

AYESHA ABED FOUNDATION CENTRE FOR WOMEN, MANIKGANJ
1984



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A Training Production Service Centre was constructed for rural enterprise development by the Ayesha Abed Foundation (AAF) in Manikganj and opened on September 3, 1983. The objective of the centre is to institutionalize the capacity to provide services to new and existing small scale women's producer groups leading to employment and income generation activities. This report covers the performance of the AAF Manikganj centre for the period September 1983 to December 1984.

ECONOMIC ACTIVITIES:

The Ayesha Abed Foundation (AAF) Centre has the following on-going economic activities within BRAC's Manikganj Integrated Project (MIP) organised women's groups: Seri/Eri culture, weaving, poultry farming/animal husbandry, pisciculture, food processing, bamboo/jute goods and fishing nets.

1. Seri/Eri culture

When MIP was looking for viable income and employment generating activities to involve rural disadvantaged women, seri/eri culture schemes started. These schemes are particularly suited to women because they can rear the worms and spin the yarn at home.

AAF provides the following services for sericulture: supply of mulberry plants, credit, technical advice on rearing worms, and purchasing cocoons. Currently 154 women are engaged in mulberry cultivation. The AAF bought 749 kahons (1 kahon = 1,280 cocoons) produced by the MIP women, from which 90 lbs. of silk thread were produced.

For ericulture, the AAF extends the following services: timely supply of eggs, training support, spinning wheels, castor seeds, cash payment for yarn and credit for building sheds for raising worms and spinning the silk. Ericulture is a major AAF activity, and all stages of production from eggs to tailored garments are produced at AAF.

2. Weaving

Weaving is basically a home based activity. Raw materials are bought from, and finished products sold to AAF. Tk.40,000 has been given for this scheme which included 252 persons.

September 1983	-	72 (women)
December 1983	-	96 (84 women + 12 men)
December 1984	-	252 (222 women + 30 men)

3. Tailoring

Tailoring is carried on by the Manikganj Gramojibi Mohila Shakti (MSMS) members with group funds. The tailors work with sewing machines at AAF and are paid on a piece work basis. MSMS engages outsiders to augment production during peak demand periods. MSMS handles all the financial aspects of the tailoring operations for which Tk.30,000 was earmarked for the period. The employment status under this scheme is enumerated below:

	1983	1984
Female workers	14	23
Male workers	6	4
Total	20	27

The decrease in male workers is due to their services no longer being required once the female workers had completed their training.

4. Block Printing

Block printing is a significant source of income for the women of AAF. Groups of 10-15 women from 33 villages work at AAF or in sub-centres. Presently 26 women are involved in block printing in the centre and sub-centres, and another 27 have left the centre after being trained and are engaged in production in the sub-centres. The finished products are sold to Aarong and other craft shops. BRAC loaned Tk.1,50,000 to the Manikganj Gramojibi Mohila Shakti (MSMS) for this scheme. The women currently earn an average of Tk.400/month each from block printing.

5. Embroidery

Embroidery is done either at AAF, sub-centres or at home. The centre provides the raw materials and designs, and takes orders. The finished goods are paid for at the centre after quality control, and then marketed. There are 186 women involved in embroidery, and Tk.60,000 was allocated for this scheme.

6. Poultry Farming

Poultry farming is a low capital cost source of income for rural women as they can rear chickens while doing their normal household work. AAF provides HYV hatching eggs, chicks, vaccines and improved variety of birds, and consultancy services and logistics support to MIP's five sub-centres. Key rearers and

para-veterinarians are trained to teach the villagers proper animal husbandry practices and to treat the village livestock. The table below shows the poultry programme training at December 1984:

<u>Villages</u>	<u>Key Rearers</u>	<u>Refresher Courses</u>	<u>Workers</u>	<u>Total Key Rearers December 1984</u>
160	39	320	390	1,486

Because of AAF's poultry extension services 3,982 persons (mainly women) have taken up poultry farming within MIP organised groups, benefitting approximately 7,500 people and approximately 4,000 subsidiary beneficiaries. By providing vaccination services to the villagers, 390 workers and 1,486 key rearers earn additional income.

	<u>December 1983</u>	<u>December 1984</u>
HYV cocks	195	483
Chicks	115	2,173
HYV eggs	835	25,665
Vaccines (Doses)	39,396	3,22,335

During 1985 an additional 20 villages, 20 workers, 314 key rearers and 82 model rearers will be included in this programme.

7. Animal Husbandry

Animal Husbandry is an important potential income source, and since September 1983 AAF has trained, organised refresher courses, provided technical services in animal husbandry, and supplied medicines and vaccines. Till December 1984, 62 group members in 47 villages had been trained as para-veterinarians, and 27 persons were trained as Rural Veterinary Surgeons (RVS). The para-veterinarians purchase their medical supplies from AAF at cost price with group funds.

8. Pisciculture

Pisciculture is a new undertaking for the women. In 1984, 63 women and men were trained, and 27,200 fingerlings such as Catfish and Nilotica were supplied for cultivation in small ponds. However, last year's floods inundated and damaged the ponds, severely affecting the programme.

9. Food Processing

Food Processing includes preserving pickles, grinding spices and preparing chanachur. A group of 20 women preserve and bottle pickles with their own funds, and AAF provides preservation and packaging advice and marketing facilities. 12 women are involved in grinding spices, for which MIP supplies credit to buy the raw spices and expertise on production and packaging. AAF buys and stores the finished products before marketing.

10. Bamboo and Jute Goods, and Fishing Nets

Bamboo goods: Only 3 women and 2 men are involved in this owing to an unpredictable market demand. The producers make goods on an order basis, after receiving advance payment for purchasing raw materials.

Jute goods: Presently, 22 women work making jute products on an order basis. AAF provides these women primary and refresher training for making jute articles.

Fishing Nets: Credit is given by MIP to 51 women to make fishing nets. The women buy the thread from AAF and sell the nets both to AAF (on order) and in the local markets.

TRAINING:

Training women on selected income based skills is the most important of AAF's activity. The training provides the women with skills that enable them to earn a minimum income. The training is given to the group members on the following criterion:

- 1) potential employment opportunities as perceived by the group members;
- 2) incorporating new economic activities into existing activities;
- 3) requirement for trained workers at AAF; and
- 4) enhancing social benefits.

Manikganj Integrated Programme (MIP) and Training and Resource Centre (TARC) trainers in addition to AAF staff provide the group members' training. Training is held either at AAF or in village production subcentres. Over the past year 1,466 group members were trained by AAF of whom only 27 were male. The training given in 1984 is given below:

TABLE : 1
Training During Jan. - Dec., 1984

<u>Training</u>	<u>No. of Beneficiaries</u>	<u>Remarks</u>
Mulberry Plantation	175	Workshop in AAF
Ericulture Rearing and Spinning	202	Other MIP Camps
Chorka Mechanism	22	MIP
Reeling Machine Operation	4	AAF Centre
Weaving	62	Sub-centres
Tailoring	30	AAF Centre
Block Printing	45	AAF Centre + Sub
Embroidery	83	-do-
Jute Works	10	AAF Centre
Net Making	30	MIP
Horticulture	45	MIP
Poultry Worker	127	MIP
Poultry Workers	71	BRAC
Poultry Key Bearers	89	MIP
Animal Husbandry (HVS training)	27	MIP(all male)
Health and Family Planning	45	MIP
Pisciculture	63	MIP
Earthen Oven Construction	18	MIP
Refresher Courses (on poultry), Ericulture, Pisciculture etc.)	320	MIP
Total	1,466	-----

SERI/ERI CULTURE INDUSTRY:

The unique contribution of AAF together with MIP has been in the creation of an integrated seri/eri culture industry. The seri/eri culture industry is best viewed in production stages that separate economic activities, which are vertically and horizontally linked to form a chain of activities with the output of one becoming the input for the other. Training as such is required at every step and it is only after the group members are trained that they can be productively integrated into the industry. The training for seri/eri culture is discussed below:

1. Cultivation of Mulberry and Castor Plants

Mulberry trees are cultivated for sericulture and castor trees for ericulture. Seri culture produces pure silk and eri-culture endi silk.

Mylberry leaves are grown on both trees and bushes. The bushes reach their peak leaf production in 4 months, whereas trees require 2 years. The peak production of the tree is higher than the bush, and it is more popular with the cultivators. The normal practice is for the cultivators to plant both varieties simultaneously, taking advantage of the quick yield of the bushes while waiting for the trees to reach maturity. The leaf harvest from 100 mature trees planted 5 yards apart will produce 20-30 Kahons, which is equal to the production of bushes grown on one-third of an acre. Once the trees have matured, the cultivators usually uproot the bushes. The trees are preferred over the bushes because: a) they have a higher yield; b) they can be cultivated around homesteads and on roadsides, whereas the bushes' land requirement is greater; c) bush leaves are often eaten by goats and cows; d) tree branches can be used to grow bushes.

A comparative analysis of mulberry and castor plantation shows that though castor trees reach maturity in 6 months, (vs. 2 years for the mulberry) the possibility exists that mulberry trees will ultimately replace mulberry bushes and castor trees. This is because the endi worm consumes almost 10 times more leaves than the seri worm, and as such, with seri worms more silk can be produced with less trees.

The group members are given mulberry and castor trees cultivation training, which includes: different cultivation practices; amount of seeds, fertilizer, and pesticides required; and water management requirements.

2. Rearing

Though the rearing practices between eri and sericulture are similar, sericulture requires a more controlled environment. The life cycles for both is 45 days. Sericulture has the flexibility of producing either pure silk or endi silk, which is determined by removing (or not) the butterfly from the cocoon. If the butterfly is left in the cocoon it produces pure silk, and if removed it produces endi silk. The group members are trained on all aspects of rearing the worms and development of the cocoons.

Though the group members prefer to raise cocoons with the butterfly inside (pure silk), the current sericulture trend is to remove the butterfly and produce endi silk with mulberry trees, as mulberry trees grow better than castor trees in Manikganj

conditions. Also, because of the large size of reeling machines used to produce pure silk thread, they cannot be used in the home, whereas the 'charka', which is used to spin endi thread, is small and are used in the home.

3. Spinning

Three types of spinning training are provided: a) charka; b) reeling machine; and c) maintenance and repair of the charka and reeling machine. The reeling machine operator training is for pure silk and the charka for endi.

The sericulture cocoons with the butterfly inside produce fine continuous thread which can only be spun with a reeling machine, to obtain the fine quality pure silk thread. Cocoons with the butterfly removed however produce a non-continuous thread (endi), and can only be spun with a charka.

The group members receive training on the pre-treatment of cocoons: cocoons with butterflies are boiled in fresh water, whereas cocoons without butterflies are treated with boiled water and soda. The soda removes the butterfly residues left in left in the cocoon, which if left, would adversely alter the color of the thread. The group members are also shown that by using citric acid or lemon in addition to the soda, the color will be enhanced and the silk softened. The pre-treatment of the silk is done at AAF, where the reeling machine is situated, and the endi silk in the homes.

The training for mulberry cultivation, rearing and spinning is carried out simultaneously for 10 days. Each day 2 hours are devoted to rearing and cultivation theory and practice with the seri/ericulture assistants, and 6 hours to practical spinning.

4. Weaving

Groups members are trained as loom operators, and in loom maintenance and repair.

At present, the silk threads are being woven mainly into panjabis and shawls. Silk represents approximately 27% of the total AAF weaving output, of which almost 24% is endi.

5. Tailoring

Group members are trained in cutting and stitching - hand and machine. The tailors also learn to perform minor sewing machine maintenance and repair.

6. Block Printing

Block printing requires a high degree of accuracy in handling the block, and mixing colors so that they are consistently the same. For a group member to become a skilled and proficient block printer normally requires 6 months of practice and training.

At first the women are given small jobs requiring less refined work, and only after they have become proficient are they given the more demanding jobs. Their prints are used on bedspreads, table cloths and panjabis.

The print designs are developed and blocks are made by Aarong's Design Cell and then given to AAF for printing.

7. Embroidery

Embroidery, as block printing, requires a high degree of skill and concentration, meaning that long period of training and journeymanship are required before a woman becomes a master embroiderer. The embroidery designs are developed either by the group members themselves or by Aarong's Design Cell.

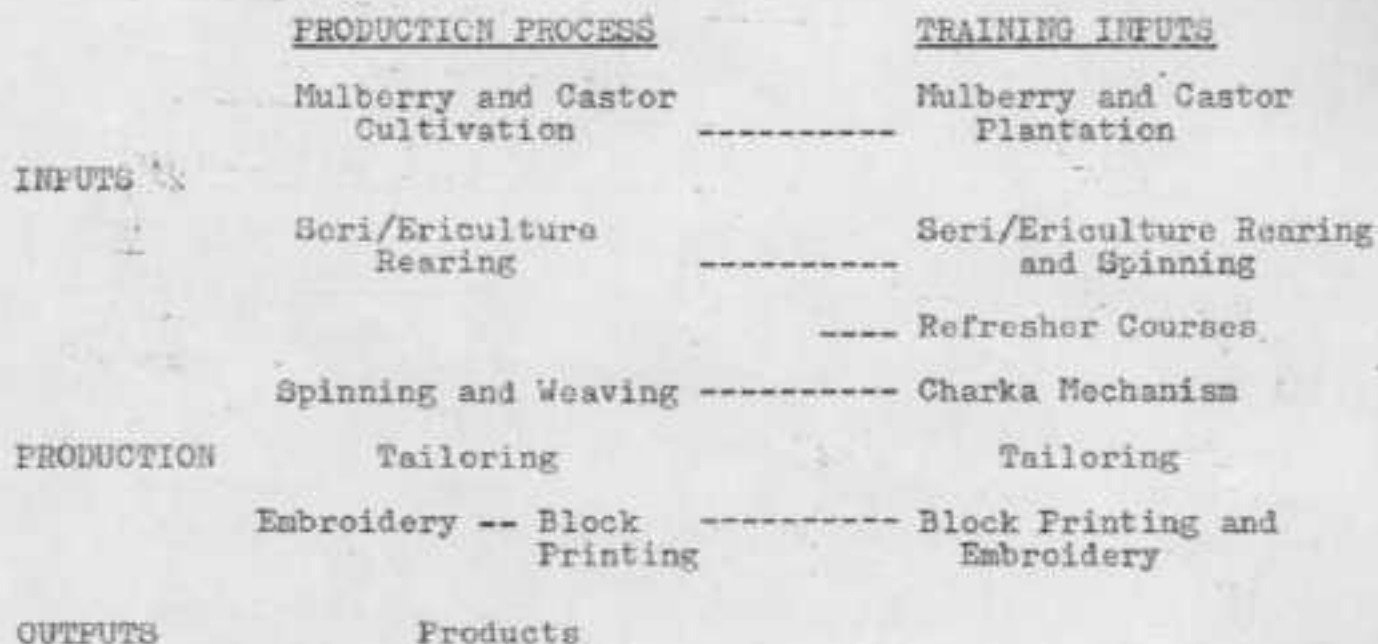
Weaving, block printing, tailoring and embroidery are in-service trainings, during which the trainees are paid Tk.10/day remuneration, and an experienced worker earns on the average Tk.15-20/day depending on level of proficiency. The training period required for such activities averages 6 months.

8. Refresher Courses

Refresher courses are periodically given when the group members feel that they require it, or when the quality of production in a given sector declines. The courses are designed to meet particular needs as well as to reinforce previous training and impart new techniques, skills etc.

The flow chart below depicts the AAF seri/ericulture programme:

SERI/ERICULTURE PROGRAMME



AAF STAFFING AND MANAGEMENT:

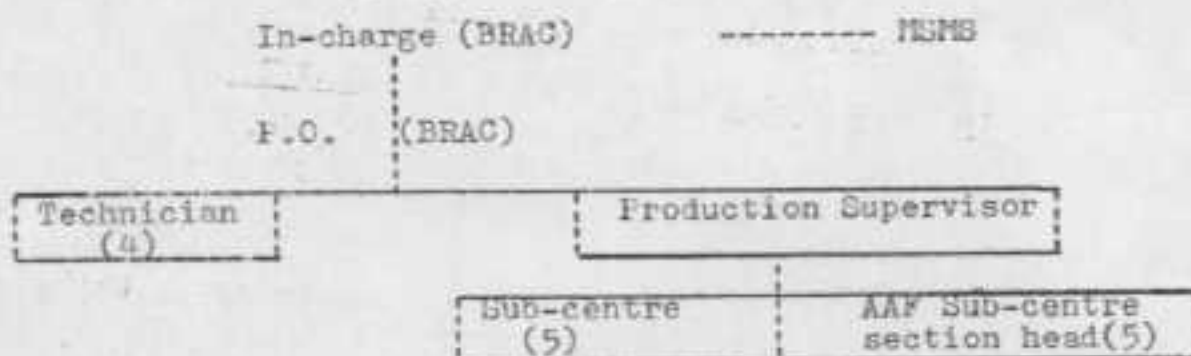
The AAF women's programme covers several income-generating schemes for women as mentioned before. Some of these activities are also supported by other BRAC projects, especially the Manikganj Integrated Development Project (MIP): Sericulture is organised by BRAC/Manikganj (BRAC/M) with 1 Programme Organiser at the Manikganj camp, and 2 Sericulture Assistants (1 male logistics; 1 female technical) posted at each of 5 MIP camps. Those directly promoted by AAF through MSMS are block printing, embroidery, tailoring and weaving.

MSMS - Manikganj Sramojibi Mohila Shakti - is a central women federation which helps women to organise production at sub-centres. The structure is as follows:

M S M S

Sub-Centres	-----	AAF Sub-Centres	-----	MSMTS (Weavers)
Betila		- Block printing		at: AAF subcentres
Gorpara		- Tailoring		
Balirtek		- embroidery		
Krishnapur				
Novogram				

The Personnel Organogram is as follows:



PERFORMANCE TO DATE:

At the end of 1984 BRAC requested Mr. Ken Marshall, Ford Foundation, to work with a BRAC staff economist to assess and evaluate AAF's activities. The following is their report:

Data is only available for 1984, as AAF was established at the end of 1983. Data for the quarter ending March 1985 is not available, although plans had been made by AAF to establish its own book-keeping system at Manikganj.

1. Trading Account

The Trading Accounts shown in Appendices I and II show MSMS's 1984 Gross Profits of Tk.16,500 (approx.), before allowing for interest charges, and on MSMS's Gross Profit (before interest) of Tk.72,500. Within the Trading Account, insufficient data is available to assess the relative performance of the various cost centres - namely, the MSMS printing - tailoring - embroidery subcentre, and the 5 production subcentres at Betila, Gorpara, Balirtek, Krishnapur and Novogram. MSMS is essentially a vertically integrated business, with outputs from one department becoming inputs to the next.

For the future, the accounting system needs modification to operate on a Cost or Profit Centre basis with overheads allocated between these cost centres. A formula for allocation is shown in Appendix III based on use of space at AAF. Using this formula, 50% of the costs of the Manikganj building (depreciation plus overheads) are allocated to MSMS, and 8% to MSMTS, as shown in Appendix IV.

2. Profit and Loss Account

As shown in Appendices I and II, in 1984, MEMS made a net loss of Tk.3,42,000 (approx.) after allowing for depreciation and overhead, while MLMS made a net profit of Tk.32,000 (approx.).

However, no provisions for interest on loans outstanding to the subcentres and for bad debt write-off are shown.

3. Balance Sheet

As the Balance Sheet shows, AAF is undercapitalised. Net Current Assets exceed Tk.3 lacs sufficient to cover manufacturing expenses.

3.1. Debtors

There has been no practice of writing off bad debts. The debtor position is, therefore, overstated. Of some concern should be Costor. (See Age Debt Profit, Appendix V).

The debtors position of AAF is not seriously out of control but a more aggressive policy of debt recovery is needed. Partial cash advances against orders could be considered, and penalties for late payment of dues. This could be considered, and penalties for late payment of dues. This could be handled by: a) raising prices by 2.5 - 5% and then offering a 2.5% discount for dues paid within 30 days; or b) charging a 2.5% penalty on all dues after 30 days. Previous attempts to do this have not been successful, however. The better solution will be to concentrate on production-to-orders for Aarong, which also implies greater attention to quality control.

3.2. Stocks

MGMs stock turnover (based on the ratio of closing stocks to costs of production which, unfortunately, include non-material items) is high at 13 weeks. This needs further analysis to determine - 1) whether Tk.3,40,000 is a realistic assessment of the worth of usable stock, 2) what are stock levels per cost centre, 3) whether stock levels could be reduced, based on the present delivery situation. Data is not available on the quality of this stock. A reporting system is necessary to record Aarong's rejection of MGMs products - a separate damages' register is suggested, into which returned goods would be recorded at production cost. Taking Aarong's recent estimate that it rejected 37%

of a recent MSMS consignment, and non-Aarong MSMS sales of 20%, we can estimate that upto 17% of 1984 production was rejected by Aarong and found its way into stocks. This implies that Tk.2,00,000 of stocks (i.e., 60% of 1984 stocks) represent Aarong rejects.

3.3. Capital

The capital base of the MSMS is not healthy. In accountants' parlance the gearing ratio is too high - that is, the society is over-dependent on advances and term loans from BRAC, and has insufficient equity (own capital). This has serious implications, particularly in view of the present inability of the society to break even. Any expansion plan should be accompanied by a minor financial restructuring, which emphasises building up members' equity by retaining profits (for example 10% per annum) and by regular members' savings programmes. At present, stocks of Tk.3,40,000 are the major source of (not very liquid) working capital and have largely been financed by loans from RCTF and MIP. Working capital advances should be made available through AAF.

3.4. Fixed Assets

These are based on written down book values. Periodic revaluation to reflect current market value should be undertaken.

3.5. Book Keeping

Responsibility should initially be taken by the AAF/MIP Accountant, with MSMS, MSMTS supplying vouchers, etc., weekly. The present system is not functioning.

1984 PRODUCTION AND SALES:

Itemwise breakdowns of 1984 sales by MSMS and production by the weaving subcentre (MSMTS) are shown below in Tables I and II. (Figures 1-4 have been shown in Appendix VI).

1. Table 1 shows 1984 Taka sales and percentage share (by value) of each product sold by AAF. The sales' figures are also shown in diagrammatic form in Figures 1 and 2. Figure 1 shows that there are presently three major selling products - panjabis, dresses and bed-covers, these three products accounted for 75% of sales in 1984.

April-June: production build-up (to 25% above monthly average with veil (30/1) dominant, followed by check (40/1) and Khadi (45").

August: production build-up (to 60% above monthly average) with endi silk dominant, followed by veil 30/1).

November-December: production build-up (to 25% above monthly average) with endi silk dominant, followed by Khadi (45"), veil (30/1) and check (40/1) which are all three down on their April-June highs, and, in the case of check and khadi, close to their monthly average for the year.

As production does not exceed 60% of monthly average, and as capacity utilisation is around 40%, there appear to be no capacity constraints to meeting peak Aarong orders. Given sufficient advance notice of peak (seasonal) orders, MSMTS can cope with the demand. What is needed is a production schedule which routinely takes order, quotes a delivery period and schedules the order into production. A qualified production manager is required to assist in this exercise.

Table 2

1984 Weaving Production by MSMTS (in yards)

	<u>Yards</u>	<u>%</u>	<u>Cum.%</u>
Endi Silk	3,672	24.0	24
Veil 30/1	3,534	23.0	47
Khadi 45"	2,370	16.0	63
Check 40/1	2,141	14.0	77
Khadi 36"	636	4.0	
Endi Strip	470	3.0	
Jeans 45"	459	3.0	
Endi 42/2	433	3.0	
Khadi	383	2.5	
Veil Strip	256	1.5	
Khadi 90"	249	1.5	
Veil 60/1	190	1.5	
Jeans 36"	160	1.0	
Veil check	107	1.0	
Others	<u>118</u>	<u>1.0</u>	
Total	15,178 Yds	100.0	

("Major selling product" is defined as accounting for 10% or more of sales value). Figure 2 shows the 1984 monthly sales average. The peaks preceded 3 major seasonal influences - two Eid festivals and Christmas. The trend should continue to be analysed in 1985 with a view to evening out production around the first Eid.

Table 1

<u>Item</u>	<u>Taka</u>	<u>Sales (1984)</u>	
		<u>%</u>	<u>Cum.%</u>
Panjabi	3,33,172	33.0	33
Dress	2,59,965	26.0	59
Bedcover	1,66,223	16.0	75
Others	1,33,357	14.0	89
Table Cloth	52,204	5.0	
Endi Shawl	30,510	3.0	
Cushion Cover	15,593	1.5	
Sari	<u>14,790</u>	<u>1.5</u>	
Total	10,10,813	100.0	

MSMS has identified several major 'bread and butter' products whose markets need further investigation and exploration to assess the potential for increasing MSMS' market share. Consideration must also be given to year-round production-to-stock ahead of seasonal demand. This implies that Aarong should-

- identify monthly "bread and butter" products and place a regular, guaranteed order with MSMS;
- should order irregular products on a more regular monthly basis. For these, MSMS needs to develop a production schedule and be able to quote a delivery time.

Presently demand is seasonal - around the months of April, August and December. MSMS management claims that it works overtime during this period to meet a demand which it still cannot fully satisfy. The claimed labour and production figures do not support this contention. They suggest capacity utilisation peaks at 60% (see 5.3).

2. MSMS Production is shown in Table 2 and Figures 3 and 4. Figure 3 shows that there are 4 major products - endi silk, voil 30/1, Khadi 45" and check 40/1. Figure 4 shows an average production of approximately 1,300 yards/month, with monthly production average for the two Eids ranging from 25-60% above the annual average, as follows:

MARKETING ISSUES:

1. Buyers' Profile

Buyers are dominated by three stores - Aarong (30%), Karika (4%) and Coscor (12%). Sales to others are negligible and to institutional buyers (hospitals), government, etc. nil. The product profile per buyer type is not known.

As previous efforts to market beyond Aarong have not been entirely successful, and as such the emphasis in 1985 should be on concentrating on production-to-order for Aarong. This requires regular production scheduling, for which an NEMS-Aarong monthly meeting has been instituted, and greater attention to quality control.

2. Distribution and Promotion

Presently, AAF relies heavily upon Aarong, to whom some credit was given. Other stores (COSCOR, Karika) bought from AAF on 100% credit without paying advance money, as shown in Appendix IV. Distribution is undertaken by AAF staff. As there is no promotion of AAF products and with the heavy Aarong focus suggested by 1985, this policy should not change dramatically.

3. Pricing Policy

On new products, NEMS adopts the following formula:

- A. direct material (costs less wastage);
- B. a piece-rate labour charge at Tk.10-12/piece for panjabi, for example;
- C. service charges at 5% on 1 and 10% on total costs of materials, labour, other costs, etc.).

A standard costing system exists but presently, in the absence of a performance-to-plan budgetting system, deviations from 'standard' for major product items cannot be checked. The above formula would appear to prevent AAF from breaking even at its present 30% capacity utilisation rate. Establishing a system of regular orders and of production scheduling is more important than major modifications to the costing system, at present.

OTHER ISSUES

1. Procurement Policy

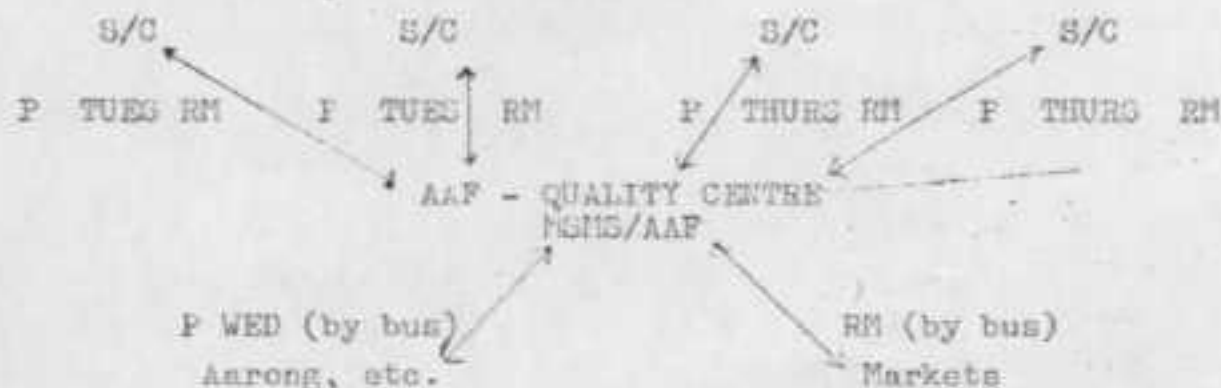
Raw material procurement is by spot/cash purchases. Procurement is only a problem in so far as it takes up valuable management

time in buying from markets as far away as Narsingdi. As suggested earlier, a working capital facility is necessary. The present position of a number of rather ad-hoc loans from RCTP and MIF to the subcentres is not an ideal one, as these subcentres have in turn loaned cash to NSMG. This confuses accountability.

2. Logistics

Raw materials and finished products are carried once a week to and from market, Aarong and the subcentres as follows:

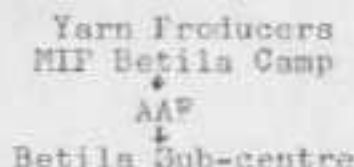
P = Product; RM = Raw Material; S/C = Sub-Centre



Monthly orders from and deliveries to Aarong might be tried - to reduce the frequency and, hence, cost of trips to Dhaka. Aarong weekly orders are often small (50 pieces of 3-4 items, for example).

Originally, subcentres received raw materials on a sub-contractual basis from NSMG and were paid cash for wages and a 5% service charge on the direct costs of materials and labour. In future, subcentres will buy raw materials from NSMG but still receive cash for wages and a 5% service charge on direct costs. Other costs (transport, repairs, etc.) will continue to be met from the service charge. NSMG will buy yarn and chemicals directly from the market, in addition to purchasing silk yarn produced by NSMG from cocoons purchased from both BSB (Bangladesh Sericulture Board) and MIF groups. Both subcentres and NSMG will need working capital.

At the level of the subcentre, yarn is exchanged as follows (without leaving the camp):



The channels are long and often complicated - with yarn moving from subcentre to MEMS (for quality control purposes) and back again (for weaving), back to MEMS (for quality control) and back to the subcentre (for block-printing). Given the lack of evidence for and against the two systems (MEMS subcontracting, subcentres purchasing), a trial of each system should be undertaken for 3 months - trying the different system in different subcentres.

3. Capacity Utilization

AAF management estimates capacity utilization at 50%, although this has fluctuated quite widely from month to month in 1984.

Rough estimates of capacity utilization for MEMS are shown in Appendices II and III:

MEMS - 28%
MEMTS - 37%

With peak production 60% above average monthly production, there is clearly enough production slack to meet demand peaks without recourse to second-shift working. This suggests that no additional capacity should be created in 1985, and plans for 4 new subcentres should be postponed.

4. Bookkeeping and Reporting

4.1. As suggested earlier, the bookkeeping at MEMS needs improving. At present, MEMS only has cash book without any account heads. BRAC's accountant recently recommended use of:

- creditors' book
- debtors' book
- advances book
- outstanding liabilities' register.

Additional items should be:

- damages/goods' returned register
- ledger heads for discounts allowed - a) for bulk pressure, b) for damaged/soiled goods.

4.2. There is no regular reporting system. A Management Information System (MIS) based on 2 or 3-column monthly performance-toOplan format should be introduced. (see Appendix VIII).

This system would show monthly production sales and cost estimates, actuals and (if necessary) deviations from target.

5. AAF Management

Given the heavy workload on existing staff, AAF should consider recruiting manager (with business experience) to take over AAF- Hanikganj, and the proposed AAF-Jamulpur and future regional AAF's.

CONCLUSION:

The AAF has been running women's training and income generation activities since its establishment in September 1973. It is still early to make an overall assessment of the foundation's work, but as this report shows, the economic, managerial and commercial performance has been fair, taking into account the relative inexperience of both workers and management. A number of improvements are recommended above, such as in accounting procedures, production scheduling, logistics, and management, and these will be implemented shortly.

The next (1985) report on AAF, as well as giving an updated assessment on commercial performance, will concentrate on the socio-economic impact of this programme on the target groups, namely the HAMS and HENTS women's associations.

**MSMS - 1984 Trading Account and
Profit-Loss Statement -No. 1**

	TAKA	TAKA
I. Revenue		
A. Sales		10,10,813
II. Production Costs		
A. Direct Costs	12,33,945	
B. Wage payments to MSMTS	1,00,400	
III. Plus : Open stocks (materials, wip, goods)	-0-	
IV. Less : Closing Stocks (ditto)	<u>(3,39,989)</u>	<u>9,94,356</u>
Gross Profit		16,457
V. Profit and Loss Account		
A. Gross Profit/(loss) b/d	16,457	
B. Indirect Costs	1,87,833	
C. Depreciation (50% x 115,703)	57,852	
D. Overheads (50% x 225,600)	<u>112,800</u>	
Net Profit/(loss)		<u>(342,028)</u>

MSMS Direct Costs :	12,33,945
5% service charge to MSMTS	25,055
5% service charge to MSMS	61,697
10% Service charge to MSMS	<u>1,01,081</u>
MSMS Indirect Costs	1,87,833

Capacity Utilisation

Wages = Tk. 1,64,521 = 16,450 days p.a. worked x 100% = 28%
 Rate/day Tk. 10 58,000 days p.a. (potential)

Calculations made as follows :

- wages paid to producers by MSMS in 1984 = Tk. 1,64,521
 producers available at MSMS/AAF and MSMS/subcentres number:

Block Printing	52
Embroidery	156
Eailoring	24
Total	232

232 members x 5 days/week x 50 weeks/year =
 58,000 potential work-days

Excludes Tk. 4,20,000 loan commitments, of which Tk. 3,20,000 disbursed.

MSMTS - 1984 PROFIT AND LOSS STATEMENT

TAEA TAEA

1984 Direct Costs of Production

A. Thread	3,87,700	
B. Chemicals	11,300	
C. Wages	1,00,400	
D. Spare Parts	<u>1,700</u>	
Total Direct Costs of Production		5,01,100

1984 Indirect Costs of Production

A. Maintenance	4,100	
B. Transport	2,200	
C. Stationery, etc.	1,500	
D. Salary (2 Hon.)	4,000	
E. Rent (Betila - 7 Hon.)	<u>700</u>	
Total Indirect Cost of Production		12,500

MSMTS Subcentre Profitability

Direct Costs	5,01,100	
Less: stocks	<u>47,495</u>	
Total Manufacturing Costs		4,53,605
Revenue	5,01,100	
5% Service Charge on Direct Costs on Tk. 501,100	<u>25,055</u>	
Total Income		<u>5,26,155</u>
Gross Profit		72,550
Indirect Costs	12,500	
Depreciation (9% X Tk. 115,703)	9,256	
AAF Overheads (8% X Tk. 225,600)	<u>18,048</u>	
Total Indirect, Depreciation, Overheads		<u>39,804</u>
Net Profit (before interest)		<u>32,696</u>

Capacity Use:

$$1) \text{ Salaries} = \frac{\text{Tk. } 100,800}{13.15/\text{day}} = 4,016 \text{ days p.a. } \frac{33 \times 250 \text{ days p.a.} \times 100}{100} = 48\%$$

$$2) \text{ Looms : } 33 \times 6 \text{ yds/days} \times 250 \text{ days} = 49,500 \text{ yards per annum potential}$$

$$1984 \text{ Capacity Utilisation} = \frac{15,200 \text{ yds}}{49,500} = 30\%$$

AAF OVERHEAD ALLOCATION FORMULA
(Based on Square Footage)

<u>Description</u>	<u>Area (sq.ft.)</u>	<u>Allocated To</u>
Training Dormitory	550	T
Training Room	400	T
Sericulture	1,525	M
Reeling, etc.	540	50% M, 20% MHTS
Weaving	720	MHTS
Tailoring	890	MHTS
Embroidery	375	MHTS
Block Printing (1)	1,125	MHTS
Block Printing (2)	1,310	MHTS
Showroom	100	MHTS
Store	315	MHTS
Office	140	30% M, 20% MHTS
Dining Room	240	30% M, 20% MHTS
Residence	600	30% M, 20% MHTS
Corridors, etc.	1,130	-
Total	10,000	

Allocation to MHTS : $\frac{4439 \text{ sq.ft.}}{8870 \text{ sq.ft.}} = 50\%$

Allocation to MHTS: $\frac{720}{8870} = 8\%$

Index: T = TARC (Training and Resource Centre)
M = MIP (Manikganj Integrated Project)

ALLOCATION OF DEPRECIATION AND OVERHEADS TO AAF

1.1. Investment Schedule (at December, 1984 Book Values)

Item	Cost Taka	Depreciation Per cent	Depreciation P.A. Taka
Building	32,40,645	2.5	81,016
Furniture, Fixture and fitting	1,66,317	10.0	16,637
Equipment (Office)	1,20,536	15.0	18,050
Land	2,05,303	-0-	-0-
Prototype cloth	29,005	-0-	-0-
Bank charge	120	-0-	-0-
Total	37,61,931		1,15,703

1.2. Running Costs (per month)

	Taka	Taka
1.2.1. <u>Wages, salaries:</u>		
1 Chowkidar	600	
1 Sweeper	100	
1 Technician	2,000	
1 In-charge	4,000*(1)	
1 Weaving Assistant	600	
1 Accountant (Part-time)	500	
1.2.2. <u>Utilities:</u>		
Water		
Power	3,600	
Other		
1.2.3. <u>Consumables:</u>		
Figure needs reworking to allocate 20% of all costs (inc. salary) of FO and IC to AAF.		
1.2.4. <u>Office:</u>		
Stationery		
Postal	400	
Other		
1.2.5. <u>Training Programme Costs:</u>		
Per Month	7,000	
Per Annum	84,000	
Annual Total (1.1 + 1.2)		2,15,600
1.3. Total Annual Running Costs (L.F):	3,41,303	3,41,303
50% Allocation to M.N.E.	1,70,652	

Balance Allocated to BRAC/1/ Manikganj which can earn training revenue at an average of Tk.19,200 p.m. or Tk.2,30,400 to cover its share of costs at Tk.1,70,652, p.a.

AGE PROFILE OF DEBT

(Average monthly situation for October - December, 1934)

<u>Customer</u>	<u>Per Month Sales (Tk)</u>	<u>Cash</u>	<u>30 days credit</u>	<u>30-60 days</u>	<u>60-90 days</u>
Arrow	1,00,000	70,000	30,000	-0-	-0-
Concor	15,000	-0-	-0-	-0-	15,000
Karika	5,000	-0-	-0-	5,000	-0-
Others	5,000	5,000	-0-	-0-	-0-
	<u>1,25,000</u>	<u>75,000</u>	<u>30,000</u>	<u>5,000</u>	<u>15,000</u>

Suggested Performance-to-Plan Budgeting and
Management Information System

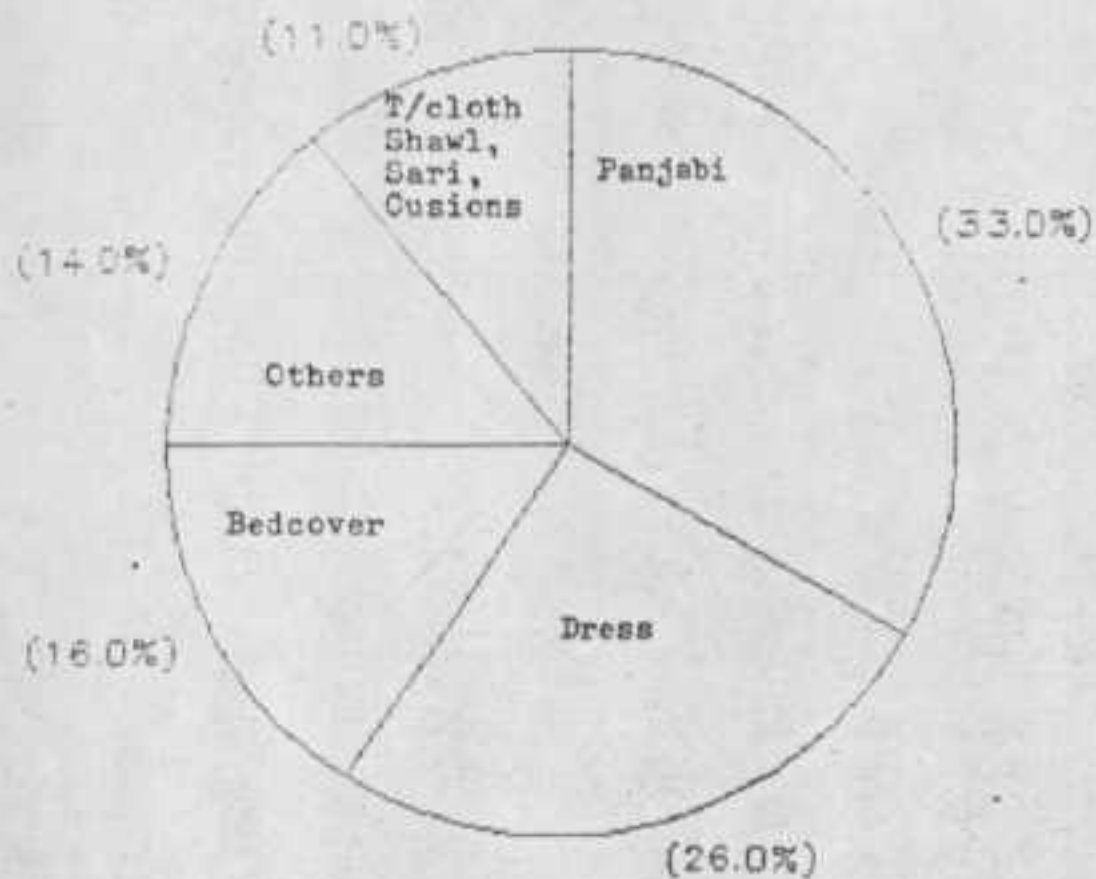
Block-Printing Subcentre (Team of 4+1 Supervisor)

	<u>January</u>			<u>Year-to-date</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Deviation</u>	<u>Budget</u>	<u>Actual</u>	<u>Deviation</u>
<u>Production</u>						
Pieces of Bedsheet	200	190	(-)10	200	190	(-)10
<u>Sales</u>						
Pieces of Bedsheet	200	190	(-)10			
Price (Tk.)	<u>200</u>	<u>200</u>				
Revenue	<u>40,000</u>	<u>38,000</u>	<u>(-)2,000</u>			
<u>Cost of Production</u>						
Cloth	18,500	17,860				
Colour	11,200	10,640				
Wages	<u>2,400</u>	<u>2,280</u>				
Total Direct Costs	<u>32,400</u>	<u>30,780</u>	<u>(-)1,620</u>			
<u>Overhead</u>						
Staff	550	550				
Maintenance	50	60				
Transportation	120	125				
Miscellaneous	50	60				
Building Rental	125	125				
Interest (1.25% p.m. on Tk. 30,000)	<u>375</u>	<u>375</u>				
Total Overheads	<u>1,270</u>	<u>1,295</u>	<u>(+)25</u>			
Total Costs	<u>33,670</u>	<u>32,075</u>	<u>(-)1,595</u>			
Net Profit	<u>6,330</u>	<u>5,925</u>	<u>(-) 405</u>			

PRODUCT SHARE

1984 SALES

FIGURE : 1



MONTHLY SALES PATTERN FOR 1984

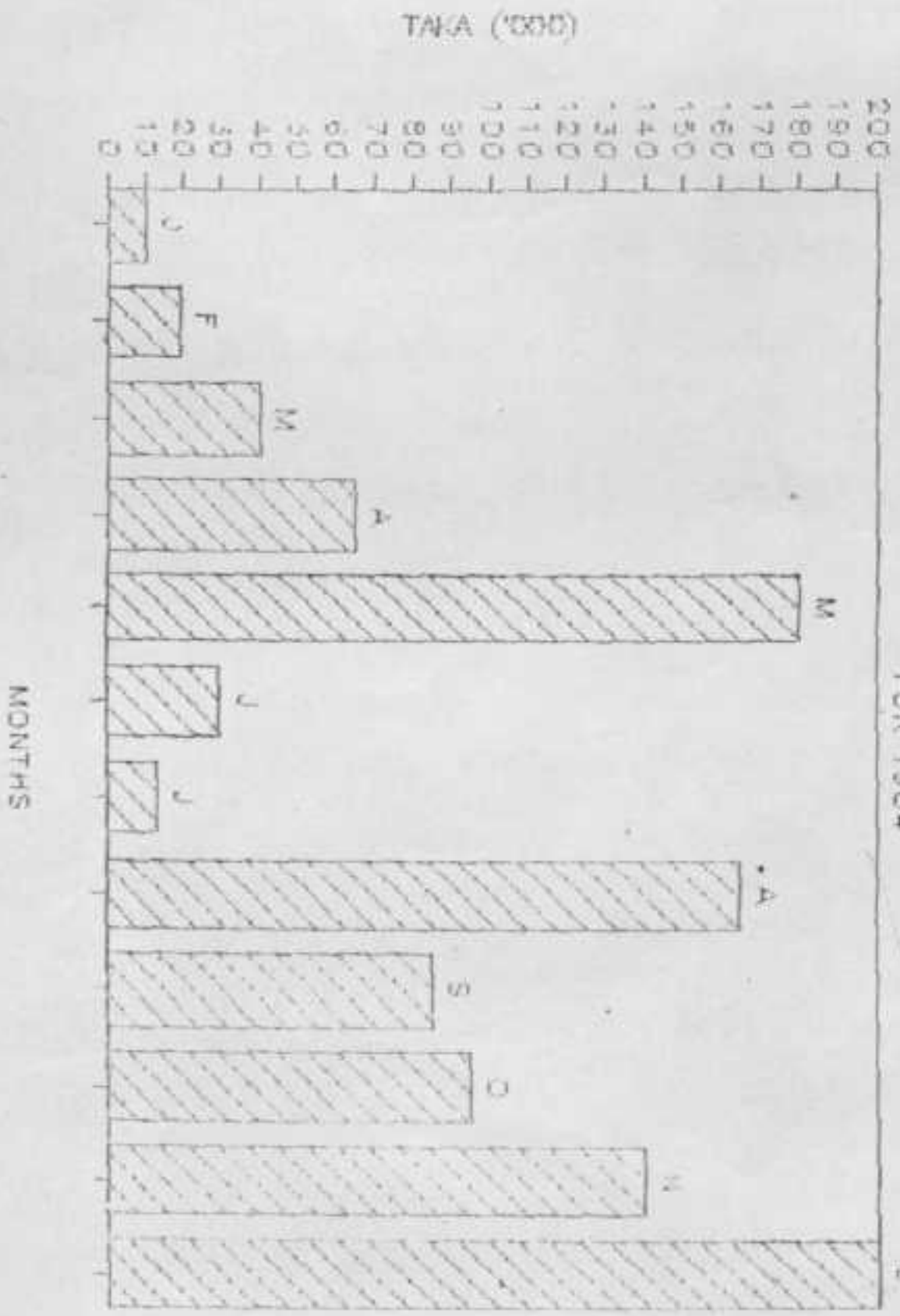
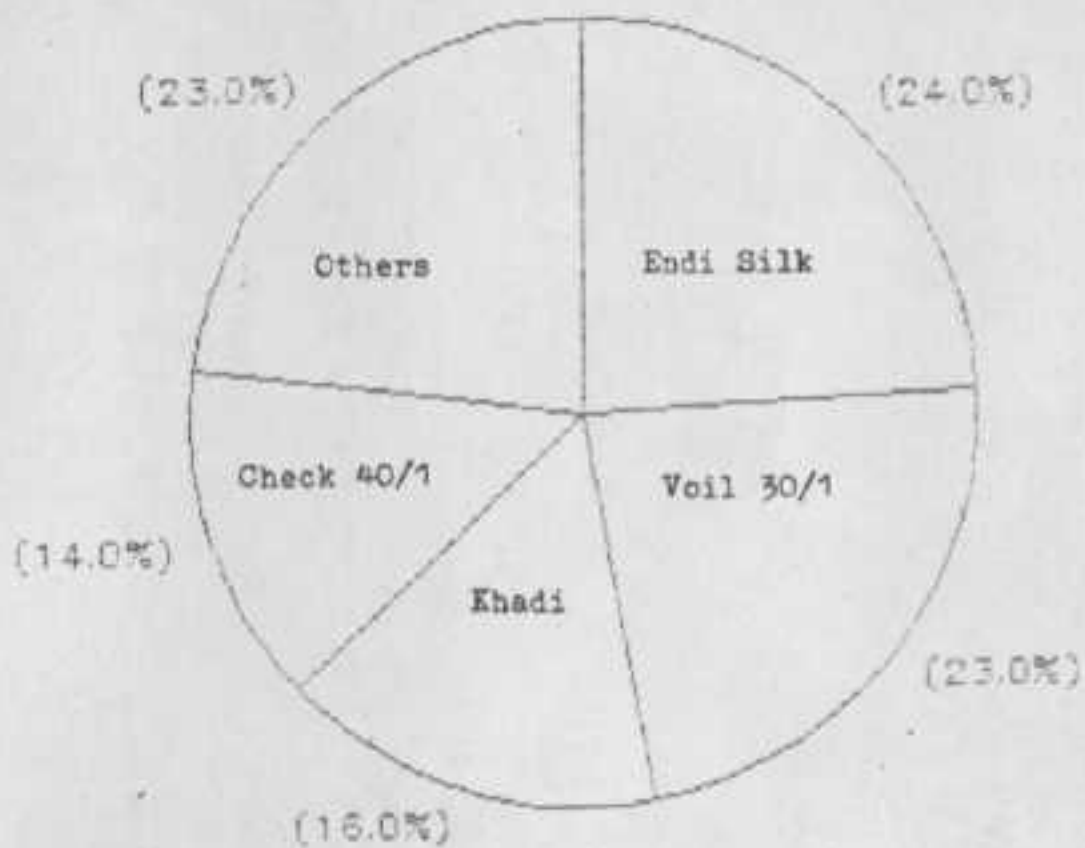


FIGURE : 2

PRODUCT SHARE

1984

FIGURE : 3



MONTHLY CLOTH PRODUCTION

FOR 1984

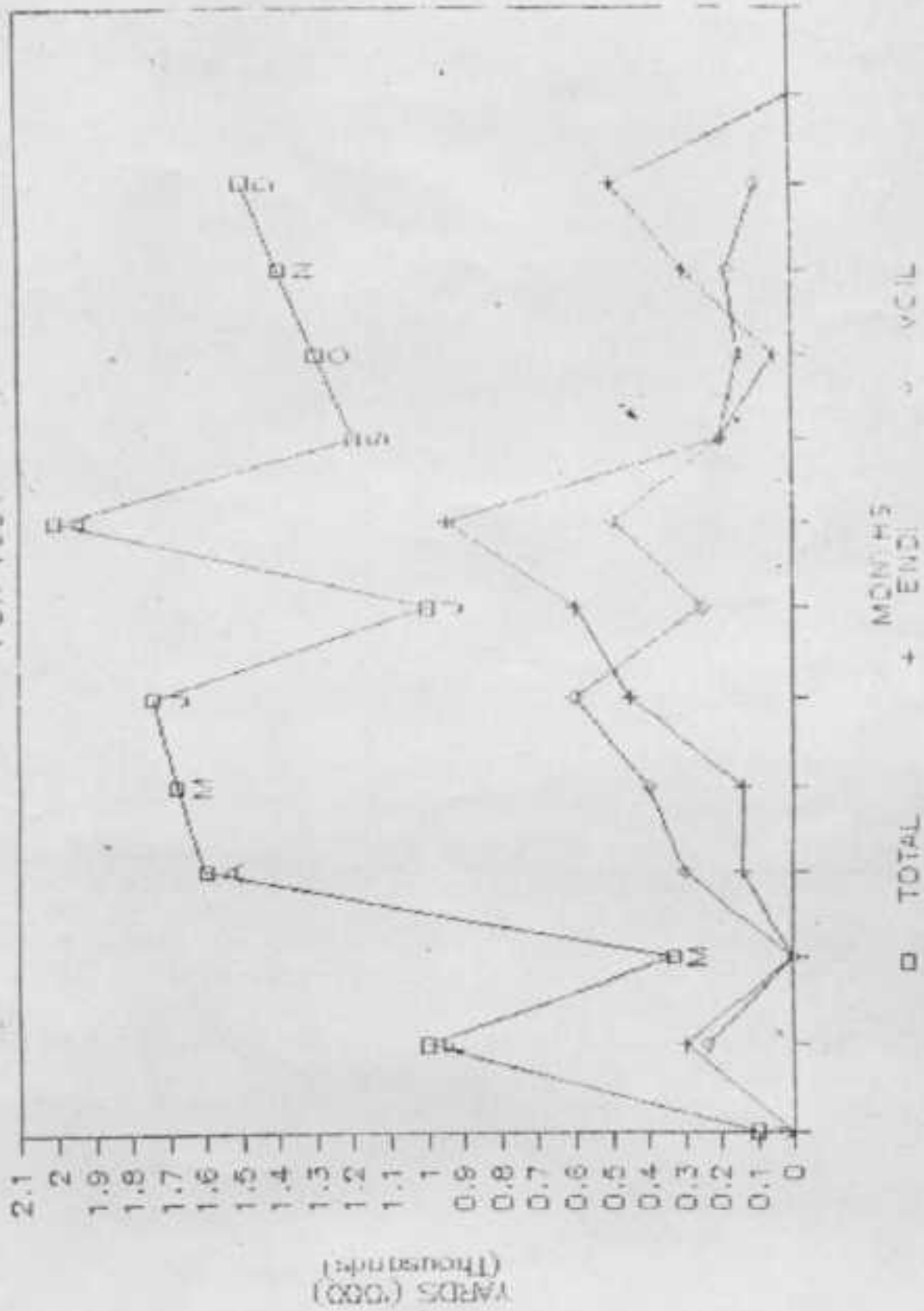


FIGURE : 5

ENDI SILK PRODUCTION FOR 1984

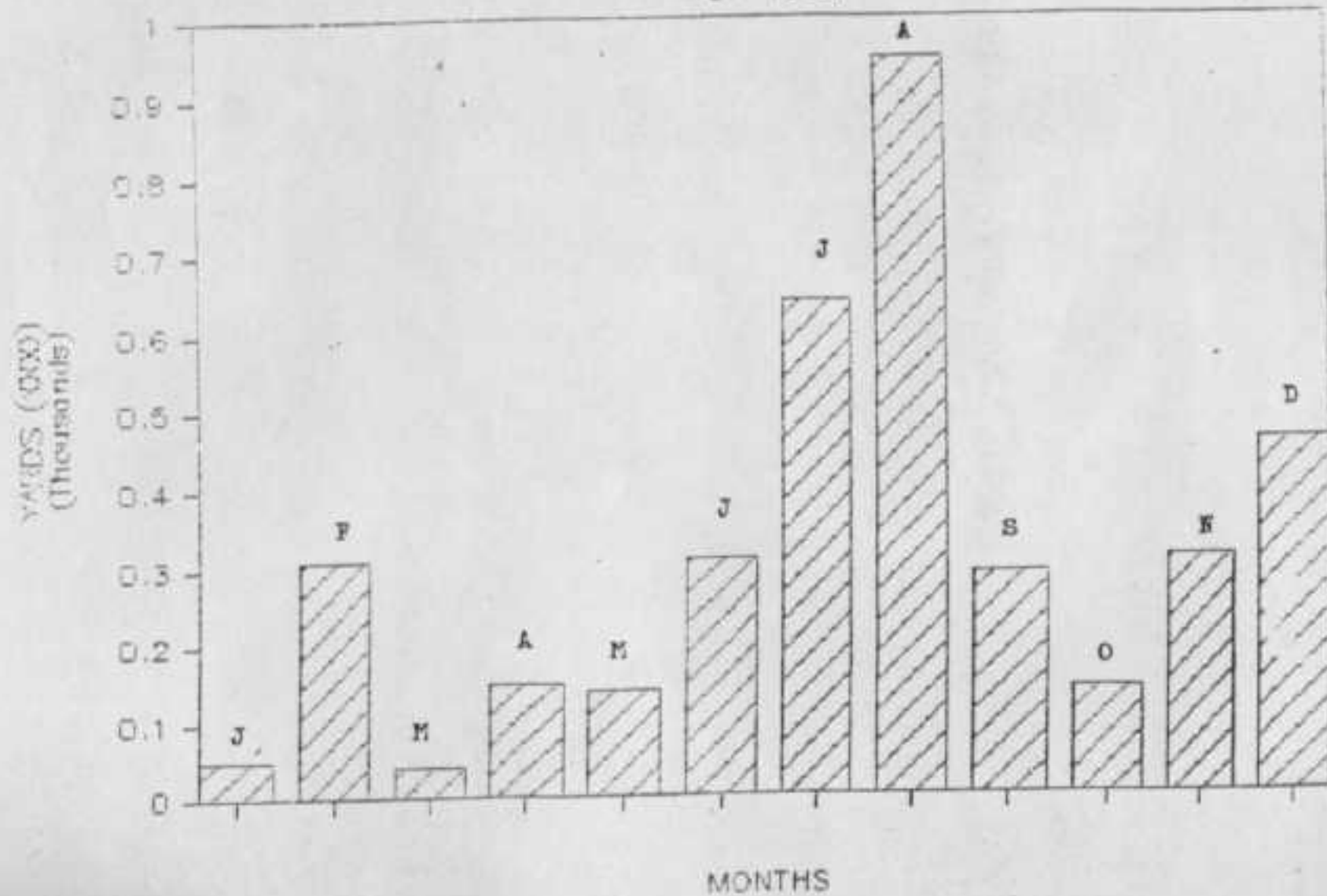
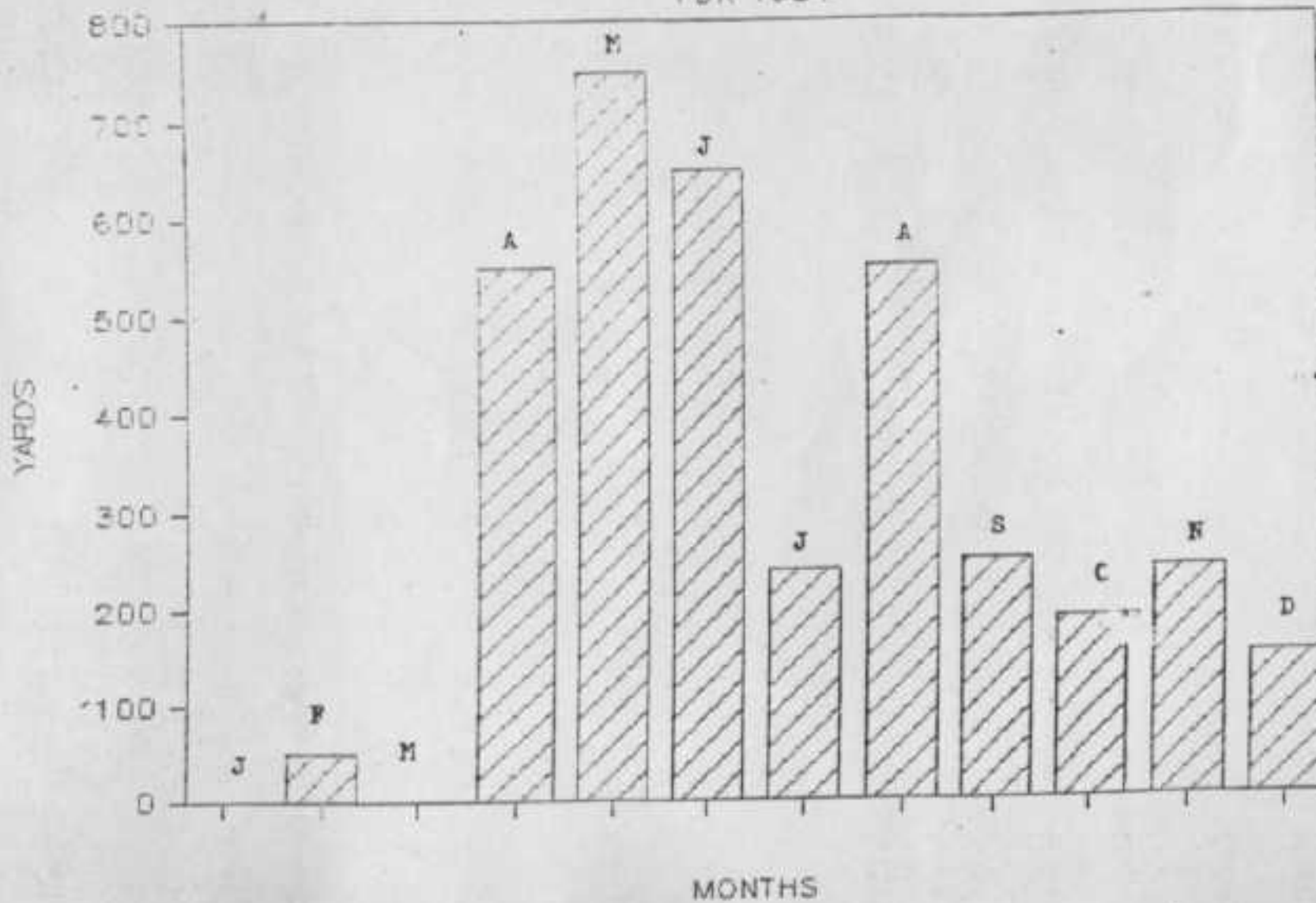


FIGURE : 6

VOIL PRODUCTION FOR 1984



KHADI PRODUCTION

FOR 1984

FIGURE : 7

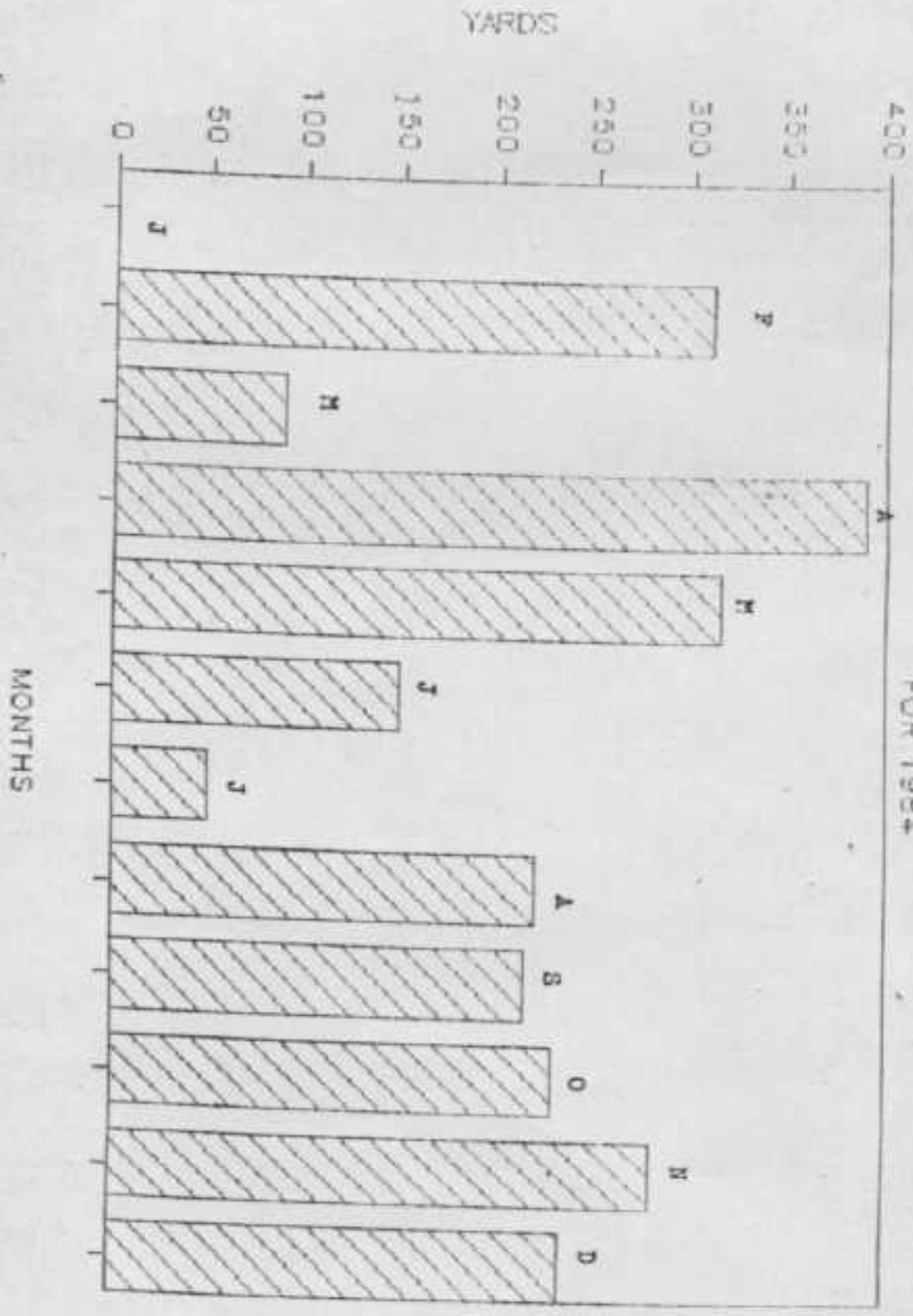
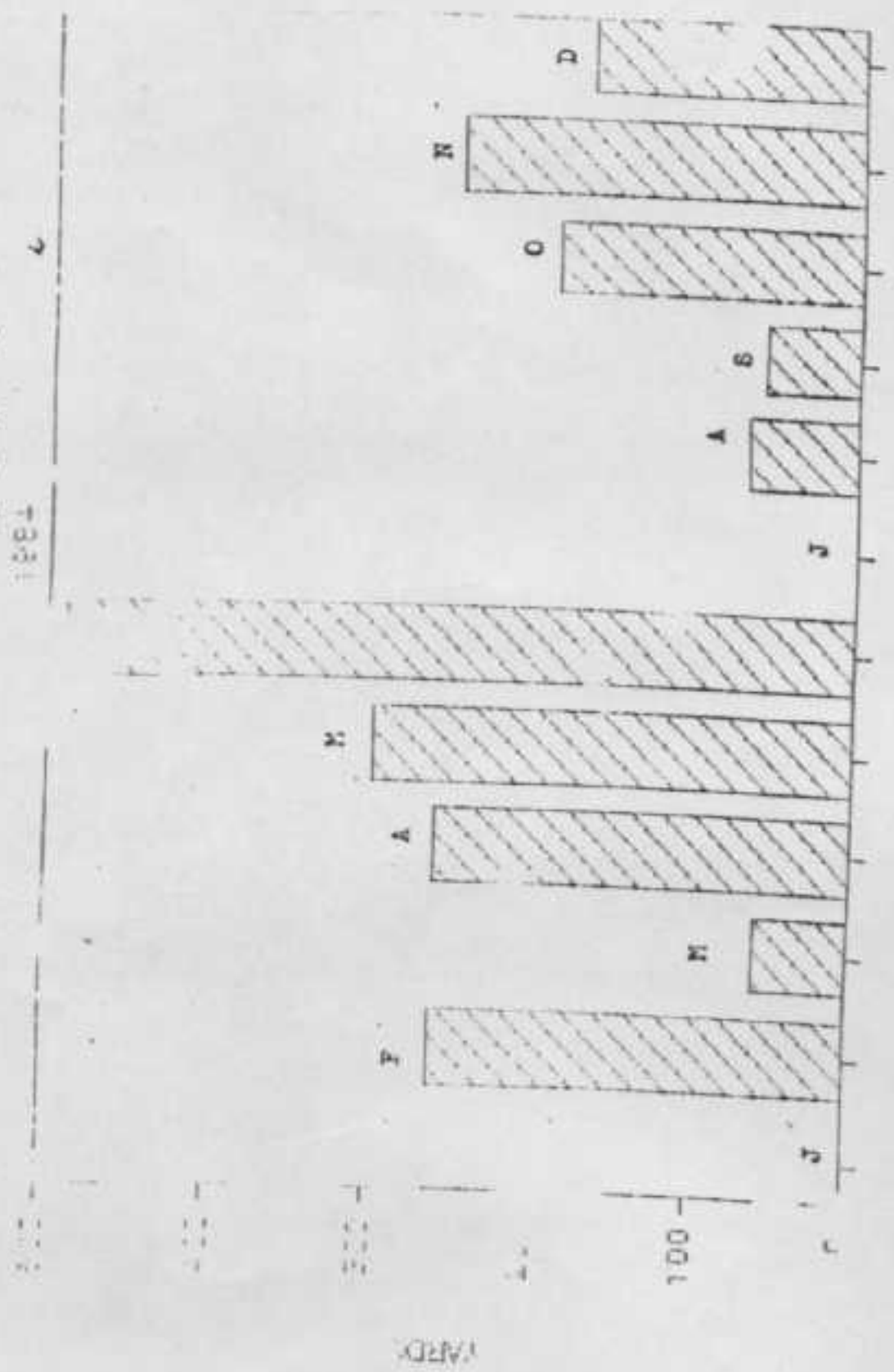


FIGURE 8

DICTIONARY
1931



MONTHS

YARDY

AYESHA ABED FOUNDATION
Training, Production and Service Centre for Women
Manikganj

RECEIPTS AND PAYMENT STATEMENT UPTO DECEMBER 1984

RECEIPTS:

DONATIONS

OXFAM America	16,04,127
Appropriate Technology International	17,56,553
Bangladesh Information Centre	48,033
Bangladesh Rural Advancement Committee (Land)	2,01,400
Sundry Local Donations	2,06,000
Taka:	<u>38,16,113</u> -----

PAYMENTS:

Land	2,05,308
Building	32,40,645
Furniture, Fixture and Fittings	1,66,317
Office and Field Equipment	1,49,341
	<u>37,61,611</u>
Balance of fund as on 31/12/84	54,502
Taka:	<u>38,16,113</u> -----