

CASE STUDY: HOW ASEEMA SEEKS BUSINESS SUCCESS WITHOUT SELLING ITS SOUL

Dilbur Parakh remembers her first day at work vividly. It was 10 years ago, and it began with a walk down the streets of Bandra, one of Mumbai's more affluent suburbs. A lawyer by training, she had decided to work with the city's homeless children. Parakh's objective that morning was to survey the kids begging on the streets to find out why they were not at school. She wasn't sure how her day was going to turn out at the time, but in hindsight, it turned out rather well.

Parakh is the chairperson and trustee of Aseema, a non-governmental organization (NGO, a not-for-profit venture) that protects the human rights of underprivileged children. Aseema started out as an informal support center for street kids and has grown into a child rights initiative that runs a municipal school, an activity center and a support center. It is also setting up a residential-center-cum-school at Igatpuri, a district in interior Maharashtra. Its reach and scale have multiplied during the past decade.

Aseema started out of a single room at a local school. It had a corpus of Rs. 5,000, or a little more than \$100; these were personal funds pooled in by Parakh and friends. Today, Aseema has adopted a school - the Pali-Chimbai Municipal School in Bandra, Mumbai. It spent Rs. 12.8 lakh on the management of the school last year. It also runs two support centers and an activity center at a neighborhood school. Last year, Aseema managed donations worth Rs. 36 lakh and the newly set up products division added Rs. 3 lakh as revenue.

The organizational structure of Aseema has also changed over the years. In the beginning, it was an informal unit and its contact with the outside world was mostly through its donors. Parakh managed the center with a group of teachers while the trustees had an advisory role. Over the past year, Aseema has decentralized its decision-making process and hired professionals to manage its administrative functions and the product business. Phirooza Siganporia heads the products division, and the school and support center activities have been joined together under an education division.

Aseema regularly sets targets and monitors its projects closely. It maps them against the objectives and revises these if necessary. For instance, one of its projects was to develop tools and techniques to reduce the dropout rate among its children. It has managed to do that with 100% of its children opting for a formal education. Another goal was to extend the Aseema model to rural education. A school-cum-residential shelter being developed at Igatpuri, a small town outside Mumbai, will help in achieving this goal.

Aseema has grown from a center with a dozen-odd children to one attended by 170 children. The Pali-Chimbai School educates an additional 450 children. Although the scale may seem small given the huge requirements of the Indian education system, it has grown several times since its initial years. And growth has not affected its performance: Its children are staying on to complete their formal education, teacher training has ensured that more children are reading, and its focus on art has led to alliances with global organizations like Room13 of Scotland. Room13 builds art studios and sponsors an artist-in-residence in schools all over the world. Last year, it set up a Room13 at the Pali-Chimbai School.

Several not-for-profit organizations in suburban Mumbai are also experimenting with similar models. Aseema, too, is adopting another school in rural Maharashtra. This will give it a wider play within the education sector. Aseema is also creating a sustainable revenue stream from its operations. It has set up a products division that retails products made from the artwork created by its children. The aim is to gradually reduce the dependence on donor funds. In this way, Aseema is developing a model that is scalable, replicable and sustainable.

Nearly 80% of the children who enroll into the formal education system do not complete their elementary education according to a study by Pratham, one of India's largest not-for-profit organizations in the education sector. The same study shows that 75% of Mumbai's school-going slum children cannot read at all. Set against these numbers, Aseema's achievements appear small. However size alone does not matter in this case. What the Aseema story demonstrates is the existence of a practical solution to a very large problem.

Another way to look at Aseema's growth is as Tejaswini Adhikari, a faculty member at the Tata Institute of Social Sciences, views it. According to her, the problem with urban Indian elementary education exists on three levels: the ambience, the teacher, and the community and children. During the past decade, NGOs have managed entry points at all three levels. Many are now developing those entry points into lasting infrastructure. Aseema is a case in point. For these and many other reasons, the story of Aseema is an important one. It takes us through the life cycle of a charitable organization that has seen its operational and structural imperatives change even though the goal has not. It focuses light on the successes, problems and strategies that guide not-for-profit efforts in India.

Gravelstone Alley

In the beginning, there was no clear road, nor a destination in sight. There was only a problem that needed a solution.

Too many children begging on the streets seemed like a complete travesty of child rights to Parakh. When she surveyed the kids, she found that they had a huge desire to learn, but found no place within the mainstream education system. She decided to set up a learning center that would prepare these children for formal education, and Aseema was born as a charity under the Bombay Public Trusts Act.

Parakh spoke to the mothers, to the children and to the teachers. A lot of people came forward to help as, she says, "We all felt that the children needed a structured learning environment." Their lives were in a state of flux all the time and their learning environment had to be steady. Parakh approached a local school that agreed to let her use a classroom every evening for an hour. She spread the word around, and a teacher with one of the schools teamed up with her. A volunteer came forward from the slums and she agreed to bring the children to the center and take them back every evening.

It was a miraculous week, Parakh recalls. Help poured in from friends and strangers. On December 15, 1997, the first class was held. "We were taken by surprise by the number of children that turned up," says Parakh. There was a curiosity value to the program, and there were 18-20 kids in class that day.

After the first flush of excitement, however, the children started dropping out. Some found traveling to the center to be a chore. Others did not see the point, as progress was slow and laboured. Also, the children found it difficult to understand and apply the concepts being taught at the center.

This was a problem. The solution came from two unexpected sources. One was in the form of a biography of Maria Montessori that Parakh was reading at the time. It showed her a way to generate and retain the children's interest in the classroom. The second was an art teacher who would go on to lead Aseema on a unique development path.

The Montessori center was set up in a room at the municipal school that Aseema has since adopted. It took in pre-primary children and kept them until they were ready to go to a primary school. Shifting to the Montessori system helped immensely. Parakh says, "We found the children were able to read faster, were more disciplined and were able to apply their learning better." Today, the Pali-Chimbai Municipal School runs a Montessori center and the system is being adapted for the higher classes, too. Aseema

spends close to Rs. 3.2 lakh a year on the Montessori center.

The new teaching methods helped stanch the drop out rates, as did the art classes that were started around the same time. Varsha Trivedi, an art teacher who had spent 20 years teaching in Mumbai's mainstream schools, teamed up with Parakh. One of the key functionaries at Aseema today, she says, "We believe that art is a great liberator. If we are able to teach it well, it will help the children." It definitely did. She worked hard with the children and soon they were turning their learning into stunning artwork. Their artwork found its way into an exhibition where it was completely sold out. When this happened at several exhibitions in a row, Aseema recognized an opportunity waiting to be tapped.

Art hooked the children too. It helped them stay in school and also lured dropouts back into the system. One example is Ramesh, a 12-year-old when he first came to Aseema. He had dropped out of school, but he loved art and he came for Trivedi's classes. Ramesh stayed on, and with the support of a volunteer at Aseema, finished school and trained himself in graphic design. He handles a lot of Aseema's organizational work today. Much of his artwork has also been converted into products. "Products empower the children," Parakh says. It helps in building confidence and improving student retention. Products have also helped Aseema generate an independent revenue stream for itself.

Brick by Brick

Bill Drayton, founder of Ashoka: Innovators for the Public, a multinational social venture capital firm, once said, "People understand this field (not-for-profit) by anecdote rather than theory." The same is true for Aseema. In order to understand the way its products division has evolved over the years, it is best to start with an anecdote from the early days of Aseema's art classes.

During the first few classes, Trivedi found that the children were unable to draw on a large sheet of paper. They drew tiny figures and used the eraser several times over. They seemed intimidated by the size of the paper and were constantly erasing the work they did. Trivedi decided to give them crayons and introduced them to a technique called "scratch out," which did not ask for neatness in their work. The results were instant: Their work was bold, confident and unique. These paintings were all sold out at their first exhibition in Mumbai in September 1998.

What Trivedi and, in fact, the entire Aseema team has demonstrated time and again is operational flexibility. Aseema has adapted itself to the environment and learned from its mistakes - just as it did when it found out that the first batch of greeting cards it produced had gone terribly wrong with its color combinations. Produced for Diwali, the Indian festival of lights, the cards were in shades of black and grey, colors considered inauspicious for a festival. "We salvaged the situation by printing more cards in orange, red and yellow and mixing them up with the black and grey cards to sell them as packs of 6 or 12", remembers Parakh.

The cards did sell out. And soon Aseema got more orders for cards, calendars, notebooks and other products. One of the city's largest business groups, the Ambanis, asked them to exhibit their products at their annual art shows. As word spread, demand grew and Aseema launched its product division.

The response gave Aseema the confidence to develop new products. During the past year, it has spent close to Rs. 1.6 lakh on product development. Siganporia says, "We are treading very slowly, and results have been slow in coming. Breaking into the market has been difficult. Retail stores cut margins too thin and exhibitions, currently Aseema's main marketing initiative, are an expensive proposition. The product division will soon be an independent corporate entity, but we will take our time over it."

One of the options being explored by the team is setting up e-commerce facilities on Aseema's website. This option was suggested and developed into a business plan by students at the Wharton School and the S.P. Jain Institute of Management & Research in Mumbai. Aseema is in the process of implementing the plan, but as Siganporia cautions, "There are investments to be made, and since there is a constant tug on

resources, e-commerce will be developed in phases over the years."

According to Therese Flaherty, director of the Wharton Small Business Development Center (SBDC), three Wharton undergraduate projects were closely connected with Aseema: Groups of ten students worked on understanding the U.S. potential for Aseema's products and on developing approaches that would allow Aseema to create a solid sales base in the U.S. for raising funds.

The students' projects were part of a required Wharton undergraduate course: Management 100: Leadership and Communication in Groups. The primary market research projects in this course provide each team of 10 students with a meaningful project which is challenging and requires the team to use the talents of all its members. During the process of executing the project, the team usually experiences the leadership and communication challenges that many self-managing professional teams face.

The Management 100 program provides the conceptual background and the coaching to help each team to succeed and to learn from the hands-on-experience in facing the challenges of teamwork. The program, which also teaches students to conduct their market research well, was developed by the director of the SBDC. The director guides three Wharton MBA candidates each year who act as SBDC advisors to the undergraduate teams and who follow the program to ensure that the teams provide useful market research to their small business clients. Also, to ensure that the teams learn the course content well enough to enable them to provide excellent work to their clients. "The marketing research instruction provided by the MBA SBDC advisors is a component of the course," adds Anne M. Greenhalgh, director of the Undergraduate Leadership Program.

"It is very unusual for a Management 100 team to have a client outside Pennsylvania, but because Knowledge@Wharton supported the team, their communication with Aseema and eventually their communication with MBA students in Mumbai, the three projects done by Management 100 for Aseema were highly successful learning experiences for Wharton undergrads," adds Flaherty.

Mapping a Course

Management wisdom has it that there are three executive archetypes of leadership: entrepreneurs, managers and leaders. In the not-for-profit sector in India, as in most parts of the world, leadership has been largely entrepreneurial. Leaders have been strong personalities and have led their teams on the strength of a vision and deep commitment to a cause.

This has been the case with Aseema too. Led by Parakh who has managed the center since its inception, it has grown around her vision. While this has been its strength, it can also become a weakness unless the organization recognizes the potential pitfall and takes steps to correct it.

Personality-led organizations have a high mortality rate and the scale of achievement is limited. Usha Rane, director-curriculum and program director for Maharashtra at the Pratham Resource Center, says, "We believe that the best models can be built but they cannot be replicated. You need to have people with their heart in the right place and that is a matter of chance." This is why, she says, Pratham chose to go with mass scale programs. "We see to it that it will appeal to all and is not dependant on experts in the field," she says.

Aseema has recognized the problem. In the past year a management team has been put in place to ensure that decision-making is not centralized. The organization has been divided into three broad functions: education, corporate and products. Responsibilities have been divided among the three division heads and the entire team meets every fortnight to measure and monitor performances.

The other problem that organizations like Aseema have to face is scalability. According to Adhikari, it resembles a typical 'end-in-itself' model. Its reach is limited to one or two schools. Rane believes that the Indian education system needs models that are far larger in their scope and reach. "We make sure that a program is started in at least 10 cities with at least a lakh children as beneficiaries," she says.

Aseema may not be able to scale up like Pratham. However, that may not be a weakness in this case for two reasons. One is Aseema's ability to get into a deeper and long lasting involvement with the child. And two, it is building in scale by developing a model that can be replicated by other not-for-profit organizations. As Parakh says, "Aseema believes in total involvement, and my dream is to take this involvement into rural India as well."

It would be simplistic to assume that the country's large education problem can be resolved by any one single model. There is space for many models and many initiatives. In the coming years, it is the efficiency, flexibility and sustainability of these organizations that will determine their success.

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