



**Business
Innovation
Facility**

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Inclusive business in practice – Case studies from the Business Innovation Facility portfolio

The JITA sales network: An inclusive business on the rise

This report is one of a series of 'deep dive' case studies that seeks to understand inclusive business in practice. The series explores contrasting inclusive businesses, all of which have been supported by the Business Innovation Facility.

Foreword: An introduction from the author

In the small village of Mirkumulli in rural Bangladesh, Rajeda Begum, an accomplished saleswoman, takes out a sachet of shampoo from her heavy bag of wares to sell to an elderly village woman. Products like soap, sanitary napkins and washing powder, she explains, are new to her community and typically adopted by younger women once she has introduced and discussed them with her customers.

Rajeda is one of a growing number of rural women distributing consumer goods in rural Bangladesh as part of the social enterprise and sales network known as JITA. Originally founded as a CARE Bangladesh initiative, JITA has since been developed into a profitable business with a strong social mission, providing new income opportunities for rural women like Rajeda and delivering products to remote areas, cut off from traditional markets.

JITA has sparked widespread interest as an innovative business model with strong potential for poverty reduction. I became interested in JITA's story after reading a case study of the Rural Sales Programme (JITA's name under CARE Bangladesh) published by Oxford University. The study provided an account of the founding of the programme, its development as an NGO project and its very first steps towards becoming an inclusive business. But the case study did not go beyond 2010, and I was left wondering what had happened since then. Had JITA succeeded in becoming profitable? Had it managed to expand and grow? Had it compromised its social goals to successfully transform into a business with commercial goals? Conducting the research (in July/August 2013) for this report was a chance for me to find out what happened next and to see JITA's work for myself.

I found the business fascinating and much more successful than I had expected. JITA CEO, Saif Rashid, and his team are building JITA into a business that can provide a sustainable livelihood for rural women with the potential to go to scale. The business has exceeded its commercial goals to date while meeting many of its social goals as well. The nature of the business is changing and it does continue to face challenges, but it is breaking new ground with its innovative business model and is already reaping the rewards of its success.

Acknowledgements

I would like to acknowledge all of the people who helped create this report, starting with Saif Rashid, JITA CEO and his colleagues at JITA, Omar Serniabat, Hafizur Rahman, Amena Begum and Rizwana Tabassum. The case study was made possible by the invaluable support of the BIF in country team, particularly Shamema Akther Shamme and Parveen Huda (Country Manager of BIF Bangladesh), and the BIF UK team. I would also like to acknowledge the previous research on JITA by University of Oxford researchers Linda Scott and Mary Johnstone-Louis, and their kind willingness to answer many questions. The field work and writing process drew on invaluable support from Elise Wach, IDS.

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Contents

Executive summary	4
1. The inclusive business in brief	6
1.1 What is the business?	6
1.2 How is the business commercial, inclusive and innovative?	7
2. The story behind JITA	8
2.1 Commercial drivers	8
2.2 JITA's timeline	8
2.3 Market context and competitors	9
2.4 Other country-specific factors	10
3. How does the inclusive business model work?	11
3.1 Evolution of the business model	11
3.2 Overview of the distribution model	11
3.3 Margins and pricing	12
3.4 Recruitment	12
3.5 Partnerships	13
3.6 Key success factors and potential business risks	13
4. Commercial Results	15
5. Development impacts	16
5.1 Direct Impacts at the Base of the Pyramid	16
5.2 Potential for systemic impacts	19
6. Conclusions and lessons learned	20
6.1 Future outlook and potential for scale	20
6.2 Additionality of BIF support	20
6.3 Lessons learned	20
Annex 1: Case study methodology	21
Partner profiles	23
About this series of case studies	24

Table of Acronyms

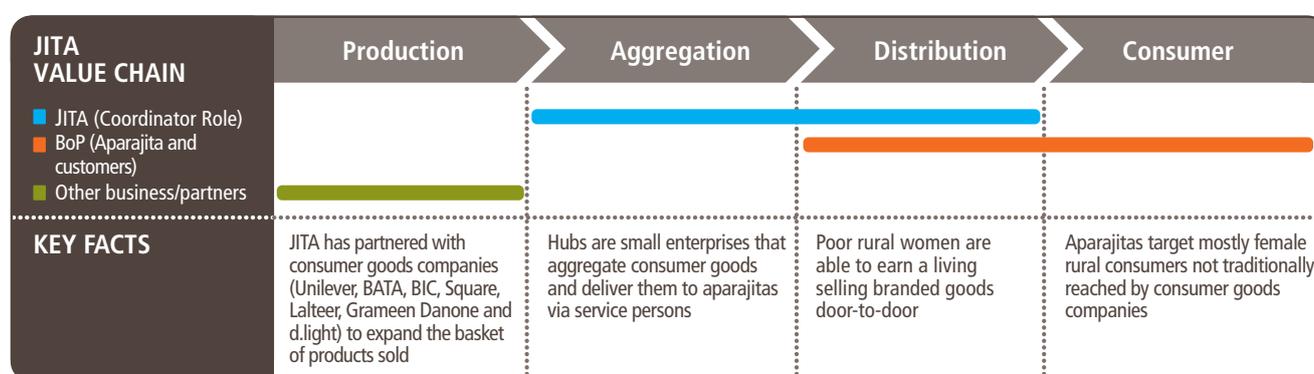
BIF	Business Innovation Facility
BoP	Base of the Pyramid
RSP	Rural Sales Programme. The name for the original initiative that became JITA, run by CARE
IDS	Institute for Development Studies at Sussex University

Executive summary

In rural Bangladesh, a group of destitute women living amongst the poorest people in the country have become the focus of a successful inclusive business selling consumer goods to rural villagers, challenging gender roles and opening up new markets at the base of the pyramid (BoP). These women are known as 'Aparajita', a Bangladeshi word meaning 'one who cannot be defeated,' and they sell consumer goods like shampoo, yoghurt, shoes and seeds door-to-door in their communities, as channel partners of JITA's rural sales network.

Born in 2004 as a non-profit CARE Bangladesh programme, JITA was designed with a strong social mission, to give this vulnerable group of women the means to earn an income and improve their livelihoods. After success as an NGO programme, JITA was spun out as an independent, for-profit business in 2011, to enable the initiative to scale and become sustainable. Since launching as a social business, it has expanded into new areas, added new products to the aparajita basket of goods and developed its service offering to ensure commercial success and on-going benefits to women at the BoP. JITA now connects global consumer goods companies like Unilever, Bata, BIC, Square, Lalteer, Grameen Danone and d.light with hard-to-reach consumers at the BoP through its flourishing sales network.

Figure 1: JITA's value chain



JITA's value chain engages women at the BoP as both retailers of goods and consumers of these products (see figure 1). These women are considered to be living at the BoP, as the majority live on less than \$2 per day, an internationally recognised poverty line.

JITA works as a coordinator for the network, establishing sales partnerships with consumer brands who supply the products that aparajitas sell, as well as creating and supporting a network of distribution hubs throughout Bangladesh, where aparajitas can regularly replenish their basket of goods.

This case study is based on existing data and field research conducted for the Business Innovation Facility (BIF) in July 2013, and tells the story of JITA's inclusive business journey from NGO initiative to fully-fledged social enterprise. As an inclusive business that has rapidly reached both commercial and social success, JITA presents a fascinating case study for analysis. Some of the most interesting elements of the business, outlined in Figure 2 and discussed in more detail in the full report, include:

- Evolving from NGO programme to sustainable business:** While JITA has a long history of successful operations as an NGO project, it has had to develop in new ways as a business, increasing its focus on profit and loss and developing alternative income streams such as research and consulting. Building on long-term expertise as a CARE project, JITA was able to enter communities as a trusted organisation and rally local support for the aparajitas. BIF support focused on facilitating this transition.
- Cracking the 'last-mile' distribution challenge and overcoming cultural barriers:** JITA has developed a distribution model that brings a diversified basket of goods to consumers who are too remote (both geographically and economically) for traditional market channels to reach, and particularly targets women who are unable to buy goods in shops and markets because of logistical or cultural constraints.
- Benefiting destitute women:** Aparajitas are a vulnerable group of rural women who earn less than \$12.50 per month when they join JITA. As members in the network, these women have increased their incomes and gained standing in their communities. Women and girls are also among the primary target consumers of the initiative, benefiting from previously inaccessible goods like shampoo, detergent powder, disposable razors and sanitary products.
- Rapidly reaching a wide range of beneficiaries:** In its first 18 months as JITA, the organisation has grown from 2,500 aparajitas to a network of 4,700. JITA is poised to break even this year, then continue to grow and reach more beneficiaries as the network expands.

Figure 2: Summary of JITA's impacts

JITA

Country: Bangladesh

Sector: Retail, manufacturing and consumer goods

Product: Consumer goods

BoP: Rural saleswomen and consumers



Inclusive business model:
Training and hiring poor rural women to sell products to mostly other women in villages. BIF consultants supported the transformation from an NGO project to an independent inclusive business

Marketing opportunity:

- Rural villages are underserved by traditional distribution networks
- Women can't always reach shops or markets due to distance or cultural prohibitions

Commercial results:

- JITA has built a sustainable business that is reaching breakeven by 2013
- JITA will be a model for other networks for women

Development impact:

- JITA employs 4,700 women
- Aparajitas grow their income from less than \$12 per month to an average of \$20 per month
- BoP consumers access necessary consumer goods and discretionary items

Future plans:

- Increase focus on sales network
- Expand and add new hubs and aparajitas to the network
- Reach 7,500 aparajitas by the end of 2013
- Grow to 450 hubs, with 11,000 aparajitas reaching 7 million BoP consumers

Website: www.jitabangladesh.com

Note on figures used:

Currency: Financial figures that were provided in Bangladeshi Taka are expressed in USD, based on an exchange rate of Tk79.5/\$1.

Base of Pyramid: Numbers of people reached at the base of the pyramid represent those directly engaged as suppliers, entrepreneurs or consumers, and are not multiplied by household size to represent 'lives touched'.

1 The inclusive business in brief

- > The inclusive business studied here is JITA's sales distribution network of low-income women selling consumer goods to rural households in Bangladesh.
- > This sales network is the focus of JITA's core business operations. It aims to create income opportunities for poor women by supporting them as they sell impactful products to rural BoP consumers and develop sustainable market access of health, hygiene and nutritional products to the BoP consumer.
- > JITA has taken an innovative approach to building a commercially successful business by developing a multi-company basket of goods and leveraging local trust in NGOs to introduce the aparajitas as new market channels.

1.1 What is the business?

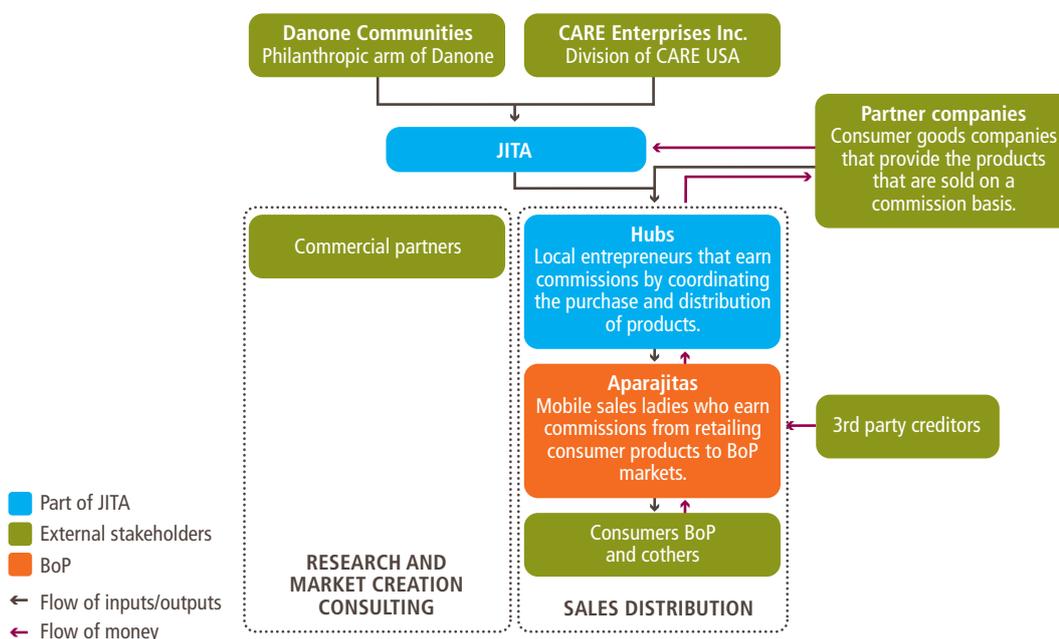
JITA is a for-profit social enterprise, incorporated in Bangladesh and jointly owned by CARE Enterprises Inc., a division of CARE US, and Danone Communities, an independent social investment fund. Spun out of a non-profit Rural Sales Programme run by CARE Bangladesh, JITA's mission is to provide income-earning opportunities for poor rural women. Since becoming an independent company, its core business and commercial goals are based on an inclusive business model.

As Figure 3 shows, JITA's business is structured around two main offerings. The core of the business revolves around a sales distribution network of low-income women (aparajitas) selling consumer goods to rural households. Alongside this, JITA also operates a research and market creation consultancy for companies targeting rural BoP markets. While consulting activities have proved unexpectedly successful, this case study focuses primarily on the distribution network, as it directly supports JITA's mission and is at the core of JITA's inclusive business model.

Table 1: JITA key facts

Inclusive business	
Name	JITA
Sector	Retail, manufacturing and consumer goods
Country	Bangladesh
Product/Service	A sales network of low-income women (known as aparajitas) selling consumer goods to rural households
Relationship between lead company and inclusive business	Inclusive business is not one part of the company; JITA's core business activity is inclusive.
Key Definitions	Aparajita = saleswoman. 'One who cannot be defeated.'

Figure 3: The JITA business model



As shown by the red arrows in the business model diagram (Figure 3), partner companies such as Unilever, Bata, BIC and GrameenDanone supply aparajitas with consumer goods through a network of distribution hubs. With support from JITA, aparajitas stock their basket from these hubs and sell products door-to-door to rural BoP consumers in their villages. Table 2 provides a detailed breakdown of the key roles within this network, from the aparajitas to partner companies.

Table 2: Key roles in JITA's distribution chain

Role	Description
Aparajitas	Rural women selling consumer goods through JITA.
Hub manager	Person in charge of managing the hub (central distribution point for consumer goods) and supplying a regional group of aparajitas. Hub managers can negotiate directly with the sales partners and are responsible for the day-to-day operations of their area.
Service provider/ service person	Person who delivers goods to the aparajitas from the hubs, usually by bicycle. There are two service people for every hub.
Sales Partner / Partner company	Consumer goods company that uses JITA's network of aparajitas to sell its products.

1.2 How is the business commercial, inclusive and innovative?

How is the business commercial?

As an independent business, generating profit is key to JITA's success. JITA does not rely on non-commercial funding and has established three revenue streams – partner activation and training fees, sales commissions and consulting fees – each of which is discussed in further detail in Section 4. JITA receives a commission from the sales partner for each good sold through the network. In addition, each of the parties in the distribution chain receives a commission either directly from sales (in the case of the aparajita and the hub manager), or through JITA (in the case of the service providers).

How is the business inclusive?

JITA was created with the explicit goal of providing economic opportunities for poor rural women. This was its mission as a non-profit CARE project and has remained the driving philosophy of the business since it was spun out as an independent social enterprise. JITA recruits aparajitas exclusively from the BoP, selecting women who live below the poverty line on less than \$12.50¹ per month, many of whom have been socially excluded after losing their husband or children. Selling products through JITA gives these women a steady source of income, training opportunities and a place in the community. From the CEO to the service provider, JITA staff members speak with pride about how the business can improve the lives of these women.

“The most amazing part of leading JITA is to see and feel a common philosophy from my entire team towards empowering women and changing lives. Every one of us always remembers why we do business.”

Saif Rashid, CEO, JITA

By bringing goods to rural areas, JITA also provides rural BoP consumers with products they could not otherwise access. JITA aims to sell products with social benefits, such as agricultural inputs, hygiene products and solar lanterns, although some products included in the basket of goods, such as Fair and Lovely face cream, are popular with consumers and good for aparajita incomes, but with arguable impacts on consumers. To address those issues, for the past two years JITA has conducted market research and testing with a Japanese cosmetics company to include a substitute skin care product in the aparajita basket. Aparajitas may also sell locally made products, which account for up to 20 per cent of their sales².

How is the business innovative?

As well as trying to deliver strong social impacts, JITA's distribution network targets consumers who are geographically and economically hard to reach through traditional market channels. To achieve this, it has had to develop innovative approaches to business including:

- **Leveraging trust in NGOs:** As a CARE Bangladesh project, the Rural Sales Programme was perceived as a trusted partner by the local community. JITA's business model leveraged this trust and its roots as an NGO to engage the local community in an innovative way. Given CARE's reputation, local communities were more receptive to the initiative, which enabled JITA to enter local villages to introduce the aparajitas and the new products in their baskets.
- **Multi-company basket of goods:** JITA originally started with a single-product basket selling only Bata shoes. The single-product model has been used in other initiatives, such as Unilever's ProjectShakti or GrameenDanone's network of women, but groups using this strategy have struggled to ensure that saleswomen gain sufficient income without a broad enough product mix to create demand. As JITA diversified the product and company mix beyond shoes, the aparajitas began earning a steady income. During the interviews for this case study, several partner companies noted that it is not worth the time and expense required for a company to create a dedicated sales force in these regions.

¹ Note on exchange rate: Financial figures that were provided in Bangladeshi Taka are expressed in USD based on the average Taka/US\$ exchange rate between January 2012 – July 2013 which is exchange rate of Taka79.5/US\$1.

² Estimated by JITA staff

2 The story behind JITA

- > JITA began in 2004 as a non-profit CARE Bangladesh project. After success as an NGO programme, it was launched as an independent social enterprise, by CARE US and Danone Communities in late 2011.
- > The Business Innovation Facility began working with JITA in 2010 and supported it in the transition from NGO programme to independent business, helping to drive the legal agreement between shareholders.

2.1 Commercial drivers

JITA has found a way to align the commercial interests of large retailers with the social needs of poor women in a profitable business model. When the women sell more products, the partner companies earn more profit and the women earn more commission. This alignment creates a virtuous circle in which the companies are motivated to invest in the women through training, which allows the women and the companies to earn more income, which then encourages the companies to continue to work with JITA.

2.2 JITA's timeline

JITA started life in 2004 as a CARE Bangladesh initiative called the Rural Sales Programme (RSP). The idea for a sales distribution network emerged out of a meeting between the head of CARE Canada and the head of Bata shoes, who saw the model as an opportunity for rural women to make an income for themselves whilst also distributing necessary consumer goods (Bata shoes) to the underserved BoP market. The basket of goods was soon expanded to include products from other companies including Unilever, Square Toiletries and GrameenDanone, as a way to increase and stabilise aparajita incomes. Since its inception, JITA has strategically increased the number of sales partners to increase the income of the aparajitas. (These are outlined in Table 3).

Figure 4: JITA's timeline

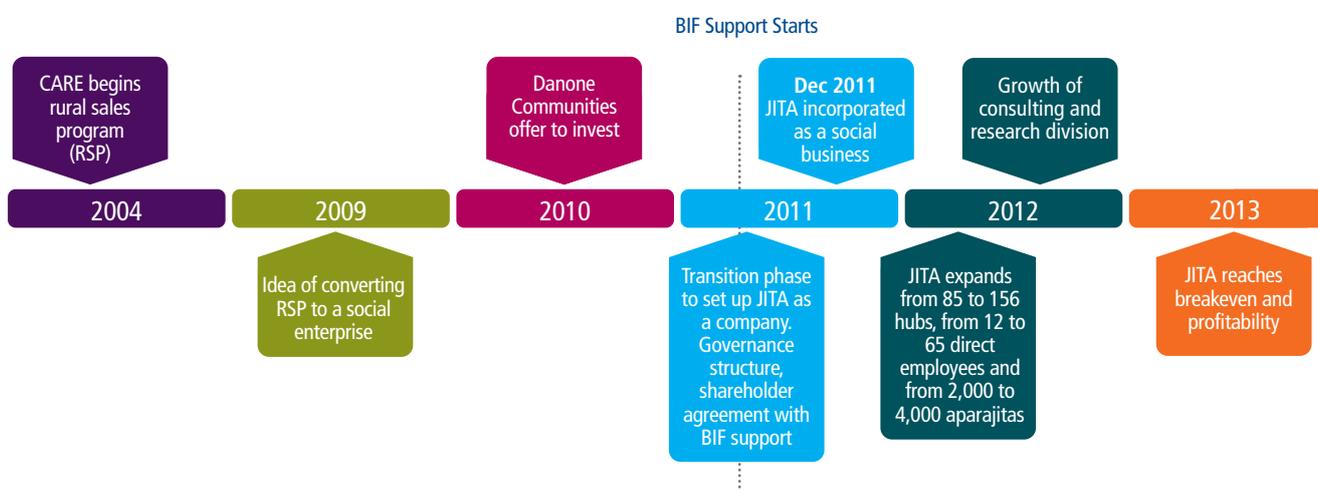


Table 3: JITA partners and products

Year joined	2004	2007	2009	2011	2013
Partners	Bata	Unilever, Square	Grameen Danone Foods Ltd, Lal Teer Seed	BIC	d.light
Products	Shoes	Soap, Face Cream, Shampoo, Washing powder, Sanitary napkins etc	Yoghurt, Seeds and agricultural inputs	Stationery, Disposable razors	Solar lanterns

With increasing success, it soon became apparent that the programme's potential for scale was limited by being a non-profit initiative, reliant on limited donor funding and prevented from generating profits. In 2009, the RSP team developed the idea of turning the project into an independent inclusive business and by 2010, both CARE US and Danone Communities had committed to taking the idea forward.

BIF support in brief

The Business Innovation Facility (BIF) began working with JITA in late 2010, as it began its transition from NGO project to standalone social business. BIF provided support to create a business plan for the new social enterprise and drive the legal agreement process between shareholders from inception to signature.

When BIF started working with JITA in late 2010, progress on a written contract between CARE US and Danone Communities had stalled. Having never set up a social enterprise out of a programme before, CARE US created a subsidiary entity called CARE Enterprises Inc. to act as partial owner of the new venture. But CARE US lacked the legal and financial experience necessary to establish a social business, and coordination between the teams at CARE Bangladesh and CARE US was difficult. As a CARE project, JITA had a large safety net; it did not need to focus on keeping costs low or increasing profitability. Staff members could rely on CARE to manage areas like information technology (IT), human resources (HR), and the overall supply chain. BIF facilitated the process between the three main stakeholders and supported them in their business plan development, HR policies, and supply chain strategy.

In late 2011, CARE Enterprises Inc. and Danone Communities signed a contract and Danone Communities invested €600,000 (\$700,000) into the venture. In late 2011, JITA became an independent social business. While JITA expected to need additional investment at a later date, its rapid revenue growth has allowed it to expand without additional funding.

2.3 Market context and competitors

Market demand

JITA's aparajitas reach the classically underserved BoP market. Their main customers are rural women who because of distance, lack of transportation or cultural prohibitions on leaving their villages are unable to access consumer goods on the market.

Competition

JITA does not have any direct competitors using the same retail and distribution model. Its competitors include different types of entities and sales routes such as:

- **Other networks:** Bangladesh's largest NGO, BRAC, has established a network of over 80,000 women across the country which could be leveraged to sell consumer products. However, the focus of their activities is not on sales but on disseminating health information and other forms of assistance. Grameen also has a smaller network of women selling nutritionally enhanced yoghurt in local regions, which could be built into a larger rural sales network. While these networks are not configured to sell products in the way that JITA is, they may grow the capacity to sell through their network in the future, and if they chose to do so they could become competitors.
- **Other companies:** Individual companies with a range of product lines, such as Square or Unilever, could establish a network as a non-BoP competitor. However, given the limited success of single-company initiatives, like Unilever's Project Shakti, this would be unlikely. Indeed, during the interview process for this case study, companies including Square and BIC stated that it would not make sense for them to try and reach rural areas in this way.
- **New shops in villages:** JITA CEO, Saif Rashid, and Hafizur Rahman, the national operations manager, agreed that JITA's biggest competitive threat is urbanisation. In 2011, 28 per cent of the population was classified as urban with an annual rate increase of 3 per cent estimated between 2010 and 2015. The main consequence of urbanisation is the likely emergence of new shops in villages previously served by aparajitas. JITA recognises the threat that urbanisation poses to the livelihood of the aparajitas in the next few years and is beginning to think about how the aparajitas can adapt to these changes.

JITA's market research and consulting activities target international and domestic companies that would like to reach the rural market and have an interest in selling to women. Here, JITA competes with other marketing and research firms, but according to Saif Rashid, these firms concentrate almost exclusively on the urban market and have skills and interests more focused on affluent consumers. JITA therefore faces little competition in the rural BoP area. When companies do turn their attention to the rural regions, JITA will be well positioned to meet their need and will have first mover advantage.

2.4 Other country-specific factors

Bangladesh is a populous and diverse country that is in the midst of widespread changes. Some factors that might affect JITA are:

- **Political conflict:** Tensions between political parties in Bangladesh regularly result in local and nationwide strikes and violence that could hinder travel and product deliveries.
- **A growing middle class:** World Bank estimates suggest that the number of people in Bangladesh living below the poverty line on less than \$1.25 per day has decreased by 8 per cent between 2005 and 2010³. GDP per capita has increased from \$142 in 2005 to \$1,388 in 2012. As the middle class grows, demand for larger sized products and wider choice will increase, which could result in better stocked shops displacing the aparajitas.
- **High import taxes on multinational corporations:** Bangladesh currently levies a high import duty of 32 per cent on multinationals, which could limit the number of companies willing to do business in Bangladesh and therefore limit JITA's potential future partners. However, this tax rate has dropped steadily for the last ten years, and JITA employees predict that further drops could open up the market to new partners.⁴ This tax also does not impact firms that produce locally, such as Bata and Square.

Other important factors that have influenced JITA as it formed and grew are summarised in the table below:

Table 4: Summary of influencing factors

Factor	Influence
Individual champion/ leadership	Saif Rashid (former Project Manager of RSP and now CEO of JITA) was able to push the idea of a social business forward in the face of external problems and internal resistance.
Partnerships with others	The partnership with Danone Communities provided critical investment needed to launch the social business. Developing other commercial partnerships has also been a critical success factor.

³ World Bank Data Bank, accessed 2013, <http://databank.worldbank.org/>

⁴ Trading Economics, accessed 2013, <http://www.tradingeconomics.com/bangladesh/customs-and-other-import-duties-per-cent-of-tax-revenue-wb-data.html>

3 How does the inclusive business model work?

> JITA has three main sources of revenue. Two are tied directly to the sales distribution network (sales commission and training fees), while the other is from research and consulting.

> The sales distribution network provides income by commission for JITA, the hub managers, the service providers and the aparajitas..

3.1 Evolution of the business model

The original business model for JITA was relatively simple: the CARE Rural Sales Programme would recruit women to sell consumer goods with social benefits within a specified area, provide training for these women and take a commission from the supplier companies for each product sold. While the core goals of this sales distribution model have remained essentially the same, a number of elements of the model have been adapted since JITA became an independent business.

Firstly, JITA has increased the revenue from partner companies by renegotiating contracts and setting higher commission rates on product sales. JITA also set up a new fee schedule which charges partners an initial inception fee when they begin working with JITA and an additional fee for each new distribution hub that JITA establishes, through which their products are sold.

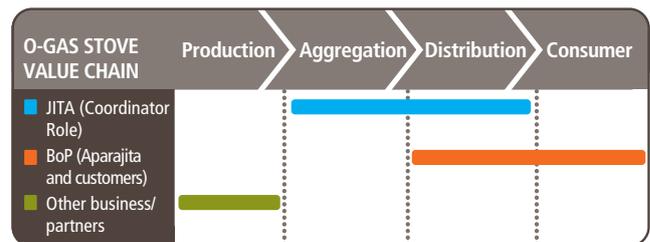
JITA has also branched into market research and consulting services, building on its experience with BoP consumers to offer customised consulting engagements for domestic and international firms interested in BoP markets. Consulting projects have provided JITA with a steady stream of funds, accounting for over 60 per cent of revenues in 2012. Despite the success of these activities, the aparajita sales network remains JITA's key operational focus and it is projected to generate revenues for 2013 that are four times higher than 2012 levels, while revenue from research and consulting will stay constant.

“While alternative revenue sources can help a social business reach breakeven, we know how to remain focused on the aparajitas and the sales distribution network and all these additional activities are to aid this prime ambition.”

Saif Rashid, CEO, JITA

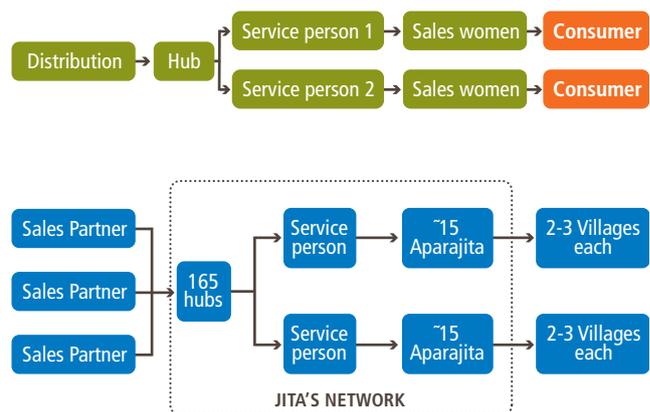
3.2 Overview of the distribution model

Figure 5: JITA Value chain of the sales distribution network



The JITA value chain diagram (Figure 5) and distribution model (Figure 6) give an overview of the sales distribution network part of the business. Commercial partners supply consumer goods like agricultural inputs, toiletries and nutritional products to JITA, who facilitates the delivery of these products to a network of distribution hubs, where the aparajitas can purchase stock and sell it door-to-door to rural BoP consumers in their villages.

Figure 6: JITA's distribution channels



JITA receives a commission from the sales partner for each good sold through the network. In addition, each of the parties shown in the diagram receives a commission either directly from sales (in the case of the aparajita and the hub manager), or through JITA (in the case of the service providers). Commission rates for each role in the distribution channel are summarised in Table 5.

3.3 Margins and pricing

As noted above, JITA has expanded beyond the aparajita retail network and currently has three revenue streams:

- 1. Inception and training fees:** Companies pay a compulsory inception fee when they first partner with JITA. They also pay an additional training fee when JITA opens a new hub which enables their products to be sold from that hub. Training fees go towards teaching aparajitas about each new product and improving their sales skills and interactions with customers. This is particularly important for products such as disposable razors, which are new to rural consumers.
- 2. Sales commissions:** Partners pay a commission directly to JITA to distribute their products through the aparajita network. The aparajitas and hub managers also earn a separate commission on each product sold.
- 3. Consulting, market creation and research fees:** Partners or other clients who are interested in accessing the rural BoP market hire JITA for market research engagements, product development or brand awareness campaigns. As well as generating revenue, these activities can also bring in new sales partners.

In the distribution network, the standard mechanisms of the retail industry are applied. Hub managers buy from the sales partners at a low price and sell to the aparajitas at a higher one. The aparajitas then sell to their customers at manufacturers recommended price, though they can, in principle, set their own prices for the goods they sell, based on demand. Service providers, who deliver goods from the hub to the aparajitas, are paid a set commission of 2 per cent directly by JITA. Both the aparajitas and the hub managers can return unsold merchandise to the upstream party (the aparajita to the hub and the hub manager to the sales partner).

Commission rates for the aparajitas vary from 10 to 25 per cent above the purchase price, depending on product type and sales effort required. This commission is based on industry standard and is not affected by the fact that JITA is an inclusive business. As part of becoming an independent company, JITA has re-negotiated its contracts with sales partners, which means that these commission rates are now higher than under RSP.

Aparajitas also sell local products that they obtain through different channels. JITA has restrictions on the type of goods that they are allowed to sell from their basket, outlawing cigarettes, drugs and counterfeit goods, but otherwise has little visibility into these sales. In addition to the transactions described above, JITA earns a direct commission from the partners on all goods that are delivered to the hubs.

Table 5: Commissions by role

Role	Commission	Mechanism
Aparajita	Varies by product 10%-25%	Paid by sales partner
Service person	2%	Paid by JITA
Hub manager	Varies by product 3%-5%	Paid by sales partner
JITA	Varies by sales partner	Paid by sales partner

The aparajitas are trained to manage money and are encouraged to buy from Hubs only when they have the funds. Nevertheless, the service people do provide products on credit where necessary and aparajitas also manage the credit expectations of their own customers. It is also common for aparajitas to conduct sales based on barter terms.

3.4 Recruitment

From hiring hub managers to selecting aparajitas, recruitment is a key activity for JITA to effectively support a smooth running network.



Interview with Ariful Islam, JITA hub manager

For every area it operates in, JITA must recruit a **hub manager** to oversee product distribution in that area. The hub manager (few of whom are female) must be interested in the work, have some experience in retail or marketing and have capital assets of over \$1,258 to begin stocking the hub (no financing is provided by JITA or partners for this).

The hub manager then helps JITA recruit the **service people** who deliver goods to the aparajitas by bicycle. The service person must be physically fit, between the ages of 18 and 40, local and familiar with the roads (so they can reach the aparajitas) and willing to work with the women. The service people are paid a 2 per cent commission directly by JITA on all the goods they carry, but it is a demanding job and turnover tends to be high.

After recruiting a hub manager and service people, JITA's regional staff ask village leaders, local NGOs and microfinance institutions to identify destitute women to participate as **aparajitas**. JITA staff interview each to find out whether they would be interested, whether they are physically strong enough to undertake door-to-door sales, whether they can get their families' permission to participate and whether they have the required capital of \$13 to buy the initial stock for their baskets.



Aparajita: empowered rural women

Once selected as aparajitas, the women receive support from JITA staff members as they go door-to-door in their village to solicit support from village leaders. Aparajitas break strong social taboos around women handling money, approaching strangers and moving freely outside their homes unaccompanied by a male relative, so this hands-on approach is crucial. After a month and a half, the women who are still interested receive further training at the hub.

3.5 Partnerships

JITA is heavily dependent on partnerships with companies to supply desirable goods for the aparajitas to sell. Bata and Unilever were the first partners but the list has since expanded to include Square Toiletries, GrameenDanone Food Limited, BIC and LalTeer Seed (see Table 3, page 8). These partners supply products to be sold and pay a commission both to the aparajitas and to JITA.

Partner organisations tend to be large domestic or international companies that would like to expand their distribution to reach BoP consumers. They partner with JITA because they have either not been able to grow their own distribution network effectively to reach this market or because they think it is most efficient to use JITA's network. Sales partners such as Square Toiletries, BIC, and d.light speak highly of their partnership and describe JITA as professional and efficient.

“JITA knows exactly how to approach rural market dynamics. They have got complete expertise and efficiency on this.”

Ehsanul Haque, d.light Country Manager

For most companies, JITA sales comprise only a very small percentage of total sales, but they are proud of their association with JITA and see the aparajita network both as part of their core business and as a CSR activity; a cost-effective and socially responsible way to distribute their products. Many of JITA's commercial partners advertise the partnership on their websites.

JITA aims to increase its commercial partnerships strategically, with a focus on companies selling products that support JITA's social mission while allowing the aparajitas to continue to grow their incomes. Through its consulting and research activities, JITA is also engaging with a growing number of non-sale commercial partners, including Mitsubishi to market and test a nutritional supplement, and an international cosmetics company to develop a high quality and affordable alternative to skin fairness products already on the market.

3.6 Key success factors and potential business risks

JITA's biggest strengths as an inclusive business include a strong core team, an extensive network in rural areas and a good reputation with partners. Alongside these success factors, a number of unexpected strengths have emerged as JITA has evolved.

One of the biggest surprises and changes to the business plan was the explosion of revenue from consulting and research. The original business plan predicted that only a small percentage of revenue would come from this category but in 2012, more than 60 per cent did, and in 2013 that number is expected to be around 50 per cent. JITA appears to have uncovered a latent demand for research and marketing services in the BoP rural market.

A further positive outcome for the business has been the influx of requests to partner from companies interested in the network. Several JITA employees express satisfaction with the fact that they no longer have to look for organisations to partner with. Instead, companies and NGOs are coming to them to suggest projects. While building a strong network was certainly in JITA's long-term plans, the speed at which it became known as a desirable partner has surprised the staff.

Nevertheless, in establishing itself as a successful inclusive business, JITA has faced – and will continue to face – a number of challenges. These can be broken down into three main categories, as outlined below: those relating to the transition from NGO to social business, those relating to the implementation of the model itself, and those relating to future identified risks.

1. From NGO to social enterprise:

JITA has faced a substantial challenge in transitioning from an NGO project to a for-profit business. This has required a strong focus on costs and a drive to increase revenue which is typically uncharacteristic of NGO programmes. When BIF began working with JITA in 2011, consultants working on behalf of BIF reported that JITA had little business experience. The head of the then Rural Sales Programme had not led a commercial enterprise before and the policies and procedures in place reflected those of a large NGO. By 2013, JITA had adopted a for-profit approach and commercial goals, producing detailed financial statements for the company.

JITA has also faced the organisational challenges of developing the appropriate HR and management systems to support rapid expansion, growing from 12 to 65 employees over a short period of time. In 2012, JITA employees stated that the organisation had sometimes agreed to more projects with commercial partners than it could implement with its current resources. However, by 2013, this problem had been resolved by hiring the appropriate staff and making only selective additional commitments.

2. Challenges in the business model:

- **Competition between aparajitas:** The first challenge is that a limited number of women can be aparajitas in each region. JITA tries to prevent competition between women by limiting the number of women working in one geographical area. Although JITA can expand into new regions, it will not be able to deepen its impact in existing regions through the current model.
- **Competition between partners:** JITA will face challenges as it adds new partners. The aparajitas will benefit from selling a broader range of products, but JITA will have to balance this goal with sales partners' desire to not compete within the basket. One partner expressed concern that JITA was planning to sell a competitor's products, which could lead to practices such as rebates and price cuts. This competition would benefit consumers, but could make the aparajitas' income unsteady or cause sales partners to abandon the network.

- **Tracking capacity:** The commercial focus over the last year that has allowed JITA to reach profitability has also lessened the focus on social impacts, which was the principle focus under CARE. While JITA does still track aparajitas' incomes, it will not measure broader social impacts such as the effect on health, education or empowerment until autumn 2013, when a specific study is planned to look at these issues. JITA has no separate budget for measuring and evaluating social impact and the data is difficult to obtain. JITA is currently doing less in this area than a world-class NGO, but much more than many other inclusive businesses supported by the Business Innovation Facility.

3. Future risks and mitigating activities:

JITA staff members identified a range of risks that they currently face or anticipate in the future, and discussed the activities underway to mitigate those risks, as summarised in the Table 6.

Table 6: Key risks and mitigating activities

Key Risk	Mitigation activity
Urbanisation and the spread of new shops and roads could put the aparajitas out of business.	Plan for a second career for the aparajitas, such as opening a shop.
Managing project-based revenue: Research and marketing work requires flexible staffing.	Increase the focus on sales revenue to keep consulting revenue to less than 50% of business.
Cultural and religious resistance in target expansion areas.	Spread to areas that are welcoming first, and begin speaking with village leaders.
Need to increase operational efficiency and data collection.	Investing in IT systems to collect and consolidate sales data. Sales Automation Software has been introduced already.

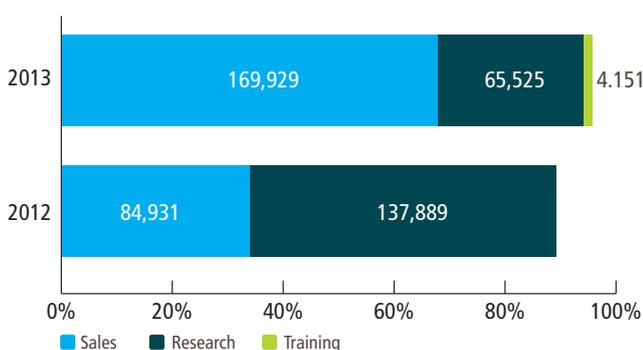
4 Commercial results

> JITA has exceeded commercial expectations and reached breakeven after only 18 months. This is in part due to revenue from consulting activities, but JITA plans to increase focus on the distribution network going forward.

JITA's commercial results since becoming an independent social business have exceeded original expectations; the company aims to reach breakeven in 2013, two years ahead of schedule. This will allow it to continue to grow strategically by adding hubs and aparajitas, as well as to invest in partnerships and technical systems, which will in turn increase the income of existing aparajitas and allow it to monitor their progress.

After making a loss of \$92,032 in 2012, JITA was able to make a profit of \$31,400 in the first half of 2013 (see Table 7), and unexpectedly large revenue from consulting services and research will allow the organisation to reach breakeven in 2013. Sales revenue was around \$200,000 per year, increasing around 10 per cent annually. Profit turned from negative to slightly positive. However, going forward JITA hopes to keep revenue from non-sales sources (consulting and research) at below 50 per cent in order to maintain its focus on the aparajitas. Changes in the revenue model for sales, such as renegotiated commission rates with its existing partners and higher commission rates for new partners, as well as the addition of training and hub inception fees, are already increasing revenues.

Table 7: Breakdown of Financial Results (in USD)



This commercial success has allowed JITA to expand from 85 hubs to 156 hubs and from 2,000 aparajitas to more than 4,700 since it became a social business in 2011. This expansion offers wide reach to JITA's partners and an opportunity to increase social impact. By virtue of its business model, there is little trade-off for JITA between meeting its social goals and commercial goals. Increased commercial expansion allows them to both recruit more women to be aparajitas and increase the income for each aparajita by adding new products. Selection criteria, which give first priority to social criteria, are designed to counterbalance any commercial pressure to recruit women who can achieve higher sales.

JITA stocks products that fulfil development goals, but tries to balance the goal of disseminating worthy products with the goal of increasing the incomes of the aparajitas, and this can occasionally lead to tensions. One of the best-selling products in the basket is a skin fairness product, Fair and Lovely face cream. JITA would like to phase out this product, but is unwilling to do so without a viable and equally profitably alternative.

JITA's progress on the financial and strategic objectives that have driven its business plan is summarised in Table 8.

Table 8: Progress on commercial objectives

Commercial returns	Financial	Strategic
Company objective	Reach breakeven and become profitable	Grow to over 250 hubs and recruit over 7,500 aparajitas by the end of 2013
Progress to date	JITA has reached breakeven	Currently, there are 165 hubs and 4,700 aparajitas
Trajectory going forward	The organisation will invest profits into expansion and technology systems	JITA predicts that they will reach this goal by the end of 2013
Key challenges	Maintaining a focus on the aparajitas despite other sources of revenue	Supporting existing aparajitas and hubs as it expands

Shareholders and investment

The initial investment in JITA consisted of two parts. The first was the €600,000 (\$700,000) cash investment that Danone Communities made at the beginning of 2012. Danone Communities holds its investments for 10 years and then expects to receive its capital and a 3 per cent return on investment. JITA has spent only \$200,000 of this investment to date, and the remainder is held in an account.

CARE Bangladesh contributed to the other portion of the investment by giving JITA all of the project's existing assets including several cars and motorcycles, furniture, and four laptops. However, this inventory does not take into account the fact that CARE Bangladesh funded the operations of JITA, including staff salaries, training, and transportation, from 2004 when it began to 2012 when it became independent. CARE's reputation and network has also been critical to JITA's success.

5 Development impacts

- > JITA currently employs over 4,700 aparajitas and hopes to expand to 7,500 by the end of 2013.
- > Aparajitas typically see their income increase from less than \$12.50 to over \$25 per month.
- > JITA customers benefit from being able to purchase previously inaccessible goods in their own communities.

5.1 Direct Impacts at the Base of the Pyramid

Who is benefitting and how?

Aparajitas are the main direct low-income beneficiaries of JITA's inclusive business model, but JITA's value chain also creates income opportunities for the hub managers and service providers who stock and deliver the products, as well as for rural BoP consumers purchasing beneficial goods.

Table 9: Summary of JITA's BoP Impact

BoP impact	Impacts to date
No. of BoP beneficiaries reached to date	4,700 aparajitas
Per cent who are/will be women	100%
How they benefit	Increased income and social standing
Characteristics of BoP beneficiaries	Rural women, income <\$12.50 per month

i) Aparajitas:

As discussed above, aparajitas are a particularly vulnerable group in Bangladesh, living in remote rural areas and earning less than \$12.50 per month at the time of being recruited. During the research for this case study, a Progress Out of Poverty Index⁵ survey was undertaken with two aparajitas, which showed that while they were no longer living in extreme poverty, they were earning less than \$2.50 per day. This survey was administered after each had been working for JITA for between two and seven years. No baseline data was collected to show scores before they began work though we know that the aparajitas were earning less than \$12.50 per month when selected.

Since JITA became an independent business, the number of aparajitas in its network has steadily increased. As Figure 7 shows, JITA has reached 4,700 aparajitas to date, and aims to increase this to 7,500 aparajitas by the end of 2013. Beyond engaging new aparajitas, JITA is also taking steps to work more closely with those already in the network who may have become inactive (an aparajita is considered to be

active if she has purchased products from a hub in the last three months). By encouraging hub managers and regional staff members to interact with the aparajitas, JITA hopes to find out the root cause of their inactivity.

The main benefits to aparajitas are summarised in Table 10, the primary benefit being a secure source of income. In 2011, the aparajitas earned an average of \$20 per month, and in 2012 that number increased to \$26 per month. While these averages show significant increase in economic benefit, there are income disparities between aparajitas. Around 30 per cent earn above average incomes of over \$45 per month, while others earn below \$10 per month.

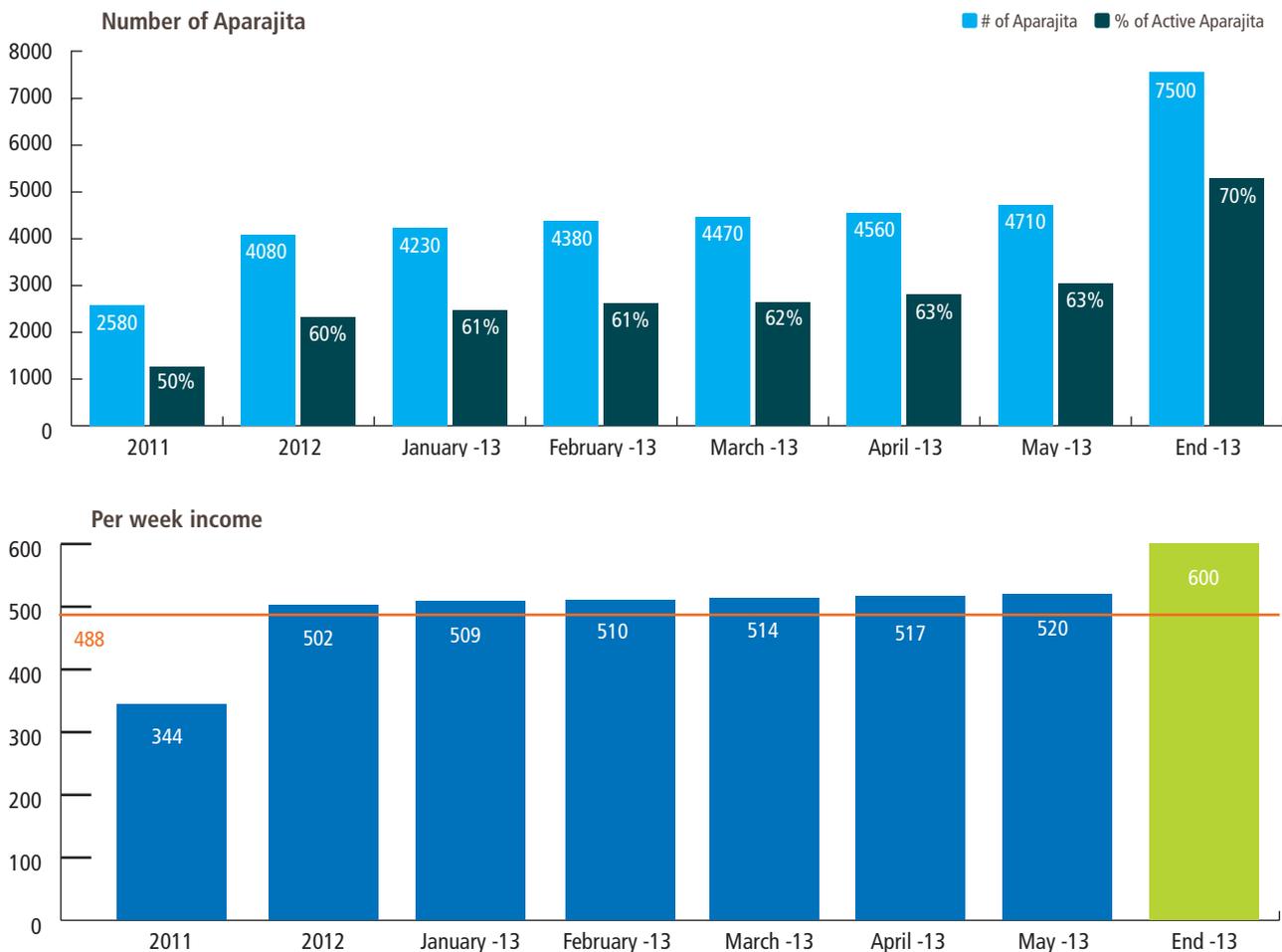
Table 10: Benefits to aparajitas

Benefit	How it applies
Income	There is a tangible increase in net income per household per season
Security	Income has gone up on a regular basis, and is less risky, more secure
Choices	The aparajitas had few options before they began working for JITA, and many still have few other possible sources of income
Characteristics of BoP beneficiaries	Rural women, income <\$12.50 per month

JITA aims to increase average aparajitas' weekly income (shown in Takas in Figure 7) from 520 Tks (\$7) to 600 Tks (\$8) at the end of 2013, by investing in training and adding new products to the basket.

⁵ The Progress out of Poverty Index® (PPI®) is a poverty measurement tool for organizations and businesses with a mission to serve the poor. Source: Progress out of Poverty, accessed 2013, <http://www.progressoutofpoverty.org/>

Figure 7: Number of aparajitas and weekly income from 2011 through 2013



Based on these figures, the total collective earnings of the aparajitas per year are estimated to be around \$1 million per year. It should be noted however, that these income figures come only from products purchased through the hub. Since aparajitas carry local products in their baskets and conduct some sales by barter, actual income is higher. JITA estimates that around 20 per cent of aparajita sales are on locally produced goods, hence total earnings of the aparajitas is actually higher and closer to \$1.2 million per year.

With monthly incomes of around \$12.50 when they were first recruited by JITA, the average monthly aparajita income at present is of around \$46.

While there is variation in incomes between aparajitas, as a group they have more than doubled their income by joining JITA. If JITA succeeds in achieving their 2013 goal of reaching 7,500 aparajitas and increasing weekly incomes, total earnings for the whole group of women could go up to \$2.5m per year.

In addition to the quantifiable benefits of JITA's work, the women interviewed for this case study said they experienced a significant increase in their quality of life since working for JITA.

Rajeda's story

Rajeda⁶ is one of the most successful of JITA's aparajitas. Before joining JITA, she worked as a maid in exchange for daily food, and in a Rural Service Maternity Provider for less than \$7 per month. Her late husband was sick for many years and Rajeda had to go to work to support her family, despite cultural opposition to women working. She joined JITA in 2007, when a CARE representative came to her village.

At first, she was shy and unwilling to go door to door, but with CARE training she soon became an accomplished saleswoman. Now, she earns around \$120 per month through her efforts in two villages. She sells six days a week to these communities and states that her only complaint is the weight of the product bag.

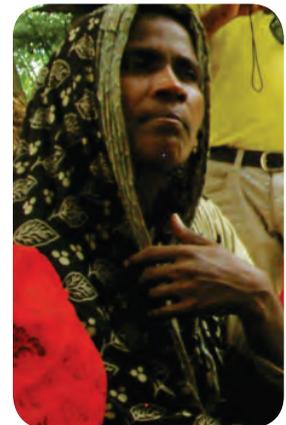
Rajeda used to be destitute, she says, but now she makes money and has earned a status in the community. People salute her when she goes by. She extends credit to her neighbours when they need it, but won't sell more products to them until they have paid their accounts. She even keeps a stock of products in her house so that she does not have to rely on the service provider (who conveniently lives next door). Her quality of life has improved in the seven years she has been with JITA. She now sends her grandson to boarding school, has a sturdy house with a large room and even owns a TV (though she says doesn't watch it) and several mobile phones. Rajeda says she is very happy working for JITA and wouldn't take any other job.

Dulia's story

Aparajita Dulia presented a more complicated story. She was previously doing odd jobs such as selling puffed rice or sweeping for less than \$2 per month. She was married, but her husband left her and she had no other family to support her. It was her daughter, who lives in another village, who encouraged her to start selling products door to door.

Since she began working for JITA, her income has increased to between \$65 and \$75 per month and she has been able to access credit to build a house. She says she was very happy to have a home of her own and that she would not trade being an aparajita for any other job. However, she also told us that she was eating less in order to repay her home loan and that it was stressful for her to have to extend credit to her neighbours and worry about when she was going to be repaid. Unlike Rajeda, she does not insist that her neighbours pay in full before they purchase again because she fears that they will not buy from her if she does. Most weeks, she carries more than \$20 in credit on her books.

Despite those difficulties, she enjoys the work. A CARE employee came to her village to help teach her how to go door-to-door and now she says, she is 'not a beggar'. She is doing business, so there is no room for shyness.



Dulia, an aparajita

⁶ Rajeda was previously profiled by CARE here: "RSP Transformed my life; brought me out of the darkness," accessed 2013

Not all the women JITA works with go on to be successful aparajitas. Some drop out during the early recruitment phase because they are unable to find the capital to make their first order. Others never overcome the shyness that Rajeda and Dulia both experienced. JITA adopts different strategies for different regions, but currently avoids certain regions because conservative sentiment is too strong to be overcome, but even in more liberal areas, some women are deterred by cultural norms. Other women experience health issues that prevent them from carrying the heavy bag on their route. While JITA staff members are aware of these issues, there is currently no system in place to track specific women or find out why they become inactive. JITA hopes to implement tracking systems shortly so that staff members can respond to common issues and follow up with inactive aparajitas.

ii) Service providers and hub managers:

Zahid, a JITA service provider, was able to help his family rebuild their home out of brick instead of straw and purchase a motorcycle for himself. Ariful Islam, a hub manager, who was making \$130 per month before he worked for JITA, is now making around \$390 per month and was able to build a brick house for his family and buy a refrigerator.

iii) BoP consumers:

While JITA's primary goal is to maximise income for the aparajitas, it also benefits consumers by bringing previously inaccessible goods into the villages (see Table 11). JITA enables villagers to purchase necessary goods such as washing powder, sanitary napkins and soap as well as more discretionary items such as face cream without having to go to the market. While this study did not assess the number of BoP customers reached, Rajeda, who was interviewed for the study, stated that she sells primarily to the poorer members of the village because richer consumers can visit the market more easily. It is also worth noting that in 2010, 77 per cent of the population in Bangladesh earned less than \$2 per day⁷ and the GDP per capita in 2012 was \$1,388. In rural areas, the poverty rate is even higher⁸, which means it is likely that the aparajitas are selling primarily to BoP consumers. However, previous research from the University of Oxford found that the very poorest people were not able to purchase some goods from the aparajitas as they simply don't have the disposable income.

One example of the potential benefits of new products for poor consumers is Square Toiletries' sanitary napkins, which JITA distributes to rural women through the aparajitas. According to Square, less than 10 per cent of women in Bangladesh use sanitary napkins, relying instead on unhygienic solutions that lead to diseases such as cervicitis⁹ and low school attendance rates for girls. Many women are uncomfortable buying sanitary napkins in stores or asking their husbands or sons to purchase them on their behalf. JITA gives women a way to learn about and access these products. Rajeda said that girls

were comfortable buying from her because 'she was like a grandmother to them.' Rajeda still sees other unmet needs within the villages; she hopes to be able to stock girls' underwear soon because of the large demand and the importance of the product.

Table 11: Benefits of JITA on consumers

Dimension	How it applies
Access	Consumers have improved access to goods such as soap, shampoo, and other necessities.
Quality	The quality of the aparajitas' goods is the same as those at similar stores.
Affordability	The aparajita sells goods in the villages, saving poor consumers the cost of transportation.
Characteristics of BoP beneficiaries	Rural women, income <\$12.50 per month

5.2 Potential for systemic impacts

JITA has strong potential to create systematic change in several ways:

- **A route out of poverty for women:** JITA aims to foster cultural change by giving women a model of economic success and inspiring changes in gender relations within villages. Rural women, in particular Muslim women, face cultural restrictions on working outside of the home. Women who do work tend to have low-paying jobs such as being a housemaid. JITA hopes that the activities of these aparajitas will begin to change gender norms in rural Bangladesh and increase women's economic empowerment.
- **Opening up new markets:** JITA helps companies unlock markets that were previously closed to them. Once the market has been created and JITA has proven that BoP consumers can be an attractive consumer segment, others are likely to move in, increasing the number of goods available at reasonable prices.
- **Replication:** JITA could provide a model for similar networks in other countries. While JITA itself has no plans to expand internationally, it hopes that it will be able to communicate the lessons it has learned to others, starting by advising new CARE projects.

⁷ Poverty headcount ratio at rural poverty line,' The World Bank, accessed 2013, <http://data.worldbank.org/indicator/SI.POV.RUHC/countries/BD?display=graph>

⁸ 'Rural poverty in Bangladesh,' Rural Poverty Portal, accessed 2013, <http://www.ruralpovertyportal.org/country/home/tags/bangladesh>

⁹ BRAC Sanitary napkins and delivery kits,' BRAC, accessed 2013, <http://enterprises.brac.net/brac-sanitary-napkins-and-delivery-kits>

6 Conclusions and lessons learned

6.1 Future outlook and potential for scale

JITA's growth targets are impressive; it aims to have more than 450 hubs and over 11,000 aparajitas, serving 7 million BoP consumers. The business has not yet reached its maximum scale and many areas of Bangladesh remain underserved, but JITA hopes to cover 80 per cent of the country in the next five years. There is a limit to the sales levels that women in the rural market can support, and JITA is careful to ensure that aparajitas have their own territory and do not compete against each other.

Expansion will give JITA both better commercial results – more hubs means more sales and revenue – and increased social impact as it reaches more aparajitas. While expansion does require some capital, JITA is able to pass on some of the costs of starting a new hub to its partners. JITA is also investing in handsets to track sales which will decrease the costs of monitoring commercial results as the business expands and allow employees to track and optimise progress.

JITA hopes that other groups will learn from its example to expand the model to other countries. CARE US is already looking into transplanting this model to other countries, starting with India, which would substantially amplify impacts. JITA is also collaborating with CARE Ethiopia to help them build a similar model which is planned to kick off with 24 women in November 2013.

6.2 Additionality of BIF support

Input from the Business Innovation Facility appears to have added value to the creation of JITA because of its timing and focus. It was provided at a critical juncture when the shift from an NGO programme to a business was agreed, but needed to take shape, and the investment with Danone was agreed in principle, but needed translation into legal and practical form. In this instance, intense but relatively short business planning and deal brokering support appears to have helped secure a successful transition from an NGO programme to a self-sustaining business.

JITA stated that 'as CARE does not have any prior experience of establishing such a profitable social business, it would be extremely difficult to create a concrete future vision or even planning a near future (till 2012) strategy.' Saif Rashid, the CEO of JITA and Corinne Bazina, a board member selected by Danone Communities both credit BIF with accelerating the process of becoming a social business.

6.3 Lessons learned

JITA's innovative retail distribution model and its experience setting up an inclusive business can provide a number of practical lessons for other initiatives aimed at engaging consumers and distributors at the base of the pyramid:

- **NGOs can lend trust and legitimacy to commercial ventures:** JITA benefited from CARE's existing network within the villages, which allowed it to connect immediately to the women and gave the project legitimacy. The expertise and trust in CARE's RSP has been shown to have commercial value in enabling JITA to succeed. This is a lesson for other NGOs considering commercialising and businesses considering engagement with NGOs.
- **Don't underestimate the transition:** Whilst it was crucial to JITA's success, the NGO model has had to evolve quite significantly in order to run as an efficient business. This should be expected from such a transition.
- **Develop multi-company partnerships:** JITA also made the strategic decision to sell a balanced basket of goods to increase the income of the aparajitas and amortise the costs of running the network across partners. Others who adopt this model should partner with a variety of companies and focus on companies that offer a range of consumer goods.
- **Change happens slowly:** The biggest lesson from JITA is that this project was not built overnight. JITA began in 2004 and will reach breakeven in 2013. As Saif Rashid said, 'If you start something and you are determined, you can achieve that. JITA was started in a very complicated environment and has proved successful beyond vision.' JITA's patience allowed it to build a foundation for future success.



Rajeda, an aparajita, sells washing powder to a customer

Annex 1: Case study methodology

Overview

The case studies were conducted using both primary and secondary data.

Primary data was collected via semi-structured interviews with two aparajitas, one service provider, one hub manager, JITA employees, JITA partners (both sales and non-sales) and BIF employees and consultants. These interviews primarily took place during a 10 day field visit from 13 to 26 July 2013.

Specifically, the following people were interviewed:

Table 12: List of Interviewees

Category	Names	Titles
JITA employees	Saif Rashid Hafizur Rahman Rizwana Tabassum Omar Serniabat	CEO National Operations Manager CFO and Company Secretary Communication Manager
Field Visit	Rajeda Dulia Zahid Ariful Islam	Aparajita Aparajita Service Provider Hub Manager
Partners	Corinne Bazina Sadique Mahmood Satoshi Katada Malik Mohammed Sayeed Fazal Mahmud Roni Mohammad Ehsanul Haque	Managing Director, GrameenDanone Food Ltd Board Member, JITA Managing director, M&U Distribution (BIC) General Manager, Mitsubishi Head of Marketing, Square Toiletries Assistant Manager, Square Toiletries Regional Business Manager, d.light
Consultants	Kenneth Bell Eoghan Mackie Malcolm Richie	Challenges Worldwide Challenges Worldwide Accenture

The meetings with the consultants were conducted by phone prior to the field visit. These consultants were chosen because they spent a substantial amount of time on the BIF project (more than three months) and represented key groups. Informal interviews with Parveen Huda, the BIF country manager and head of Renaissance Consulting were conducted during the field visit.

The meetings with JITA employees were conducted in English at the JITA offices in Dhaka by Nicki Ashcroft and Shamema Akther Shamme, a BIF employee based in Dhaka. Meetings with partners were also conducted in English and took place in the partners' offices.

JITA employees, who also accompanied the group, arranged the interviews on the field visit and chose what hub and villages we would visit. Nicki Ashcroft conducted the interview with Shamema Akther Shamme translating and clarifying as necessary. This field visit included a visit to two aparajitas, each in their respective villages. JITA employees, additional

members of BIF staff, and village residents, witnessed these interviews. The interviews with the hub manager and the service person were conducted at the hub that services those two aparajitas and JITA employees provided translation for portions of those interviews. Each interview took approximately 30-45 minutes.

Secondary data included BIF baseline reports, application forms to BIF, desk research about poverty levels in the area of study, and a thorough review of the case study and additional findings that University of Oxford researchers had previously written about JITA. This desk research was conducted before, during and after the field visit from June to August 2013.

Strengths of this case study

The case study allowed us speak directly with the aparajitas and other JITA staff and fully understand the operations of JITA and its transformation from an NGO to an inclusive business.

Limitations of this case study

A number of limitations to this case study merit acknowledgement:

- The case study was very time-limited and, therefore, only a few beneficiaries were interviewed. Desk research and interviews were conducted over a two month period, with two weeks spent in Bangladesh. However, this report also draws on a rich body of previous research, particularly that of the University of Oxford team. While the time in country was short, our activities were further limited by a nationwide strike (hartel) that lasted for four days.
- Only one day was allocated for the field visit. It is difficult to travel in Bangladesh (it took us more than 4 hours to drive 60 miles), so we could only visit one area and meet a small selection of people.
- The aparajitas, service person, and hub manager that we interviewed were selected by JITA. One of the aparajitas has been with the program for seven years and is considered one of their most successful saleswomen. The other had been with the program for two years and is considered a moderately successful saleswoman. We were not able to interview any less successful aparajitas, any aparajitas who were new to the program, or any women who started the training and did not continue. Even beyond those obvious flaws, it is clear that interviewing two out of 4,700 aparajitas, one out of 165 hub managers and one out of 330 service providers is not a sufficiently large sample.
- JITA employees were present at each of the interviews during the field visit (two aparajitas, one hub manager, and one service person). It is unclear whether the interviewees would have felt comfortable discussing JITA's shortcomings in front of them. In any case, the interviewees had almost entirely positive feedback for JITA.
- A language barrier prevented the primary interviewer from speaking directly to the aparajitas, service person or hub manager. However, Shamema Akther Shamme provided excellent translation, so this limitation is considered minor.
- We were not able to schedule an interview with either Bata Shoes or Unilever, two of JITA's oldest partners.
- JITA is still growing and transitioning. At the time of this case study, it had been operating as a social business for less than a year and a half. Although the early success of the model is promising, its long-term future is still uncertain.
- This case study is based on information and discussion as of mid 2013. Although discussion of specific details has continued with key stakeholders in the process of finalising this report for publication in December 2013, it should be seen as a snapshot as of mid 2013.

Partner profiles

Business Innovation Facility

The Business Innovation Facility supports companies as they develop and implement inclusive businesses. Inclusive business is profitable, core business activity that also expands opportunities for people at the base of the economic pyramid: either as producers, suppliers, employees, distributors, or as consumers of affordable goods and services.

The Business Innovation Facility is a pilot project funded by the UK Department for International Development (DFID). It is managed for DFID by PricewaterhouseCoopers LLP in alliance with the International Business Leaders Forum and Accenture Development Partnerships. It works in collaboration with Imani Development, Intellectap, Renaissance Consultants Ltd, The Convention on Business Integrity and Challenges Consulting.

For further information on BIF go to: www.bifprogramme.org

To join the discussion on inclusive business, go to: www.inclusivebusinesshub.org



Institute for Development Studies (IDS)

The Institute of Development Studies (IDS) is a leading global charity for research, teaching and information on international development. Our vision is a world in which poverty does not exist, social justice prevails and economic growth is focused on improving human wellbeing. We believe that research knowledge can drive the change that must happen in order for this vision to be realised. IDS hosts six dynamic research teams, several popular postgraduate courses, and a family of world-class knowledge services. These three spheres are integrated in a unique combination – as a development knowledge hub, IDS is connected into and is a convener of networks throughout the world.

The Impact and Learning Team (ILT) conducts action research to generate new insights into the ways that evidence is used in decision making in policy and practice, including the generation of multiple types of evidence and knowledge (from evaluation, monitoring, and research), and the behaviours and capabilities of decision makers in using evidence to contribute to organisational, programme and policy changes. The ILT is situated under the Knowledge Services department of IDS, and works collaboratively with the six research teams in the institute as well as external partners.

For more information about the Impact and Learning Team, please visit:

<http://www.ids.ac.uk/team/impact-and-learning-team>

For information about IDS research on business and development, please visit:

<http://www.ids.ac.uk/idsresearch/business>



Oxford University, Saïd Business School

Saïd Business School is one of the world's leading and most entrepreneurial business schools. An integral part of the University of Oxford, the School embodies the academic rigour and forward thinking that has made Oxford a world leader in education. The School is dedicated to developing a new generation of business leaders and entrepreneurs and conducting research not only into the nature of business, but the connections between business and the wider world.

For further information please visit: <http://www.sbs.ox.ac.uk/>

Skoll Centre for Social Entrepreneurship

The Skoll Centre is a leading academic entity for the advancement of social entrepreneurship worldwide that is housed in Oxford University's Saïd Business School. The Centre fosters approaches to market-based social transformation through education, research, and collaboration among business, policy, academic and social leaders

For further information please visit: <http://www.sbs.ox.ac.uk/ideas-impact/skoll>



About this series of case studies

The definition of inclusive business is fairly well known by now – profitable, core business activity that also expands opportunities for people at the base of the economical pyramid (BoP). But what does it look like in practice? That is a harder question to answer. Experience is diverse, much of it early stage, and published reports often err on the side of ‘cuddly’, not forensic.

This report is one of a series of ‘deep dive’ case studies that seeks to understand inclusive business in practice. The series explores contrasting inclusive businesses, all of which have been supported by the Business Innovation Facility (BIF). Support from BIF is not cash, but technical input to help overcome challenges, seize momentum, and build a business model that will take the inclusive business to scale and sustainability. The partnership with BIF is, thus, very focused on the practicalities of business models and identifying key milestones in an inclusive business journey.

Over the past three and a half years, BIF has worked with almost 100 companies in five countries. BIF-supported businesses offer rich lessons about the evolution and impact of inclusive business, ranging from working with smallholder mango farmers in Malawi to rural energy solutions in India. Some of this is captured in the monitoring and evaluation (M&E) system. However, the system was designed to be applicable to all projects, not necessarily to capture the richness of the most interesting.

In order to add a deeper understanding of BIF supported inclusive business, BIF, in partnership with the Institute of Development Studies (IDS) of Sussex University and Saïd Business School (SBS) of Oxford University, has generated a set of case studies of inclusive business.

Following a joint framework developed by BIF and IDS, these reports explore what counts as success and what factors have created it. They assess the internal and external context of a company’s business model, the ‘nuts and bolts’ of how the model works, actual or likely commercial returns, emerging impacts on bottom of the pyramid beneficiaries, value added from BIF support, key success factors for scale and lessons relevant for other companies.

We hope that the reports will provide inclusive business practitioners with knowledge and insights on how companies are progressing on their inclusive business journeys – each one distinctive, yet each discovering challenges and solutions that resonate with others.

Caroline Ashley and Carolin Schramm, BIF, Elise Wach, IDS and Pamela Hartigan, SBS

The full series of case studies:

- > ACI Agribusiness: Designing and testing an integrated contract farming model in Bangladesh
- > Collaborating for smallholder finance: How is Stanbic closing the loop?
- > Commercialising cassava: New opportunities for Universal Industries and Malawian smallholders
- > Evolution of mKRISHI®: A technology platform for Indian farmers
- > iSchool: Transformative learning in the Zambian classroom
- > MEGA: A commercial approach to off-grid power in rural Malawi
- > The JITA sales network: An inclusive business on the rise



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We are grateful to the authors, contributors and companies who have provided the images used within these case studies. Images cannot be reproduced without their permission.

→ To view all case studies, go to **The Practitioner Hub for Inclusive Business:**
www.inclusivebusinesshub.org/page/bif-case-studies



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We welcome feedback on our publications – please contact us at enquiries@inclusivebusinesshub.org