

Lijjat Papad - the Innovation which transformed Business and Society

'Lijjat Papad' since its inception on 15th march 1959 till date it has been the King Queen of Papad industry and top favorite amongst household and hotel consumers.

Sri Mahila Griha Udyog Lijjat Papad started with a modest loan of Rs 80 from Changalal Karamsi Parekh, for commencing their work of papad making. These 7 women took its turnover to Rs 6,196 in the first year to Rs 300 crore in the next few decades. Business started out on the roof of the large, old and a residential building called Lohana Niwas in Girgaum, South Mumbai but now has 81 Branches and 27 Divisions all over India.

It's strength is the involvement of over 43,000 women, initially started with just 7 of semi literate women; today it has become a symbol of women empowerment. It has grown with the support of women and been a support to them and all the decisions are taken by the women internally. There are no men involved in this organization.

(https://en.wikipedia.org/wiki/Shri_Mahila_Griha_Udyog_Lijjat_Papad)

From 4 packs produced in the first batch it has reached the production capacity of 54,440 kgs of papads. No machinery is used at the production level and manually work is done by everyone because the main aim of SMGULP is to developing self-employment for women. *(<http://economictimes.indiatimes.com/slideshows/biz-entrepreneurship/modis-5-women-entrepreneurial-role-models-from-gujarat/lijjat-papad/slideshow/19442403.cms>)*

By the second year of its formation, 100 to 150 women had joined the group, and by the end of the third year it had more than 300 members. Its annual sales of papads By 1962-63 had touched Rs. 182,000 (Rs. 182,000). It's turnover in 2017 is 1,600 crores. *(<http://retail.economictimes.indiatimes.com/news/food->*

entertainment/personal-care-pet-supplies-liquor/minister-proposes-product-diversification-for-lijjat/60706517)

Their another product - Sasa Detergent Soap had annual sales of Rs 500 million, accounting for 17 percent of Lijjat's total turnover in 1998 it's very first year. In March 1996, the 50th branch of Lijjat was inaugurated in Mumbai. Lijjat marked its 50th year of existence on 15 March 2009.

Pricing Policy: The middle and lower segments of the society is target of the Lijjat for its products, are very sensitive to price and cost plus pricing strategy allows them to market their products completely.



Quality Control: All the raw materials are procured by the central trust and Aata is mixed in each center and then distributed. For quality control the rolled papads are analyzed in a batch and if found sub-standard then the whole of the batch is disposed off in to the sea to ensure that the defective papads do not reach in the market. (<http://www.lijjat.com/>)

Cost Control: The plastic bags used for the packaging are hand-made and manufactured by women employees themselves.

Outsourcing: The history of outsourcing in India made its mark from 1700s but none included opportunities for women who could work from home. With the rolling



pin and board set being the only requirement instead of the high tech machines, it provided employment to hundreds and thousands of illiterate and semi literate women.

Challenges: It was not always smooth ride, in the first year, due to the rainy season they had faced many problems in drying papads, solution found was buying a cot and a stove which helped in the process.



Difficulty to dry the papads outdoor and the space issues at sister members residences for drying them indoors in rainy season affected the Lijjat's export business in monsoon. They hired an additional space which will be near to depots with Kerosene lamps where sister members can come and dry the papads.

Failures to start branches in Malad -1961 , Sangli - 1966 and unsuccessful ventures such as cottage leather (1979).

Diversification : After urad papad, it introduced 14 flavors and Appalam, Masala, Gehu Atta, Chapati, SASA Detergent Powder, Detergent & Liquid etc.

Products By Lijjat	Introduced In
Khakhra	1974
Flour Mills	1975
Masala	1976
Printing Division	1977
polypropylene packing division	1978
vadi, wheat atta, and bakery products, cottage leather, match boxes, incense sticks - agarbatti	1979
Sasa detergent soap	1988

Promotions: Instead of promotion more attention is on quality and cost effectiveness. Mouth publicity is the best way of promotion.

Advertisement: Rs. 60 Lakhs, which is 0.2% of the total turnover, is the annual expense on advertisements and promotions. The innovative campaign of 'Bunny Rabbit' was very effective.

The first success outside Maharashtra was branch at Valod, Gujarat in 1968.

Exports: Around 30 to 35% of the daily production of Lijjat is being exported. Its annual exports were more than US\$2.4 million in 2001. Clients in the United Kingdom, the United States, the Middle East, Singapore, the Netherlands Thailand, Holland, Japan, Australia etc.. (<http://www.indiaretailing.com/2017/09/17/food/food-grocery/minister-urges-lijjat-diversify-product-portfolio/>)

Factors for Success:

The vision and principles of Sri Mahila Griha Udyog Lijjat Papad are based on the ideals of trusteeship.

- Each department is independent and manages its own Profit & Loss.
- The strong base of the business concept, the family concept and the devotion concept.
- The consistent quality of the product is a primary factor that helps in maintaining Lijjat's brand image in the market for the last four decades.
- Any woman can join and start working after signing and promising to abide by the pledge which states that "work is worship" and they would not cheat.
- The Sarvodaya Philosophy proved vital in forming Lijjat's foundation.
- The pledge and all religion prayer also encourage cooperative work among woman, irrespective of caste or religion.
- Transparency in operations and a nonhierarchical setup has helped in establishing organizational accountability among member sisters.
- Lijjat encourages its members to provide support, instead of expecting help from others.
- It does not accept donations, grants but gives donations, which enhances members' self-esteem and pride in their own organization.
- Informal work environment: Due to open interaction, frequent meetings and consensual distribution of tasks reduce the possibility of disputes resulting from communication gaps and help work to go smoothly.
- Lijjat provides economic opportunities through a domestic activity. Once involved in this activity, the women acquire confidence and status as they make money in a respectable manner. The more enterprising, responsible and experienced member sisters climb the administrative ladder. Lijjat exemplifies a remarkable way of making leaders out of ordinary woman.

Awards :

- ▶ The "Best Village Industries Institution"- KVIC for the period 1998-99 to 2000-01.
- ▶ In 2002, the "Businesswoman of the Year" at The Economic Times Awards for Corporate Excellence.
- ▶ In 2003, The "Best Village Industry Institution".
- ▶ The PHDCCI Brand Equity Award in 2005.
- ▶ Chosen as a Power Brand 2010- 2011 by the Indian Consumer
- ▶ Khambatta Lifetime Achievement Award for 2010 by All India Food Processor's Association, New Delhi.
- ▶ Outstanding Service Organisation Award-2012' by National Institution for Quality and Reliability (NIQR), Chennai.
- ▶ Mahila Vikas Award 2016-17: Mahila Vikas Award 2017-Global Economic Award: The 'Global Economic Award' for outstanding contribution to Women Empowerment and Self-reliance.
- ▶ Wockhardt Foundation Social Development Award 2017

(<http://www.ljjat.com/NewsandFeature.aspx>)

The success of Shri Mahila Gruha Udyog has been a reflection of trust based team work, open communication and innovation.

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