

Unilever has to think small to grow big in rural South Asia. Following the success of Project Shakti in India, our businesses in Bangladesh and Sri Lanka have implemented their own micro-enterprise schemes. And the results are remarkable.

The micro businesses with massive impact

Chandrani is an ordinary wife and mother living in rural Sri Lanka. Yet she can do something that no one else in Unilever can do – walk into her neighbours' homes in the hilltop area of Nuwara Eliya and persuade them to try Signal toothpaste or Lipton tea.

Chandrani is a Saubhagya entrepreneur. She's part of a network of micro-enterprises that enable Unilever to penetrate deep into rural areas, beyond the reach of mainstream media and conventional distribution channels. Yet Saubhagya, which means 'prosperity', like its sister projects Shakti and Joyeeta, is about much more than distribution. It is also a powerful vehicle for positive social change.

Reaching the world's newest consumers

By selling Unilever brands locally, women like Chandrani can double their household incomes, giving their families undreamed-of access to education, healthcare and good housing. These businesses are tiny but numerous – there are now around 25,500 across South Asia. Coupled with Unilever-funded schemes such as Shakti Vani, which communicates basic health information, or the Saubhagya scholarship scheme, they are making a community-wide impact on quality of life.

Such projects are outstanding examples of "what Unilever is doing at the point where social responsibility, sustainability and business strategy all meet", according to group chief executive Patrick Cescau in his speech last year at an international event in Cleveland, US. They are also an excellent way of tapping into the 'fortune at the bottom of the pyramid', a large and fast-growing global market of low-spending consumers identified by the strategist and consultant Professor C.K. Prahalad.

Grasping this opportunity has required new ways of thinking and radical business innovations, as Shakti, Joyeeta



FIND OUT MORE
For information on Shakti and the full Cleveland speech visit www.unilever.com

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"It is not only my own prosperity that means so much to me. People get inspiration from me."

Feroza
Joyeeta entrepreneur

FEROZA'S STORY

"Today I have everything I need," says Feroza, a 40-year-old Joyeeta entrepreneur from Daglagonj village in the Dinajpur district of Bangladesh. "But just a few years ago my life was very difficult."

After Feroza's husband lost his job in the city, the couple took a loan to start a poultry farm, but within a year their investment was washed away in a flood. "I lost the will to live, the inspiration to carry on. There was no food, no shelter, and my daughter could not go to school. On top of that, the burden of the loan kept growing."

Feroza and her husband worked as day labourers in the fields and a rice mill, but their situation remained desperate. Then Joyeeta came to the village and, says Feroza, "taught the women how to dream again."

With a loan from the local NGO, Feroza was able to buy her first batch of goods. Starting small, with sales to friends and family, she quickly gained confidence, aided by training from the local Unilever representative.

"I started a new life," she says. "My daughter goes to school regularly and the loan was paid off last year. But it is not only my own prosperity that means so much to me. People get inspiration from me. They say, 'If Feroza can do it, why not me?'" I'm more than a representative of Unilever, I'm an ambassador of life, hope and dreams."



and Saubhagya illustrate. Yet one aspect of the business has needed no change at all – our product range. This varied basket of goods for low income consumers – from tea to toothpaste – sustains entrepreneurs week to week in a way that expensive or specialist purchases could not.

Partners in success

More opportunities present themselves as the projects develop. In India i-Shakti, an IT initiative, is increasing its range of services, which currently includes computer education and spoken-English tutorials – opportunities which local villagers would otherwise have to travel long distances to access. The pilot project involves 20 access points and the long-term goal is that similar initiatives will offer subsidised services for the wider community.

A partnership between Shakti and a mobile phone operator is also under consideration. Early experiments suggest mobiles help with business logistics and provide the women with additional income. However, it's not only commercial partners who are taking notice of our success: "At one time it used to take a lot of effort to secure government support," says Vijay Sharma who heads Shakti in India. "Now they are more forthcoming in discussions about partnerships."

Investors are watching too, according to Matthew J Kiernan, CEO of research firm Innovest, who believes investors are looking to social responsibility as a measure of management quality. Commenting on The Global 100, a list of the world's most sustainable corporations, Kiernan told *Business Week* that high ratings on the list suggest a company is "more strategic, nimble, and better equipped to compete in the complex, high-velocity global environment". Encouraging, therefore, that Unilever achieved an AAA rating.

Shakti, Joyeeta and Saubhagya now combine to make perhaps the largest sustained rural home-to-home sales operation in the world. And while internal procedures adapt constantly to keep pace with the increasing scale of the network, out in the villages it's the same tried-and-tested scheme that's making all the difference to women like Chandrani. A scheme that began back in 2000 in Andhra Pradesh in India, with just 17 entrepreneurs. □



Projects such as i-Shakti are trialling new services like computer training and language courses.

PROJECT UPDATES

These projects increase Unilever's reach to rural consumers in South Asia while significantly enhancing the income and social standing of underprivileged women. Start-ups are financed by small loans from NGOs (non-governmental organisations) while Unilever provides the women with training and support in commercial skills. The result? A fast-growing network of thriving direct-to-consumer distribution businesses.

SHAKTI – INDIA

- » Shakti piloted in 2000 with 17 women entrepreneurs
- » By 2006, the scheme had 30,000 entrepreneurs covering 15 states and 100,000 villages
- » Its vision for 2010 is to cover 500,000 villages with 100,000 entrepreneurs reaching more than 600 million people
- » Spin-off projects include i-Shakti, which has placed over 200 computer kiosks in rural communities, and Shakti Vani, a health education programme which plans to reach 50,000 villages during 2007.

JOYEETA – BANGLADESH

- » Joyeeta piloted in 2003 with 25 women entrepreneurs
- » By 2006, the scheme had 1,900 entrepreneurs, reaching 125,000 households every week
- » Its vision for 2010 is to serve 1 million households with 10,000 entrepreneurs
- » Spin-off projects include a joint venture with aid agency CARE Bangladesh and a distribution agreement with Bata Shoes.

SAUBHAGYA – SRI LANKA

- » Saubhagya began in 2003 with 35 women entrepreneurs
- » By 2006, it had 2,600 entrepreneurs reaching 175,000 households
- » Its vision for 2010 is to have at least one entrepreneur per village – 14,000 entrepreneurs reaching 1 million households across the country (out of a total Sri Lankan population of 20 million, including 4.5 million families)
- » Spin-off projects include housing renovation grants for Saubhagya entrepreneurs and scholarships for children, as well as broader community development investments such as clean water, wells and libraries.

