Darbar Bakery
AN EVIDENCE BASED MODEL OF SUCCESS
BACKGROUND

The Social Development Foundation (SDF) since its beginning in 2000 has been going the miles for unlocking the potentials of deprived population in the rural areas of Bangladesh. In this context the Boidda Para Gram Samiti of Nilphamari district under Rangpur region has been well-equipped with timely and demand driven development approaches after SDF’s intervention to improve the livelihoods of the disadvantaged. With a population of 789, most of the households of this village belonged to the extreme poor and poor group with very limited amount of literacy that also with other factors contributed to unemployment, in particular wage employment, and disempowerment of women. SDF became a great contributor to ameliorate the sufferings of the disadvantaged population through providing financial and non-financial services. This resulted in bringing out a larger section of the disadvantage population out of the poverty cycle. Here is the story of Parul Begum, the owner of Darber Bakery that captured the essence of SDF’s holistic approach to poverty alleviation and empowering the poor, especially the women.
Parul Begum: Multiplying Prosperity

‘I tried my best to live a life where we could have only square meals but not succeeded at all. However, the ‘Nuton Jibon Project’ turned the leaf of my life,’ said Parul Begum (48 years) of Boiitto Para Gram Samiti, Nilphamari.

With a very little earning of a day laborer husband and their four sons and a daughter Ms, Parul Begum’s life was in utter chaos, desolation and despair. They had to live on other’s pity, did not have any homestead of their own, and during the lean period, her husband could hardly earn enough to meet the both ends. The scenario started to change since 2011, when Ms. Parul Begum started to know about SIPP-I activities from her neighboring village and interacted with the project beneficiaries. That helped her to build her knowledge and confidence about the project. At the outset she started making little savings and regularly attending all the meetings. Initially she borrowed BDT 6,000 from the Revolving Fund of SIPP-II and undertook a two-month’s intensive course in bakery and confections. She also received skills and knowledge from the project about small entrepreneurship and demonstrated her interest to embark on bakery business in view of demand in that locality and her previous knowledge of working with the bakery. SDF also helped her to receive trainings on how to produce bakery items and create appropriate channels for delivering, selling and promoting such produces.

Furthermore she attended several workshops on various dimensions of business organized by other institutions. In addition to that, to include her family members in the business for its smooth operation, Parul
Bagum borrowed BDT 5,000 from the Revolving (Sabolombi) Fund of SIPP-II to train her son in law on bakery business. She also arranged on job training for her two sons.

She received financial support worth BDT 15,000 from the Revolving Fund from SIPP-II to set up a bakery on a small scale. With her zeal and dedication her business did not take that much time to grow. Subsequently she took a second loan worth BDT 30,000 from the Revolving Fund of SIPP-II and then BDT 1,00,000 from the Revolving Fund of current project NJLIP. She also borrowed BDT 50,000 from Grameen Bank to expand the business and managed to repay the loan.

The bakery businesses of Parul started on December 17, 2012 and by now 25 persons are working in her bakery and of them 10 are engaged as salespersons. Her husband, two sons and a son-in-law look after the marketing aspect. In addition to meet the demand in the locality these items are also supplied in other areas creating considerable demand. The daily sale of the bakery has stood at BDT 30,000-35,000. After meeting all the expenses Parul makes a net profit worth of BDT 3,000-4,000/day i.e. around BDT 80,000-90,000 per month.
Nowadays, poverty and hardship are past history in the life of Parul Begum. It is warrant mentioning that her bakery is built on 7 decimal of land and she is having a house of her own. She dreams of expanding her business to such an extent that allows her products being sold across Bangladesh. Though her achievements are noteworthy, the challenges faced by her were numerous and increasingly multifaceted. She faced tough competition with her male counterparts; and social taboos related to female entry into business. Many a time she was even forced to pay bribe. She was unable to sell her products in the initial stages, due to not having secured the clearance from Bangladesh Standard and Testing Institute (BSTI). Her employee drop-out rate was high and ensuring hygienic environment in the factory was a challenge during the nascent days of the factory. But, Ms. Parul Begum kept moving ahead.

During this period, she successfully secured licenses needed to operate the business. These are trade license, license from the Bangladesh Standards and Testing Institution (BSTI), Form-D for the production of food items, license by the Bangladesh Fire Service and Civil Defense. She has also received national license for the Worker’s Healthy Environment. She has a Tax Identification Number (TIN) and has been paying tax regularly.

Before she became an NJG member, they were unable to educate their children because of the poverty. This inspired her to establish an orphanage. Initially she took BDT 13,000 from her business to establish the orphanage in 2016 in her own compound. Currently it is a tin shed building with 21 children enrolled. Among them 15 are residential students. Two teachers are recruited to impart education in the orphanage. She is paying a monthly salary of BDT 7,000 for each teacher. Other monthly expenditures are about BDT 24,000-25,000 for cost of food and incidental expenses. From the net profit of the bakery around BDT 32,000 goes for the operation of the orphanage. The balance amount worth BDT 58,000 is used for family expenses and savings.
Technical assistance and training received to operate the investment from the Project

Received skills and knowledge from the project about small entrepreneurship and demonstrated her interest to embark on bakery business in view of demand in that locality;

Got two-months’ intensive course in bakery and confections from another organization with BDT 6,000 (borrowed from Revolving Fund of SIPP II) which gave her a firm foundation and advanced techniques for aspiring business person;

Received trainings from SDF on how to produce bakery items and create appropriate channels for delivering, selling and promoting such produces. That training focused on the key strategies to understand to give her a competitive edge and a road map to success.

Attended several workshops on this business at other institutions that covered-establishing a bakery related concept that can work in the market place-how to get started, how to position the product as unique, the importance of marketing, packaging, and design, understanding sales, expenses and profits, and capital budget, how to raise the money to start up a business.

Monthly Net Profit Since Establishment of the Bakery

Sustainability risk of Parul’s enterprise beyond the project life

Although women entrepreneurs have become important players in the entrepreneurial landscape, it is imperative to clarify who are women entrepreneurs. As a female, Parul Begum has been playing a captivating role by repeatedly interacting and keenly adjusting herself with financial, socio-economic, and support spheres in the society. It can be concluded that a woman entrepreneur is the female front-runner of a business who takes the initiatives of introducing a new venture, who accepts the associated risks and who, in the true sense, responsible for its day-to-day activities. Given this context, she continues to face both tangible and intangible challenges, such as those reported below.

Challenges (Tangible and Intangible)

Tangible challenges:

On the one hand, as a women entrepreneur, she may suffer from inadequate financial resources and conversely the inability to receive external financial assistance due to lack of credit worthiness of tangible security, can also be a constraint for getting such support. The other constraint faced by Parul Begum is inadequate network contacts. In recent times it has been observed that proper networking
with relevant financial service providers significantly catalyses entrepreneur’s non-access to capital and leadership. Moreover, lack of management skills, marketing facilities, unavailability of appropriate technology, limited mobility, low risk bearing ability and socio-cultural barriers also deserve consideration.

**Intangible challenges**

Although more women are embracing entrepreneurship, they often face not only tangible but also intangible challenges not typically shared by their male counterparts. Although tangible resources (such as financial resources) are critical for start-ups, studies have shown that relative to tangible resources, intangible resources play a more important role in a company’s competitive advantage.

Using case studies of women entrepreneurs, it was found that a woman entrepreneur’s social, human, and reputational capital are related to the growth of her business. In this context, four major intangible resources: social, human and reputational capital, as well as social competence would create sustainability risk for the enterprise including managing business growth and expansion, and overcoming negative perceptions of women entrepreneurs. Intangible resources are crucial drivers of firms’ growth and competitive advantage.

**Parul’s contribution in the society**

Today, Parul Begum, is serving as the spark plug in the economic and social arena, giving back to the community both economically and socially. While her entrepreneurial energy, creativity and motivation triggered the production and sale of new products, it also accelerated scaling up the bakery beyond her small village in a short period, and her social energy, creativity and motivation led to her establishment of the orphanage in her backyard.

Parul Begum’s transformation is noteworthy- from a hardcore poor woman, to a successful entrepreneur. Today, Ms. Parul Begum is asserting her social rights and making her presence visible, regardless of her previous socio-economic backgrounds. She now owns an independent view and attitude and increasingly gaining control over her life and taking independently decisions in and outside of the family. Her roles are manifold—a caring mother, wife, sister and above all a working professional with outstanding harmony and simplicity.

In the words of Ms. Parul Begum, ‘Today my economic solvency and ability has enabled me to compete in this male dominated society. Now I have control over my life and family and exert influence in the society.’