



TOPIC

New Product Development within the BOP Space
on the Light of Frugal Innovation



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The logo features the text 'BRAC UNIVERSITY' in a serif font, centered within a blue circular outline. Below the text are three stylized, overlapping 'V' shapes in blue, black, and grey. A large, faint pink 'VSO' watermark is visible in the background.

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Letter of Transmittal

29th June, 2015

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Subject: Submission of the Internship Report on new product development within the BOP space on the light of Frugal Innovation

Dear Sir,

I am pleased to submit this report which has been prepared as a requirement for my internship program titled BUS-400. I tried my outmost ability to complete the report properly and to bring out meaningful insight and detailed elaboration of the work that I have done in Voluntary Services Overseas (VSO) International Citizen Service Entrepreneur (ICSE) project within the constraints. I had to face some difficulties while gaining information for the project. While preparing this report, I have learnt many things like new product development in existing products, innovation of product, product selection through market research and entrepreneur development in rural areas by helping them with startup grant.

I appreciate your kind advice, cooperation, patience and suggestions regarding this report which will definitely help me to go ahead as a brilliant guideline. I will be very happy to answer any queries and clarification regarding the report whenever necessary.

Sincerely yours,

Abu Sifat Mahmud

11104129

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ACKNOWLEDGEMENT

At the very beginning I would like to thank our creator Almighty Allah for giving me the patience and knowledge throughout the internship period.

Most importantly I would like to thank my internship advisor MOHAMMAD REZAUR RAZZAK for giving me guidance for the report as well as SHAMIM EHSANUL HAQ for showing a guideline for my report.

Through this ICSE project I have learned lots of things and gained lots of experiences where I am grateful to many individuals because of whom I am able to finish my internship report. In addition, I would like to thank VSO for giving me an opportunity to contribute my knowledge and learning in their ICSE project which helped me a lot with both experiences and insights.

I am thankful to my project manager(PM) Mahbubur Rahman, Project Co-ordinator(PC) Tangina Mehnaz, Project officer(PO) Zialul Haque and finally my team leaders Victoria Louise Anderton and Salim Hossen. Moreover these individuals helped me a lot throughout the project and with their support I have managed to gain many insights. Furthermore I would like to show my gratitude towards the Volunteers from both UK and Bangladesh with whom I have spend most of the time doing works in different teams.

I am grateful to my University faculties with their lectures I have gained so much to show my works and explore my work potentials and only because of their guidelines I have managed to do my works in ICSE very professionally.

Finally, my heartiest thanks go to others who were involved and helped directly and indirectly to prepare this report. Without them all these wouldn't have been made possible.

EXECUTIVE SUMMARY

One of the leading development organization in united kingdom (UK) voluntary service overseas (VSO) working their different development projects around the globe about in 37 countries where the beneficiaries are more than 174000 by the help of 40000+ volunteers. Along with VSO International Citizen Service (ICS), a leading volunteer placement organization initiates a new program named International Citizen Service Entrepreneur in short ICSE where they introduced their project in Bangladesh specifically in Northwest (NW) Rangpur and in Chitagonja Hill Tracks (CHT) where they started their 1st cycle (consisting of 3 cycle) in end of 2014 and 2nd cycle including In Country Orientation (ICO) from end of January 2015. The goals of cycle 2 was to prepare production worker for the entrepreneurs(goal of cycle 1) and train them as well as select their products where this whole report explains about the entrepreneur development focusing on Base of the pyramid (BOP) where there are new product development by innovation in existing market and relating with Frugal innovation. The report talks about the product development in BOP particularly in a rural area named Pairaband, Rangpur. One of the major focuses of the project was to find out two suitable and innovative product and product line for two different entrepreneurs where one of the products was interior design products consisting lamp shades, cushion cover and floor cushion cover whereas other one is school and college bag and grocery bag. Moreover some of the product feature should be jute which is a creative step and thus there were significant amount of market research with detailed information about the product. This report also explains about the stages of production with different help from mentors and the stages were covered by the selected production workers which was other major focus of the project. Finally through this report reader will find how new product development helped the BOP in terms of both the market and beneficiaries as well as it will give an insight about market changer by considering lower portion of the pyramid of the economy.

Purpose of the Report

This report illustrates the topic of new product development and frugal innovation based on base of the pyramid concept. Here it is explained how an existing product can be innovated and how this concept can help people in rural areas or the bottom portion of the pyramid can utilize it for their livings. Moreover entrepreneur development with the utilizing of youth is also mentioned here where it also gives a glimpse insight on it. Individuals researching on new products can be highly helpful from this report



Abbreviation

VSO	Voluntary service overseas
ICSE	International Citizen Service Entrepreneur
DFID	Department For International Development
NGO	Non Government Organization
NW	North West
CHT	Chittagonja Hill Tracks
ICV	In Country Volunteer
UKV	United Kingdom Volunteer
ICO	In Country Orientation
PNGO	Partner Non Government Organization
PJKUS	Pairaband Jonokollan Unayan Shomity
PM	Project Manager
PO	Project Officer
PC	Project Co-ordinate
TL	Team Leader
BOP	Bottom Of Pyramid

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Chapter 1 Introduction

VSO ICSE project is a developing program where they are working in two places in Bangladesh named NW and CHT while here the project concerns of NW is mentioned. Furthermore this project is 3 cycle based where here workings of 2nd cycle is mentioned as well some glimpse of 1st cycle will also be seen. Moreover throughout the paper brief of the organization VSO as well as the project ICSE is shown and the market research and analysis is also shown following the explanation of the product development and analysis is given based upon the market research. In addition the project part is thoroughly explained ending with recommendations and conclusion.

1.1 VSO

Voluntary Service Overseas is a global recognized development NGO which is working across the globe. Moreover they are involved in different task to minimize poverty and promote humanity.

1.1.1 History

VSO started its journey on 1958 by sending 16 recruits overseas to teach English in Borneo after that rest are history and they are still providing voluntary services till now as a result now they are one of the leading development organizations in UK. VSO use UKV and ICV for conducting any kind of program. As they mentioned in their web site-

‘We’re always looking for new ways to turn human energy and ingenuity into lasting change. We still send professionals to share their skills with their local counterparts, but we’ve embraced a range of methods that allow us to provide whatever kind of

help is needed most, including promoting international understanding and action, knowledge sharing and youth exchanges.'

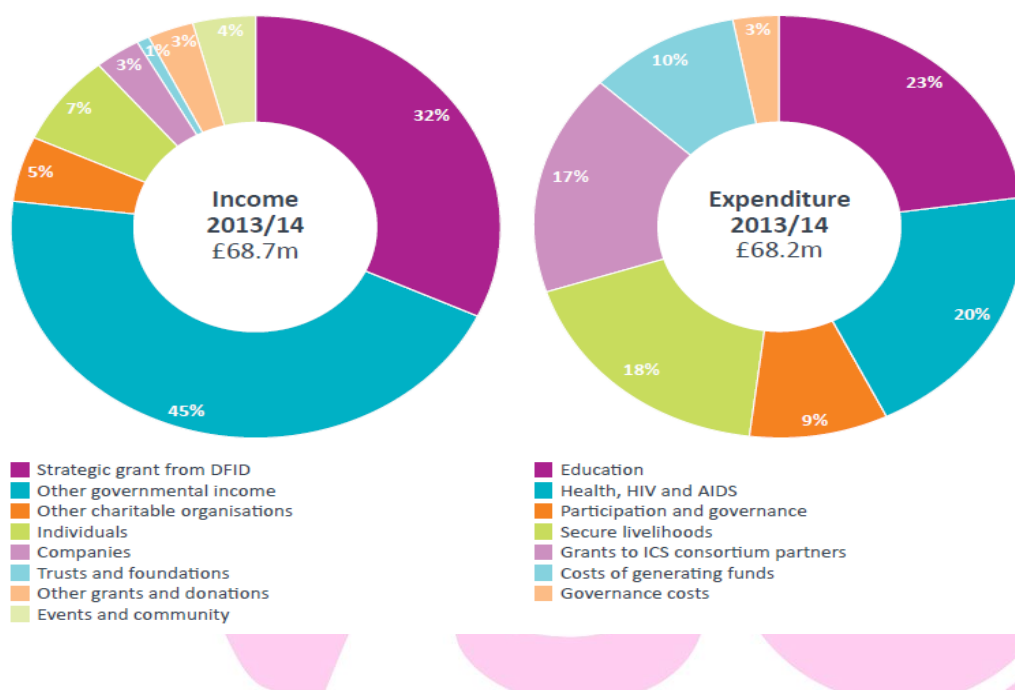
VSO Bangladesh is working similar types of task in different project in different places of Bangladesh mainly Rangpur, Chitagong Hill Tracks (CHT) and Bagerhat. Moreover the works involved are Agriculture / Forestry, Humanitarian & Community Development, Medical & Health Care, Teaching & Education. In addition, VSO Bangladesh is also involved in Entrepreneur development named as ICSE project where I had opportunity to work in Rangpur for that project.

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, Davits, people living with HIV and AIDS and people with disabilities

VSO Bangladesh works across different programmed areas which are fully integrated in our planning. We develop 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. We 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.

They have engaged more than 43000 volunteers and conducted program among 120 countries. They have been very transparent to their stakeholders and other individuals and they have shown their source of fund as well as where they spend it. A example of the graph from their website about the sources of fund is shown below.



1.1.2 Vision, mission and values:

In their website they have mentioned clear about their vision, mission and values which are-

Mission

VSO brings people together to fight poverty.

Values

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

Vision

Their vision is specifically to eradicate poverty where they state, 'VSO's vision is a world without poverty'.

1.2 About Project

VSO ICS projects have different works all around the globe and they have reached a stage where they are able to recruited fresh volunteers for supporting their work. They clearly mentioned it. VSO Bangladesh also initiates ICS projects in Bangladesh as well as ICSE projects.

Funded by government of UK, VSO ICS programmed allows persons aged 18-25 an opportunity to spend three months or for someone for long term volunteering abroad in Africa or Asia in this case it is Bangladesh. Moreover their work in different kind of sector to create opportunities for under developed areas and remove poverty.

They have to experience another's culture, challenge and develop transferrable skills to bring change. The time spend there by volunteering could be part of changing someones else life style or social position.

ICSE Project In Bangladesh have 3 cycles in which each cycle have to be complete by obtaining some objectives. The major goals of cycle 2 were-

Cycle 2 Objectives

Production worker Selection
Production worker training
Product Identification
Enterprise development and market selection (find buyers and supplier)
Entrepreneur Training
Potential mentor selection to create business network.

This project life have a limited budget which can only be utilized in different cycles in this case it is 3 cycles.

Budget of ICS Entrepreneur:

- Total - **1, 26, 90,268** BDT for Three Cycle.
- Per cycle - **42, 30,089.33** BDT
- Each Region per cycle Budget – **21, 15, 044.66** BDT

1.2.1 Placement

Where usually we were working and my placement was in Pairaband, Rangpur. The plaaces or the target villages were Sodorpur and Kurdomuradpur where one entrepreneur was selected from each village and the volunteers placed in the host homes by blending in. 5 volunteers stayed in Sodorpur and 7 stayed in Khurdomuradpur.

In every cycle there will consist of 12 members where is UKV volunteer and their TL as well as ICV volunteer and their TL are included.

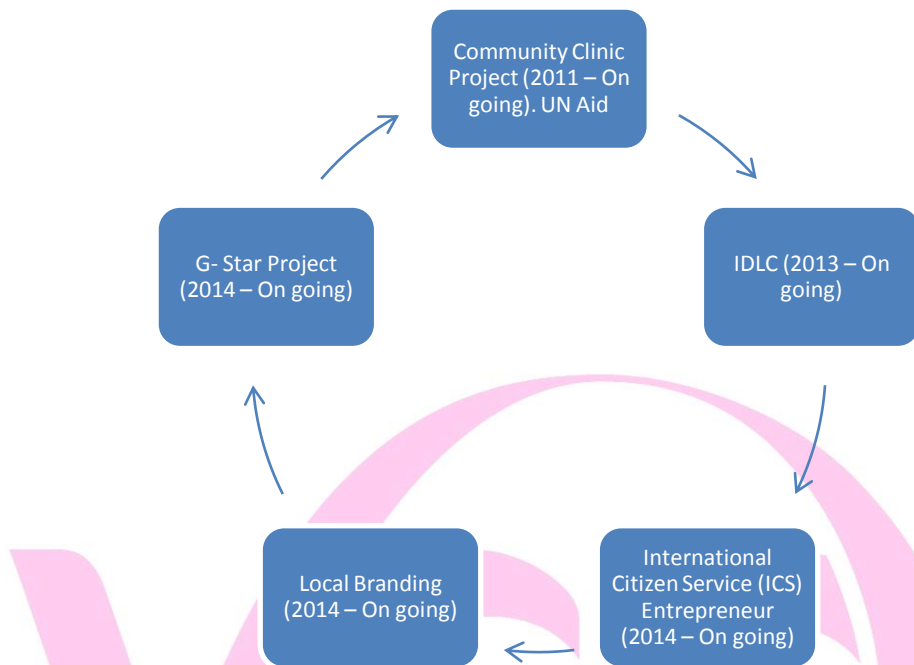


1.2.2 PNGO

This is an essential part of the whole project which illustrated as Partner Non Government Organization. In this case in Pairaband, Rangpur the PNGO was Pairabondh Jono Kallan Unnayon Sangstha (PJKUS)

- Established in 1997
- Address – Village: Khordomuradpur, Post: Begum Rokeya Smrity, Union- Pairabondh Upazila: Mithapukur, District: Rangpur .

- The E.D. of PJKUS MR.Jahangir Chowdhury is working with different ongoing projects with VSO such as –

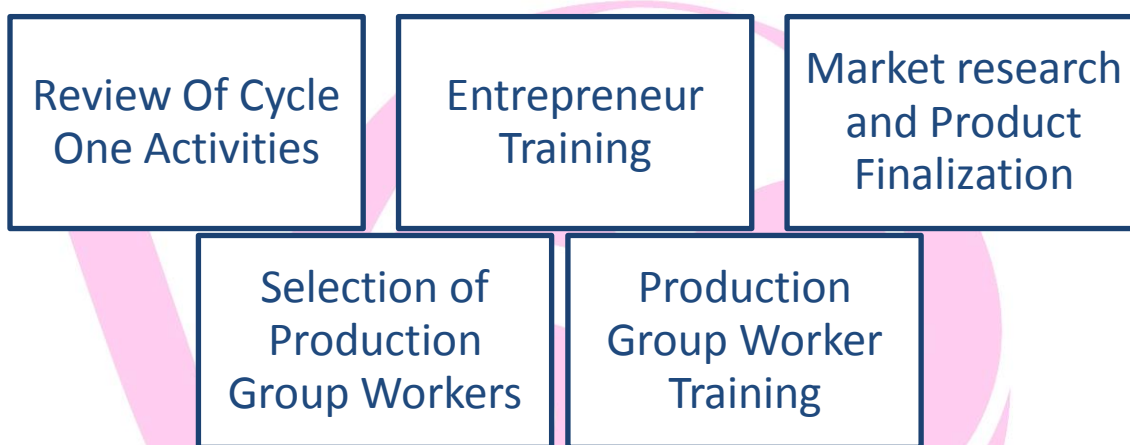


PJKUS had those kinds of works because they and VSO Bangladesh share some similar goals, missions and objectives.

Vision	<ul style="list-style-type: none"> •Sustainable socio-economic and culture development of the disadvantage people; especially for youth, women and children through ensuring their proactive participation.
Mission	<ul style="list-style-type: none"> •Develop and empower the disadvantaged community especially Youth, Women and children by their involvement.
Core Values	<ul style="list-style-type: none"> • Respect and equal right. • Honesty and Transparency • People’s participation and accountability. • Commitment to quality service • Non Partisan, secular and bias free. • Gender & Nature friendly

1.2.3 ICSE

The project is usually named as International Citizen Service (ICS) where VSO is doing another related programme called ICSE which stands for International Citizenship Service Entrepreneurship. The project objective is to create two potential Entrepreneurs to help benefit the society to build up by eradicating unemployment. The cycle 2 had some specific tasks which are-



Thus by doing these tasks the work for next cycle would be to implement or execute selling orders in market and continue the trainings of the both workers and entrepreneurs.

ICSE volunteers will identify and facilitate linkages with local micro finance institutions that are available in the area and are providing tailored finance support to meet the needs of women entrepreneurs. Volunteers will help prepare these enterprises to become investment/loan ready. Volunteers will help strengthen young women's business and marketing skills, and help young women to diversify their product range, and adopt new designs in order to remain distinctive in the marketplace. Activities that were also included was-



1.2.4 Project timeline:

The project was wabout 12 weeks or three months (cycle 2) and during this timeline activities were distributed which is shown in activity matrix-

[illegible]

Chapter 2 Market research and analysis

Before cycle 2 in cycle 1 there was a preliminary market survey where they mainly focused on Focused group discussion (FGD) and only within the village or rural area. Through that information we found they selected some products which are-

- Jute bag
- Jute wallet
- Jewelry

In our cycle we gone through their handover and find out it needed more research especially in cities and University students thus we found finalised product line with their potential products which are-

- Interior design
 - Floor Cushion
 - Cushion
 - Lampshade
- Jute Bags
 - School and University bag
 - Grocery Bag

From the market research we found some data that shows consumer Preferences

lampshade		cushion	
Male	female	male	female
48.55%	40.45%	47.51%	45.49%
Color		preferred shape	
neutral	42.47%	circle	28
Bright	34.38	square	73
Dark	13.15	rectangular	26
Pattern		triangular	6
Plain	15.16%	pattern	
Flora	23.24%	plain	15.16%
Check	18.19%	flora	23.24%
geometric	10.10%	check	18.19%
Stripes	15.16%	geometric	10.10%
material		stripes	15.16%
Linen	40.00%	material	
Cotton	44.00%	polyester	40.00%
Paper	30.00%	cotton	44.00%
bamboo	19.00%	paper	30.00%
Cane	18.00%	bamboo	19.00%

	cane	18.00%
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Grocery		Jute bag			
Jute Bag		University		Jute bag School	
Male	female	male	female	male	female
60%	40%	51.53%	45.47%	22 person	16 person
Handle	strap	rucksack	satchel	rucksack	satchel
26.65%	14.35%	57.61%	37.39%	25.64%	14.36%
material		size		Size	
Jute	22.55%	small	23	small	9
Bamboo	14.35%	medium	47	medium	24
Other	4.10%	large	28	large	8
zip on top		top handle		top handle	
Y	N	Y	N	Y	N
31	6.00%	63.66%	32.34%	25.64%	14.36%
Color		color		Color	
Natural	23	Natural	20	Natural	8
Dark	12	dark	41	dark	14
Bright	12	bright	33	bright	18
inside pocket		pocket		Pocket	
Y	N	side	60	side	21
9	31	front	61	front	21
Front Pocket		inside	51	inside	21
Y	N	top	40	top	23
15	25	secret	45	secret	9

Here the products can be prioritize how to present it in the market and how to prepare it according customer preference.

[See Appendices Market research DATA]

[A Appendices jute Bag Business plan]

[B Appendices Interior business plan.]

Chapter 3 Product analysis

According to the market research products are finalised and thus for future option are given so that its design or structure could be changed accordingly.

3.1 Interior

For interior we have particularly divided the product in categories such as

(I) **Cushion**

For cushion we have both sofa cushion and floor cushion where floor cushion is relatively bigger where people can sit on. Designs are more or less similar and material needed for both of the products are same. Some of the features are shown below with different attributes.

Shape preference in order

- 1) Square (by far most popular)
- 2) Circle
- 3) Rectangular

Decoration preference in order

- 1) Sequin/Beading
- 2) Embroidery
- 3) Patchwork

Pattern preference in order

- 1) Plain
- 2) Floral
- 3) Check

Material preference in order

- 1) Cotton
- 2) Silk

Colour preference in order

- 1) Bright
- 2) Natural
- 3) Dark

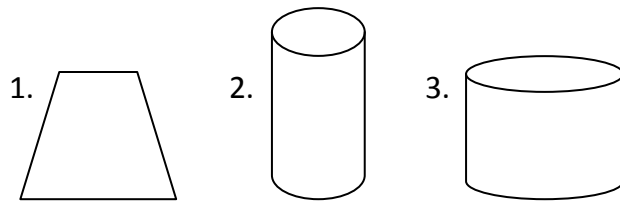
Size of preference in order

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

(II) lampshade

Lampshades are becoming popular day by day mostly demand for the hanging shades or wall shades. There is also a niche for candle shades which market is mostly covered by the clay lampshades specially for candles. The attributes of lampshades are given below-

Below are the student's preferences for the lampshade:

Shape preference in orderMaterial preference in order

- 1) Cotton
- 2) Linen
- 3) Parchment/paper

Colour preference in order

- 1) Natural
- 2) Bright

Pattern preference in order

- 1) Plain
- 2) Floral
- 3) Check

Decoration

- 1) Tassels
- 2) Embroidery

[See B. Appendices Product Features]**3.2 Jute Bags**

For jute bag, there is three parts which are school bag, university bag and grocery bag which have similar attributes but school bag and university bags are much alike but smaller or larger.

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

Colour in order of preference

- 1) Bright
- 2) Dark

Pocket preference in order

- 1) Side
- 2) Front
- 3) Inside Pockets

Product feature preference in order

- 1) Waterproof cover
- 2) Water bottle compartment
- 3) Stationery Compartment
- 4) Laptop/ file compartment

Pattern preference in order

- 1) Plain
- 2) stripes
- 3) Handicraft
- 4) Modern

[See B. Appendices Product Features]

3.3 product innovation based on BOP Matrix

Products that were selected are a good example of innovation to be exact frugal innovation. More over they are likely to be cost innovation and reverse innovation as well. As per definition frugal innovation means to innovate a product such a way which removes complexity and increases affordability specially for the developing countries. For example what Nokia did in India to sell affordable and cheap phone set consisting of usable parts thus they grabbed the whole market or like Tide sachets that grabbed Indian market instantly.

Now if we want to define frugal innovation relating with this projects product we can find lots of insights. Some of insights are shown below.

(I) Affordability:

For this kind of products are much expensive in some branded selling shop like Arong but here the products are produced by using some dedicated trained production workers which decreases costs and thus can be sold in much affordable price. Moreover by this selling those production worker can also earn their livelihood. For example –

	Cost of 1 (approx)
Cushion (small)	30
Cushion (large)	65
Cushion cover (large)	75

Here we can see the price difference from top to bottom is about 35 approximately. Thus this kind of innovations helped a lot to gain the market. Furthermore affordability is highly backed by state of art quality in this case is easy access of jute fibre and developed handicraft sector.

(II) Target customers:

Customers for such products are many but in this case the initial target customers are set for different product like-

- Cushion – family purchase head
- Floor cushion – teenagers and female role in a family
- School bag – mostly parents and grand parents
- University bag – teenagers and parents
- Grocery bag – family purchase head

(III) Value chain:

In this particular report the values are inherited within the product itself as it is mostly made of jute (considered as golden fiber of Bangladesh) and skilled production worker.

There is another major fact that is creating the value which is involving both women empowerment and youth empowerment. Moreover this fact is changing their own livelihood as well as creating products involving frugal innovation for the customers.

Now the emerging fact of frugal innovation is the reduction of complexity and the cost structure. These two facts are mainly responsible to grab the BOP customers for example TATA NANO car which was cost effective with less complicate facts. For the handicraft products we can relate like-

A. Complexity:

The products that are made are with the use of trained handicraft production workers. Moreover the area has some highly capable production workers who are already working in CHP organization. Thus they made the products with simplicity.

B. Cost:

if we talk about cost structure first thing that is about the branded products which are likely to be high cost. However here the products are cost effective and balanced. For example-

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
	171.78tk

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
	404.5tk

Here if we see the product school bag which about 405 tk a unit whereas in super shop it varies between 600 minimum and it rises according to different brands.

[See Appendices VSO Entrepreneur Handbook]

BOP matrix effect:

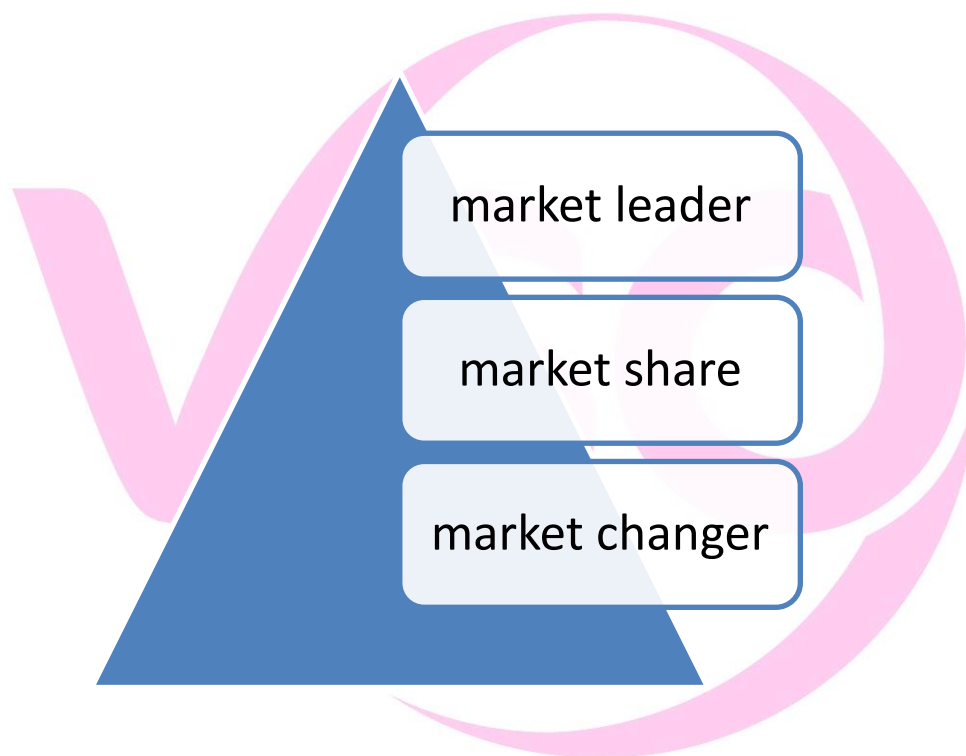
Bottom of pyramid consumers are likely unexplored region but nowadays they are highly potential target for market share. Thus this product from the project solely focused on the people of BOP. The effects are directly related like

1. Products such as cushion is like an interior decoration object where BOP customers longingly behind to seek their potential demands. Thus cushion at this rate of price considers their need by creating frugal innovation.
2. Bags for students of BOP customers are hardly seen but this school and University bags targets their need. As well goes for the grocery bags those were unseen before in this BOP portion.
3. Another fact is that the lampshades were not seen that much in this people's house but now targeting this product for them will surely grab their demand.

Chapter 4 Findings Market changer concept

So far we have seen products or brands or even companies targeting customer for increase market share or becoming market leader but they are unexplored the side of market changer.

This is a concept which creates demand and also increases market share but the fact which is different is that this kind of products benefits two side of people which are the undersized or unemployed people in rural areas and by their impact the other half who are the BOP customers are getting benefit. It gives a opportunity to both sided of deprived people.



Chapter 5 activities relating with further product innovation

Products may be frugal innovated but there are certain scope that creates further innovation. This kind of external matters can create much stronger frugal innovation.

5.1 Enterprise development

This kind of initiatives can create an opportunity of further innovate the product by planning and opening options for suppliers and potential market. This can come up with some unique supply chain that might create cost innovation.

5.2 entrepreneurs training

This was a vital fact in this project which is to prepare the entrepreneur it self for making the person about the industry and about the product. If the entrepreneur is prepared he himself can find out some out of the box business plan that will eventually help the people of BOP in the long run.

5.3 mentors meet n greet

The project involves some mentors that were selected to help the entrepreneur in every sector of work. Mentors are an important part of developing a BOP targeted business and also responsible for potential frugal innovation by taking mentors suggestions in account.

Chapter 6 project part

6.1 origin of the report

BRAC University has a course coded as BUS 400 which is the internship part under BBS of BBA programme. Through this the students under this programme joins an industry and prepares a report according to the students work responsibility. The course has some procedures to follow like

- We have to join any industry within some specific field where we will gain experience of that field.
- The time duration is 3 months to 4 months
- Have to submit a report to designated respected faculty
- Give a presentation on the topic of the report

For instance I have joined VSO Bangladesh and worked in ICSE project in Rangpur and I have learned as well as gain experience about Entrepreneurship, rural development, product selection and development and so on

6.2 Report Background

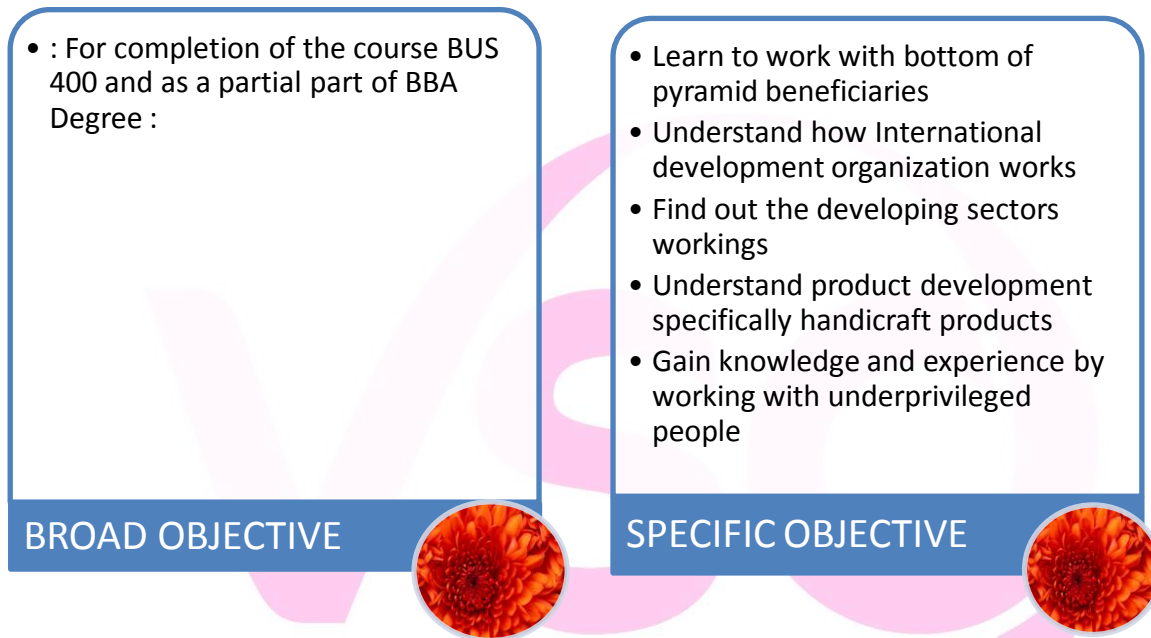
I have worked in VSO Bangladesh ICSE project, cycle 2, as a national or in country volunteer ICV along with United Kingdom Volunteer, UKV. moreover I have learned and gain experience by working in Pairaband, Rangpur and doing works based on Entrepreneur development known as ICSE project

6.3 Limitations

The working of the report was quite well but it took time due to collection of some primary data and finding accurate information from the sources and collected database.

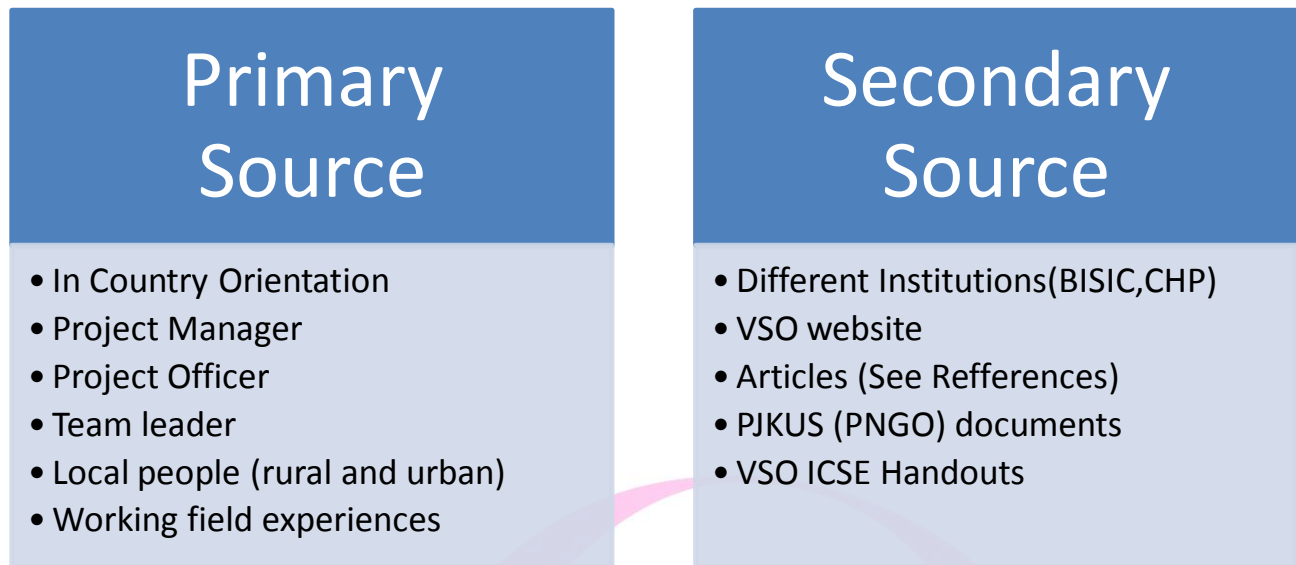
If more time was given the report would have had more insights but the help of my team and instructor from University made this report much acceptable.

6.3 objective of the report:



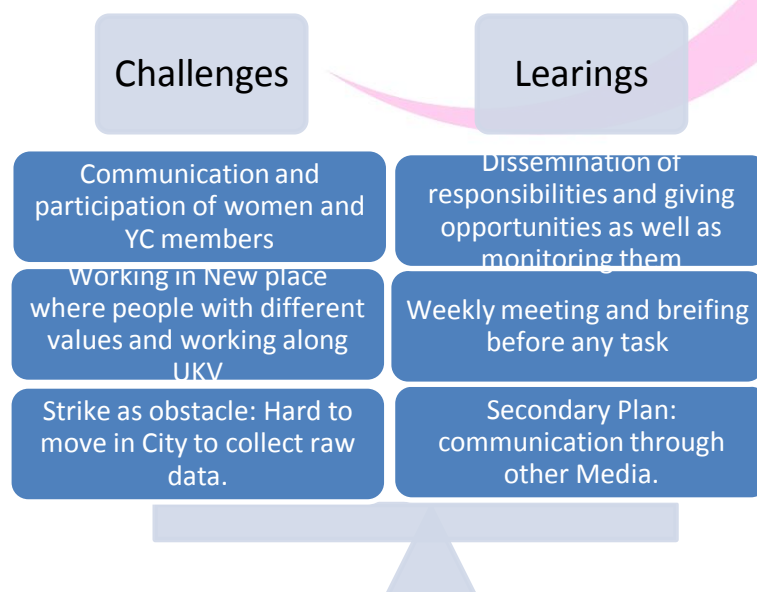
6.4 Methodologies

To gain information and insight for this project was a must so for that several sources helped to gain valuable information. These information were further analysed and used in different aspect of the work such as product information for knowing the category of the product for the entrepreneurs. The sources of information can be divided into two parts which are:



6.5 Challenges and learning

There were lots of challenges during the Internship period and fortunately it was able to overcome by the help of almighty ALLAH and our team work. The challenges that we faced are-



Chapter 7 Recommendations and Conclusion

Everything has flaws but it is true that every flaws can be countered by grabbing opportunities. Some recommendations can be shown.

Recommendation:

- Products can be branded by targeting tourism where jute is Bangladesh golden fiber and handicraft is one of an emerging and demandable industry in our country.
- Product can be focused as a national state of art. Where the quality cannot be compromised.

Conclusion:

At last it could be said that whatever the product is it should target a beneficiary group and providing value that creates win-win situation. This kind of win is essential to help BOP customers and is able to impact on developing country specially in rural areas This kind of task held me a lot to gain my experience and knowledge thus I am thankful to VSO and almighty ALLAH.

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Chapter 9 appendices

A. Appendices Jute Bag Business plan

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 Bangaldeshi 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 buisness 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.

Expand on product information using extra research undertaken

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.

Include information about potential sales location when recommended research is completed

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

Once wage/salary has been decided include here

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

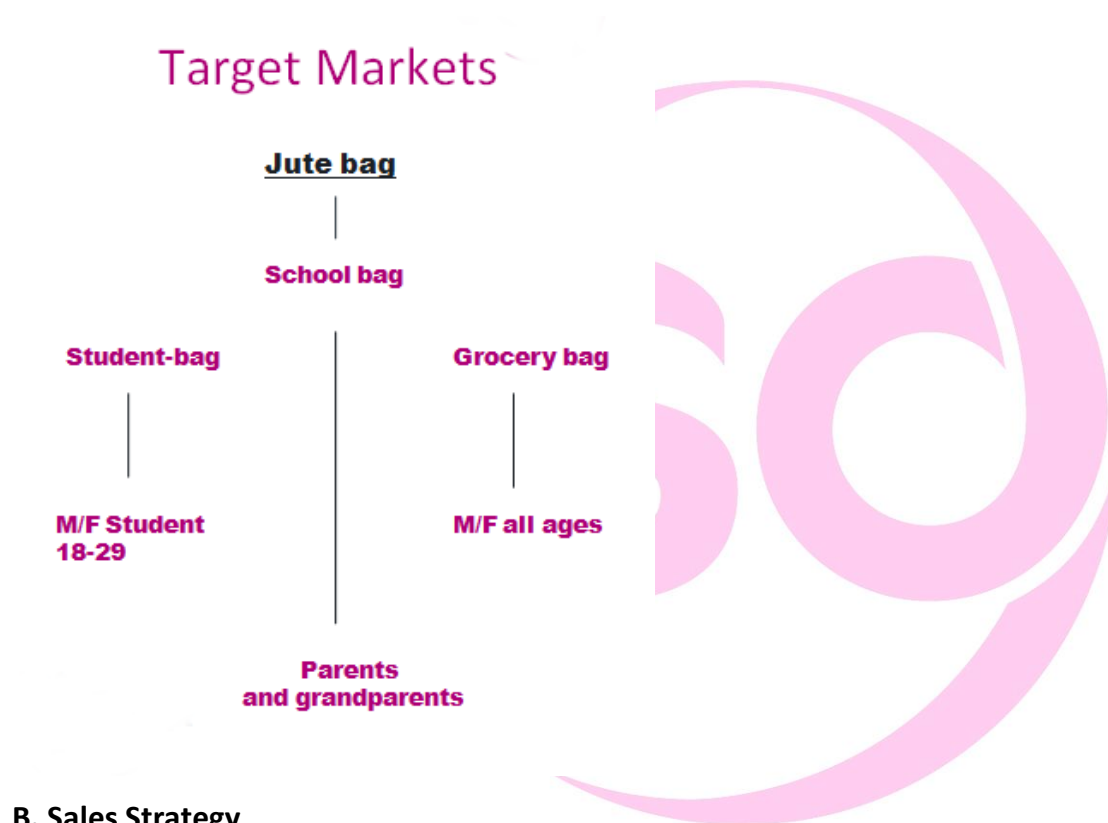
4. Marketing

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.



B. Sales Strategy

Include recommended research on sales

C. Advertising

Include recommended research on advertising

5. Operations

A. Production House

Potential Space:

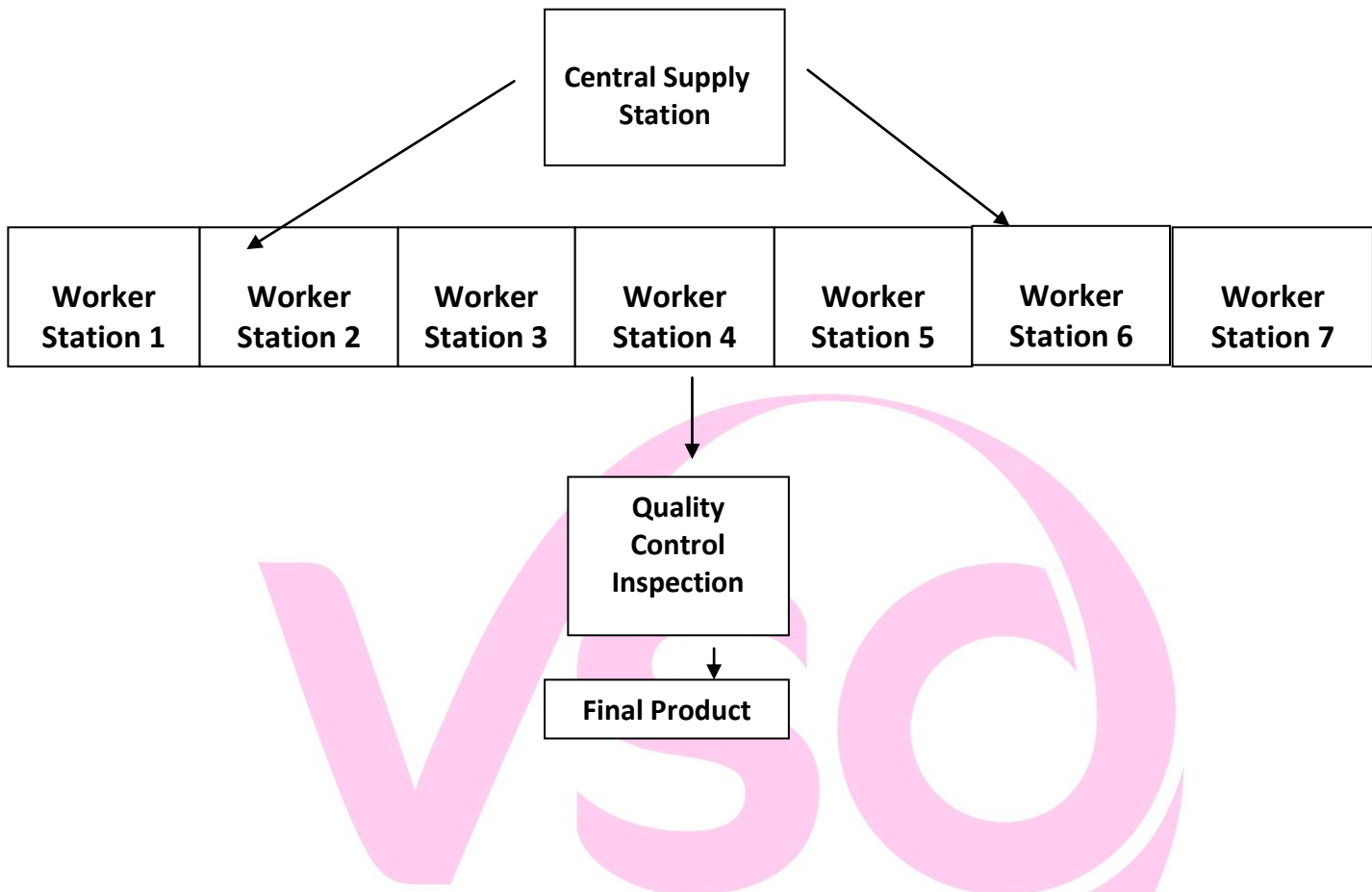
For this business, there is not any available land that the entrepreneur owns next to her home in Khordomuradpur. Romana had previously mentioned she wanted the production house in close proximity to her family home. Our next step was sourcing potential spaces that were close to her family home. Two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

Once production house has been finalised change from potential space to actual.

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 for the production process interviews.

Production process may change once production workers are fully skilled

6. Management and Organisation

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 every day running of the business including accounting, HR, sales, marketing and networking.

7. Forecast

Include recommended research on finance

8. Financial Summary and Analysis

Include recommended research on finance

A. Financial Summary

See Appendix

Include Summary of all financial data in business plan

B. Break-Even Analysis

Unit cost, expenses and product price
summarise

C. Vulnerabilities

Any financial risks and how to solve

D. Financing Required

9. 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.



10. 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.

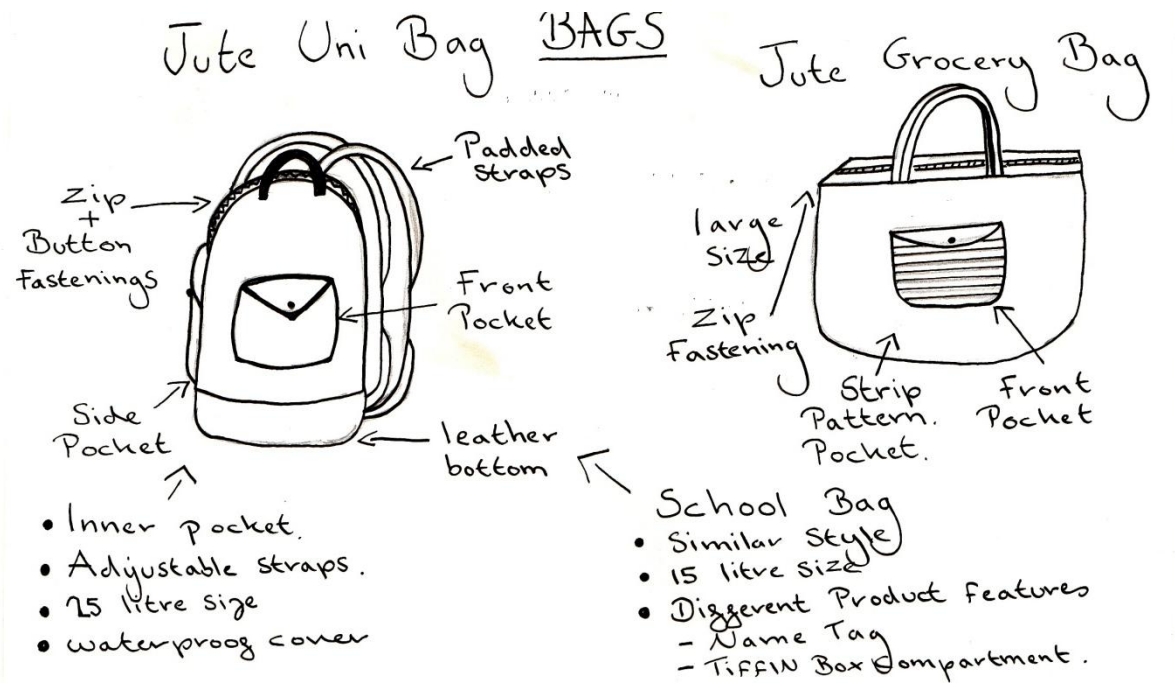
Material: Strong wearing waterproof jute, metal zip fastenings.

Parents

Preferred design features

- Handled bag
- Zip on top
- Natural colours
- 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)-

1. How long did each product take to make?
skilled workers half a day for both bags
2. How long to make for untrained worker?
- 1-2 day unskilled
3. How much material used/ left over (wastage)?
- Additional design /off cut waste material
4. How to re-use wastage material?
- As Designs on cushions
5. 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
6. Supply process?
- Central station/ **individual**
7. 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 –

1. How to re-use wastage material?
- Used as cushion stuffing

2. Process; individual/line?
 - Individual production process Is the best way to increase skill set
3. Supply process?
 - Central station/ individual
4. Worker pay in relation to production process?
 - Pay per piece, monthly to keep motivated
5. How was lampshade produced?
 - Structure made from iron rod held together by metal wire. Wrapped in art paper and cotton for outside
6. Where to source iron rod for lampshade structure?
 - Bappistore. HarriPotti

B. PESTE and SWOT Analysis

i. PESTE

Political	Economic
<ul style="list-style-type: none"> • Tax Policies • Employment Laws • Hartels and strikes • Handicraft Laws 	<ul style="list-style-type: none"> • Economic Growth • Taxation • Underdeveloped economy • Fluctuating market • Competition

Social <ul style="list-style-type: none"> • Fashion/Trends • Income Distribution • Demographics • Culture and family tradition 	Technological <ul style="list-style-type: none"> • Energy Use and Costs • Advances in technology • Power cuts • Production rate;business operations
Environment <ul style="list-style-type: none"> • Tropical climate; • Flood • Heat • Storms • Dust 	

ii. SWOT

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

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
	171.78

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
	404.5

For details of product sample dimension see appendix A iii

D. Financial Summaries

i. Break Even Analysis

price and expenses

ii. Forecast

-Expenses; Production house cost, utility cost, machinery depreciation cost, wages & any other cost that is directly involved in production.

-Income; sales, investments, loans.

B. Appendices Interior business plan.

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 centres 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 Bangaldeshi 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 handcraft 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; Hand made 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.

Expand on product information using extra research undertaken

Interior design business product lines



D. The Market

The business will be based in Rangpur city where the handcraft sector is particularly strong, meaning good access to relevant raw materials and potential buyers for handcraft producers. The handcraft 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.

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3. Business Operations

A. Legal structure

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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

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- 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.

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Worker requirements

- In the contract agreement, salary, working hours and duration of employment need to be clear.
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- 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
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- 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.

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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

Once wage/salary has been decided include here

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*

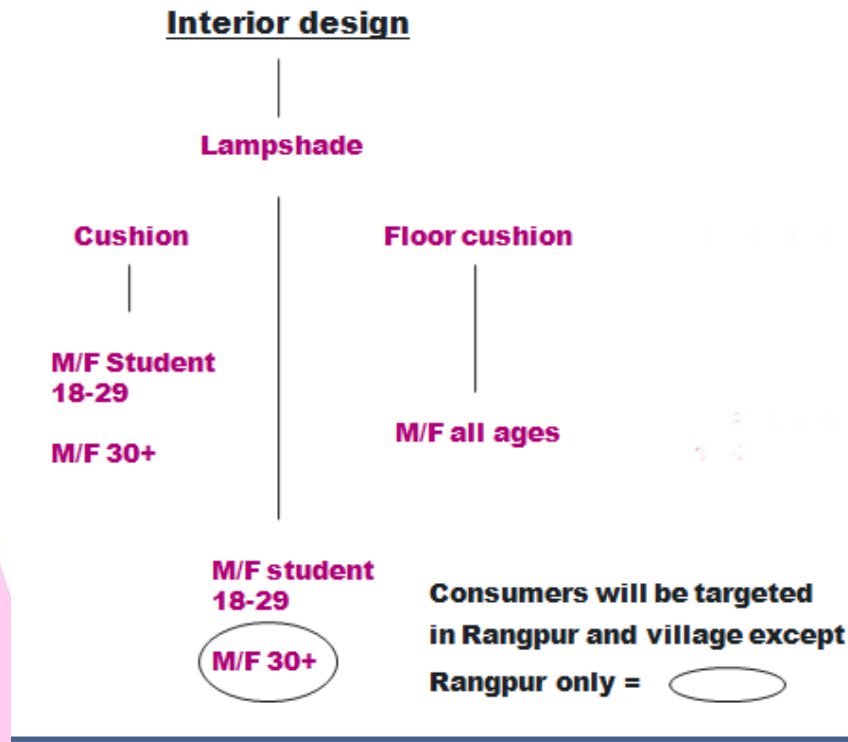
4. Marketing

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

Include recommended research on sales

C. Advertising

Include recommended research on 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.

Once production house has been finalised change from potential space to actual.

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 buisness manager) and Shariful (Jute rug factory manager).

See appendix A iii for production process interviews.

Production process may change once production workers are fully skilled

6. Management and Organisation

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 every day running of the business including accounting, HR, sales, marketing and networking.

7. Forecast

Include recommended research on finance

8. Financial Summary and Analysis

Include recommended research on finance

A. Financial Summary

Include Summary of all financial data in business plan

B. Break-Even Analysis

Unit cost, expenses and product price
summarise

C. Vulnerabilities

Any financial risks and how to solve

D. Financing Required

9. 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.

10. 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 colours 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 colours available in a selection of shapes.

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

Material preference in order

- Cotton

- Linen
- Parchment/paper

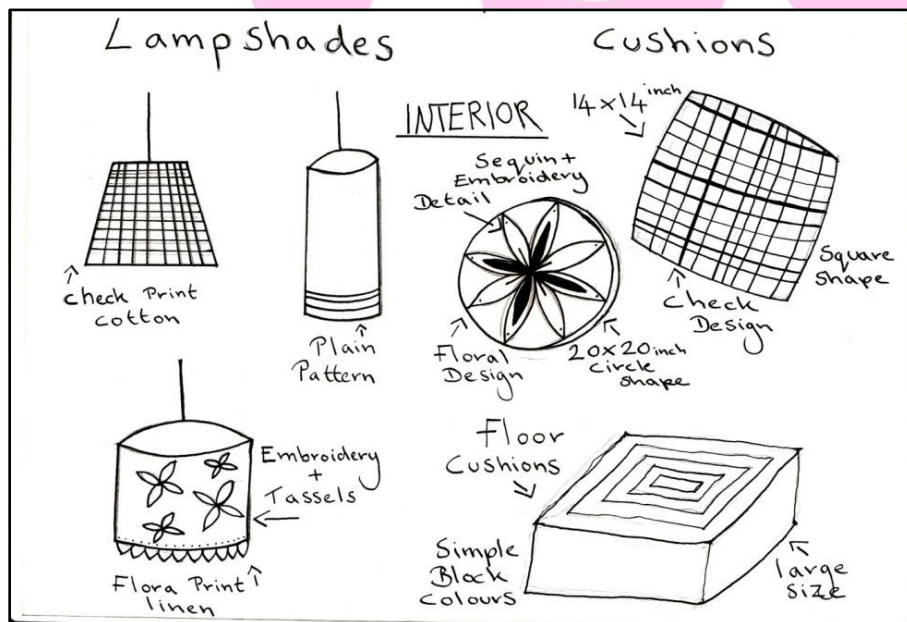
Colour preference in order

- Natural
- Bright

Pattern preference in order

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

Sample Drawings



iii. Production Process:

Angura's View (cushion and lampshade samples) -

7. How long did each product take to make?

- 2 – 3 days dependant on experience and motivation

8. How long to make for untrained worker?

- Dependant 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

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

Note- Angura can help entrepreneurs to sell their product.

Shariful's view –

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 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

Add photos of cushion samples.

Lampshade Height..... Width..... Lampshade sample to be made, dimensions and photos to be added.

B. PESTE and SWOT Analysis

i. PESTE

Political	Economic
Tax Policies	Economic Growth
Employment Laws	Taxation
Hartels and strikes	Underdeveloped economy
Handicraft Laws	Fluctuating market
	Competition

Social Fashion/Trends Income Distribution Demographics Culture and family tradition	Technological Energy Use and Costs Advances in technology Power cuts Production rate;business operations
Environment Tropical climate; Flood, Heat Storms Dust	

ii. SWOT

Strength <ul style="list-style-type: none"> • Specially Trained worker • Workers incorporate traditional Bengali culture and product • Entrepreneur Network • Specialist mentors 	Weakness <ul style="list-style-type: none"> • Worker commitments • Potential poor product quality • Lack of experience • Start-up business compare to established business • Limited production capacity
Opportunity <ul style="list-style-type: none"> • Empowering women • Networking growth 	Threat <ul style="list-style-type: none"> • Buyers more likely to go for a more established company

<ul style="list-style-type: none"> • International Market • Increase of domestic demand 	<ul style="list-style-type: none"> • Overcrowded market • Tax • Demand fluctuation • Competition
---	--

C.Finance

i. Unit Cost of Sample Product

Cushion –

	Cost of 1 (approx)
Cushion (small)	30
Cushion (large)	65
Cushion cover (large)	75

Lampshade – Product sample to be made and unit cost tbc.

For details of product sample dimension see appendix A iv.

D.Financial Summaries

i. Break Even Analysis

-Price and expenses

ii.Forecast

-Expenses; Production house cost, utility cost, machinery deprecation cost, wages & any other cost that is directly involved in production.

-Income; sales, investments, loans.

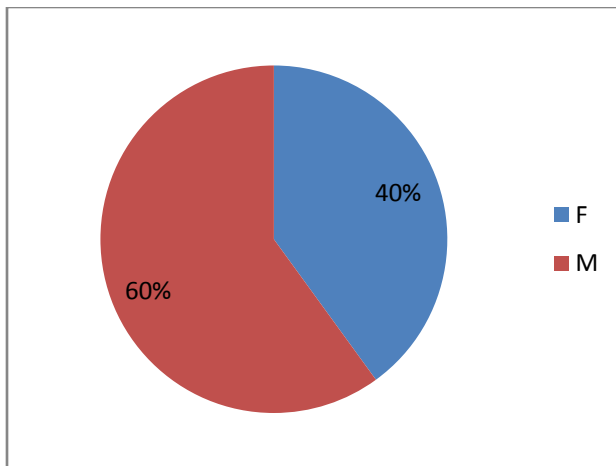
C. Appendices Market research DATA

Grocery Jute Bag City

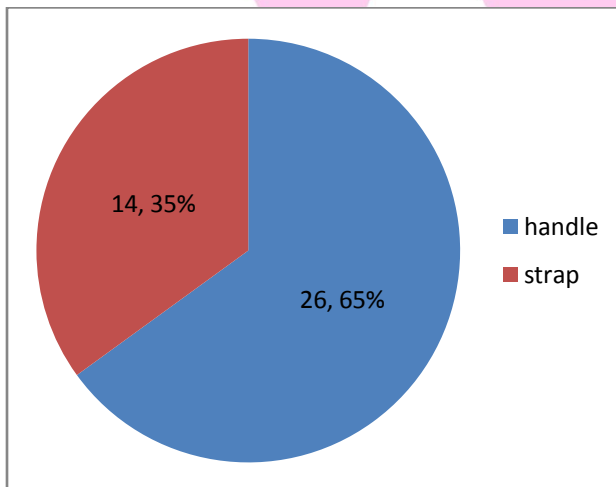
Total number of participants=40

Average Age=29

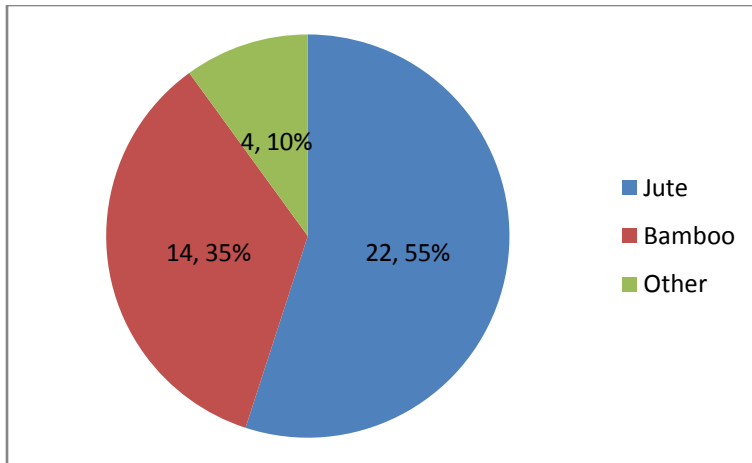
Gender:



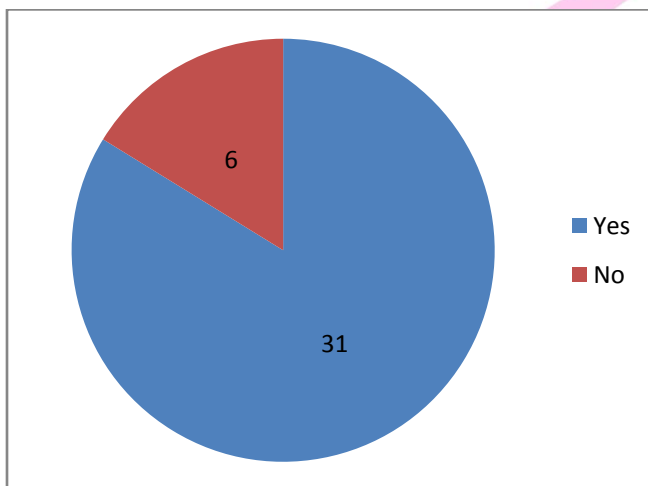
Handle or strap:



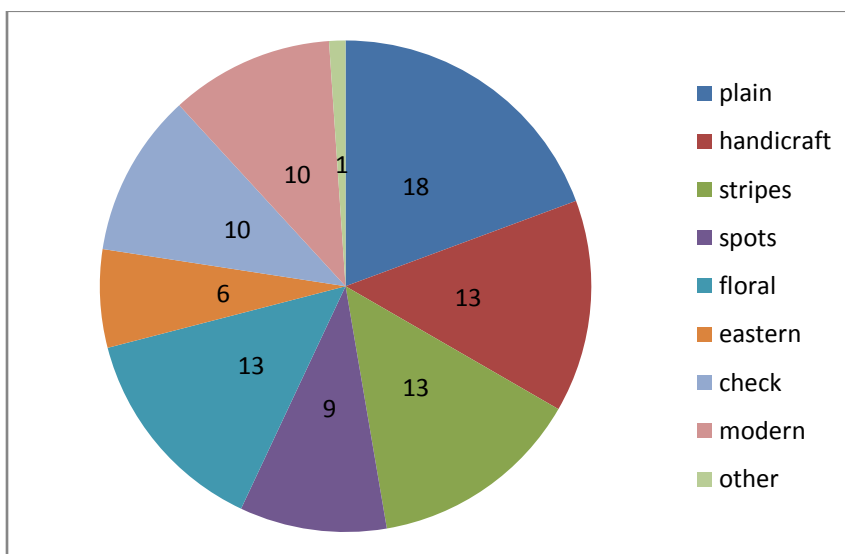
Material:



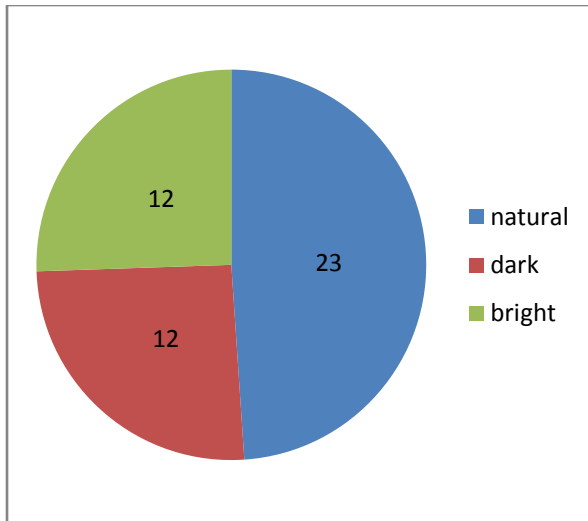
Zip on top:



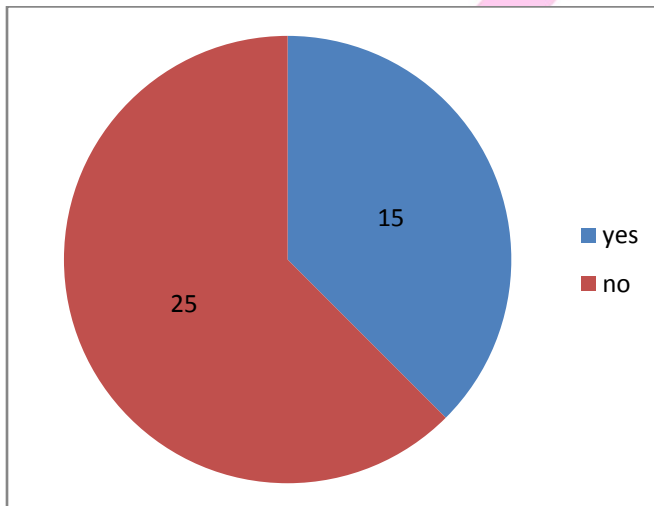
Pattern:



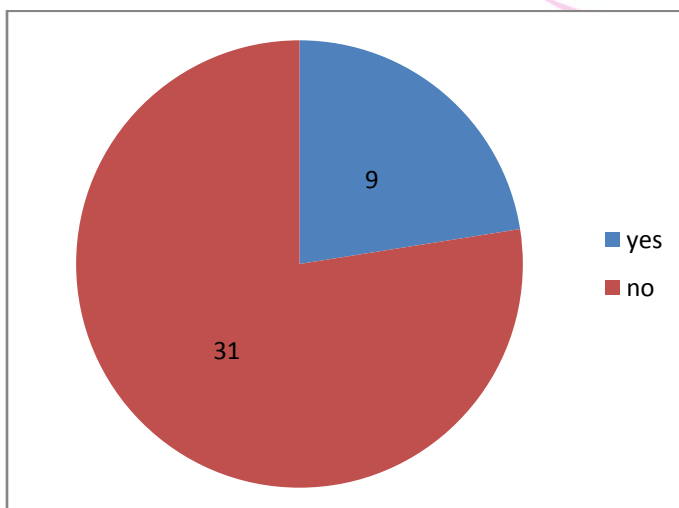
Colour:



Front pocket:



Inside pocket:

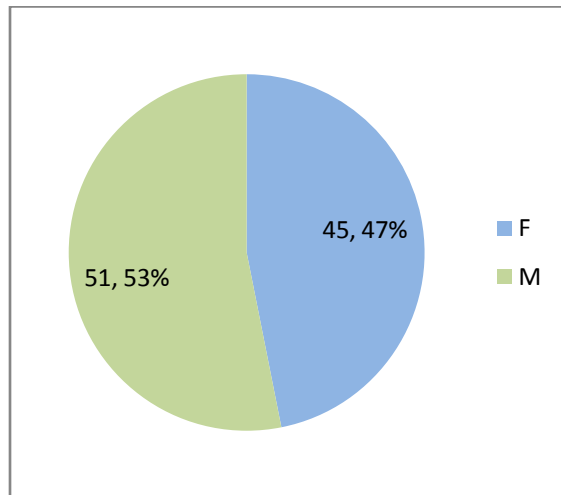


Average price consumers were willing to pay: 258 taka

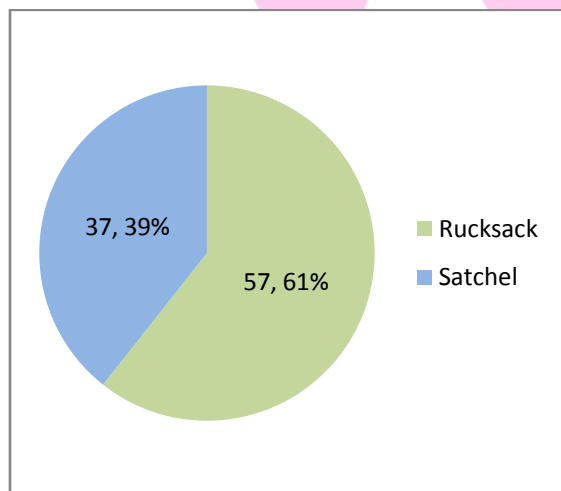
Jute Bag University

Total Number of participants=96

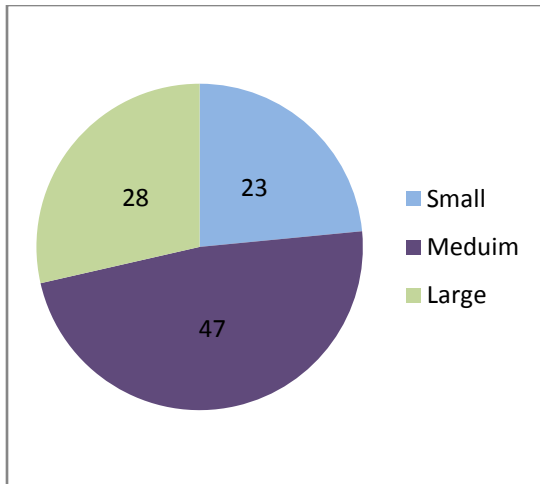
Average age of participant=20.8



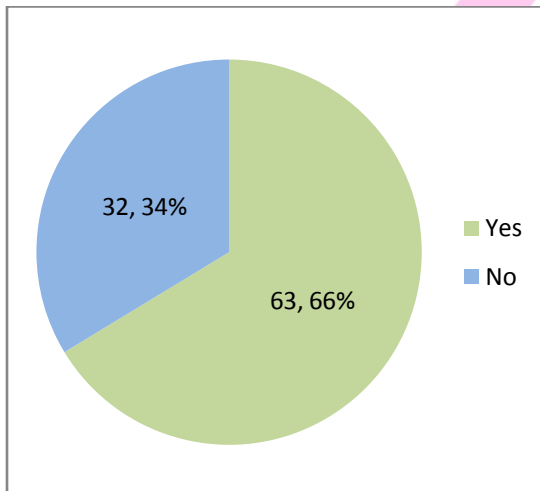
Rucksack or Satchel?



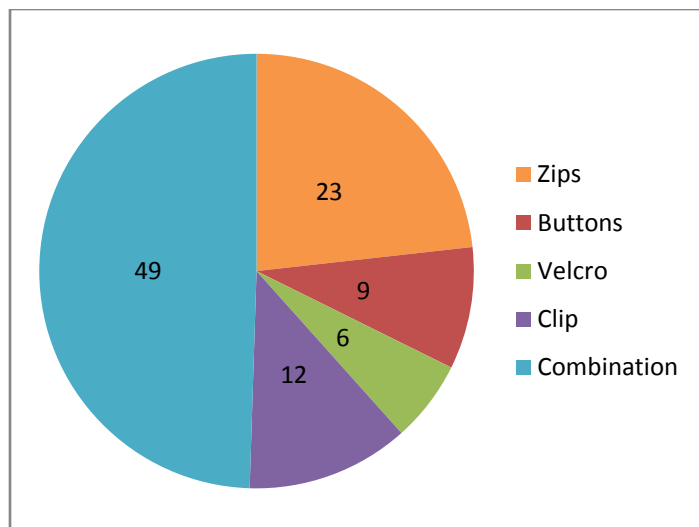
Preferred size:



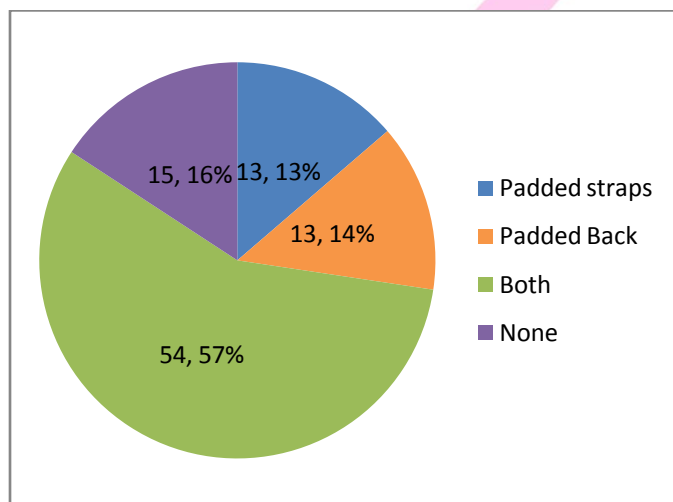
Top Handle:



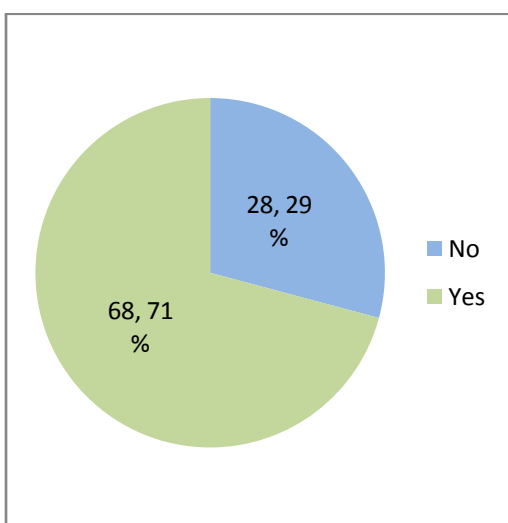
Fastenings:



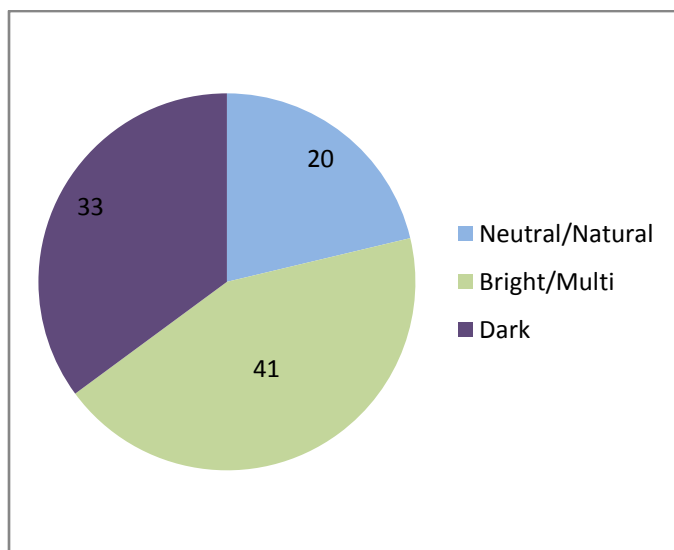
Padding:



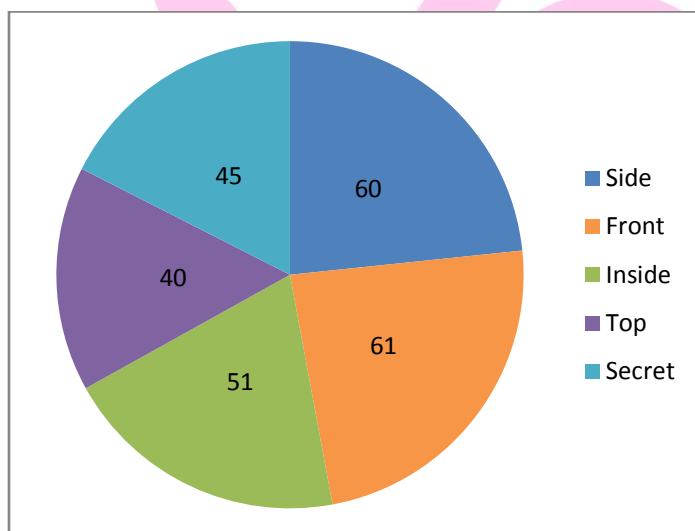
None-Jute protective bottom:



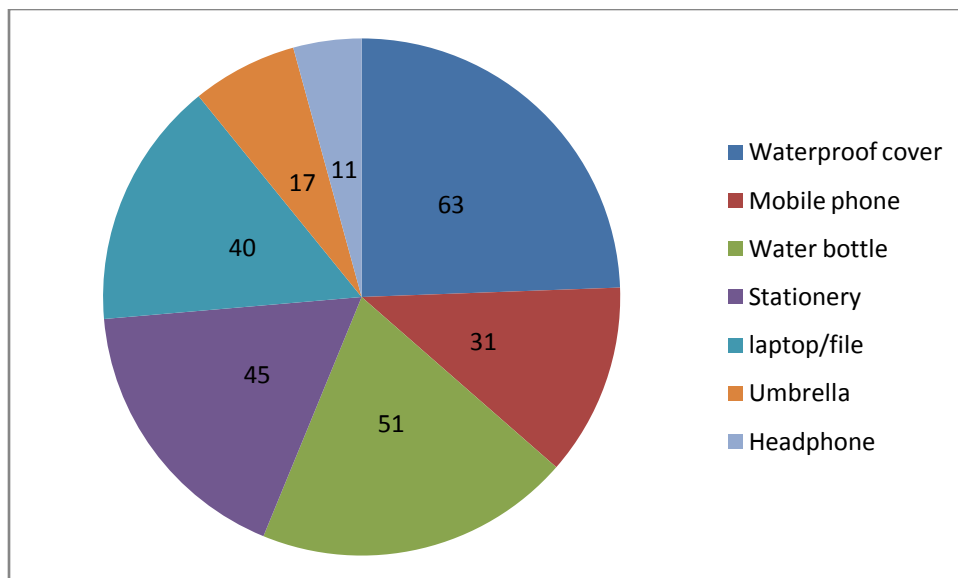
Colour:



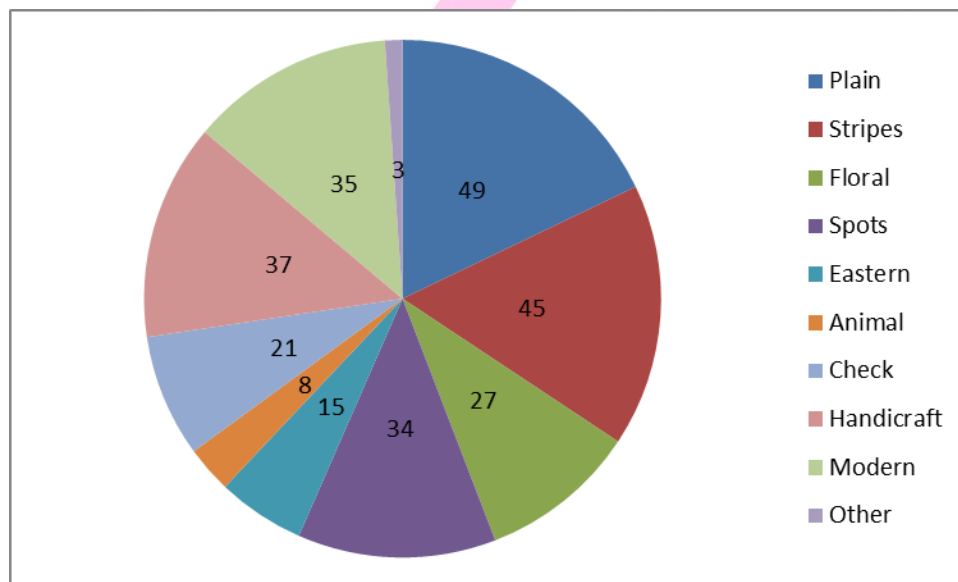
Pockets:



Features:



Pattern:

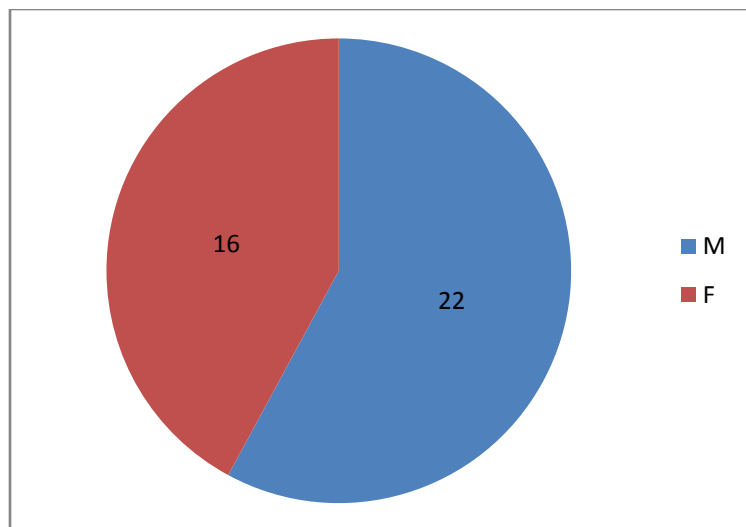


Jute school bag city analysis

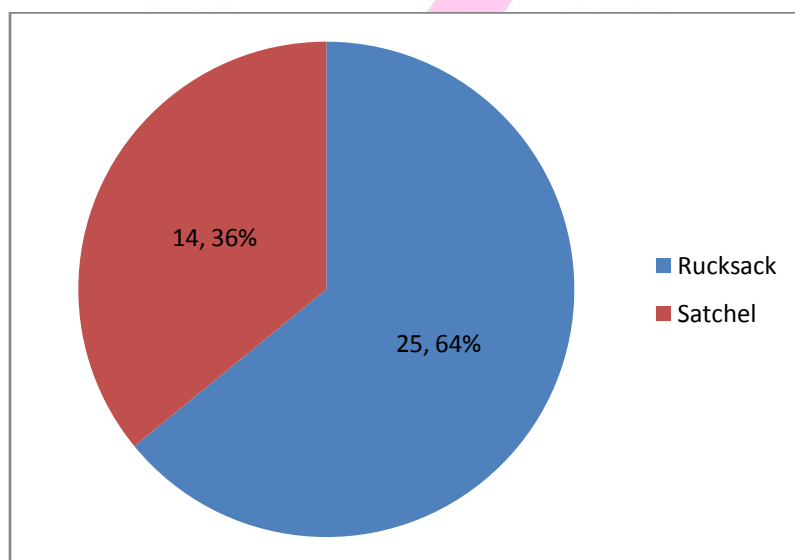
Average age of participant: 36

We only surveyed parents to get more accurate information.

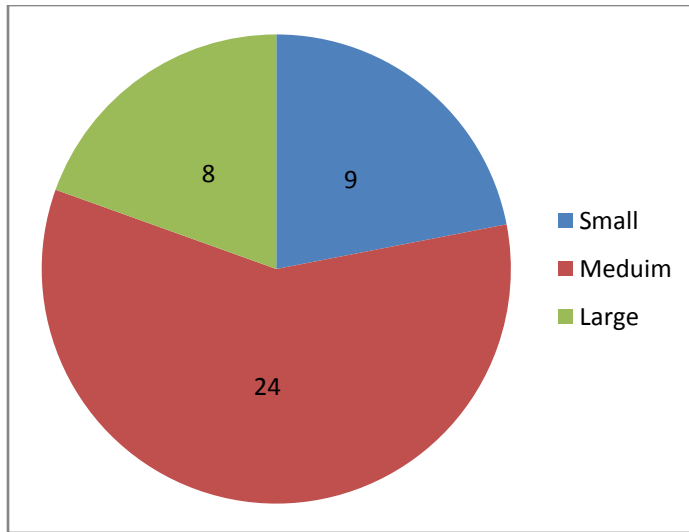
Gender:



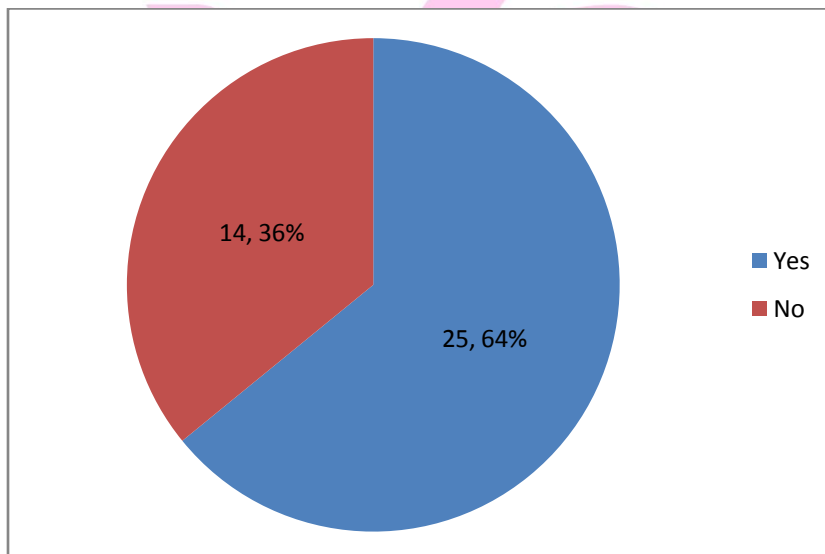
Type:



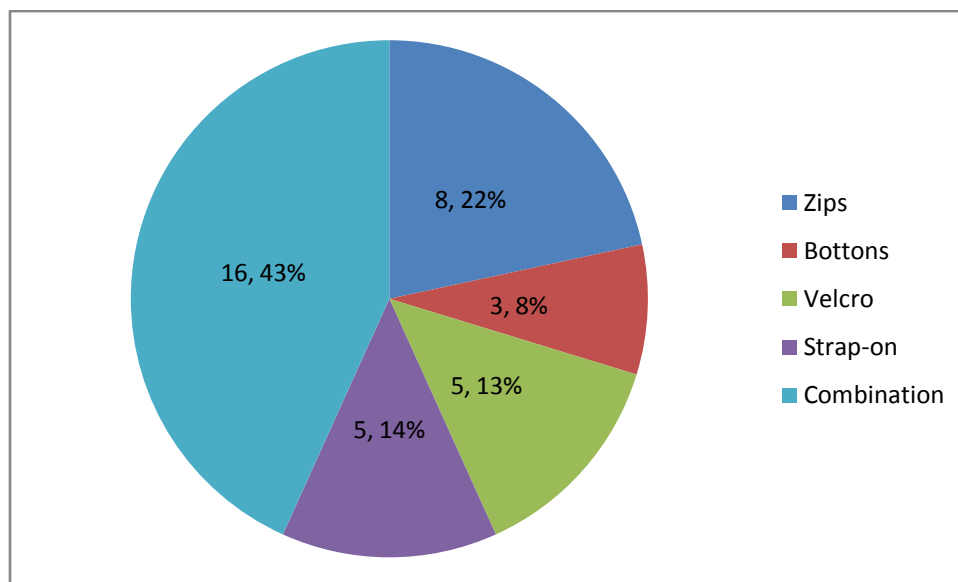
Size:



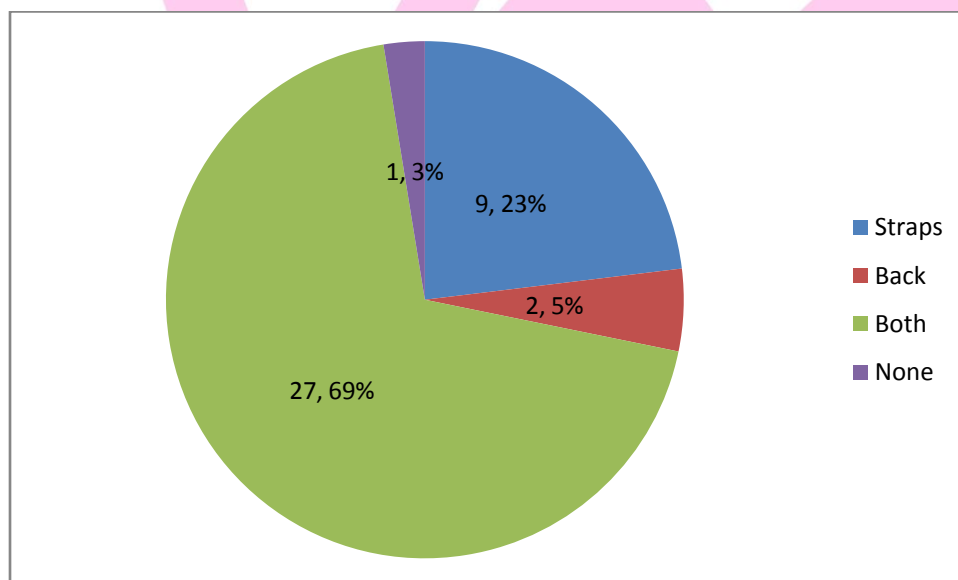
Top handle:



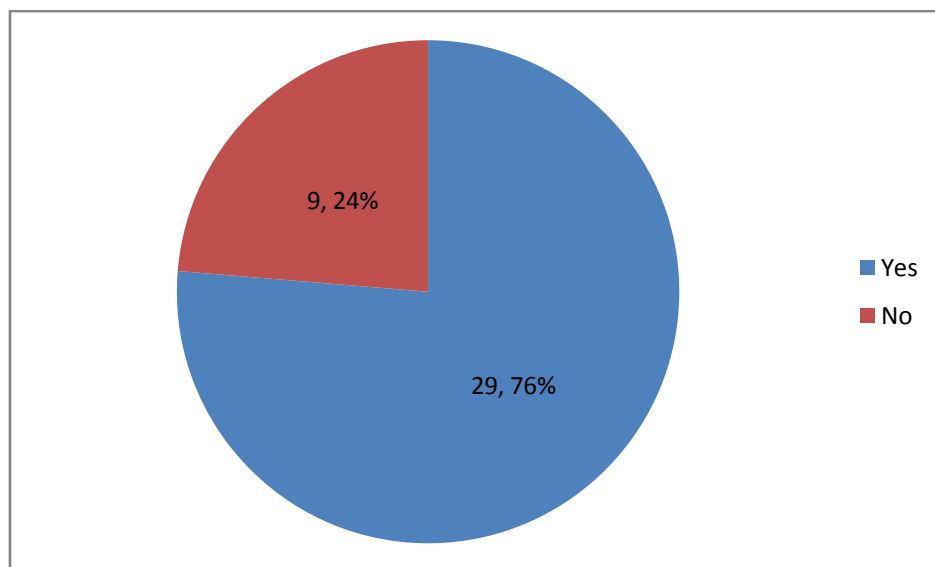
Fastenings:



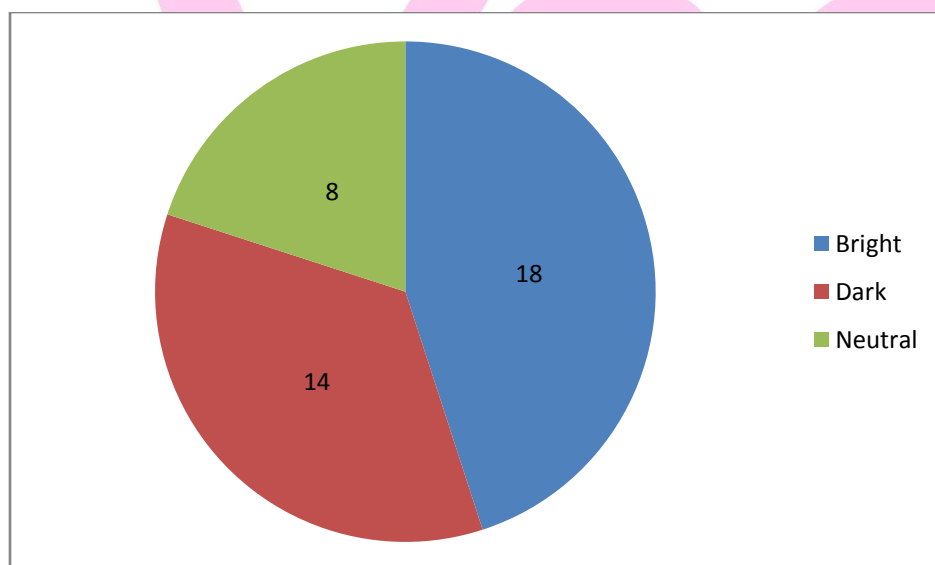
Padding:



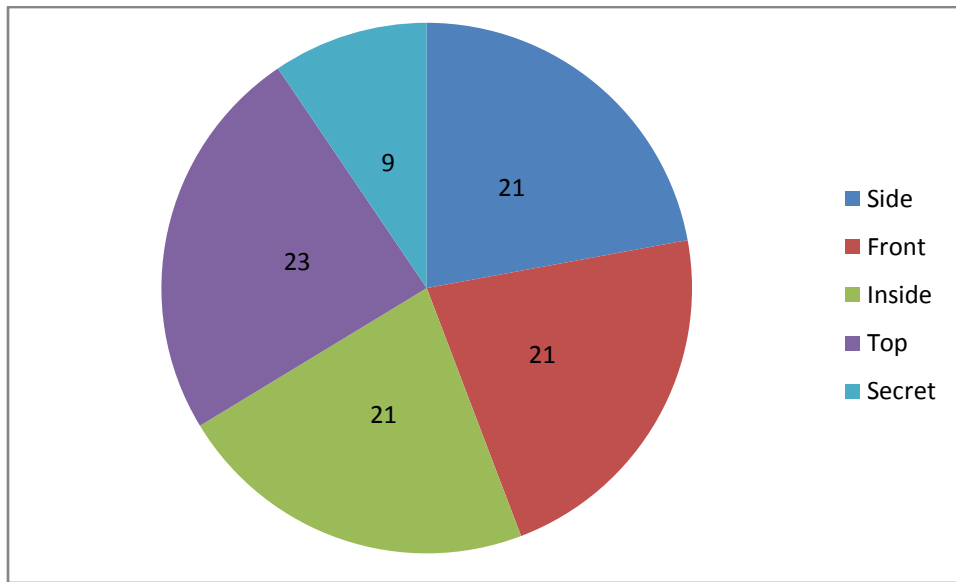
None jute protective bottom:



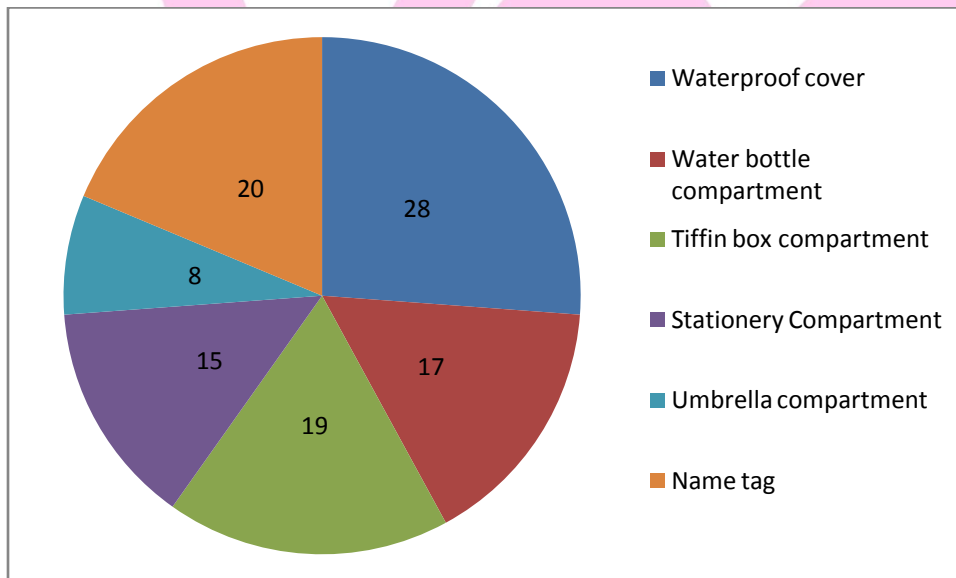
Colour:



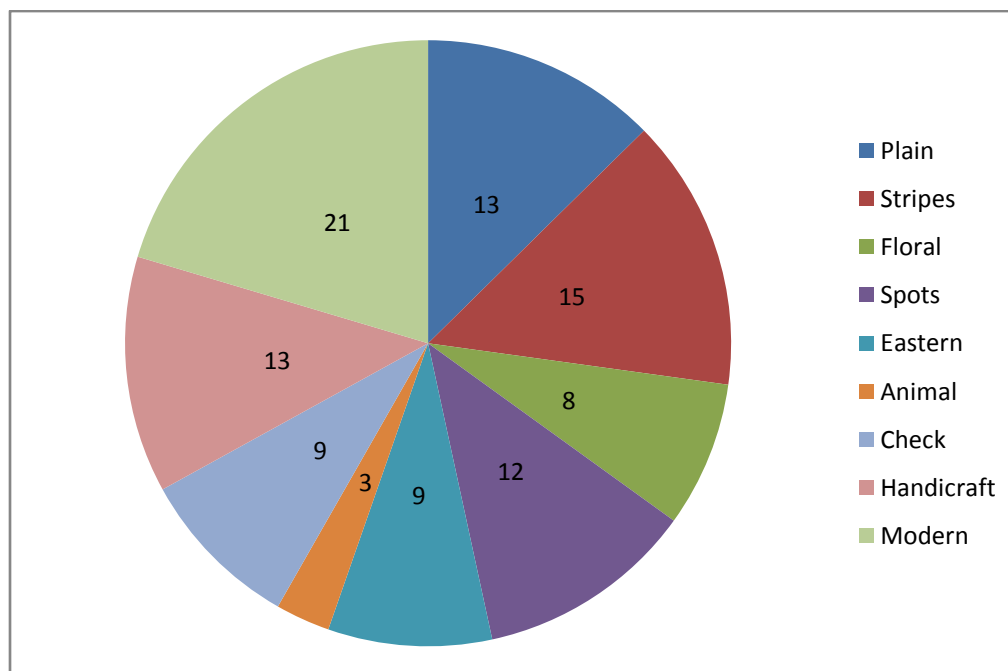
Pockets:



Product features:



Pattern:



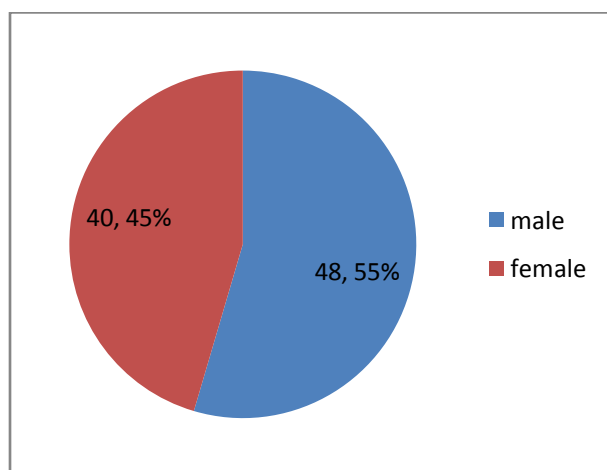
The average price participants were willing to pay was 435 Taka

Lampshade University

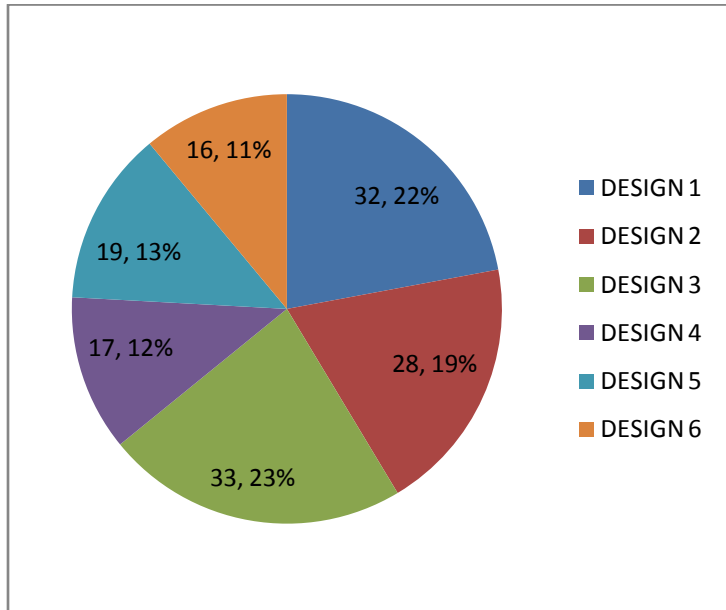
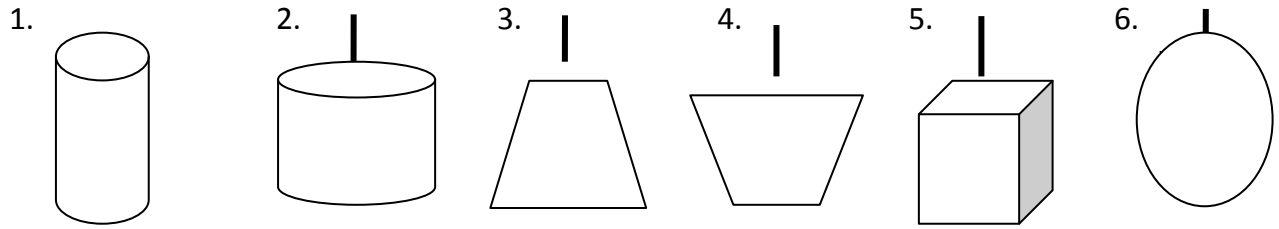
Statistics

Total number of participants=90

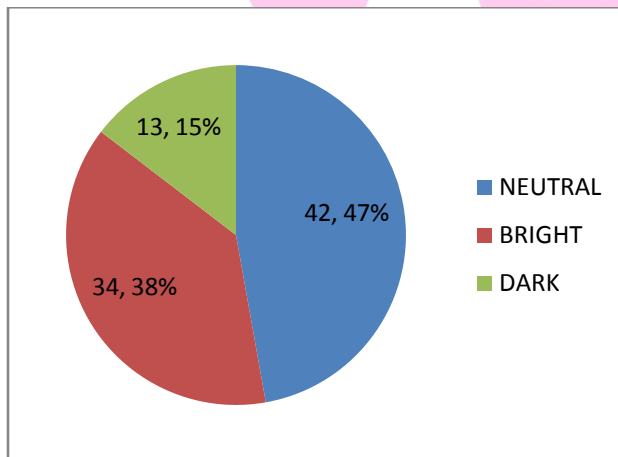
Average Age of Participant=20.3



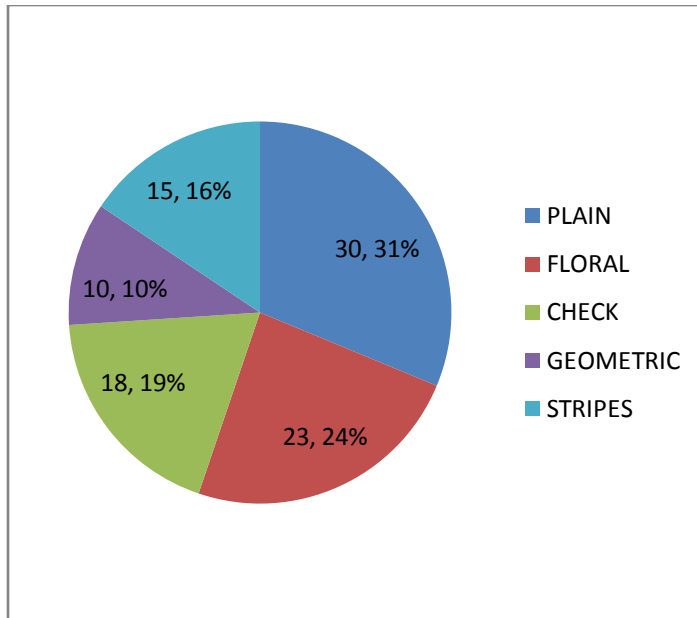
Which of the pictured designs do you prefer?



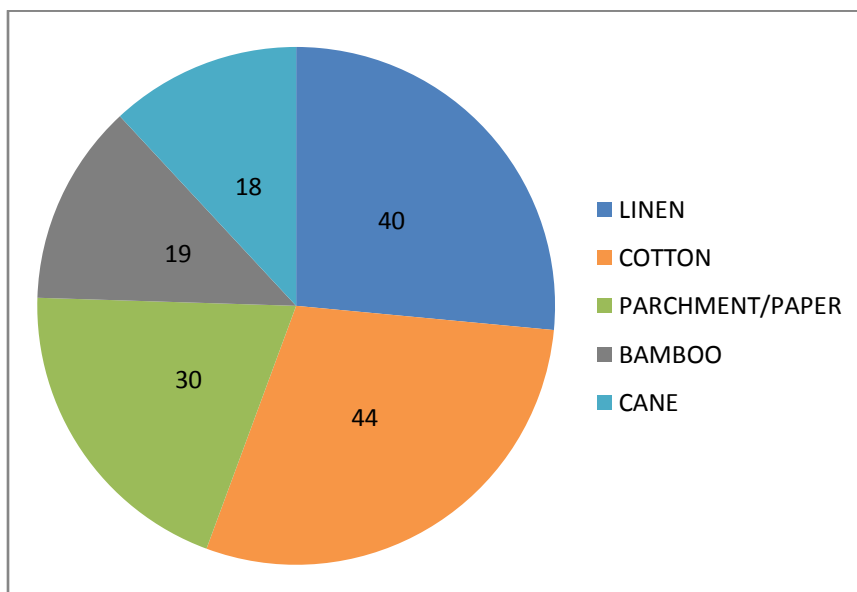
What is your colour preference?



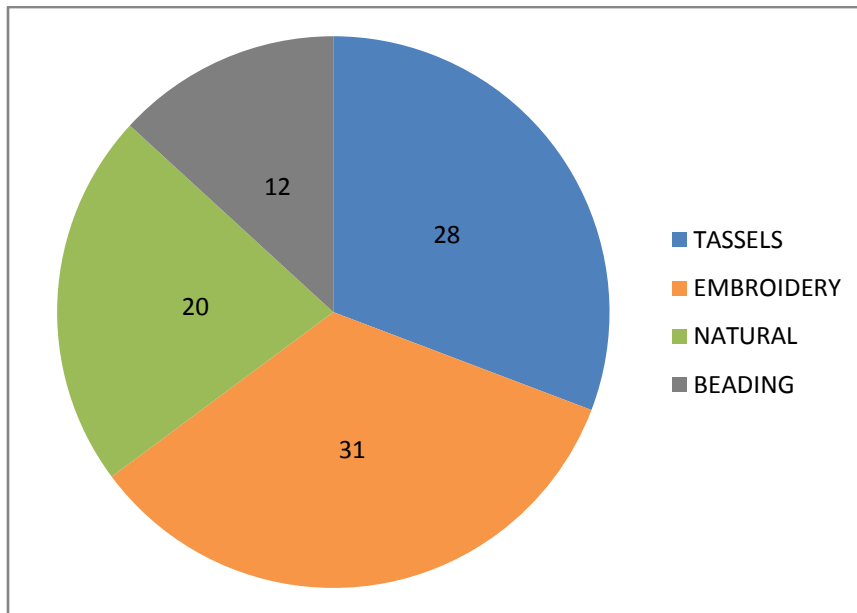
What is your pattern preference?



Material:



Decoration:

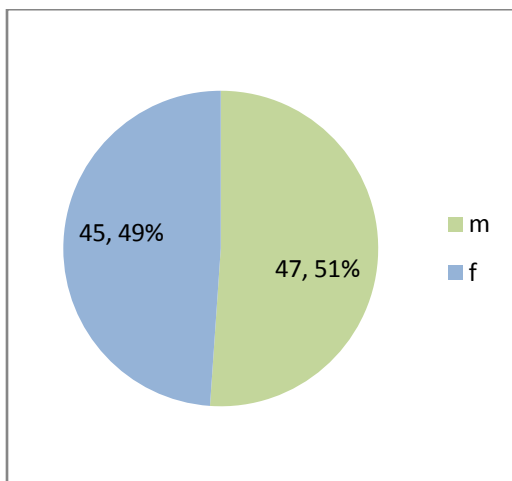


Cushion University

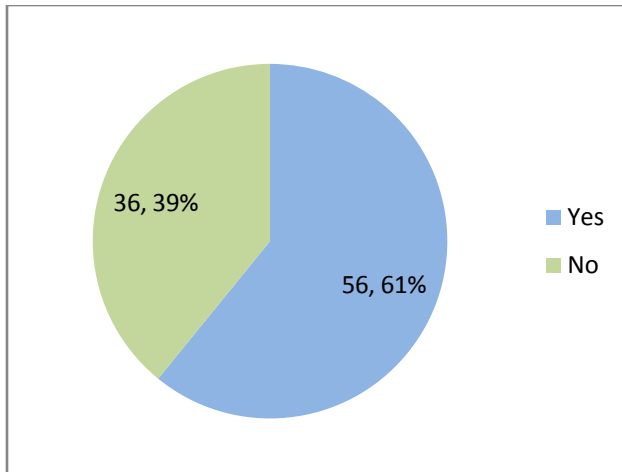
Statistics

Total number of participants=92

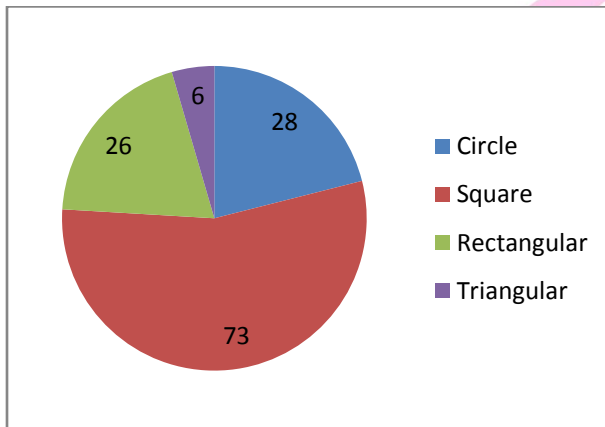
Average Age of Participant=20.6



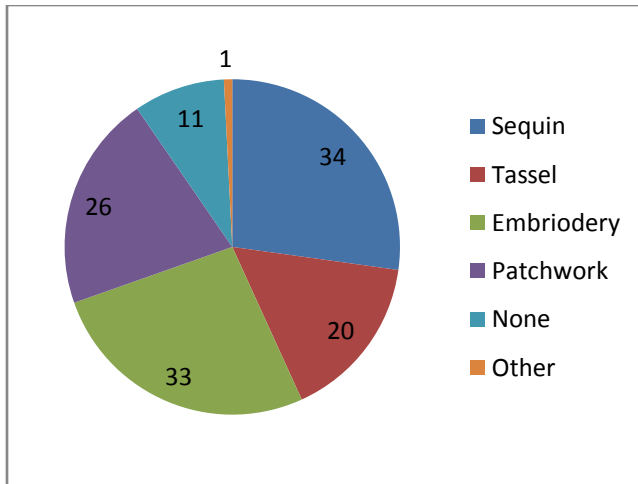
Would you buy a cushion cover without the pillow?



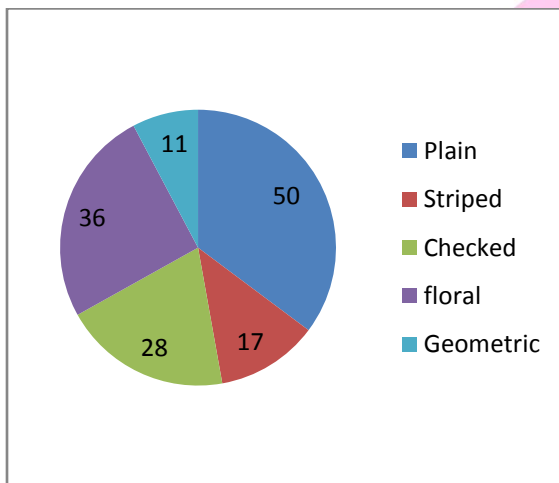
Preferred Shape:



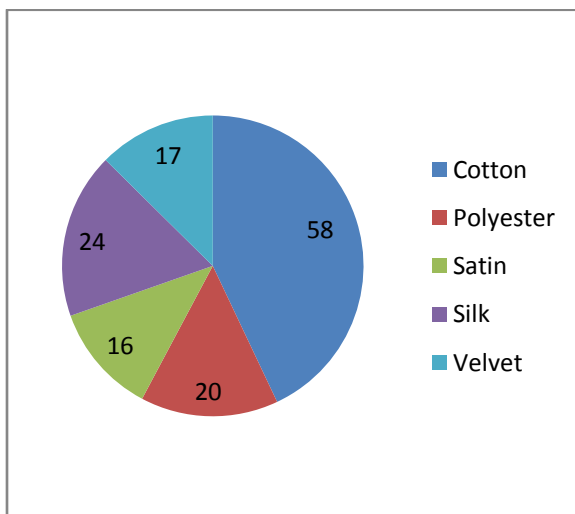
Preferred Decoration:



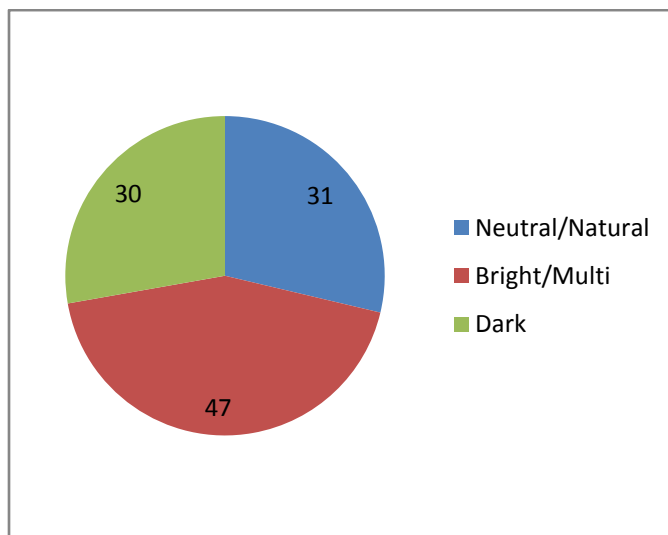
Preferred Print:



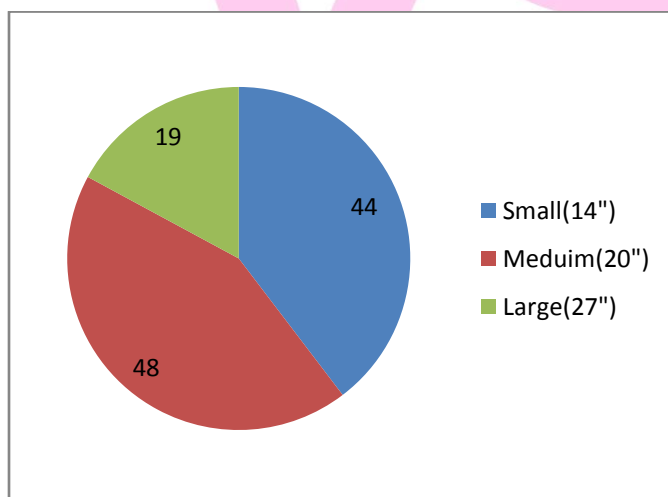
Preferred Material:



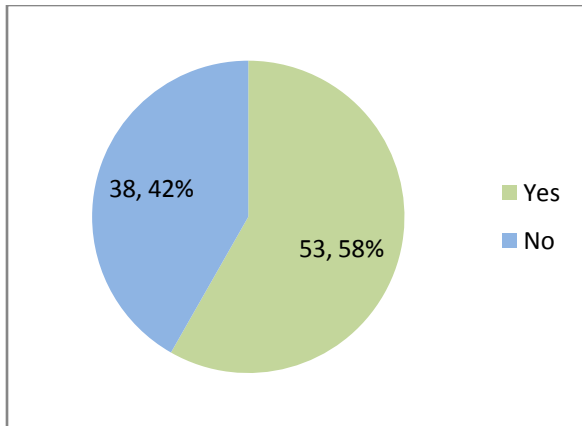
Preferred Colour:



Preferred Size:



Would you find a use in your home for a floor cushion?



D. Appendices Product Features

Product feature data analysis – 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.

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. 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

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. We have analyzed the data and summarized the useful information below:

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 (Tshirt cuts from clothes factories,) in bulk from Dhaka at a cost of 18-20 taka per 1kg. In regards to the various colors, 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, for example 1 Jute clutch bag takes one day to produce.

Material preference in order

Cotton

Linen

Parchment/paper

Colour preference in order

Natural

Bright

Pattern preference in order

Plain

Floral

Check

Decoration

Tassels

Embroidery

Cushion

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.

Shape 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")

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 – 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. A total of ... 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

Circle

Decoration in order of preference:

Embroidery

Sequin

Pattern in order of preference:

Checked

Floral

Plain

Stripes

Colour in order of preference:

Bright

Natural

The data the surveys produced also told us that the 30+ market would use this product as a floor cushion.

Grocery Bag:

The general public of all ages were surveyed to distinguish their preferences of the grocery bag. The

information below was retrieved:

Handled bag

Zip on top

Natural colours

Inside pocket

Front pocket

Handle material in order of preference:

Jute

Bamboo

Pattern in order of preference:

Plain

Floral

Stripes

Handicrafts

Lampshade research for ages 30+ was not done in Rangpur city due to problems like the continuous strikes. We suggest cycle 3 team trials the product with the student's preferences and then adjust accordingly after some customer feedback and research.

E. Appendices 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
- Hand-weaver
- 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 BENEFIT

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

