

Warli Activity Report November 2015 to October 2016

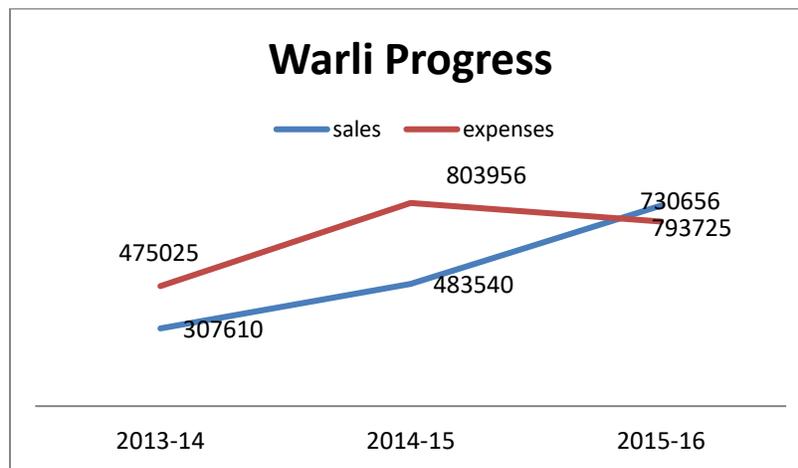
1. Summary

The Warli Activity under the auspices of Dr M L Dhawale Memorial Trust and kindly Supported by Late Mr. Niranjan Benegal and PPI, has reached the breakeven point in the year 2015-16. The journey of past 3 years was a great learning experience for us. We realized that running a social entrepreneurship with local villagers required a different methods and a multidisciplinary approach to make it function and make it sustainable.

Market penetration was relatively easy for us, though that too had its own challenges. Quality of our artisans has been consistently high and has won us many accolades. But motivating the artisans for target based & process based production system continues to be a challenge.

Some of the highlights of the project over last three years are:

- Significant increase in sales, exceeding Rs. 800,000 in the Financial Year 2015-16
- Procurement & production planning resulting in cost saving
- In addition to 7 full time artists, few more artists joined the team on freelance basis
- Quality of the painting remained superior as compared to other artists in the locality
- New product designs and high product quality allowed us to fetch better prices
- Poor infrastructure, lack of transportation facilities, non availability of Raw Material in the vicinity, unable to motivate artisans to follow targets were some of the challenges
- Sales versus Expenses graph as shown below
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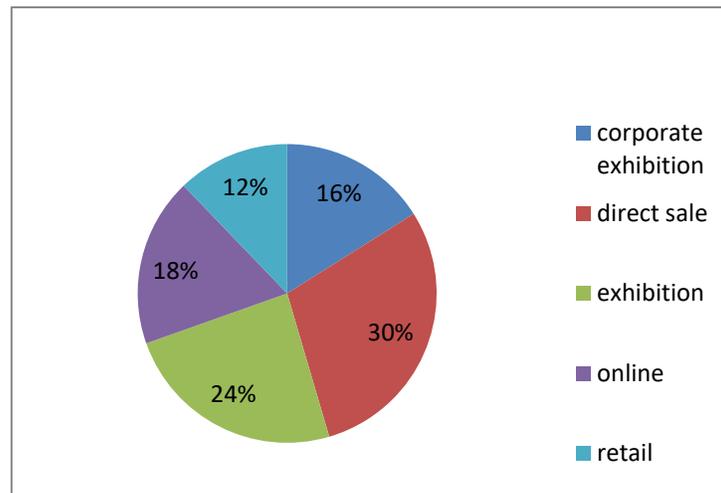


2. Activity Report

Based on the previous year's experience, we are more stable in the market, we have better logistics, new product designs have received good response, a well-oiled process has been established for reporting and monitoring.

Exhibitions were the key sales channel as it enabled us to directly interact with customers, understand their taste, market trends, competition and other crafts. However due to lack of manpower we often faced difficulty in managing the exhibition.

Distribution of sales through various channels:



Prior to the Trust's involvement in the activity, the sales were languishing at Rs. 1.5-2 lakh in a year, barely leaving Rs. 8,000 - 10,000 per artisan per year. Starting from that position, we have now reached at sales of Rs. 800,000 per year, a point of sustainability and steady income of Rs 60,000 – 80,000 per artist per year. In addition to this the artisans are now capable of handling day to day operations and can follow production processes. The Trust will continue to support them for marketing but withdraw from production activity.

3. Learnings & Observations:

Productivity: The production activity is seasonal and irregular, primarily due to their personal agricultural activities during monsoon. Other variation is caused during festivals, weddings and community social events. Consequently production has to be planned keeping in mind these 'unavoidable' variations.

New Products: The artisans do not have a direct connection or a 'view' of changing client demands or a concept of 'market saturation'. Consequently they continue to produce their traditional artefacts. Fortunately, we were able to suggest new product designs to them, train them on production and were able to stay ahead of competition.

Work Ethics: In tribal community, handicraft is considered as part time occupation or tertiary activity. Hence the work is given lesser priority over personal commitments or social gathering.

4. Budget and Expenses

(Report includes figures from November 2013 till October 2015)

No.	Activity	Funding Received	Expenses	Remark
1	Raw Material	2,68,000	2,09,577	Subsequent cost of Raw Material and Artisan's Wages was supported from the ongoing sales
2	Artisan's wages	1,15,000	1,15,000	
3	Plant & Machinery (& maintenance)	50,000	24,087	Most of existing machinery was put to use, hence the funds are not utilised
4	Refurbishing the work shade	1,50,000	4,668	We were planning to create a new work-shade for the Artists, but that has been delayed
5	Temp. Storage for Finished Goods	25,000	25,000	
6	Operation, administration cost (rent, utilities etc.)	15,000	15,000	Subsequent admin cost was covered from sales
7	Training	30,000	1,800	
8	Product Design	70,000	70,000	
9	Marketing Cost (including Manpower, publicity, travel, literature etc.)	3,32,000	2,03,569	
10	Management Cost	30,000	30,000	
	Total	1040000	698701	
	Expected Revenue (April 16– March17)	12,00,000		
	Actual Revenue (April15 – March 16)	793725		
	Stock on Hand (FG, WIP, RM)	2,50,000		

5. Conclusion

In line with our original understanding with the artisans we had agreed to hand-hold them for three years and thereafter allow them continue with the activity. However we are cognizant that as yet (& are unlikely to in near future) they are not able to handle the marketing aspect of the business. Consequently, we shall handover the day-to-day operations to them but continue to manage the revenue generation activity. We are currently in the process of documenting Standard Operating Processes to handover the activity.

We feel happy & content that we have been able to streamline the activity and have created a sustainable livelihood opportunity for the artisans. This also helps in keeping the otherwise fading folk art of the region and gives it a fillip.

On behalf of the artisans and from Dr. M. L. Dhawale Memorial Trust, we sincerely thank PPI and Late Mr. Niranjana Benegal for your kind support.