

GLOBAL YOUNG LEADERS UNCOVER UNTAPPED BUSINESS OPPORTUNITIES IN INDIA'S RURAL ECONOMY



YLP participants and GIFT staff member, Eric Stryson, tackle the challenges of developing a business plan for an Indian social enterprise. Photo: Anita Yang

BUSINESS OPPORTUNITIES are abundant in rural India which houses nearly two thirds of the country's population of 1.1 billion people. Increasingly both government and businesses are examining fresh ways to access new markets and to bring opportunities to the rural areas. However, lack of access to sustainable income opportunities and poor infrastructure are still challenges in many parts of the country forcing many rural inhabitants to seek jobs in the cities. During visits to rural villages outside of New Delhi, participants of the **Global Young Leaders Programme (YLP)**, an executive learning programme, had the unique challenge of uncovering untapped markets and talents in India's rural economy.

From 5th to 16th January 2009, 19 participants were brought together in Hong Kong and New Delhi to take part in this programme organized by the **Global Institute for Tomorrow (GIFT)**. The diverse group of international participants included talented corporate executives, NGO representatives and students from leading Asia business schools. Nationalities on the team included Mainland and Hong Kong Chinese, Indian, Japanese, Australian and American.

The YLP has now earned a reputation for cultivating leadership skills and innovative thinking amongst its participants. This Indian programme, the eighth YLP run so far, tasked the current group on identifying new business opportunities and delivering a business plan for Drishtee, an Information, Communication and Technology (ICT) social enterprise, which has built up distribution networks of internet kiosks across villages in India using an entrepreneur-based franchisee model.

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A break from traditional classroom education, the YLP focuses on providing relevant, real world learning which also produces a meaningful output. Prior to their site visit in India, participants engaged in a demanding week-long MBA-style curriculum in Hong Kong, involving group discussions and interactive case studies highlighting some of today's most pressing topics such as leading in a globalized and multicultural workplace, understanding how ethics affects decision-making and the debate on corporate social responsibility.

“In light of the recent financial crisis, we invited keynote speakers from the business and civil society sector to speak about their experiences of leading and working in a rapidly changing environment. It is important for our participants to appreciate how the business landscape that will emerge over the next 2-5 years will be completely different from that one most of us have become accustomed to working within,” noted Mr. Chandran Nair, GIFT's Founder and Chief Executive. In addition, participants were briefed on the project as well as background on India's history, culture and economy.



GIFT Founder and Chief Executive, Chandran Nair

Harnessing the potential of the rural economy

Since its inception in 2000, Drishtee has become one of the fastest growing high-tech companies in India. To date, the social enterprise has successfully trained thousands of rural entrepreneurs to run internet kiosk franchisees to deliver basic and high-demand goods and services, such as computer training, micro-financing and banking and e-governance services, to the doorsteps of over 4,000 rural villages across India.



Drishtee Founder and CEO, Satyan Mishra

Now Satyan Mishra, Founder and CEO of Drishtee, is looking for opportunities to expand the enterprise's range of offerings beyond the kiosk model. “The business and development case for Drishtee's expansion in rural India is compelling. Drishtee's innovative approach and ability to leverage its vast distribution networks and experience of using local entrepreneurs has made Drishtee one of the more competitive and commercially viable social enterprises in India.” remarked Dr. Thomas Tang, GIFT's Executive Director, “furthermore, its approach has resulted in real income generation opportunities which are helping to retain much needed labor and talent in the rural economy.”

However, Drishtee still has to overcome challenges of poor infrastructure, low education levels, lack of access to capital and the absence of marketing know-how – these are often barriers to business in India. An added obstacle for Drishtee is to develop the talent and capacity of rural workers to deliver higher value services in order to be competitive with their counterparts in the urban areas.

Thus, the participants were tasked with developing a business plan that not only examined potential business opportunities for Drishtee but one that was also aligned with the latter's commitment to

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building the capacity of rural villagers to be self-sufficient, particularly for female villagers who are traditionally marginalized.

Uncovering opportunities

Using information researched from visits to rural villages and interviews with business stakeholders, the participants called on their experience, knowledge and business acumen to accurately assess potential business opportunities for Drishtee's expansion.

It quickly became apparent to the participants that there were real opportunities in the business processing outsourcing (BPO) sector, an area where India has emerged as a world leader. In 2008 alone, the industry has recorded revenue growth of 31.6 percent, amounting to a market valued at USD12.5 billion. Discussions with Drishtee entrepreneurs, village households and committees as well as with Drishtee's business partners such as Amaron, HDFC Bank, and the International Development Research Centre (IRDC) indicated to participants that they were on the right track.



YLP participant, Yuxin Hou, interacting with villagers in Baibal village outside of Delhi Photo: GIFT staff

Closer examination of the rural BPO business model showed that Drishtee's success relied on Drishtee's core technical competencies and track record of successfully training rural entrepreneurs and households in computer and literacy training, which are critical factors in delivering BPO services.

The project tested the limits of the participants, including Olivia Chau, a business undergraduate student at the University of Hong Kong's International Global Business Management course, who noted, "We had to step out of our comfort zone and deal with new topics and people we were unfamiliar with, while working efficiently to make decisions under a very tight deadline. Now I better appreciate the concept that time is of the essence."

The complexities of the Indian project and the diversity of the group further pushed participants to think innovatively and creatively. Discussion and debate ran late into nights as the group worked towards developing a strategy for delivering Drishtee's innovative BPO services using rural resources.

For Vincent Ng, Director of Program Development at the China Education Initiative, he gained a "much greater appreciation of the challenges of working with very different cultural leadership styles and personalities and the complexities of coming to a group consensus."



*YLP participant, Takako Miyama, speaking with a Drishtee staff member at a Drishtee internet kiosk
Photo: Vincent Ng*

The project also presented real learning for the participants which they could bring back to their organizations and use in their daily tasks. For Naveed Khan, Marketing Manager at Cathay Pacific in India, the project provided an opportunity to gain "first-hand knowledge of social entrepreneurship and insight into the rural villages of India."

Presenting a compelling business case

The week's hard work culminated in an investor conference organized by GIFT in partnership with APCO, an international strategic communications firm. The conference was an opportunity for the participants to present the business plan before an audience of potential investors which included GTZ, the Ashoka Foundation, the Embassy of Netherlands and Japan International Cooperation Agency (JICA) among others as well as interested companies like Gap Inc and Google who have markets in India.

The ambitious business plan outlined calls for an initial investment of USD500, 000 to initially pilot a BPO initiative in 20 villages. Leveraging on untapped talent, lower wages and an experienced Drishtee management team, the plan seeks to expand Drishtee's BPO services by setting up training

and operational centers in villages to train rural talent, particularly women, to deliver services that would be competitive with urban centres.

The positive reaction from potential investors encouraged the participants as a vindication of their past week's efforts. For Hairong Lai, Deputy Director of the China Center for Comparative Politics and Economics, the hard work was worthwhile. "The result we produced was a plan to create a commercially viable project with strong social benefits," he stated.



business plan is outlined.

Photo: Jan Wang

The next step for GIFT is to take the business plan to potential investors within and outside of India to make the plan a reality. "The opportunities for BPO services in rural India are immense. If successful, this model could be replicated and scaled to thousands of villages throughout India providing opportunities for the rural economy to flourish." concluded Nair. "In partnership with Drishtee, we are excited to take this exciting proposition to the wider business community."

Potential investors listen intently as the

About the Global Institute for Tomorrow

Based in Hong Kong, GIFT is an independent social venture think tank aimed at bringing together technical and commercial expertise with key knowledge on issues related to corporate social responsibility and sustainable development, as well as understanding the dynamics of the region's economies. The company works with business leaders and government policy makers on the challenges of globalisation and Asia's development needs to realise opportunities therein.

Note: If you are interested in the business plan and the opportunity to invest in this unique project, please contact GIFT on enquiry@global-inst.com.

For further information, please visit our website at: www.globalinstitutefortomorrow.com