

Women as Inclusive Business partners

Shakti: The world's largest sustained home to home retail operation offers business and social benefits



"It is more important than money. When they see me, they crowd around me and call me 'Shakti amma'. I am someone today."

Rojamma, Shakti Entrepreneur



ENGAGEMENT IN THE VALUE CHAIN



- **Company:** Hindustan Lever (HUL), Indian arm of Unilever
- **Project:** Shakti
- **Business focus:** engage low income women for last mile distribution in new rural distribution channels for Fast Moving Consumer Goods (FMCGs)
- **Started:** 2000 onwards

Results for women

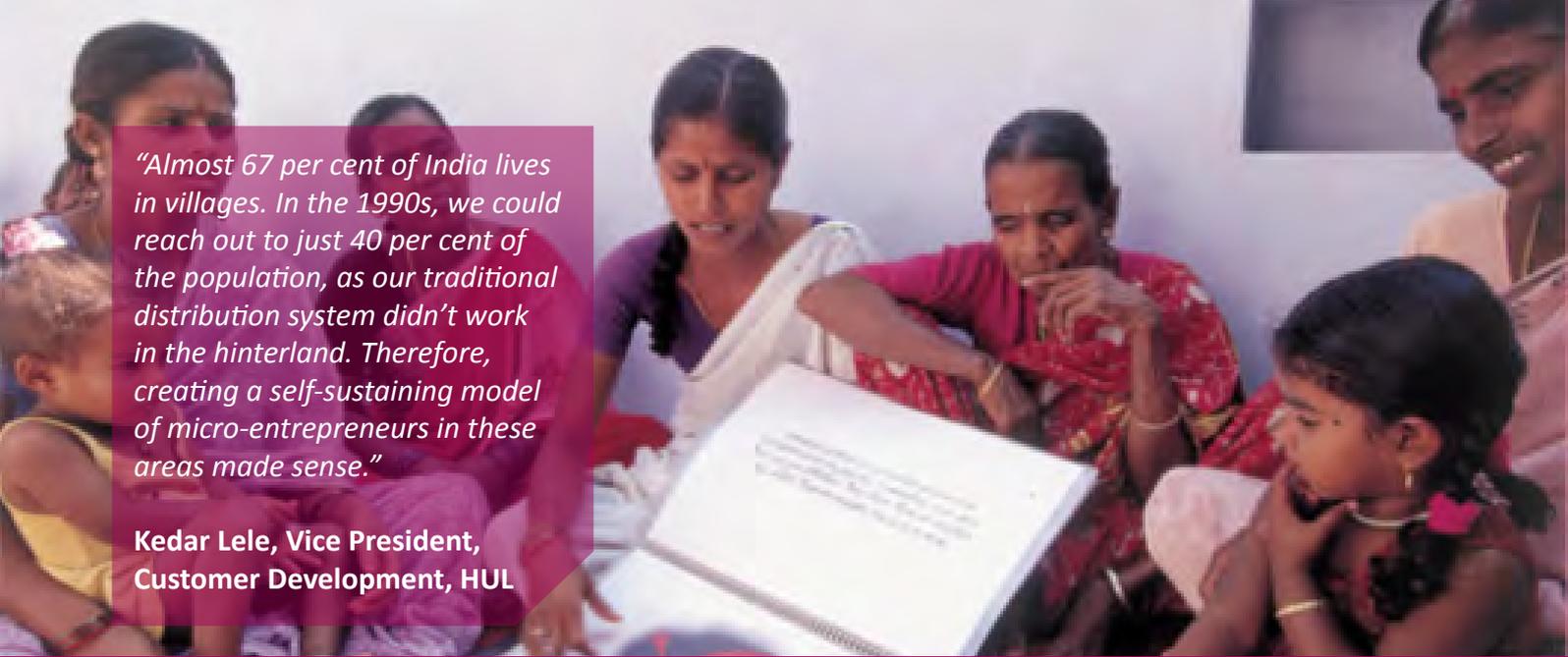
Shakti-women earn a stable income between INR 1000 – INR 3000 a month (depending on various factors). This represents a doubling or tripling of income. Shakti women come from within these low-income communities, and in this way increase their social recognition and self-esteem. It further helps them to develop economic and entrepreneurial skills.

Results for business

In 2014 65.000 Shakti ammas and over 50.000 Shakti maans (male relatives) are selling branded products to over 4 million low-income households in more than 165.000 Indian villages in 15 states across India.

'Women as Inclusive Business Partners' is an initiative by [BoP Innovation Center](#) and [ICCO Cooperation](#)





“Almost 67 per cent of India lives in villages. In the 1990s, we could reach out to just 40 per cent of the population, as our traditional distribution system didn’t work in the hinterland. Therefore, creating a self-sustaining model of micro-entrepreneurs in these areas made sense.”

**Kedar Lele, Vice President,
Customer Development, HUL**

As a response to increased competition in urban settings, HUL wanted to open new markets in smaller villages in India with less than 2000 people. As such Shakti is an integral part of their business. For the new sales channel HUL could not build on existing retail infrastructure. They approached –mainly- members of so-called Self Help Groups (SHGs) who run saving & bank-related credit operations, but often lack the opportunities to invest in and run a small business.

A new business and role model

The saleswomen are called Shakti Ammas (Shakti: ‘power’ or ‘strength’, Amma: ‘mother’ in Sanskrit). HUL trains women in entrepreneurial and soft skills like confidence-building, as well as basic health practices and hygiene. This all helps them to market HUL products and explain practices that can help to reduce diseases in their villages. In 2013 HUL introduced mobile based ERPs (enterprise resource planning) solution, a low-cost mobile IT solution which takes into account the poor mobile coverage in rural India (built to work off-line), to help Shakti Ammas to manage their sales and distribution more efficiently.

With a bank-loan, for which HUL sometimes mediates, the Ammas can invest in a stock of HUL products (worth INR 10,000 - 15,000) for their outlet. They purchase the relevant, small size and affordable goods for the new consumers at a discount. They sell them with a variable commission either in small shops or door-to-door. The three key sales channels are: general public, SHG members and retailers. As such the Ammas combine a retail and wholesale role. The plan is for each Shakti Amma to reach 500 direct customers.

Innovations in the model

Over the years HUL has added certain component to the program (some on a pilot basis of which the status is not clear) to strengthen the model. One initiative (2011) was to partner with the State Bank of India (SBI) to bring financial services closer to the rural low income customers through the trusted Shakti Ammas. Shakti Maan (from 2010) involves male family members of Shakti Ammas to sell products on bicycles to surrounding villages. This was a response to boost income and increase the retention rate of the Shakti-Ammas who faced challenges due to the physically demanding distribution by foot and mirror other successful income opportunities like the government rural employment schemes that offer a daily cash flow (wages). This move appears to have been very successful. In 2014 the balance between female and male entrepreneurs is 57% - 43%.

Success factors & benefits

HUL is partnering with numerous stakeholders, incl. NGOs, banks, and governments, to develop and roll out the initiative. Despite the huge investment, the various refinements that have been required and the need for a long term perspective, the model has been success for HUL. In 2008 some 30% of HUL’s revenue came from rural markets in India. A key success factor in the model is the right selection of the women to become Shakti entrepreneur.

Apart from direct economic gains, their role as saleswomen enables the low income Shakti Ammas to gain more social recognition in the village community, increase their self-esteem and develop economic and entrepreneurial skills.

Shakti is built on the network of Self-Help-Groups and works within the social fabric in India. Unilever has customized and adapted the model to other Asian countries (Bangladesh, Sri Lanka, and Vietnam). Explorations are on-going for further expansion of the model to Africa and Latin America.

For more information about Shakti visit the [website](#).