

## Sustainable Development of MSME's

Krishan Guptaa

30th Oct 12 - CII

## Contents



- Why MSME's
- Vital Statistics
- Constraints
- ORGANIC INDIA
- Conclusion

## Why MSME's



- Engine for economic growth and development in every country
- Very important for India due to huge human resource
- Labour intensive providing more opportunities for low skilled workers
- MSME's are normally 8 to 10 times more labour intensive compared to large enterprises
- Important link in the supply chain for the large Enterprise
- Potential for innovations due to flexibility and risk taking abilities
- Create job opportunities in small towns and villages
- Key to trade balance as they use majorly local RM's and PM's

## GLOBAL Vital Statics ORG



- 80% global enterprises are SMEs, with less than 250 employees
- 90% of EU's business
- 85% of USA's business
- 90% of UK's business
- 70% of World's production

## **Constraints**



- Difficulty to absorb large fixed costs
- Absence of economies of scale
- Higher unit costs of production
- Long term finances
- Short cuts on quality
- Access to global markets
- Large enterprise push the environmental burden on MSME's by outsourcing
- Large enterprise drive the policies
- Passive MSME's associations

#### ORGANIC INDIA



#### **Unique Business Model**

- Everyone in the chain in win win situation
- Mother earth Organic process
- Family Farmers Premium pricing and total respect
- Associates Transparency
- Employee Partners
- End consumers Authentic organic products
- Planet as a whole wins
- We certainly have made some difference in past few years and look forward to making larger difference in coming years
- IN SHORT SUSTAINABLE FOR PLANET

## India Presence

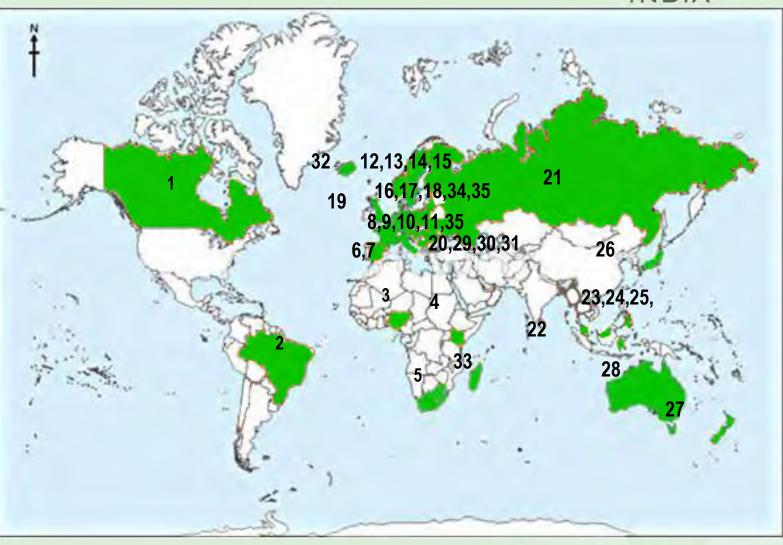




- 1. CANADA
- 2. BRAZIL
- 3. NIGERIA
- 4. KENYA
- 5. SOUTH AFRICA
  - 6. FRANCE
  - 7. ITALY
  - 8. GERMANY
    - 9. CZECH REPUBLIC
  - 10. SLOVAKIA
  - 11. SLOVENIA
  - 12. NORWAY
  - 13. SWEDAN
  - 14. FINLAND
  - 15. DENMARK
  - 16. LITHUANIA
  - 17. ESTONIA
  - 18. LATVIA 19. UK
  - 20. HUNGARY
    - 21. RUSSIA
  - 22. MALAYSIA
- 23. HONG KONG
- 24. INDONESIA
- 25. SINGAPORE
  - 26. JAPAN
- 27. NEW ZEALAND
- 28. AUSTRALIA
  - 29. TURKEY
  - 30. ISRAEL
  - 31. CROATIA
  - 32. ICELAND
- 33. MAURITIUS
- 34. ARMENIA
- 35. BENLUX
- 36. POLAND

## **ROW: 2011**





## PRODUCT RANGE





## 7th Largest Brand in Natural!



Product	DOLLARS	% Chg YA, \$	\$ / Pt. of DIST	Dollar Growth Contrib	UNITS	% Chg YA, U
YOGI TEA	\$11,581,554	4.0 %	\$3,007	\$444,893	2,892,404	(3.4) %
TRADITIONAL MEDICINALS	\$10,710,120	7.7 %	\$3,459	\$762,848	2,345,222	11.7 %
CELESTIAL SEASONINGS	\$7,821,416	1.9 %	\$2,180	\$145,628	2,494,943	(3.4) %
TAZO TEA	\$5,055,418	0.9 %	\$3,285	\$43,942	1,325,969	(6.2) %
CHOICE ORGANIC TEA	\$4,597,122	0.6 %	\$3,179	\$26,890	1,312,688	(2.5) %
REPUBLIC OF TEA	\$3,978,482	3.7 %	\$2,430	\$142,985	414,217	(0.7) %
ORGANIC INDIA	\$1,606,647	50.8 %	\$2,377	\$540,953	445,925	58.3 %
GUAYAKI	\$1,604,211	1.6 %	\$3,370	\$25,360	221,197	(6.8) %
NUMI	\$1,603,686	10.4 %	\$2,328	\$150,829	268,034	5.5 %
STASH TEA	\$1,404,825	9.7 %	\$1,674	\$124,106	528,918	11.2 %
GOOD EARTH	\$1,319,662	9.3 %	\$2,332	\$111,751	330,573	(0.5) %
TRIPLE LEAF	\$1,189,382	8.3 %	\$1,986	\$90,777	336,112	7.2 %
ECOTEAS	\$951,818	5.8 %	\$4,957	\$52,343	158,637	8.3 %
OREGON CHAI	\$935,333	(13.8) %	\$3,118	\$149,407	203,789	(14.7) %

## 2<sup>nd</sup> Fastest Grocery Growth Brand!



	Product	DOLLARS	% Chg YA, \$	\$ / Pt. of DIST	Dollar Growth Contrib	UNITS	% Chg YA, U
1	BIGELOW	\$862,137	140.2 %	\$15,966	\$503,193	254,881	145.8 %
2	ORGANIC INDIA	\$609,133	80.2 %	\$18,459	\$271,176	165,022	66.5 %
3	GUAYAKI	\$1,592,913	68.8 %	\$25,692	\$649,022	242,221	65.8 %
4	MIGHTY LEAF TEA	\$2,926,014	56.9 %	\$35,253	\$1,061,280	357,693	61.5 %
5	ZHENAS GYPSY	\$1,744,859	36.8 %	\$18,966	\$469,095	300,114	36.3 %
6	TAYLORS OF HARROGATE	\$1,036,357	26.0 %	\$74,026	\$213,908	165,418	34.8 %
7	TRIPLE LEAF	\$2,059,863	15.1 %	\$24,818	\$269,485	525,599	15.4 %
8	YOGI TEA	\$13,810,933	7.8 %	\$23,251	\$995,453	3,232,968	3.0 %
9	NUMI	\$2,935,349	7.5 %	\$22,407	\$205,622	478,097	2.4 %
10	REPUBLIC OF TEA	\$5,031,219	7.3 %	\$61,356	\$342,386	518,211	6.5 %











# International Cricketers With Tulsi Tea







## Our Retail Presence



Food bazaar, Bangalore

 International trade Fair, Rishikesh





#### Our Products in Modern retail









#### Spencer's Retail, Ghaziabad

#### Modern Bazaar, Delhi







#### **Stand alone - Retail**







## Promotional activity – Early morning



- Wet dispensing of Tulsi Tea at Air Force club Bangalore
- Ladies in the queue for tasting Tulsi Tea.





## Good Morning ....have Tulsi Tea!



Early morning activity at Garden.





#### Our Partners- Esteemed Doctors





#### ORGANIC INDIA DAY CELEBRATION



17<sup>th</sup> February
Tulsi sapling distribution to the Doctors





### Tulsi Green Tea to be the

## No.1 Health Drink in the near future



# ORGANIC INDIA FOUNDATION TEAM ORGANIC INDIA





#### INITIATIVES AND RESULTS



- Vocational training to women Stitching classes to empower them
- Self Help groups for women Lead a dignified life by growing Tulsi
- Hygiene improvement by partnering with villagers to construct toilets
- Over 50,000 villagers / farmers treated every year
- Blanket distribution every year
- Financial support to bright students in Villages
- Job opportunity for bright students from the villages in ORGANIC INDIA

#### **CURRENT ACTIVITIES**

- Free Medical Services
- Free Medicines
- Regular Health Camps
- Counseling
- Health Awareness Program
- Community Events





#### HEALTH PROJECT HIGHLIGHTS.



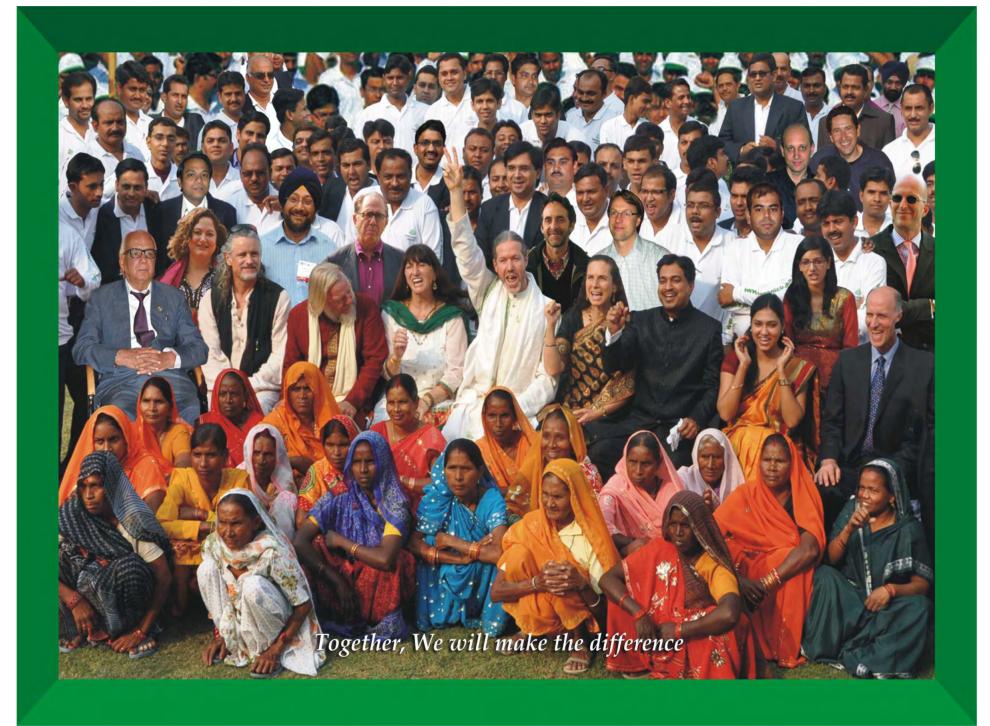
#### **VOLUNTARY BLOOD DONATION CAMPS.**

Every year ORGANIC INDIA Foundation organizes voluntary blood donation camps at it's health centers in collaboration with the government blood banks.









## Conclusion



- Sustainable development of MSME's is vital for India
- Learn from the working of successful MSME's
- Use the government schemes / support by creating effective clusters / associations and HIRE a professional to do the coordination
- Effective cluster / association can work like a large enterprise
- Large enterprise is equally dependent on MSME's
- Continuous innovation
- Focus on quality
- Create unique win win business model



## **Best Wishes**

krishan@organicindia.com