

Executive summary: The Ability Cooperatives

Nalgonda District, Andhra Pradesh

Alexander Andukunnel, SERVH



Business Plan Title	THE ABILITY COOPERATIVES
Name of the Entrepreneur	Alexander Andukunnel, CEO
Name of the Organization	Society for Education & Rehabilitation of the Visually Handicapped (SERVH)
Legal Status	The Society is registered under the Society's act with Income Tax Exemption and Registered under Foreign Contribution Regulation Act. It is also registered with Rehabilitation Council of India. The organization was accredited in January 1989
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Mission: The ABILITY COOPERATIVES seek to channelize the Micro Credit movement to the disabled in the rural areas so as to bring about economic independence and self reliance.

Concept of the Business

SERVH has been working with the differently-abled for over 10 years. The Organization was founded with the intention of higher education, training and placement of the Visually Handicapped alone. But with the changing global scenario and the emphasis on Community Based Rehabilitation we adopted CBR and cross disability approach since 2000. Today we touch the lives of nearly 2500 DAPs. We have constantly questioned social structures along the side of the disadvantaged, with the aim of empowering them to participate in a process of meaningful change.

India has been active in the Self Help Group and Micro Enterprise Movement. However, this development could be made more inclusive if the differently abled could also take part in it. Through the ABILITY COOPERATIVES we wish to

- Identify market opportunities that can be formulated into feasible business ideas
- Train the differently abled and mothers of differently abled children in market specific as well as business management skills
- Form them into initially individual and later on, group enterprises
- Provide hand holding and enterprise development support till the businesses become viable and
- Recover costs and build a community fund through the profits of enterprises thus formed

Motivation/need behind starting the business

To be born into rural poverty in India is to begin life with a handicap which often means a helpless and stoic acceptance of a variety of social ill-hunger, disease, squalor, illiteracy and a daily battle for the basic necessities of life. In addition, if a person belonging to this large segment of the rural poor is born with, or acquires, a disability, then it is a double handicap. Unfortunately, 80% of the India's disabled population suffers this 'double handicap' living in rural areas

Given this situation, it is striking that most of India's disabled rehabilitation program is urban based. To a disabled person, the pain of the social discrimination in addition to the 'handicap' of being rural is very high. Acceptance in the rural communities comes by enabling the disabled through education, training and economic independence. This not only gives the disabled, self-esteem and support from the family but also acceptance in the community in which they live. SERVH is working towards this goal of equal opportunities and empowerment in lives of the rural disabled by adopting a five level strategy of comprehensive rehabilitation which leads to sustainable livelihood..

Entrepreneur's Role

Presently Mr. A C Alexander, the founder of SERVH leads the team with his vast experience and training in disability sector. 18 trained rehabilitation assistants and professionals support him. He has been in the field of disability management for the past twenty-five years and has worked with Action Aid and Rehabilitation Council of India. Training regarding MFI will be imparted by SADHANA Microfin Society, Kurnool. They also have agreed to support us technically until we are capable of running it on our own. Further details are provided in Annexure 1.

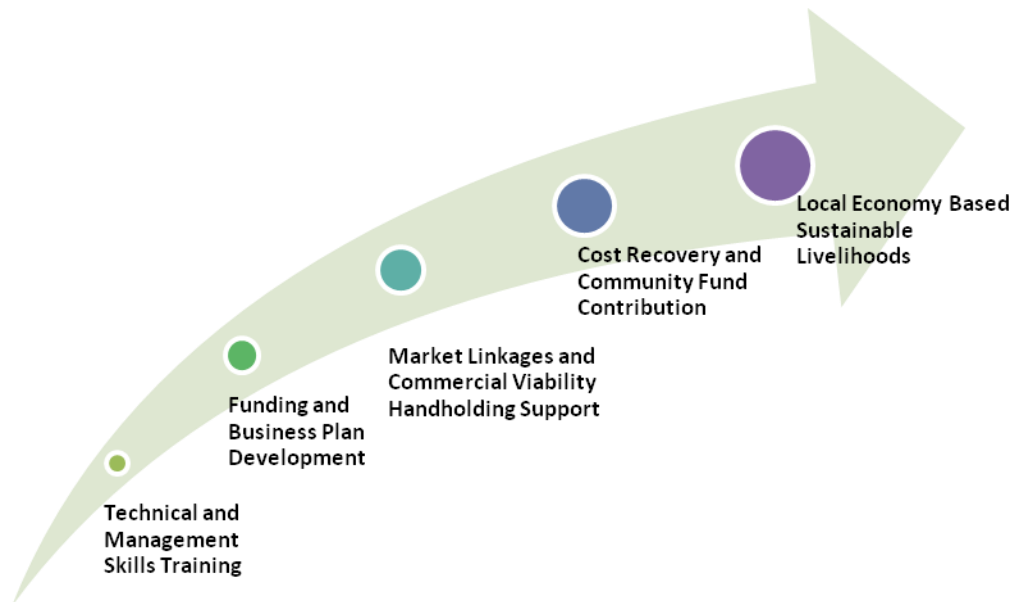
Description of the product/service

The ABILITY Cooperatives model is based on two fundamental beliefs.

- The target-population has the capacity to earn their livelihood without depending on others economically. What they need is a proper direction and training.
- The ultimate goal of community based rehabilitation should be sustainable livelihood.

After carefully studying the human resources and the market capabilities in the areas in depth, the organization has come up with a five-step strategy

Exhibit 1: The ABILITY Cooperatives Model



The primary goal of the program is to ensure equal rights and opportunities and to promote entrepreneurship among the disabled by creating a local economy model which facilitates the economic independence for the disabled. The program aims at providing the necessary skills and support required for the disabled to initially start individual ventures and gradually transforming the individual based ventures to group based cooperative enterprises. This will ensure dignity and self reliance. Within three years we plan to make 4000-5000 differently abled into entrepreneurs and contribute 3% towards Community Fund which in turn will take care of the Organizations needs in carrying out rehabilitation program. We also train the members to repay the capital in installments over a period of three years. Thus the rehabilitation services as well as Livelihood program will reach many more people, making the project sustainable. . Hence we are gearing up to create a financially viable, scalable and replicable model (product) for the D A Ps to enhance their lives. The methodology followed is almost same as that of MFIs.

Target Market

- Women with disabilities and mothers with disabled children
- Youth between the ages of 16-21
- Per capita family income in the range of Rs. 1500-Rs. 6000 per month

With the limited funds available, the organization has started providing micro-credit to the SHGs in a small way, encouraging livelihood schemes as a part of income generation. The organization has also provided skills training to some of the young ladies in the groups in tailoring & hand embroidery. But due to meager funds available with SERVH the efforts are facing limitations. Accessibility to funds would help SERVH in scaling up efforts in this direction.

Rationale behind the product/service in the identified target market

Over the period of eight years of serving some of the backward mandals in Rangareddy and Nalgonda districts, SERVH has identified a few social & economic aspects:

- The entire area is backward with scanty rainfall. Continuous drought for many years has driven the people out to seek employment elsewhere. Large-scale migration of the able-bodied leaving the disabled to fend for themselves is a disturbing scenario.

- High percentage of fluoride in drinking water leading to severe skeletal deformity is a common sight. Prevalence of superstitions, child marriage, close affinity marriage, poor health conditions, lack of awareness, unhealthy practices etc perpetuate disability.
- Employment opportunities for the disabled are limited as the education qualifications/literacy rate of the disabled in these areas is low.
- The disabled finds it difficult for existence not only due to the low levels of technical/business skills but also due to low self-esteem resulting out of years of discrimination and exclusion.
- Even if the jobs or schemes exist in the Government department, there is a short-circuiting due to the political and monetary favors working against these disabled in the rural areas.
- Though micro-credit is available through various Government program and other micro-finance institutions (MFIs) such programs are not suitable and accessible to the target audience.
- Children below the age of 18 are not eligible for any of the government sponsored economic programs.
- The DAPs cannot compete with the “Able” since they lack business skills, mobility, education and family support. Their repayment capacity too is low comparing to the able bodied. Besides most of the MFIs do not generally consider DAPs for Micro credit. It is against this background we propose the ABILITY Cooperatives.

Commercial viability and feasibility of the model

After over 8 years of working on attitudinal change, today most of our clients are ready to contribute a part of their profit from livelihood project to Community Fund. They are also ready to repay the cost of livelihood project with interest in installments. Now the DAPs are determined to move towards economic advancement through leadership inspiring collective action, social inclusiveness etc. The community fund as well as repayment of loan amount will make the project self reliant and sustainable and allows us to continue our services for a long time. A case in point is the small ‘experiment’ we have undertaken. We have formed 86 SHGs from among our current target population, and have made disbursements of approximately 3.65 Lakhs in amounts varying from Rs. 1500 per person Rs. 5000 . The repayment rate has been 98%.

Core business strategy

Business Areas Identified

1. Tailoring: Vocational training has been already provided by skilled trainer for 40 women in the age group of 15-20 years in the basic tailoring and embroidery. Advanced training and provision of equipment required in tailoring, embroidery and fabric painting is sought for. SERVH is trying to negotiate with a few readymade garment shops to outsource a part of their work to the women trained in tailoring Here each candidate has the potential to earn Rs.150-200 per day depending on the speed of each candidate.
2. Floriculture: The target geographical area is suitable for floriculture and efforts are underway to initiate a group activity in floriculture. Its prospects are positive as there is great demand for flowers throughout the year. An acre of “kanakambaram” fetches Rs.1500-2000 per day in peak season. Its market value is Rs.150-200 per kg during marriage season. One acre of land produces 15-20 kgs of flowers. The plant has a minimum life of five years. Most of the DAPS can take up this as it does not involve much capital and 3-5 members can easily work in the field irrespective of their disability. Most of the flowers are sold locally. Hyderabad being 80 kilo meters away it can be easily sold there and it fetches better price too.
3. Milk Marketing, poultry & Neem seed collection: These are planned as a later activity which has a huge business potential and which requires cooperative efforts from 7-10 member group.

The other schemes identified, which would be ideal initially include preparation of food items like papad, pickles etc., cycle shops, mobile vegetable and fruit shops, provision shops, chicken centres, petty shops, bangle shops , poultries, electronic repair shops, screen printing and lamination etc. We have the required personnel and they are well trained to handle the situation. Most of them have professional experience of about 5-8 years.

Strong Community Linkages

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We have very close contact with the target group through SHG meetings once in 15 days. Besides, our field staff as well as professional staff meet them practically every week to ascertain the progress of clients and to take up remedial measures. All the decisions pertaining to the project concerning is taken up after thorough discussion with the SHGs. It is they who propose the schemes or activities. Final decision regarding financial involvement is decided by the Executive body of the Society.

Budget for the project

Average Investment Required per Individual	Rs. 10,000
Number of Disabled Persons per Mandal	480-540
Number fit to take up livelihoods projects	130-150
Average Cost per Mandal	Rs. 13,00,000
Number of Mandals per District	30-45
Average Number of disabled covered by ABILITY Cooperatives per District	5200
Estimated Time to Cover the above number	3 Years
Estimated Total Funding Required	Rs.5,20,00,000
Seed Funding Requested (Since reinvestments will be made from profits)	Rs.1,00,00,000

Social Benefit

- Skill and confidence building amongst disabled
- Encouraging Group Entrepreneurship and Self Reliance
- Social empowerment of all disabled persons engaged in the program as the ABILITY Cooperatives move the target group beyond what they are 'traditionally' considered capable of.
- Economic empowerment of over 5000 differently abled persons. At an average income increase per month of Rs. 2000 per head, the project has the capability to generate Rs. 12, 00, 00,000 in incremental annual income by the end of the envisioned 3 year period.

Envisioned Future

Our experiment with the existing limited resources has proven that the disabled can take up income-generating schemes and successfully support their family, which in turn brings them respectability and self-confidence.

We aim at making the differently abled persons and SHGs of differently abled into small but capable entrepreneurs by constantly training them and exploring possible avenues where they can run the business profitably and even employ other disabled. Our aim is to move from individual based ventures to group based ones.

However this needs a lot of training in group dynamics, business acumen, marketing skills and professionalism apart from the caring support which SERVH is endeavoring to provide to. Now that more and more youth are getting educated they can take up such activities provided training & funds are available. Here we are providing a new look at MFIs through our new product and we hope this will go a long way in wiping out chronic poverty. In terms of geography, we could look at a scale up in Karnataka and Tamilnadu to begin with, due to logistical convenience

We hope that the award will tremendously benefit in providing the much needed education and training as well as start up fund to large number of disabled who will soon be able to find livelihood, self respect and social inclusiveness. The program's success will lay the path to improve and dignify that fabric of the disabled community and will become a replicable model in which disability is only a handicap of the past

Annexure 1: Profiles of Key Personnel

A.C.Alexander: Project director and CEO:

He is a post graduate with a professional degree in teaching. He has been in the service of the differently abled for the past 25 years. He has been trained by Action Aid in Community Based Rehabilitation and has a certificate from Rehabilitation Council of India. He has initiated several innovations in disability management like the first integrated school in India for the visually challenged, established in 1980. In Community Based Rehabilitation, he has introduced the use of cultural programs to reach out to the rural folk where themes like child marriage, close affinity marriage, causes of disability and measures for preventing disability, nutrition, discrimination, equal justice and opportunity etc are presented in local folk songs and dance. These programs are a great attraction and the message reaches every one while it also entertains. The third dimension was use of local resources to produce cheap and useful mobility aids. And the latest addition is the most creative one applying the MFI concept to change the lives of DAPs into productive partners in development.

Mr. A. Srinivas: Graduate with diploma in Community Based Rehabilitation from Sri Ramana Maharishi Institute, Bangalore. He has a certificate from the Rehabilitation Council of India. He has been with the organization since 2000.

Mr. K. Sri Kanth: Post Graduate(M.com) is physically challenged (CP). He has a certificate in Rehabilitation recognized by Rehabilitation Council of India, New Delhi. He has been with SERVH since 2004. He maintains complete record of the project as well as accounts.