

## Interaction

### Let's talk Products!

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The main goal of any NGO is to address a social cause and to make a difference. It is not a profit making organization. Then why would an NGO manufacture and sell products, if not for making profit?

Are they diverting their attention from the beneficiaries and venturing in the wrong direction? The answer is they are very much focussed on their cause and aim to provide sustainability & improve the life of the beneficiaries. As the famous saying goes - **Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime.**

Let us understand what some of the NGOs have to say about manufacturing & selling products.

#### Why should NGOs manufacture and sell products?

What comes to mind when you hear of 'Under The Mango Tree'? One would think that the organization sells mangoes? Well you would be mistaken. Under The Mango Tree is a hybrid organization with a for-profit that sells honey and a not-for-profit that works in rural India with farmers - trains farmers on beekeeping, carpenters on making bee-boxes, women's group for bee-flora nurseries or tailoring groups



Honey Bottles -Under The Mango Tree

for making bee Swarm bags and bee veils. Their goal is to improve and increase income in the rural area.

Vijaya Pastala, Founder & CEO of Under The Mango Tree has had a lot of experience working with NGOs. It was this experience of hers that

made her realise that majority NGOs work with grants. According to Vijaya, **“Financial sustainability is critical to sustainability of an organization. Grants and fundraising are not forever – so one has to look at financial sustainability”**, and this is why Under The Mango Tree started selling the honey. For Under The Mango Tree, producing honey, ensures financial sustainability not only for the organization but also for the farmers as it improves and increases income in the rural area. It creates a market for farmers who work with honey.

As an association of craftsmen, **Paramparik Karigar's** goal is to preserve and promote



Paramparik Karigar - Gond Tribal art by Venkat Raman Singh Shyam

traditional arts, crafts and textiles of India. As such, the organization gives the craftsmen a platform to showcase their work, by organising exhibitions. For Paramparik Karigar, the products made and sold by the craftsmen is a way of making them **self-reliant** and promoting traditional arts, crafts & textiles.

#### How to choose a product to manufacture/sell?

In order to have a product that is successful, the product must tie in with the organizations core area of work. The Jewish community in India is a small one but culturally enriched. The core area of work for **American Jewish Joint Distribution Committee** is to empower local Jews to come

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together and develop Jewish education & leadership opportunity within the community. They work towards sustainability & progress of the Jewish community in India. Then how in this equation does selling of Challah – traditional Jewish bread which is meant to be had every Friday fit in with the organization's core area of work? Kimberly Duenas, Jewish Service Corps volunteer explains that “**Challah** is a traditional item for the Jews – the bread symbolises Jewish values of coming together as a family, honouring the Sabbath (holy day), remembering where we came from and honouring our God.” There is also a story to the bread which ties in with a long history and so the bread brings education & tradition – the main areas of work for the organization.

Providing children from marginalised communities with high quality, value based education, enabling development of their limitless potential has been of utmost importance for **Aseema**. They manufacture a series of products across categories such as home décor, desktop and office accessories, apparel and accessories, stationery items, gift items and lots more.

Dilbur Parakh, Founder & Chairperson at Aseema states, “Our products effectively showcase the immense talent of our children, proving beyond doubt, that each child is gifted and true talent only needs a suitable opportunity to thrive. Our vision



Aseema - Sipper Bottles

is to make our education projects self-sustainable eventually – the Product Division is a small step in this direction.”

### Evolution of Products

Congratulations, your organization has decided to have products and has also come up with a product which is successful. Now what's next? NGOs must realise that **products are never static**. The product needs to constantly evolve with changing demands of the market.

When Under The Mango Tree first started, honey was sourced from various NGOs and sold to customers. Later the organization started engaging with farmers to raise bee colonies - bee boxes were imported into the area for farmers to raise these colonies. After a while, farmers themselves said that they can make the bee boxes. Also, women in the rural areas started manufacturing bee keeping accessories. Now the organization is engaging with specific groups to establish a bee-flora nursery which will then be sold to farmers to establish on their vadi.

So the product and the process that goes into creating the product is constantly evolving and this evolution is aligned with the goal of the organization to improve and increase income in rural areas.

In the case of Paramparik Karigar too, the arts, crafts & textiles done by the Karigars is constantly evolving based on what is going on in the world as well as the demands of the public. Design input is imparted to the Karigars to make the piece better. Reshma Sett, member of the Managing Committee recalls that just after the 26/11 attack on the Taj, a Karigar had made a Pattchitra (scroll painting), depicting the incident.

### Challenges

Of course, any endeavour comes with its own set of challenges. So what are the challenges that come with manufacturing and selling products? The main challenge according to Vijaya, is **MAKING THE PRODUCT FINANCIALLY SUSTAINABLE**. NGOs lack the understanding

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of profitability. If a product is fully funded, then the NGO might not look at profitability. However, grants and funding are not forever, and as such an organization must look at the product from the point of view of profitability.

Another challenge is to **UNDERSTAND THE MARKET AND THE NEEDS OF THE MARKET**. Also, finding the right people to sell the products of the NGO.

The challenges for Aseema have been multi fold. Over the years, the organization has faced issues such as **SPACE CONSTRAINTS, LACK OF ADEQUATE HUMAN RESOURCES, DEALING WITH CLIENT PERCEPTIONS OF NGO PRODUCTS BEING LIMITED IN RANGE AND DESIGNS, LIMITED ECONOMIES OF SCALE** etc. Dilbur states "we have, over the years, built an infrastructure model which now successfully deals with all these challenges and are very well prepared to simultaneously and seamlessly execute multiple orders irrespective of size."



Challah - American Jewish Joint Distribution Committee

The challenges faced by American Jewish Joint Distribution Committee are **FIGURING OUT THE DETAILS AND LOGISTICS – HOW THE SYSTEM WILL WORK, EFFECTIVE PRODUCT DISTRIBUTION**.

### Marketing the Products

So the organization does great work, has an excellent product, but are people aware about it? Marketing is a key link between the product and the customer.

Every product needs the right marketing tools to make it a success. Awareness plays a key role and that is where the following channels aid.

- Website
- Facebook
- Word of Mouth
- Branding
- Exhibitions
- Advertising
- And many other opportunities

### Parting Words of Wisdom

**Vijaya Pastala, Under The Mango Tree** - NGOs should realise that whatever product they create has to be of a high quality and the quality and supply of product has to be consistent. The first time a customer buys the NGOs product could be because it is a social product, the second time it is because it is a social product and it tastes good. But the consequent times they buy it is because they have made a connect with the product and have gotten used to it. So the quality and supply needs to be consistent.

**Kimberly Duenas, American Jewish Joint Distribution Committee** - NGOs must determine the goal of making the product and who they are hoping to help. NGOs must know their audience and why they are doing this for them.

**Dilbur Parakh, Aseema** - NGOs must be prepared to make the necessary investment in market research, competitive benchmarking, building a resource pool and a network of reliable suppliers. Decisions of products must be based on market feedback and NGOs must prepare themselves to work in conjunction with the seasonality of demand that is very apparent in this space.

**So next time that you are holding a product in your hand, take a moment and think about the lifecycle of that product. The passion, effort, hard-work and determination that has gone into making that product. It speaks not only about the look and feel of the product but about the work and the cause. Is it easy? We wouldn't say so. But it is doable!**

This article is written to create awareness about life cycle of products. CAP does not endorse any particular NGO.