

# Impact Assessment

## Report Summary

*Incubated by Industree Foundation*





# Meet Industree

Industree Foundation (IF), established in the year 2000, has been working to set up a holistic model that can address the socio-economic needs of women. Industree Foundation believes that if the poor have access to sustained and consistent demand for their products and services, and are provided with an enabling ecosystem, they can integrate into the formal economy and lift themselves out of poverty.

Industree Foundation has reached 60,000 women artisans across India and Africa, through collaborative efforts with organizations like The Future group, Mastercard Centre for Inclusive Growth, The Commonwealth Secretariat, Grassroots Business Fund and National Skill Development Corporation and Donors like Standard Chartered, Sonata Software, The Freedom Fund, Tata Trust, UNDP etc.



## Background

Industree Foundation currently plays the role of an incubator by facilitating the aggregation of producers into self-owned enterprises, building their capacities through training, assisting them in developing products that appeal to modern markets, and enabling their access to vital working capital.

One of the first incubatees, Green Kraft Pvt. Ltd.(GK) is a producer-owned social enterprise incorporated in 2012, creating natural fiber lifestyle products and home accessories. GK's operations are now set in Tamil Nadu, with a full-fledged production hub in Madurai and production spokes in the surrounding areas. The major customers are IKEA, H&M, Caravane, Dinnerware & Co and Brewster Home Fashions

# About the Study

## Methodology

The scope of the present study is limited to Bangalore Greenkraft Producer Co.Ltd.(GK), one of the first incubatees, which creates lifestyle products and home accessories using natural fiber. Social Audit Network (SAN), India has been appointed as the external agency to carry out the impact assessment for the period 2017-19.

This document is an extraction of the more detailed report done by SAN India.

## The study aimed:

- To see the effectiveness of work that has been done by Industree Foundation for GK
- Study the impact it has created on the ground in transforming the lives of the beneficiaries
- Identify the gaps in the program delivery For the current study, the SAN team visited three production units in Tamil Nadu and interviewed 175 women artisans to assess the impact of the intervention, besides consulting with the other stakeholders.

To arrive at the outcomes of the initiative, the objectives and the related activities were defined. The following objectives have been included for the study:

- To build economic and social empowerment of women
- To develop local and global markets
- To build self-sustainability of the producer company
- To ensure sustainability of professional support from Industree Foundation
- To have a positive impact on the environment

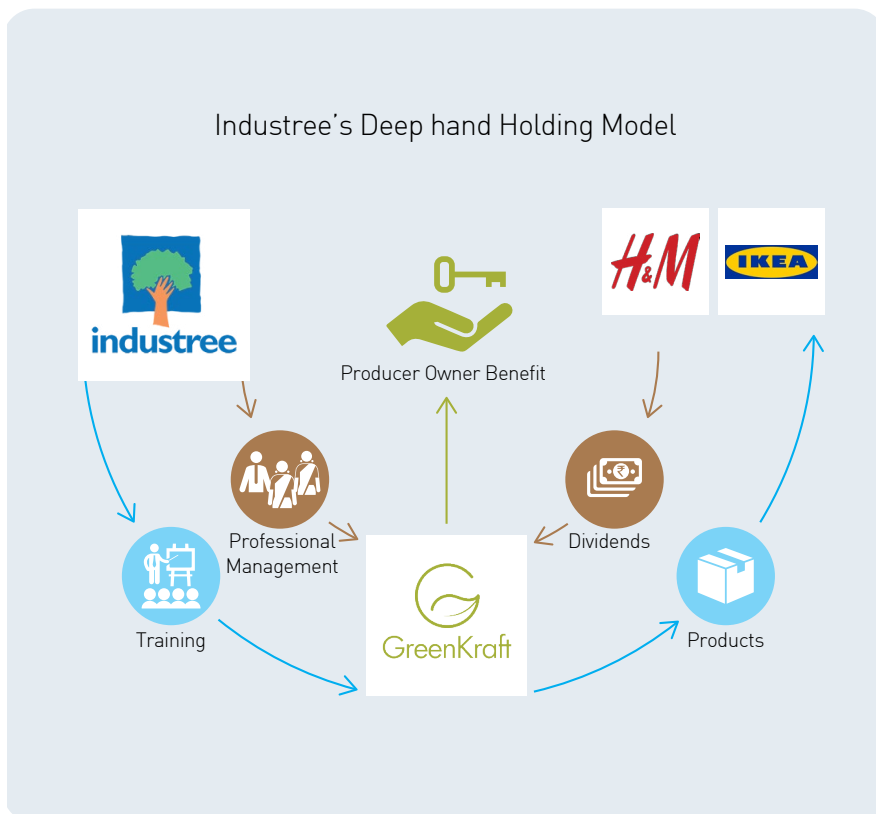
# The Holistic Model

Industree Foundation's involvement with, and support of, the producer companies is carried out using three frameworks-

Deep Hand Holding (DHH) involves streamlining of operations of the producer owned enterprises by a professional management team. This brings advantages in the form of digital tools and vast experience that helps these enterprises deal with the market in a smarter and efficient manner.

Broad Hand Holding (BHH) involves skills and qualifications development through the MINT programme in partnership with Srishti Institute of Art, Design and Technology, one of the best design colleges in Bangalore.

Light Hand Holding (LHH) is done on the Platform for Inclusive Entrepreneurship (PIE) which is a socio-economic platform that provides artisans, farmers and other producers with opportunities to make their production more efficient using the digital platform.



# Performance on Values

Industree Foundation has certain values that have provided it with the necessary ethos and environment to operate efficiently and true to its objectives. They are;

## Humour

Joy of working creatively, being flexible and adaptable in the line of thought.

## Empowerment

Creating inclusive and empowered teams with agency and purpose. Creating confident, empowered and independent producers.

## Respect

Respect for producers, enablers and customers as well as nature, environment and sustainability

## Ownership

Seeing things through with tenacity and perseverance; agency in choice and action; being aware of consequence and impact.

## Innovation

A new way of business (conscious capitalism), work and life; frugal and effective; design and R&D for long term

## Catalytic

Thinking Big and being Catalyst for scaling beyond one's own organization, spring board/lighthouse/flagbearer

In order to see if these values are being adhered to, the management team, trustees, partners, customers and donors were asked to rate all of these values on a scale of 1 to 5, one being 'Needs to improve' and 5 being 'Excellent'. The results-

Average Rating of Value	
Value	Average Rating
Respect	4.16
Humour	3.74
Empowerment	4.26
Ownership	4.38
Innovation	4.24
Catalytic	4.08

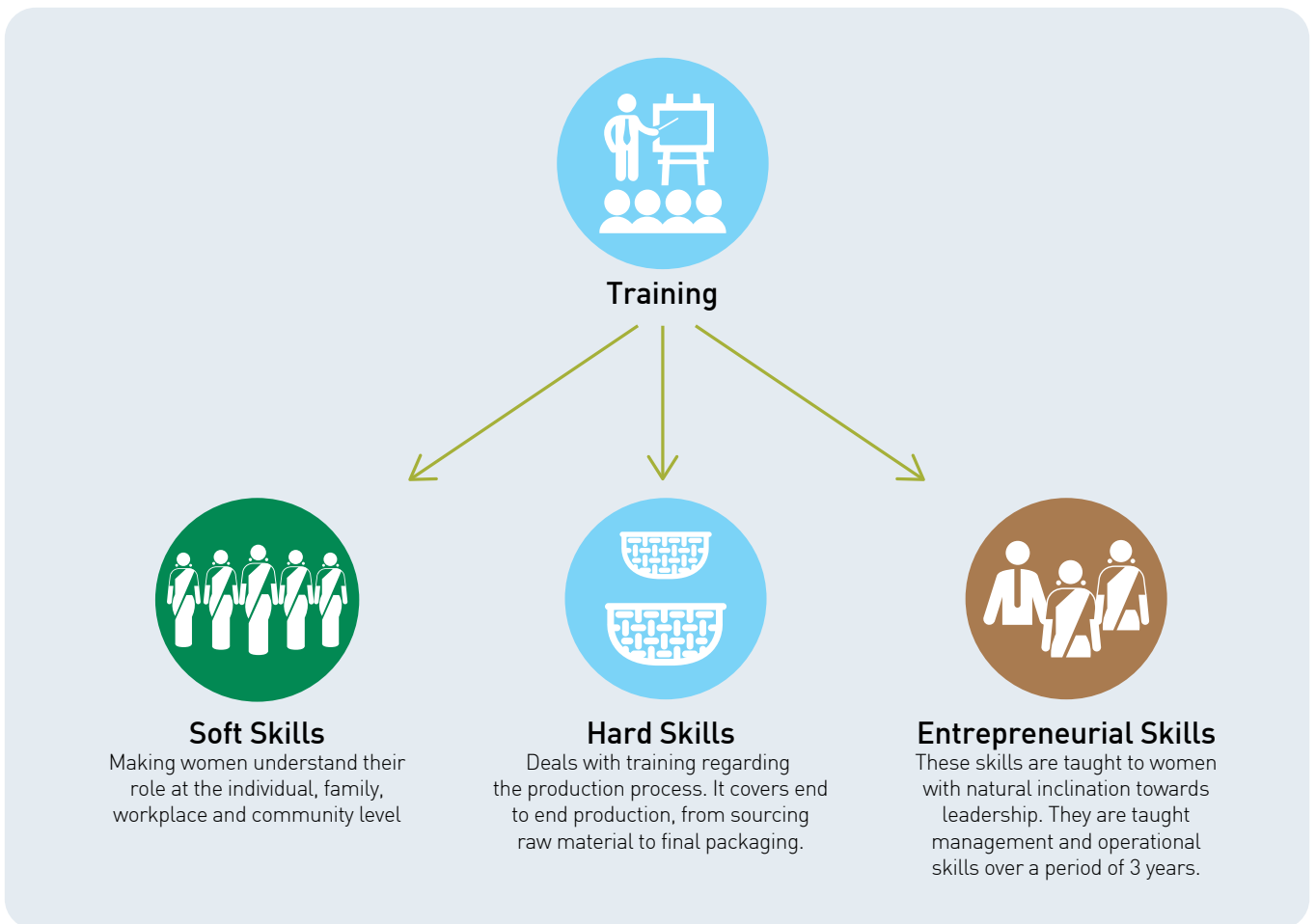


# On the Ground Performance

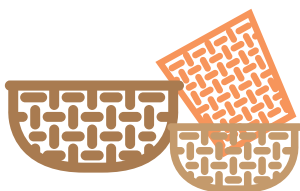
## Objective 1

To build economic and social empowerment of women

## Capacity Building of Women Artisans



## Production Capability



150 product templates created



92 orders processed

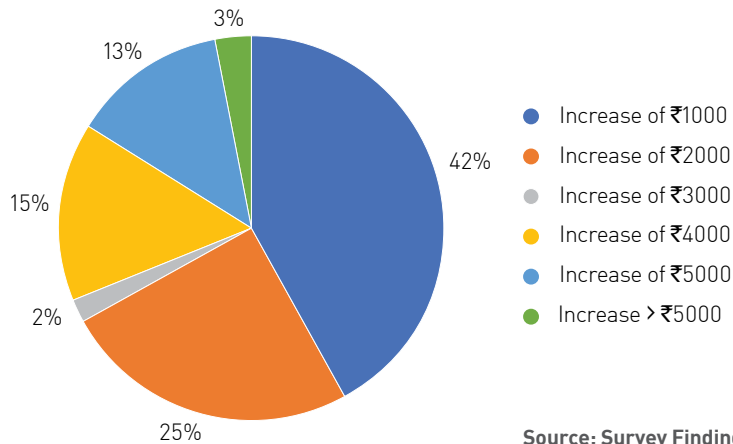


Producers earned ₹6,689/month on average

# Economic Empowerment

- 69% saw an increase in income of ₹1,000 – ₹3,000,
  - 28% saw an increase of ₹4,000 – ₹5,000.
- Considering the financial background of these women, this is a substantial improvement.

## Increase in Income



Source: Survey Findings

# Security and Job Satisfaction

94% of the workers are happy with their work environment at GK. This is because of:

- Regular income
- Closer to home
- Good prospects for personal developments
- Freedom to express concerns and participate in decision making
- Equal opportunities for men and women
- Good work-life balance

# Personal Growth and Development

The women have stated that there has been a substantial transformation within themselves. Getting a job has in itself promoted a sense of well-being and satisfaction.

Three factors which have been highlighted during the focus group discussion is the increase in their confidence level, being responsible and decision-making ability.

Women have also developed higher levels of aspiration towards their career, 89% have said that they have developed an attitude to achieve more, and seek to be promoted and paid higher wages.

The group leaders have a strong sense of ownership and have learnt production training skills on the job and the art of persuasive counselling to achieve the group targets.

# 70%

of the women were not employed earlier and this is their first regular job

# 20%

of the women surveyed are separated or divorced and are the sole bread-winners of the family.

# 53%

of the respondents have stated that there has been an incremental increase in their income.

# 94%

of them are happy with the work culture. Key reasons for it are regular income, proximity to home, good prospects for personal development, freedom to express concerns and participate in decision making.

# 89%

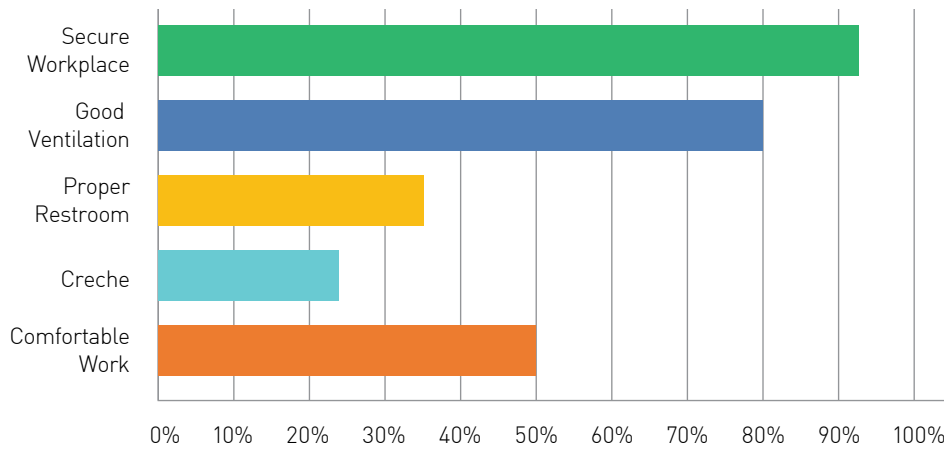
have said that they have developed an attitude to achieve more, and seek to be promoted and paid higher wages. Women have also developed higher levels of aspiration towards their career.

# Working Conditions and Access

It has become easier for women to access work since the survey showed that 73% of them reside within a radius of 5 km. The women stated in the focus group discussions that other work opportunities, more than

20 km away, are practically inaccessible to them since they wouldn't have been allowed to travel so far by their families. GK offers decent working conditions and this has been corroborated by the artisans in the survey.

## Working Condition Details



“I was finding it difficult even to feed my family. My husband left me. Now I am able to provide for my sons. I like this job”  
Kanakavalli,  
Artisan from Chinnangudi

Many of the artisans in leadership roles have been given the opportunity to travel to other units and train the women. This has been the first time the women have had such an opportunity. It has resulted in a tremendous positive effect on the working women.

## Building Leadership among Artisans

9 out of 25 women are holding leadership roles





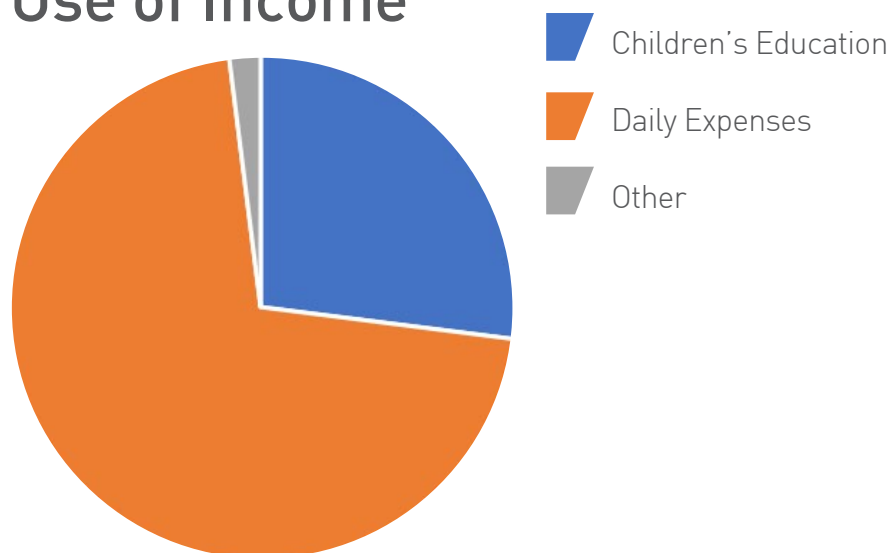
# Sense of Personal Empowerment and Agency

The women have clearly expressed that they have now acquired a sense of agency in terms of spending power and meeting their personal requirements. From complete dependence on their husbands or families, they are now in a position to

attend to their own personal needs as well as those of their families.

Some of the women are also in a position to buy gold jewellery and household assets like utensils and furniture.

## Use of Income



# 52%

of the women say they have now moved their children to better schools.

## Education of Children

Most of the women have school going children and with the work timings of GK, they are able to attend to their education needs adequately.

“I can spend for my children’s school fees, meet my other needs. I feel happy that I am able to look after my family with my earnings. I am not depressed anymore. When I was at home, I used to think negatively, was always irritated. I am free now and happy.”  
-Artisan

## Savings and Financial Literacy

While all of them have access to bank accounts, 70% have not been able to build up sufficient savings. Two reasons could be attributed to this are that they are still days of their employment with GK and that most of these women are already in debt and are still using their income to repay their loans.

## Change in attitude of family and community

# 65%

of women were able to perceive a strong positive change in the attitude of their families and community towards them after they took up employment at GK.

# 80%

of them get support on a daily basis to carry out their household chores before getting to work

# 66%

of women feel that they are more respected and participate in all the decisions of the family.

# Objective 2

## To develop local and global market

Industree Foundation has been working both locally and globally to cater to the market needs. Different markets have different requirements, depending on the culture and ethos of the place. Industree Foundation has been conscious of these aspects while designing their products and has ensured that

they are embedded in the product design. Stringent standards need to be maintained to cater to the global market, in particular and it has taken a number of years of effort for Industree Foundation to perfect it and be recognized as a global player.

## Development of products of global standard

GK adheres to international standards and regulations of production. From the raw material to minimum wages, all international standards are followed.

Standards	Details of the compliance check
IOS MAT	0010 Chemical Specification
IOS MAT	0048 Natural Fibre Specification
IOS MAT	0066 Surface Coating Specification
IOS	P - 0010 Packing Specification
IOS	PRG - 019 Labels Specification
GCC	Product level Compliance Check

The packaging process too adheres to global standards and environment friendly materials are used for shipping the finished products.

The packaging for GK production includes two major components: carton boxes made up of Forestry Steward Council 100% recycled paper and shrink wrap of polypropylene which is 100% recyclable.

## International orders

Presently the focus has shifted to individual, customized marketing through one to one engagement with organizations who understand the value that Industree Foundation is offering. International big retail stores have today developed a bandwidth to take in such products,

as a global awareness towards environment and women empowerment causes have become more prevalent. Today natural fibre is more acceptable in the international market. Important global customers of GK include IKEA, H&M, Caravane, Dinnerware & Co and Brewster Home Fashions.

Details of sales during the audit period		
Description	FY 2017 - 18	FY 2018 - 19
Revenue	₹46,859,681	₹71,792,274

Source - Audited Financials of BGK

The reason they procure goods from GK is primarily because of the cause they work for, i.e, women empowerment. Besides, they strictly comply with quality standards and fulfil the order in a timely manner.

Their level of satisfaction is "excellent" for timely fulfillment of order and transparency in the transaction; areas such as quality of products, design and professionalism in execution scored "good" to "very good".



The partners firmly believe that along with GK they are building significant impact in empowering the rural women, in creating a circular economy, in reviving lost craftsmanship, and in building a sustainable world.

They would like to extend the product line to coconut fibre, along with banana fibre

They believe that, if planned properly, this initiative has a lot of potential in transforming the lives of rural women.



# Objective 3

## To build self-sustainability of the company

As a part of Mission Creative Million, which is a movement designed to impact one million producers across the farm and creative manufacturing value chain, Industree Foundation has been incubating

producer owned enterprises by enabling improved access to markets, working capital, design and other professional services. This is done by using the 6 C Model for developing an ecosystem for sustainable impact.

## Funding producer-owned enterprises

Industree Foundation has been consistently working towards raising working capital for the producer companies through various sources including loans, investments and grants.

The money raised has been used for some of the following purposes at GK:

- Setting up the infrastructure at our units in Tamil Nadu
- Training and stipends of the employees

- Buying the production machinery for yarn spinning etc
- Setting up of a solar fumigation facility at Madurai
- Setting up a warehouse and packaging unit with appropriate dehumidification machinery and processes
- Setting up a crèche facility at Madurai

These investments have resulted in the scaling up of the production units at GK and an expansion of the workforce from 500 to 1100.

## Building Local Partners

Local partners are invaluable in reaching out to the rural artisans, providing infrastructure and mobilizing local women to be trained as weavers. They provide ongoing support to the operations, acting as a bridge between the workforce and GK.

Raw material is sourced from local farmers who have discovered a new avenue for usage of their farm yield. Many of the vendors have been associated with Industree Foundation for more than ten years and have seen a consistent growth in their business. Farmers who had previously 15 members working on their farm are now providing employment to 80 people. The farmers have also benefited from the training given by Industree Foundation professionals with regard to harvesting the bark at the appropriate time and proper storage and transportation.

**“For every product produced, a minimum of 6-8 families lives are positively affected”**

**Raja, who sees a lot of synergy and alignment between his work and IF’s mission**



# Objective 4

## To ensure sustainability of professional help from Industree Foundation

The goal of Industree Foundation has been to reach out to a million people in the farming and creative manufacturing sectors. In order to reach

these numbers, it's important that the model of entrepreneurship is scaled up across verticals and across geographies.

## Raising capital for scaling up the model and getting professionals on board

Significant effort in fund-raising had to be made to get this state-of-the-art talent on board. In the past three years, more than ₹30 M have been raised as research grants, for training, marketing and outreach and for working capital of IF.

The professional management team provides support to streamline the operations of the producer-owned companies and to make them sustainable. Funds raised during the audit period have been used to support the following 6C functions:

- Construct – this involves aggregation of producers, infrastructural support and deep handholding
- Capacity – this involves training and skill building
- Connect – this involves creating digital resources and platform
- Capital – involves raising working capital and loans for operations and equipment
- Create – involves design and value addition
- Channel – involves providing access to the market

### 6C's

#### Construct



Aggregation & infrastructure

#### Capital



Working Capital

#### Create



Design inputs

#### Capacity



Training and skill-building

#### Channel



Market access

#### Connect



Digital resources and platform

## Tie up with educational institutions

Industree Foundation has also reached out to and established partnerships with Indian Institute of Science (IISc) and National Institute for Interdisciplinary Science and Technology (NIIST) for research into large scale production of banana fibre.

Agricultural University, Coimbatore, has helped to develop the training curriculum.

Industree Foundation have also established connections with academic institutions like Kumaruguru College to make the fabric from fibres.

IF have developed banana-cotton blended fabric as a result of these collaborations, which has the potential to find customers in the European market

# Objective 5

## To have a positive effect on the environment

Environmental consciousness is ingrained at every level of the operations. From the usage of raw material to operational efficiencies, efforts are made to keep the carbon footprint to the minimum. Some of the conscious efforts made by GK to preserve the environment include:

### Use of natural fibre

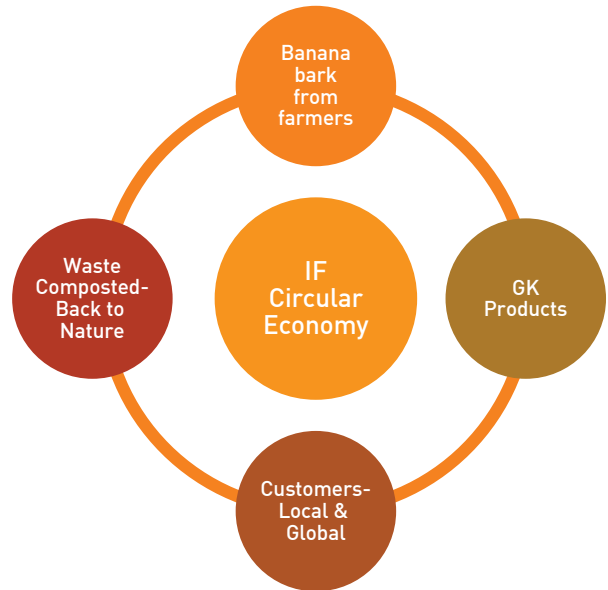
Industree Foundation's products made of natural fibre are now world renowned. Natural fibre has much less requirement for fertilizer and crop protection chemicals. Its cultivation is taken up in traditional farming systems, with minimal use of mechanized diesel-based equipment. By their very nature, these products need to be hand produced, the processes are not machine dependent and cannot be mass produced using technology. Presently the focus of GK is on usage of banana bark, whose elasticity, tensile strength and stiffness, make it an ideal fibre for weaving.

### Creation of a circular economy

This model to minimise waste and make the most of resources finds immediate resonance with Industree Foundation's working ethos, where products made from natural fibre find their way back to nature with minimal negative consequence to the planet.

### Minimal carbon footprint during production

Earlier, only 30% of the bark produced was utilized. The remaining was left to decompose. The farmer required only fifteen members to be employed to harvest the yield. Today the same farmer is employing approximately 80 people to source the bark and supply it to GK and almost 90% of the bark is utilized for product making, hence generating more economic value.



### Usage of renewable energy

GK is conscious about the cost effective and efficient usage of energy. To mitigate the usage of the normal power, solar panels have been set up for fumigation at the unit in Madurai.

### Reduced commuting distance for artisans

Carbon footprint saved due to reduction in distance travelled to workplace- The conscious effort made by GK to move its base to the rural areas has helped in reducing its carbon footprint. 73% of the artisans stay within a radius of 5kms. The study has shown 51% of the artisans walk to work, 16% come by public transport and 26% by autorickshaw. During the Focus Group Discussion, the artisans have stated that they had to travel a distance of 20 km to seek jobs earlier. The combined savings of 247,860 kg CO<sub>2</sub> per year is equivalent to not using 105,462 litres of petrol or not using 92,167 litres of diesel or not burning 122,909 kg of coal.

# 90%

Today the same farmer is employing approximately 80 people to source the bark and supply it to GK. Almost 90% of the bark is utilized for product making, hence generating more economic value.

# 247,860 kg CO<sub>2</sub> pa

The combined savings of 247,860 kg CO<sub>2</sub> per year in commuting is equivalent to not using 105,462 litres of petrol or not using 92,167 litres of diesel or not burning 122,909 kg of coal.

# Impact

## Economic Impact of GK

GK's effort in reaching out to the remotest places and providing job opportunities to rural marginalized women has been clearly demonstrated during the study.

To understand the economic value created by GK, a forecast SROI analysis was carried out. The objective of the analysis was to understand and value the impact GK has created on its stakeholders.

Social Return on Investment (SROI) is an outcomes-based measurement tool that helps organizations to understand and quantify the social, environmental and economic value they are creating. SROI analysis produces a narrative of how an organization creates and destroys value in the course of making change in the world, and

a ratio that states how much social value (in Rs.) is created for every Rs.1 of investment.

This forecast analysis is robust and should be considered conservative as it does not over-claim and looks only at the material outcomes, in line with SROI principles. Conservative assumptions have been made throughout the analysis for the duration of outcomes, attribution to other services or people and understanding of what would have happened anyway.

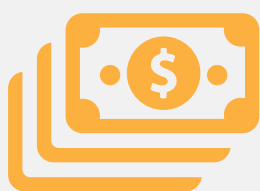
Total input value: ₹155 M

Present value of outcomes: ₹630.71 M

Net Present Value (NPV) of Outcomes: ₹475.7 M

SROI: NPV/ Input Value = 3.06

The SROI value was calculated to be 3.06, i.e. for every \$1 invested, GK creates a social value of \$3.06.



The donors are satisfied and the impact their investment has created socially, economically and environmentally



Donors have been very satisfied in areas such as monitoring and evaluation, transparency in reporting, quality of the product produced and professionalism in execution.

# Sustainable Development Goals aligned with Industree Foundation



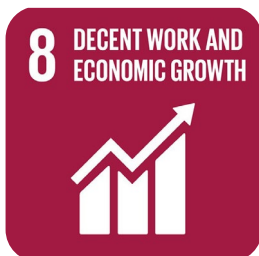
## Gender Equality

The purpose of this goal is to achieve gender equality and empower women and girls. One of the objectives of Industree Foundation's mission has been to ensure that underemployed women get high and regular income through its initiatives in the creative manufacturing sector.

**90%**

of the employees  
in GK are women.

- The GK unit set up in rural Tami Nadu employs primarily women. Presently, 99% of the employee in GK are women.
- 70% of them have never been employed in any regular mainstream jobs earlier. Their jobs at GK is the first regular employment that they have had access to with benefits such as PF and ESI. Today the average salary that the artisans takes home is ₹6,689 (\$93)
- Of the remaining 30% of the women who were employed earlier, 52% of them have seen an average increase of ₹2,500 (\$35) in their income having joined GK.



## Good Jobs and Economic Growth

This principle aims to promote inclusive and sustainable economic growth, employment and decent work for all. The model designed for GK and other producer companies by Industree Foundation ensure not just employment but decent work for all with stability of income and sustainability of the enterprise.

**94%**

of artisans  
agree that the  
workplace is  
safe and secure

- 60% of the artisans have claimed that they get fair and regular income.
- 72% of the artisans agree that GK provides good opportunity for personal growth and development.
- 52% of the artisans agree that GK provides equal opportunity for men and women.
- 94% of them agree that the work place is safe and secure.
- 65% of the women artisans feel they are getting more respect at home and the community since they have joined GK, reiterating the fact that they are employed in decent work.

GK has created opportunity for the rural women which has provided employment, enhanced their social security and respect in the community.





## Responsible Consumption and Production

This implies that while we achieve economic growth and sustainable development, it is imperative that we reduce the ecological footprint by changing the way we produce and consume goods and resources. GK has been very conscious about its carbon footprint and, at every stage, effort is made to ensure that it adheres to the principle of responsible production and consumption.

**90%**  
natural products with minimal chemical usage

- The raw material utilized at GK is raw banana bark. Earlier, 70% of the bark would be decomposed since its demand had been restricted to fresh flower garland weaving. Today, GK's effort in reviving the craftsmanship and utilization of the banana bark to make products and garments has helped in the responsible utilization of the natural resource and created more economic value for it.
- The increased demand for the raw material has helped the farmers to increase their production and hence generated more employment.
- The products at GK are 90% natural with minimum, chemical usage.
- Since the product is chiefly hand woven, there is minimum utilization of electricity.
- Efforts have been made to set-up solar panels for generating electricity and further reducing the carbon footprint.
- One of the important measures taken by GK has been in taking the jobs closer to the place where the rural women reside. Since most of the rural women come from conservative families, they are barred from traveling to far places to seek jobs. Since GK has moved the productions units closer to their homes, they are able to get jobs at their doorsteps. The carbon footprint in travel is further reduced.

Adhering to the principles of circular economy, GK has ensured that it minimizes waste and makes the most of the resources where products made from natural fibers, sourced from the local farmers find their way back to nature with minimal negative consequence to it.

## Secondary SDGs





## Industree

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