

# Cross Pollination

The Best of Business and Not-for-Profit

Transformation of livelihoods require large investments. While grants play a significant role in this transformation, livelihood organizations need to look beyond grant if they wish to achieve real scale of impact. They need transform themselves into sustainable business enterprises. This need has now intensified due to recent trends in the flow of funds.

## The Winds of Change

### Government is the new NGO

Recent Govt. schemes like NULM, NRLM and SRLM have a significant proportion as Govt. staff. This has reduced the Govt. fund flow into the NGOs.

### Decreasing international funds

India is now seen as a developed country and therefore International and Pvt. Grant resources are coming down.

### Funds should travel farther

Funds are moving beyond grant to investments in sustainable business enterprises. Therefore, new financial instruments such as equity and debt are now part of the mix.

## Not-for-Profit organisations need to become Social Business Enterprises.

How can this happen?



### Discovering

NGOs need to discover a sustainable business model built around the communities they work with. A model that balances the business and social objectives.



### Preparing

They need to prepare the ground for change, design programs that overcome the cultural resistance of its stakeholders to become a business enterprise.

### Evolving

The new enterprise has to have a rebirth in terms of legal (for instance, a Section 25 or a Pvt. Ltd. Firm) and financial (for instance, producer ownership or debt- grant mix) formats.



### Blossoming

Then the journey towards a sustainable business enterprise begins one step at a time - Organising Small producers into a collective, Raising Low-interest Finance, Nurturing People's Abilities, Creating Better Technology, Building Physical Infrastructure and Linking To Markets.

### Outcomes

#### Self-Reliant Evolution

Creation of a sustainable enterprise that can improve the income of its members by 2-3 times and enhance the quality of life for its producers.

From an organization that is dependent on grants alone to an organization that can sustain itself with the returns from its own business initiative.

The organization builds critical resources and competencies to deal with the changing socio-economic trends.

## Potential

Of the thousands of NGOs in India, if we were to cross-pollinate just **5000** NGOs into becoming sustainable enterprises.

At an average **₹1 Cr.** per enterprise, this will amount to a turnover of **₹5000** Crores.

At **100** producer members, it can improve the income of **500000** households by **2-3** times.

The change will be not just economic, but also improve quality of life and build greater confidence in themselves.