

Success story of lijjat papad



**ASSIGN
BUSTER**

Apart from production, the branch is also responsible for marketing its products in the area allotted to it. The wide network of dealers and the goodwill that Lijjat products enjoy with customers make the marketing relatively easy. To maintain the high quality and standard of Lijjat products and uniformity in taste for the same product from different branches, the central office supplies the raw material – mung and urad flour — to all its branches. This remains the only involvement of the central office in the entire production and marketing exercise of the branch office.

The distributors pick up the quantity of papad they require and pay cash on delivery because Lijjat pays their bens (members are called bens, or sisters) every day. Since they have an estimate of the quantity each distributor takes, they produce accordingly. This ensures that they neither stock inventory nor pay heavily for storage.

They have about 32 distributors in Mumbai. Each distributor picks up an average of 100 boxes per day from the depot. This is where their job ends. They are not involved in how and where a distributor delivers as long as he stays within the area they have marked for him.

Generally each distributor has his three-wheeler and about eight to ten salesmen to deliver to retail outlets within his territory.

To select a distributor, they first give an advertisement in newspapers for the areas they have marked. Members from their marketing division personally go and check the godown facilities and only on their approval do they appoint distributors.

A distributor pays us Rs150000 as deposit. They make it clear to them that they must pay on delivery if they want their distributorship. This system is followed all over India and it works well for them.

When they discover that there is demand in a particular place, they open a new branch, like they recently opened one in Jammu and Kashmir. Whether or not they have a centre in an area, their goods reach there.

For example, they do not have any centre in Goa, but they have appointed a distributor for that area to ensure that Lijjat papads reach Goa. Their communication with distributors is regular through monthly meetings where they discuss their problems and also the issues that they may have about quality, price, reach, etc.

Lijjat's Ranchi branch was established in November 1997 bifurcating it from the only branch in Bihar at Muzaffarpur. It pays Rs 11, 000 per month as rent for the building that houses its office and workshop. A " trekker" (thirteen-seater passenger vehicle) has also been purchased for the conveyance of sister-members from home to the Lijjat office and back.

This branch has 165 sister-members and sold papad worth Rs 0. 65 million in November 2002. Vanai charge is Rs 14 per kilogram of papad and each sister was paid Rs 250 as extra vanai charge on Dipawali. The Muzaffarpur branch, according to Lijjat sources, paid Rs 2, 500 as extra vanai charge to its sister-members. Similarly, the Mumbai and Thane branch distributed gold coins of five grams to each of the 4, 056 sister-members a couple of months ago. The branch averages around four rupees as gross profit and one rupee as net profit from per kilogram of papad.

“ As an experiment, Lijjat has insulated its sister-members from joblessness. These women also work from their homes, where help from other family members not only adds up to the income but also makes the work more enjoyable. At the workplace they are self-respecting, hard-working and sisterly to one another. More importantly, besides the strength of womanhood, Lijjat is also an experiment in the restoration of the essence of womanhood. The Lijjat women offer an alternative to the highly competitive and stressful work environment defined and dominated by men in which a woman competes with a man more as a man than a woman,” says an elderly Gandhian, TK Sumaiya, of Bombay Sarvodaya Mandal.

They do not have individual door-to-door salesmen or women selling from homes — only the appointed distributor for the area. The same system is followed for other products, but they may have different distributors and depots for different products.

Shri Mahila Griha Udyog Lijjat Papad has a policy of not allowing any sales to be made on credit terms. All sales are made on cash-at-delivery or advance payment basis.

A close check is kept on the distributors to make sure that the products reach every nook and corner of the cities. They make sure that every retailer, no matter what size, stocks their brand of products if they are stocking any other brands of the same product.