thursday). (Depends on the entrepreneur how they schedule their working days according to the contract.)

### Maternity Leave

- Salary – 6 months full pay
- Wage (hour based salary)– 6 months full/half pay (business discretion)
- No doctor fees must be reimbursed

### Sick pay

- Salary based employees- pay + medicine as prescribed by a doctor
- Wage based employees- no pay, no medicine (if condition is severe medicine + minimum wage)
- If a potential worker has started education at any level, then they cannot be taken out for the purpose of employment unless they can manage both simultaneously.

### Wages & Hours

Minimum wage for Bangladesh – 5,300 BDT p/m

Maximum legal hours – 8 hours p/d

Maximum overtime hours – 4 hours p/d

Minimum full time hours – 6-8 hours p/d with one day p/w no more than five hours work

### Average Wages in local area:

- City – 300 BDT p/d (not handicraft specific)
- Village – 200 BDT p/d(not handicraft specific)
- Handicraft – No less than 350 BDT p/d

### **Business insurance**

- Business insurance is mandatory
- Insurance covers only damage to physical assets, not medical fees
- Insurance is based on businesses capital
- If injured at work it is the business's responsibility to cover medicals fees as prescribed by a doctor. Business themselves, not the insurance companies, are legally obliged to cover full pay of salary based employees or half pay of wage based employees while employee is off work sick.

### **C. Production Workers**

Through basic training, seven production worker were selected from 30 based on suitability, commitment and skill. These workers will be the driving force of the business adding their imagination, passion and work ethic to the overall vision of the business.

These worker will go through 10 full days off intensive training covering all the skills needed to create the products. These workers can represent women development in the community by inspiring local woman to be more independent. When the business expands, the entrepreneur can continue to hire local women from the pool with the basic training experience.

### **D. Data Collection and Analysis**

**PEST Analysis – See Appendix B.i**

**SWOT Analysis – See Appendix B.ii**

## **4. Marketing**

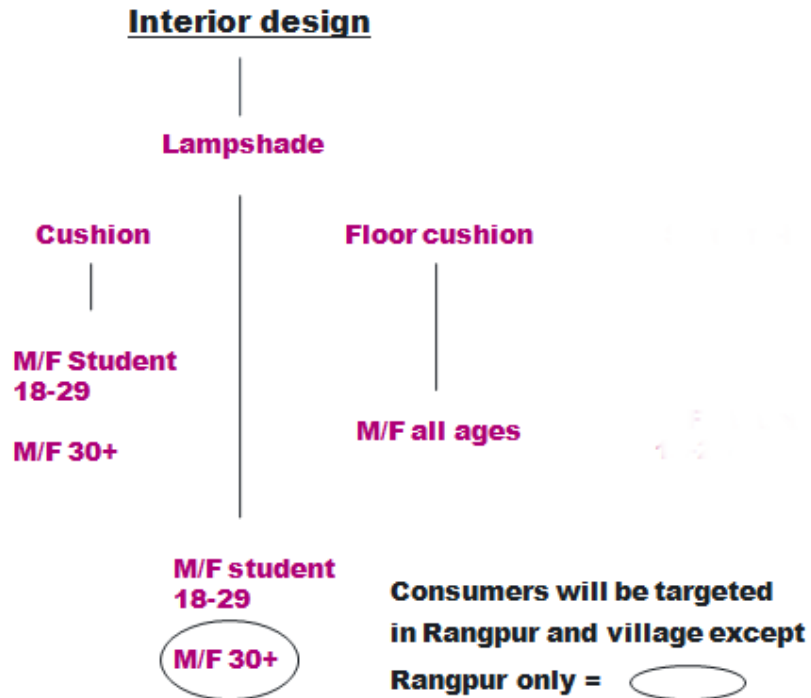
### **A. Research**

For market research we conducted two waves of surveys, reaching over 800 potential consumers. We targeted two potential markets; University and Rangpur City. The objective of the first wave of surveys was to establish potential products and their target markets; from this we selected the main product lines for the business. The purpose of the second wave of surveys was to establish product features and design preferences for this business. First we took questionnaires to the largest academic institute, Carmicheal College (Rangpur) in order to survey a large student population. As identified in our previous research, Students make a large potential market. We also found that these products attracted consumers aged 30+ so we conducted surveys in the Rangpur city area, in order to find out product features for these markets as they may differ from the student market.

When we surveyed the students, we asked them if they would only buy the cushion cover excluding the cushion pillow. 61% said they would only buy the cushion cover and 39% said they would buy a cushion with the pillow included. We recommend offering the cushion pillow as an optional product. We also discovered that the cushions can be sold as a set and individually. It was found that consumers over 30 would only buy the cushion cover and not the cushion pillow.



# Target Markets



See Appendix A for product preferences.

## B. Sales Strategy

## C. Advertising

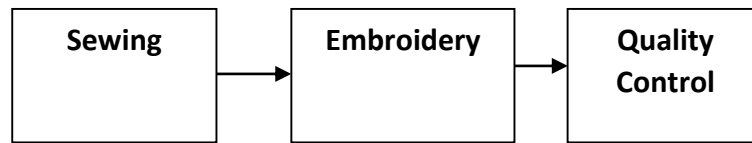
## 5. Operations Plan

### A. Production House

#### Potential Space:

- Golap has available land he owns next to his home in Sodorpur to build on. This means that once the production house is built the building will become an asset to his business.

### B. Production Process



The Business will be base its operation on block work. The main production team will split up into pairs. From the pairs, one worker will sew and the other worker will do embroidery. The finished product will be passed to the entrepreneur for quality control inspection. The entrepreneurs' main role will be overseeing production and dealing with the business needs.

For the production process two production house experts gave their views regarding the production process – Angora (Jute business manager) and Shariful (Jute rug factory manager).

*See appendix A iii for production process interviews.*

## 6. Management and Organization

In a sole proprietorship business pattern, there is only one owner who will run the business. The business follows this business pattern. The entrepreneur is the head of the business and, under him there are seven production workers. There will be a team of mentors available to help the entrepreneur in decision making and further business advice. The mentors are unpaid contacts ready to support the entrepreneurs, the entrepreneur will be involved in the everyday running of the business including accounting, HR, sales, marketing and networking.

## 7. Risks

- **No separate legal entity:** Golap is inseparable from his business. This makes him financially and legally responsible for all debts and legal actions against the business.
- **Unlimited liability:** Creditors may sue him for debts incurred and can also obtain a court order to claim against his personal assets, including his property.
- **No corporate tax benefits or incentives:** Taxes are determined at his personal income tax rate and he does not enjoy special tax benefits that are available to a private limited company.
- **Limited capital:** Capital is limited to his personal finances and the profits generated by the business. Thus, business expansion is limited and difficult.
- **Low public perception:** This entity is the least preferred for serious businesses as nobody would be willing to lend him large sums of money. It is also difficult to attract high-caliber employees, or senior level executives who usually look for a more advanced form of business structure such as a private limited company.
- **Sale/transfer of all or part of the business:** He can transfer the business only by the sale of business assets.

## 8. Appendices

### A. Product Description

#### i. Cushions

A selection of hand embroidered cotton cushions. Optional to buy cover separately. Targeted for home use; seat/bed and floor cushion.

Features: Selection of different colors with hand rendered designs.

Material: Cotton, Thread and cushion filling.

##### Material preference in order

- Square (by far most popular)
- Circle
- Rectangular

##### Decoration preference in order

- Sequin/Beading
- Embroidery
- Patchwork

##### Pattern preference in order

- Plain
- Floral
- Check

##### Material preference in order

- Cotton
- Silk

##### Colour preference in order

- Bright
- Natural
- Dark

##### Size of preference in order

- Medium (20")
- Small (14")

#### ii. Lampshade

A range of handmade contemporary lampshades targeted for home use. Incorporating traditional Bengali handicraft with modern designs.

Features: A range of colors available in a selection of shapes.

Material: Cotton, paper, iron rodding, and wire.

Material preference in order

- Cotton
- Linen
- Parchment/paper

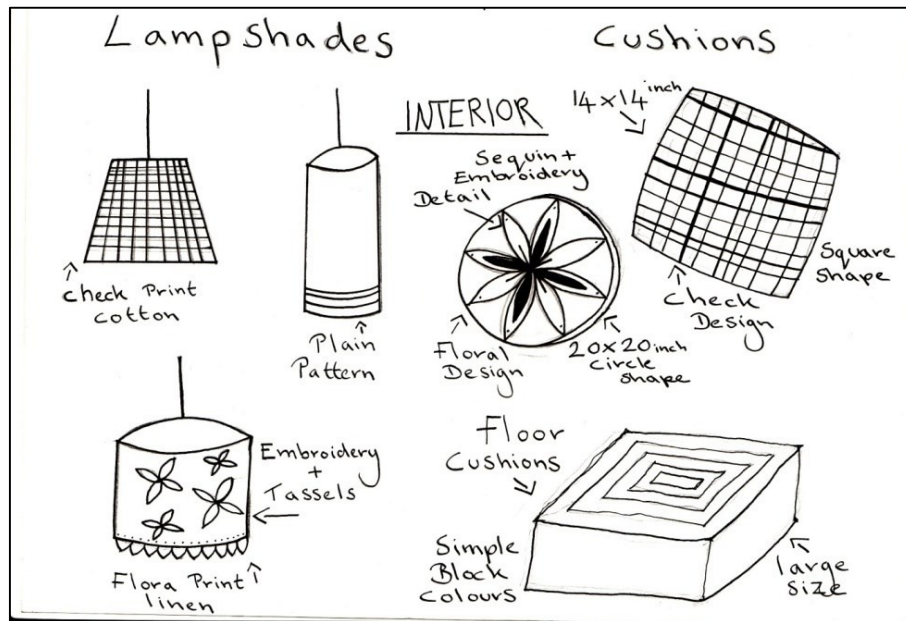
Color preference in order

- Natural
- Bright

Pattern preference in order

- Plain
- Floral
- Check
- Decoration
- Tassels
- Embroidery

## Sample Drawings



### iii. Production Process:

#### Angura's View (cushion and lampshade samples) -

1. How long did each product take to make?
  - 2 – 3 days dependent on experience and motivation
2. How long to make for untrained worker?
  - Dependent on skills developed in training
- How much material used/ left over (wastage)?
  - 3 gotch cotton to produce 3 large cushion, 1 gotch per cushion/ little wastage
3. How to re-use wastage material?
  - Used as cushion stuffing
4. Process; individual/line?
  - Individual production process is the best way to increase skill set
5. Supply process?
  - Central station/ individual
6. Worker pay in relation to production process?
  - Pay per piece, monthly to keep motivated
7. How was lampshade produced?
  - Structure made from iron rod held together by metal wire. Wrapped in art paper and cotton for outside
8. Where to source iron rod for lampshade structure?
  - Bappistore. HarriPotti
  - Note- Angura can help entrepreneurs to sell their product.

#### Shariful's view –

1. How much material used/ left over (wastage)?
  - Additional design /off cut waste material

2. How to re-use wastage material?  
- *As Designs on cushions*
3. Process; individual/line?  
- *Production line, each worker focus on one part of product, then switch over, once all worker have skill on each part go onto an individual production line*
4. Supply process?  
- *Central station/ **individual***
5. Worker pay in relation to production process?  
- *Monthly salary until worker are skilled enough to create individual product, then move onto pay per*

#### iv. Product Sample Dimensions

Cushion (small) Height 14inch Width 12.5inch  
 Cushion (large) Height 20inch Width 19inch  
 Cushion Cover (large) Height 21 inch Width 21 inch  
 Lampshade Height..... Width.....

## **B. PESTE and SWOT Analysis**

### **i. PESTE**

|   |  |
|---|--|
| <p><b>Political</b></p> <p>Tax Policies</p> <p>Employment Laws</p> <p>Hartels and strikes</p> <p>Handicraft Laws</p>          | <p><b>Economic</b></p> <p>Economic Growth</p> <p>Taxation</p> <p>Underdeveloped economy</p> <p>Fluctuating market</p> <p>Competition</p>           |
| <p><b>Social</b></p> <p>Fashion/Trends</p> <p>Income Distribution</p> <p>Demographics</p> <p>Culture and family tradition</p> | <p><b>Technological</b></p> <p>Energy Use and Costs</p> <p>Advances in technology</p> <p>Power cuts</p> <p>Production rate;business operations</p> |

|  |  |
|--|--|
|  |  |
| <p><b>Environment</b></p> <p>Tropical climate;</p> <p>Flood,</p> <p>Heat</p> <p>Storms</p> <p>Dust</p> |  |

**ii. SWOT**

|  |   |
|--|---|
| <p><b>Strength</b></p> <ul style="list-style-type: none"> <li>• Specially Trained worker</li> <li>• Workers incorporate traditional Bengali culture and product</li> <li>• Entrepreneur Network</li> <li>• Specialist mentors</li> </ul> | <p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• Worker commitments</li> <li>• Potential poor product quality</li> <li>• Lack of experience</li> <li>• Start-up business compare to established business</li> <li>• Limited production capacity</li> </ul> |
| <p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>• Empowering women</li> <li>• Networking growth</li> <li>• International Market</li> <li>• Increase of domestic demand</li> </ul>                                       | <p><b>Threat</b></p> <ul style="list-style-type: none"> <li>• Buyers more likely to go for a more established company</li> <li>• Overcrowded market</li> <li>• Tax</li> <li>• Demand fluctuation</li> <li>• Competition</li> </ul>  |



**C. Finance**

**i. Unit Cost of Sample Product**

Cushion –

|                       | Cost of 1 (approx) |
|-----------------------|--------------------|
| Cushion (small)       | <b>30</b>          |
| Cushion (large)       | <b>65</b>          |
| Cushion cover (large) | <b>75</b>          |

## **Appendix 1.6 (Business Plan for Rumana's Jute Bag Business)**

### **1. Introduction**

#### **A. Executive Summary**

This is a traditional production business specializing in applying classical handicraft styles to contemporary products. It offers a range of fashionable yet practical jute bags to consumers who value the importance of travelling with style without losing functionality. The business is a sustainable cottage industry working towards women empowerment. It has a small dedicated workforce trained by industry experts with over 20 years' experience. Its main target market is students and parents in Rangpur City and surrounding villages. There is potential growth for this business and, in the future, it will generate repeat custom from customers as well as consumers which could make this one of the top businesses in the industry. There is also opportunity to target international markets through larger production houses in the Rangpur area.

#### **B. Personal Profile**

Romana had always wanted to help underprivileged people of the community. It is her childhood dream to build a business. VSO Bangladesh has helped her establish and build a platform for a business. She is very grateful to the VSO ICSE project in helping her pursue her dream. She is dedicated in ensuring this businesses success and establishing herself as a successful entrepreneur.

Romana is a member of her village's local youth club, Chowdhury Youth Club. Before joining this project, she already had an interest in tailoring. During the training of her candidate production workers, she has supported them with her expertise and encouragement.

She hopes that, through achieving her goal of being a successful businesswoman, she will be able to help tackle issues like unemployment and promote women empowerment. She is married to Shariful, who is very supportive of her career ambitions

### **2. Description of the Business**

#### **A. What is The Business?**

The business centres on the production of unique handicraft products. The business is innovative with its product selection, seeking out gaps in the Jute bag market which other businesses have not identified. It will seek to create a distinctive selection of Jute Bag products having recruited local women who have been trained by mentors with over 20 years of experience in the industry. The business will seek to meet the demands of local and wider markets by fusing traditional Bangladeshi artisanship with contemporary practical products. One of the businesses core objectives is to produce locally sourced products.

#### **Aims and Objectives**

- To establish a sustainable social business with the under privileged people of the local community.

- To boost the economy of the community as the profit of the business expands demand to employ more production workers will grow.
- To produce ethically sourced handicraft products.
- To develop a network of buyers.
- To train the local village people into skilled production workers; decreasing unemployment, targeting women.
- To expand the business by selling products to further domestic and international markets.

## **B. Products**

### **Jute-bag business product lines**



The business will focus on three main start up product lines designed to meet the desires of local Bengali consumers in the North-West region. This business will have the opportunity to expand by developing other product lines within the Jute bag market. The business aims to produce quality handicraft products by using locally sourced materials. The grocery bag is designed to be a long-lasting durable bag that consumers can rely on for everyday use. The student and school rucksack is designed to be a trend setting product equipped with features that fulfill the academic requirements of students and pupils.

## **C. The Market**

The business will be based in Rangpur city where the handicraft sector is particularly strong, meaning good access to relevant raw materials and potential buyers for handicraft producers. The handicrafts sector is steadily growing in Bangladesh and the government has shown keen interest in making the sector more economically viable, making it highly appropriate to start a small business venture in this market. The business has two main target markets in North-West Bangladesh: the local people of Rangpur city and in the villages of Pairabond area. This business will also work as a third party production house to larger handicraft businesses that export to meet the demand of international clients.

### 3. Business Operations

#### A. Legal structure

##### **Sole Proprietorship**

Sole proprietorship is the simplest form of business structure in Bangladesh. It is suitable for very small single-owner type businesses that do not carry any risks. Unlike a private limited liability company, a sole proprietorship do not provide limited liability protection and your personal assets are not protected from business risks.

##### **Sole-Proprietorship – Key Facts**

- A sole proprietorship in Bangladesh does not constitute a separate legal entity therefore it is not distinct from the owner/ proprietor. The business owner is personally accountable for all liabilities incurred during the course of the business.
- Any Bangladeshi citizen of at least 18 years of age is eligible for a sole proprietorship.
- A local commercial address must be provided as the business address for the sole proprietorship.
- Profits of the sole proprietorship are treated as income of the individual who owns the entity, thus it is subjected to a tax rate as that of personal income.
- As a Bangladesh sole proprietorship is not a legal entity, it cannot register another business firm.
- Sole proprietorships do not need to audit their accounts as any profits will be taxed as personal taxes.
- A Trade License is the basic requirement for proprietorship, this needs to be renewed annually.

##### **Sole Proprietorship Advantages**

- **Ease of setting up:** It is the easiest and least expensive business structure to set up.
- **Owner Control:** As a sole proprietor you are in complete control of all the business affairs including decision making.
- **No profit sharing:** You accrue all income generated by the business.
- **Ease of termination:** Terminating a sole proprietorship is easier, less time consuming and less expensive than other business entities.
- **Least compliance requirements:** You are free of the obligation of filing returns annually and only need to renew your membership every year.

## **B. Legal Requirements**

A trade License is the basic requirement for proprietorship and needs to be renewed annually.

### **Documents Required and Registration Procedure**

In order to register a sole proprietorship business in Bangladesh, At first, under Upzella Community the business has to be registered in Upzella office. The entrepreneur only needs National Identification Card to submit along with 200/- BDT to the office. The form is available in the Upzella office and it will take two days to complete the procedure.

The following documents/information are required:

- Proposed business name in Bangla
- Description of principal activities
- Local business address for the proposed business in any commercial area.
- Lease/Rent Agreement or title deed for the office address.
- Copy of National ID for the owner.

### **Worker requirements**

- In the contract agreement, salary, working hours and duration of employment need to be clear.
- Payment of salary need to be cleared within the first week of the month. (Depends on the entrepreneur how they pay their workers according to the contract. )
- Workers will get holidays according to the holiday policy of the Bangladesh government.
- Workers have to submit a written application two days before they need temporary leave for any circumstance.
- For final recruitment the employer must provide an "Offer Letter" to potential employees.
- For dismissal, employer must give two warnings to the employee and then on the third warning the employer can dismiss that employee without notice.
- Under the Bangladesh labour act the workers will work maximum eight hours with a lunch break of one hour.
- According to the Bangladesh government there are five working days in a week (Sunday-Thursday). In Private sector there are six working days in a week (Saturday-Thursday). (Depends on the entrepreneur how they schedule their working days according to the contract. )

#### **Maternity Leave**

- Salary – 6 months full pay
- Wage (hour based salary)– 6 months full/half pay (business discretion)
- No doctor fees must be reimbursed

#### **Sick pay**

- Salary based employees- pay + medicine as prescribed by a doctor

- Wage based employees- no pay, no medicine (if condition is severe medicine + minimum wage)
- If a potential worker has started education at any level, then they cannot be taken out for the purpose of employment unless they can manage both simultaneously.

### **Wages & Hours**

Minimum wage for Bangladesh – 5,300 BDT p/m

Maximum legal hours – 8 hours p/d

Maximum overtime hours – 4 hours p/d

Minimum full time hours – 6-8 hours p/d with one day p/w no more than five hours work

### **Average Wages in local area:**

- City – 300 BDT p/d (not handicraft specific)
- Village – 200 BDT p/d(not handicraft specific)
- Handicraft – No less than 350 BDT p/d

### **Business insurance**

- Business insurance is mandatory
- Insurance covers only damage to physical assets, not medical fees
- Insurance is based on businesses capital
- If injured at work it is the business's responsibility to cover medicals fees as prescribed by a doctor. Business themselves, not the insurance companies, are legally obliged to cover full pay of salary based employees or half pay of wage based employees while employee is off work sick.

### **C. Production Workers**

Through basic training, seven production worker were selected from 30 based on suitability, commitment and skill. These workers will be the driving force of the business adding their imagination, passion and work ethic to the overall vision of the business.

These worker will go through 10 full days off intensive training covering all the skills needed to create the products. These workers can represent women development in the community by inspiring local woman to be more independent. When the business expands, the entrepreneur can continue to hire local women from the pool with the basic training experience.

### **D. Data Collection and Analysis**

*PESTE Analysis – See Appendix B.i*

*SWOT Analysis – See Appendix B.ii*

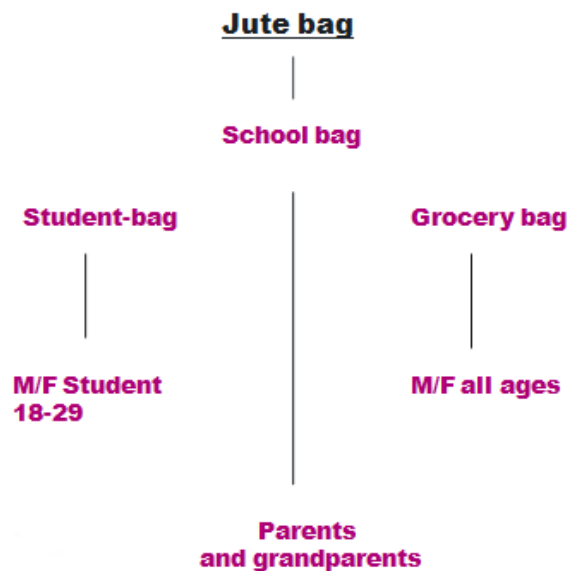
## 4. Marketing

### A. Research

For market research, we conducted two waves of surveys reaching over 800 potential consumers. The objective of the first wave of surveys was to establish whether the products recommended were sellable, their product lines and to determine target markets. From the data analysis; we selected three products that showed the greatest potential. The objective of the second wave of surveys was to establish product features and design preferences that were in consumer demand. We conducted this research in areas most likely to reach our target audience to get the most reliable information. For the University bag; we conducted surveys at the largest academic institute in Rangpur, Carmicheal College. For the school bag; we targeted parents in Rangpur city and local villages. For the grocery bag; we targeted the general shopping public in Rangpur markets.

*See Appendix A for product preferences.*

### Target Markets



### B. Sales Strategy

### C. Advertising

## 5. Operations

### A. Production House

#### **Potential Space:**

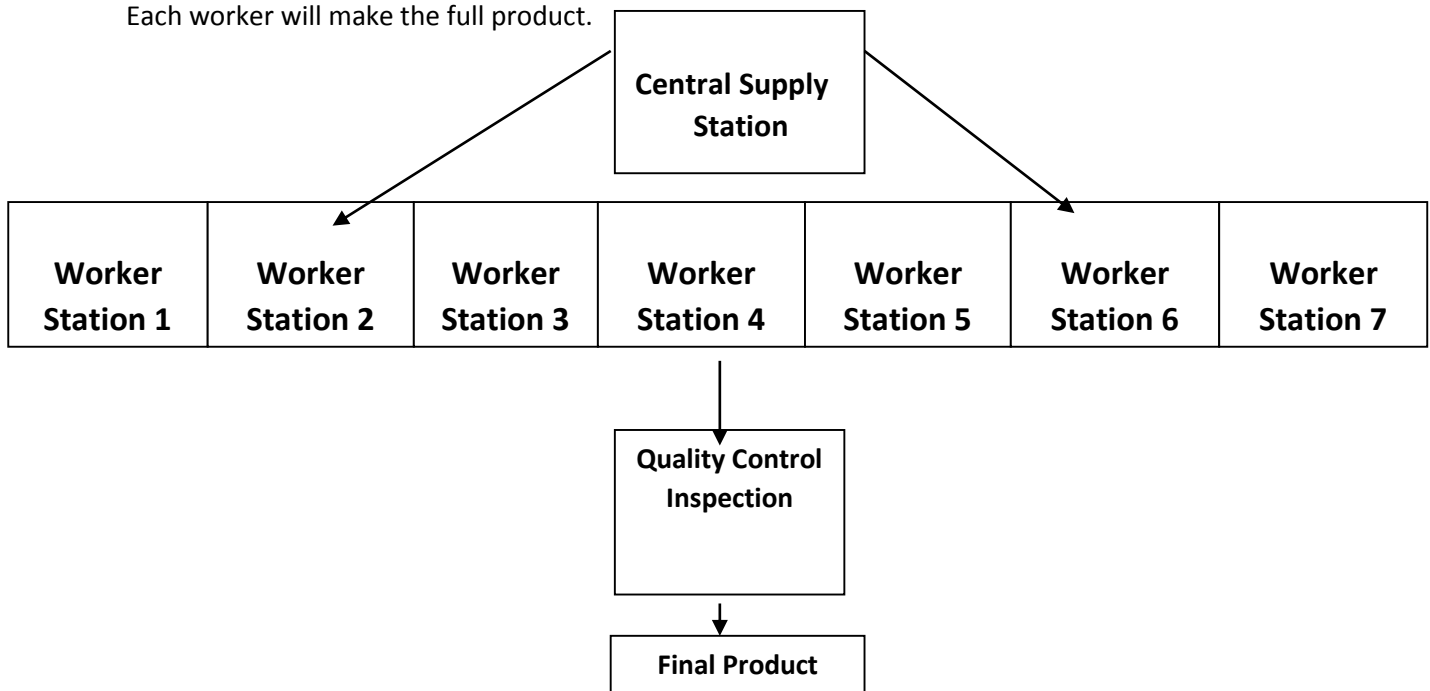
For this business, there is not any available land that the entrepreneur owns next to her home in Khordomuradpur. Romana had previously mentioned she wanted the production house in close proximity to her family home. Our next step was sourcing potential spaces that were close to her family home. Two options were suggested:

One is using an existing space owned by the CHP (Classical Handicraft Products) business. The space is already a working production house producing jute rugs, ran by Romana’s husband, Shariful. The space is large and a section is unoccupied. CHP offered this business unused space. The entrepreneur will not have to pay monthly rent. However, they have to renovate the place according to their needs and will also have to pay utility bills. CHP will order bulk amount of product from the business. The entrepreneur can also take orders from outside and can produce items for their own business. When the production worker or production capacity increases, the entrepreneur can search for another production facility.

Another option is there is an available land in Payrabondh owned by PJKUS (a local NGO) Executive Director Jahangir Chowdhury and he is willing to donate that land. The condition is that the entrepreneur has to build the production house herself and can then use that place as long as she needs. The place has to be registered in the business name instead of entrepreneur’s name. PJKUS Executive Director mentioned it is better to register the place by the name of the business in case the entrepreneur is unable to continue the business. Lastly, if the need of that land ended, the actual owner can claim that land back. All this matters is the subjective issue of the agreement.

### B. Production Process

Each worker will make the full product.





Each worker will have their own work station which will contain all tools and machinery needed to make the product. There will be a supply station where workers can cut and take any materials required. Once the workers have completed the product, it will then be passed to the entrepreneur for quality control inspection. There will also be two electric sewing machines that will be free for use and the workers can manage their time to use it.

For the production process, two production house experts gave their views regarding the production process – Angora (Jute business manager) and Shariful (Jute rug factory manager).

*See appendix A iii I for the production process interviews.*

## 6. Management and Organization

In a sole proprietorship business pattern, there is only one owner who will run the business. The business follows this business pattern. The entrepreneur is the head of the business and, under her there are seven production workers. There will be a team of mentors available to help the entrepreneur in decision making and further business advice. The mentors are unpaid contacts ready to support the entrepreneurs, who will be involved in the everyday running of the business including accounting, HR, sales, marketing and networking.

## 7. Risks

- **No separate legal entity:** She is inseparable from her business. This makes her financially and legally responsible for all debts and legal actions against the business.
- **Unlimited liability:** Creditors may sue her for debts incurred and can also obtain a court order to claim against her personal assets, including her property.
- **No corporate tax benefits or incentives:** Taxes are determined at her personal income tax rate and she does not enjoy special tax benefits that are available to a private limited company.
- **Limited capital:** Capital is limited to her personal finances and the profits generated by the business. Thus, business expansion is limited and difficult.
- **Low public perception:** This entity is the least preferred for serious businesses as nobody would be willing to lend her large sums of money. It is also difficult to attract high-caliber employees, or senior level executives who usually look for a more advanced form of business structure such as a private limited company.
- **Sale/transfer of all or part of the business:** She can transfer the business only by the sale of business assets.

## 8. Appendices

### A. Product Description

#### i. Rucksack

A bag to be used by school and university students.

Features: Waterproof, a selection of colours, 3 securable zip pockets, adjustable padded shoulder and hip straps.

Material: Waterproof Jute, Zip fastenings, Plastic Buckles.

#### Student

##### Preferred design features

- Medium size (25L)
- Requires Top Handle
- Combination fastenings
- Both Padded straps and back
- None-jute protective bottom

#### Parents

##### Preferred design features

- Medium size (15 L)
- Top handle required
- Combination fastenings
- Both padded back and straps
- Non- protective jute bottom

#### ii. Grocery bag

An everyday bag to be used by families for a multitude of purposes; main purpose used for shopping.

Features: Strong design, fashionable, multi-purpose.

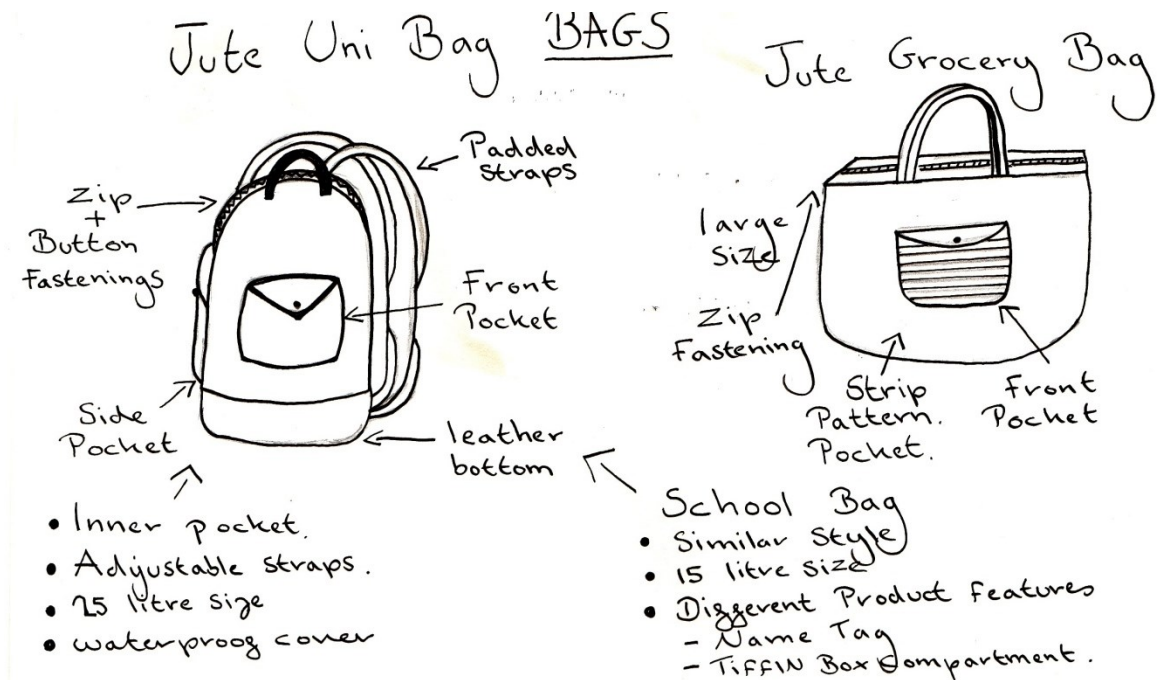
Material: Strong wearing waterproof jute, metal zip fastenings.

#### Parents

##### Preferred design features

- Handled bag
- Zip on top
- Natural colors
- Inside pocket
- Front pocket

Sample drawings



**iii. Product sample dimensions**

**Grocery bag;**

**Width 14inch Height 14inch Depth 5 inch**

**Rucksack;**

**Width 14inch Height 19inch Depth 7inch**

**iv. Production process interviews**

**Shariful's View (Jute bag samples)-**

6. How long did each product take to make?
  - skilled workers half a day for both bags
7. How long to make for untrained worker?
  - 1-2 day unskilled
8. How much material used/ left over (wastage)?
  - Additional design /off cut waste material
9. How to re-use wastage material?
  - As Designs on cushions
10. Process; individual/line?

- Production line, each worker focus on one part of product, then switch over, once all worker have skill on each part go onto an individual production line
11. Supply process?
- Central station/ **individual**
12. Worker pay in relation to production process?
- Monthly salary until worker are killed enough to create individual product, then move onto pay per

Angura's View –

9. How to re-use wastage material?
- Used as cushion stuffing
10. Process; individual/line?
- Individual production process is the best way to increase skill set
11. Supply process?
- Central station/ individual
12. Worker pay in relation to production process?
- Pay per piece, monthly to keep motivated
13. How was lampshade produced?
- Structure made from iron rod held together by metal wire. Wrapped in art paper and cotton for outside
14. Where to source iron rod for lampshade structure?
- Bappistore. HarriPotti

## **B. PESTE and SWOT Analysis**

### **i. PESTE**

|  |   |
|--|---|
| <p><b>Political</b></p> <ul style="list-style-type: none"> <li>• Tax Policies</li> <li>• Employment Laws</li> <li>• Hartels and strikes</li> <li>• Handicraft Laws</li> </ul>          | <p><b>Economic</b></p> <ul style="list-style-type: none"> <li>• Economic Growth</li> <li>• Taxation</li> <li>• Underdeveloped economy</li> <li>• Fluctuating market</li> <li>• Competition</li> </ul>       |
| <p><b>Social</b></p> <ul style="list-style-type: none"> <li>• Fashion/Trends</li> <li>• Income Distribution</li> <li>• Demographics</li> <li>• Culture and family tradition</li> </ul> | <p><b>Technological</b></p> <ul style="list-style-type: none"> <li>• Energy Use and Costs</li> <li>• Advances in technology</li> <li>• Power cuts</li> <li>• Production rate;business operations</li> </ul> |
| <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>• Tropical climate;</li> <li>• Flood</li> <li>• Heat</li> <li>• Storms</li> <li>• Dust</li> </ul>                     |   |

ii. SWOT

|   |  |
|---|--|
| <p><b>Strength</b></p> <ul style="list-style-type: none"> <li>• Specially trained workers</li> <li>• Workers incorporate traditional Bengali culture and product</li> <li>• Entrepreneur Network</li> <li>• Specialist mentors</li> </ul> | <p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• Worker commitments</li> <li>• Potentially poor product quality</li> <li>• Lack of experience</li> <li>• Start-up business compared to established business</li> <li>• Limited production capacity</li> </ul> |
| <p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>• Empowering women</li> <li>• Networking growth</li> <li>• International Market</li> <li>• Increase of domestic demand</li> </ul>  | <p><b>Threat</b></p> <ul style="list-style-type: none"> <li>• Buyers more likely to go for a more established company</li> <li>• Overcrowded market</li> <li>• Tax</li> <li>• Demand fluctuation</li> <li>• Competition</li> </ul>   |

**C. Finance**

i. Unit cost of sample product

Jute Bag

|                    |               |
|--------------------|---------------|
| Simple Grocery Bag |               |
| Unit Cost          |               |
| Buckles            | 10            |
| Zipper             | 10            |
| Magnet Button      | 10            |
| Jute Cotton        | 97.5          |
| Black False        | 12.5          |
| Fita (Handle)      | 21.78         |
| Cotton             | 10            |
|                    | <b>171.78</b> |

|                        |              |
|------------------------|--------------|
| School Bag             |              |
| Unit Cost              |              |
| 1 inch Buckles         | 3            |
| 1.5 Inch strap on clip | 6            |
| Plastic Lamination     | 62           |
| Black False paper      | 12.5         |
| Zipper                 | 24           |
| Magnet Button          | 10           |
| Iron Rod               | 40           |
| Red Fita               | 42           |
| Jute Cotton            | 195          |
| Cotton                 | 10           |
|                        | <b>404.5</b> |