

# Seva Mandir–Sadhna: From a Welfare Organization to a Business Activity

*A non-profit organization established in 1968 in Udaipur, Seva Mandir's mission is to make real the idea of a society of free and equal citizens, who are able to come together and solve the problems that affect them in their particular contexts*

## SADHNA AT A GLANCE

Sadhna, 'a women's handicraft enterprise', was registered as a Mutual Benefit Trust on 10 December 2004, with each member contributing Rs 32,500 as their initial non-refundable capital. It has a membership of 639 women artisans belonging to Udaipur district in south Rajasthan. Sadhna's objective is to create a sustainable and independent world for its artisan members by providing them with continuous work and a regular source of income. Its product range comprises appliqué and *tanka* (thread work) products such as furnishings, apparel and accessories, which are sold through multiple channels, including its own retail outlet in Udaipur. Its annual turnover has increased three-fold since its registration to Rs 1.96 crores in 2010. Sadhna is headed by a CEO, supported by a 20-member staff and a 46-member Management Committee, comprising leaders of artisans groups.

## THE EVOLUTION OF SADHNA

Seva Mandir began its work in the field of adult education before expanding into other sectors. In response to continuous demands from its target community, Seva Mandir initiated income-generation activities (IGAs) under its women and child development (WCD) programme, to supplement household incomes during the drought in the early 1980s. These IGAs were in the areas of weaving, poultry, backyard farming and hosiery, with a charity orientation rather than achieving financial viability. Because of a variety of internal problems in the operations and external problems in promoting co-operatives, in 1987, Seva Mandir decided to visit some successful organizations in Gujarat and learn from their experience of IGAs. After considering various options including tailoring, block printing and food processing, it finally chose to take up patchwork activity because it didn't require much investment and it would be easy for women to work from home.

This was started in the *Harijan bastis* in Udaipur in February 1988, with just 15 women, with the training inputs provided by the Tribhuvandas Foundation of Gujarat, from where they had got the idea. But within a couple of years these women lost interest in the work because they earned more from their previous sanitation-related occupation. However, patchwork and appliqué was steadily expanded to other rural operational areas of Seva Mandir and its success was measured by the organization, not only in terms of financial profit and loss but also in terms of increase in the women's skill development, self-esteem and confidence. The products were sold through government emporia, exhibitions and export orders from international NGOs. Although sales had increased over the years through 1998–99, it was observed that the production levels were very low with high fixed costs (such as employee salaries) and Seva Mandir was paying more to others (such as for raw material and designers) than to the intended target group of poor women artisans. Seva Mandir, thus, concluded that the patchwork programme had failed and recommended its closure to the Board.

In 1998, when the Head of the WCD had retired, Neelima Khetan took over briefly before going on to become the Chief Executive of Seva Mandir in April 1999. She managed to persuade the Board to give some time to turn around the patchwork programme. Immediately thereafter, the patchwork activity was separated from the WCD and set up as a business unit called 'Sadhna', through an experienced staff member Leela as the in-charge. She enforced significant changes in the working of Sadhna (tough performance incentives, longer working hours, etc.) with support from the top management of Seva Mandir, which marked its shift from a welfare

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organization to a business activity. Expert advice was obtained to develop a business plan for the unit and its products were marketed under the brand name of Sadhna. In the very first year, Sadhna reported a net profit and higher payments to the artisans, and grew steadily up to 2004.

During this period, women artisans were involved in design development workshops as well as in exhibitions, held in India and abroad, thereby enhancing their participation in the important business activities of Sadhna. Because of their increasing earnings and greater involvement in the village development activities, these women became more confident decision-makers both at the household as well as at the community levels.

When it was felt that Seva Mandir had become an impediment in the growth of Sadhna as a business because of their widely different ways of working, the Board of Seva Mandir recommended the separation of Sadhna from Seva Mandir. Accordingly, after being a part of Seva Mandir for 17 years, Sadhna was registered as an independent Mutual Benefit Trust in 2004. Seva Mandir distributed the accumulated surplus (from the patchwork business) among the women members of Sadhna equally and they, in turn, deposited it as their non-refundable initial capital. Elaborate discussions were held by senior Seva Mandir and Sadhna staff with the artisans, to transfer the funds from the parent NGO to the newly formed CBO.

Leela took over as the CEO of Sadhna in March 2005, after she and other senior staff resigned from Seva Mandir. Over the years, the membership of Sadhna has grown to 639, with each member paying lifetime and annual fees of Rs 251 and 101, respectively. Each lot

of 15 to 20 artisans, living close to each other, formed a group and is headed by a Group Leader. The Management Committee (MC) comprises 46 Group Leaders, and forms a vital link between the General Body of artisans in the village and the operations of Sadhna. The Group Leaders are responsible for co-ordinating between the women artisans in the villages and the production centre in Udaipur, to ensure timely delivery of work. They also take responsibility for the quality of work. The MC meets every quarter with the CEO and the Group Leaders. The MC has two representatives on the Board of Sadhna, which is headed by the Chief Executive of Seva Mandir and includes five eminent outsiders as Trustees; the CEO of Sadhna is the Member Secretary.

Sadhna works on providing regular livelihood to its members as well as takes care of issues related to health, child education, and family security by enrolling them in provident fund schemes, helping them access the government pension schemes, assisting them to get medical and life insurance, providing emergency loans, organizing regular health and eye checkups and offering scholarships for children's education.

Sadhna has a qualified Social Work professional on its staff, to address the social needs of its

members. It has senior staff for its key areas of production, sampling, marketing, sales and accounts. The external linkages of Sadhna include various international donor and trade organizations, government departments and agencies and corporate buyers of its products.

### **SEVA MANDIR AT A GLANCE**

Seva Mandir is a non-profit organization established in 1968 in Udaipur, with a Mission to make real the idea of a society comprising free and equal citizens, who are able to come together and solve the problems that affect them in their particular contexts. The commitment is to work for a paradigm of development and governance that is democratic and polyarchic. It works through an integrated approach to community development through three inter-connected domains of empowering village institutions, strengthening sustainable livelihoods and building people's capabilities. Its key programmes include natural resources management, women's empowerment, health, education, village institutions and a People's Management School. The operational area of Seva Mandir encompasses 626 villages and 56 urban settlements spread over Udaipur and Rajsamand districts of southern Rajasthan, influencing about 3.6 lakhs people of whom more than two-thirds are tribal.