Team 36 Report

GLOBAL ENTERPRISE EXPERIENCE
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EXECUTIVE SUMMARY

In India today there over 300 million men, women and children who are subject to discrimination, oppression and hate crimes simply for being born into the ‘wrong’ caste. To be a Dalit in modern India is to be considered ‘untouchable’. This often means exclusion from education, exclusion from meaningful employment and exclusion from society.

Our business, CTRL ALT DALIT, will seek to address these issues by giving Dalit youth living below the poverty line in Jaipur the chance to join the booming Indian IT industry. We would pay for Dalits to learn programming and then employ them within our company, fulfilling programming contracts. Employees would receive a steady basic income while also receiving a percentage of revenue from all contracts they work on. We would attract work from Western companies who are concerned with corporate social responsibility, appealing to them with our combination of positive social change and affordable, quality work.

Our initial capital requirements of 56,000 USD would be met through a combination of team member investment and bank loans. In year one of operations we would incur a net loss of 4,350 USD but as our programmers become more skilled, more teams are trained and our reputation is established, the business will quickly become profitable and in year five we anticipate a profit of 113,420 USD.

Dalit Discrimination Within India

Caste society has been ingrained in Indian culture for hundreds of years and became firmly entrenched during British colonial rule. The caste into which people were born determined their place in society and divides were rigidly fixed. Higher castes receive preferential treatment while lower castes were subject to institutional discrimination. Dalits make up 25.2% of the population of India and are the lowest caste level (The Indian Express, 2013). They are subject to the practice of untouchability, which means they are confined to menial jobs and lack opportunities to pursue meaningful employment. Untouchability also means that ‘higher’ castes will not touch any object that has been physically in contact with a Dalit person. Although untouchability and discrimination against Dalit has been illegal since India became independent from British rule in 1947, discrimination, violence and other abuse against Dalit people remain commonplace and their situation has been likened to apartheid by Human Rights Watch (2007).

Violent and discriminatory incidents are frequently faced by the Dalit people, they “are not allowed to drink from the same wells, attend the same temples, or wear shoes in the presence of an upper caste, or drink from the same cups in tea stalls” according to Smita Narula, a senior researcher with Human Rights Watch. (Mayell, 2003). Statistics compiled by India’s National crime records bureau show that in 2000, 25,455 crimes were committed against Dalit people, including assaults, women raped, murders and homes torched. This discrimination also affects Dalits’ educational opportunities, with very high dropout rates within the caste. In particular, UNICEF found that Dalit girls are the most excluded from primary education in India, and that...
half of pre-school age Dalit children aren't attending school (UNICEF, 2014). This further limit employment opportunities for Dalits.

The lack of employment and educational opportunities has a direct impact on the wellbeing of Dalit people. 65.8% of Dalits live below the poverty line compared with 33% for other castes (International Dalit Solidarity Network, 2010). Dalit require meaningful and rewarding career paths and education to break free of the poverty trap and have a positive impact on their society. Financial security will allow Dalits to engage with their community and have more power to enact social change to reduce discrimination.

**BUSINESS OBJECTIVES**

The primary business objectives for CTRL ALT DALIT are as follows

- To sustainably provide Dalit youth with expert knowledge and employment opportunities to reduce the level of Dalit unemployment in India and help them escape discrimination, poverty and menial labour.
- To empower Dalit to become business leaders within their communities and encourage community learning, development and identity.
- To give Western companies the opportunity to embrace corporate social responsibility and foster beneficial societal change.

**BUSINESS OVERVIEW**

**Location**

CTRL ALT DALIT would begin operations in Jaipur, where there is a high percentage of Dalit people but where there is also widespread practice of ‘untouchability’ and disproportionate crime committed against Dalit (Chisti, 2014) (Pathak & Sampath, 2016). This offers us an opportunity for high impact with our program. Jaipur also has an established IT industry, but not to the same degree as other larger cities (Resurgent Rajasthan, n.d.). This means that we will be able to employ seasoned professionals but at relatively affordable salaries and there will be other opportunities for our programmers should they decide to work outside the company. We would initially rent an office with around 1800sqft in a predominantly Dalit populated district and acquire new office space as our business expands.

**Operations:**

We will start with an initial class of 20 Dalit students/programmers in Jaipur who will be guided by a single teacher/team leader. We will focus on intense learning to begin with, to get the programmers to a point where they are able to complete some basic work (such as data entry) and begin bringing in revenue. At this stage teachers would continue helping the programmers develop their skills and we’d endeavor to secure contracts that would scale up in complexity with the programmers enhanced capabilities. The workday would be split between working on contracts and developing new skills. Focus would also be put on helping all programmers
develop their English language skills to improve performance and open up future employment opportunities.

The business will focus on web development, mobile app development as well as SQL and Java as these are the most in-demand skills in the IT industry. The team members would specialize in different key areas to avoid having a team of jack-of-all-trades. Having a range of skillsets will allow us to fulfill varied contracts and allow for easier future expansion, as we will have wider knowledge base to spread to future employees.

Initially work could come from websites such as freelancer.com, where contracts for programming work are offered out. The company could undercut potential competitors with our low overheads to secure contracts, which will help our programmers develop their skills while still bringing in revenue. As we become more established in both capabilities and reputation a business development manager would be used to foster direct relationships with Western countries that are interested in corporate social responsibility.

**Staffing**

Students would be selected from urban Dalit youth from within Jaipur. Highly experienced teachers would be sought with a wide range of programming expertise to enable programming development in a range of areas.

Each programmer will receive a basic living wage, which will be above the poverty line, but in addition to this they would also receive a share of revenue from contracts that they work on. This revenue sharing is a unique opportunity for a programmer in India, and we believe this will be a strong incentive for employees to stay with the business.

In addition to programmers, we will also hire local Dalit to fill Marketing, Business Development, and HR and Admin positions. After the pilot program the company will seek to scale up and bring in new groups of students to the company; scaling more and more within Jaipur.

**MARKETING**

**Attracting Promising People to our Company:**

Staffing efforts will focus solely on the Dalit caste in India. Specifically, young urban Dalit men and women, between the ages of 16 and 25. The focus will be on attracting Dalit who are living in low socio-economic areas of Jaipur through an attractive offer of paid education and the promise of future revenue sharing and ownership opportunities. To reach potential employees, we will identify and approach local community leaders, for example through religious organisations or schools, and work with them to identify suitable willing applicants. We will also seek to partner with DICCI (Dalit Indian Chamber of Commerce and Industry) to develop methods to target potential employees. In addition, a flyer and poster campaign could be used as a more general method to increase awareness and attract applicants. The most promising applicants would then be accepted for the initial pilot group. These would be quick-learning individuals who show an entrepreneurial spirit as well as knowledge of English.
Attracting Programming Work

Initial work for the company is likely to be through websites such as Freelancer, Upwork, Guru or people/hour. We would take advantage of our low overheads to undercut other competitors to secure contracts and highlight the social benefits that our company provides to Dalit people. Particular focus will be made on contracts within existing skill levels and at the next step up to provide opportunities for learning while earning.

Once the programmers are more experienced and skilled, and the company’s reputation is better established, we would seek to form relationships with prominent Western countries. Business awareness will be extended through social media and other media platforms such as online news websites and sites dedicated to the IT industry. Additional emphasis would be put on print magazines, both general journalism and industry focused to increase awareness of the situation of Dalit in India and what our business does to improve their wellbeing, while still offering a high-quality service.

A website will also be established to give an overview of our vision/mission and strategies of the company to prospective clients. There we could highlight the positive impact that we’ve made for our employees through individual profiles. There, employees could explain how much their lives have changed and how much they have gained and learned.

Competitor Analysis

The IT industry is a very competitive area, particularly in India. However, it is growing with more and more demand emerging for skilled programmers. Most competitors differentiate themselves through their scale and specializations. Our key differentiation will be through our focus on social change to create a unique and appealing brand image. Outsourcing to India can sometimes have a negative stigma attached but our company’s identity would flip this perception and greatly appeal to companies wishing to improve their own brands’ perception through positive association with social change. Quality and reliability will also be a key focus to ensure our reputation is strong and future contract opportunities are not harmed.

FINANCIAL OVERVIEW

Each member of the team will invest $2000 to make them shareholders of the company and each will be part owner of the company. We will also secure a bank loan of 40000 USD to cover all startup costs and expansion in the second year. Further expansions will be paid for using revenues reinvested into the business.

Sources of Capital Requirement

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Contribution</td>
<td>16000</td>
</tr>
<tr>
<td>Loan from bank</td>
<td>40000</td>
</tr>
</tbody>
</table>
Expenses and Revenue:

The following table shows expected expenses and revenues for the first five years of operations. (All figures in USD)

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students base salaries</td>
<td>14,400</td>
<td>28,800</td>
<td>57,600</td>
<td>86,400</td>
<td>129,600</td>
</tr>
<tr>
<td>Teachers’ Salaries</td>
<td>4,600</td>
<td>9,200</td>
<td>18,400</td>
<td>27,600</td>
<td>41,400</td>
</tr>
<tr>
<td>Other Staff Salaries</td>
<td>3,500</td>
<td>14,000</td>
<td>17,500</td>
<td>28,000</td>
<td>31,500</td>
</tr>
<tr>
<td>Bonuses</td>
<td>5,600</td>
<td>28,700</td>
<td>57,400</td>
<td>156,600</td>
<td>242,400</td>
</tr>
<tr>
<td>Rent</td>
<td>7,000</td>
<td>14,000</td>
<td>21,000</td>
<td>28,000</td>
<td>42,000</td>
</tr>
<tr>
<td>Electricity</td>
<td>80</td>
<td>160</td>
<td>240</td>
<td>320</td>
<td>480</td>
</tr>
<tr>
<td>Computer Equipment</td>
<td>7,500</td>
<td>7,000</td>
<td>13,000</td>
<td>12,000</td>
<td>13,000</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>1,100</td>
<td>1,200</td>
<td>2,150</td>
<td>2,250</td>
<td>3,200</td>
</tr>
<tr>
<td>Advertisement and Marketing Expenses</td>
<td>500</td>
<td>2,000</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Registration fees</td>
<td>70</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total costs</td>
<td>44,350</td>
<td>105,060</td>
<td>190,290</td>
<td>344,170</td>
<td>506,580</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Contracts</td>
<td>40</td>
<td>55</td>
<td>110</td>
<td>190</td>
<td>190</td>
</tr>
<tr>
<td>Average Value of Contracts</td>
<td>1,000</td>
<td>2,091</td>
<td>2,091</td>
<td>2,132</td>
<td>3,263</td>
</tr>
<tr>
<td>Revenue</td>
<td>40,000</td>
<td>115,000</td>
<td>230,000</td>
<td>405,000</td>
<td>620,000</td>
</tr>
<tr>
<td>Profit</td>
<td>(4,350)</td>
<td>9,940</td>
<td>39,710</td>
<td>60,830</td>
<td>113,420</td>
</tr>
<tr>
<td>Net Cash Flow</td>
<td>(4,350)</td>
<td>5,590</td>
<td>45,300</td>
<td>106,130</td>
<td>219,550</td>
</tr>
<tr>
<td>Discount rate</td>
<td>0.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discounted net cash flow</td>
<td>-3,954.55</td>
<td>4,619.83</td>
<td>34,034.56</td>
<td>72,488.22</td>
<td>136,323.28</td>
</tr>
<tr>
<td>NPV</td>
<td>$243,511.34</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Rate of Return</td>
<td>388%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Our primary expenses would be found in wages. These have been broken up into four distinct sections. Firstly, student employees will receive a base salary of 60 USD per month each. This will be sufficient to keep them above the poverty line (Ferreira, 2015). Teacher’s salaries will be significantly higher as we will be seeking to hire experts in the IT field and must be competitive with other IT companies. Other Staff Salaries covers staff such as business development, marketing and HR and admin staff.

In addition to base salaries, there will also be bonuses for employees. All of CTRL ALT DALIT’s revenue will be split 50/50. 50% will cover the business’s non-labour costs or will be reinvested in the company. The other 50% will be distributed amongst the staff. The base salary for student employees will first be deducted and then the remaining revenue will be shared with those who worked on the relevant contracts. The employees’ share of revenue may increase as they become more experienced.

Staff levels would increase with one new group of 20 students added in the second year, two new groups added in the third and fourth years, and three new groups added in the fifth years. Other supporting staff such as teachers will increase at a proportional rate.

Other significant costs include computers, which would be cost approximately 300 USD each, with one required for each staff member. Similarly, office equipment such as desks and chairs would cost approximately $50 per staff member.

We would require approximately 60sqft of office space per employee and offices can be acquired within Jaipur for $0.30 per square foot per month. As we expand our operations and staff numbers, additional office space will need to be acquired and rent will increase. A similar effect will be seen with electricity costs.

Advertisement and marketing would see a major jump in years 2 and 3, as the company would seek to attract the attention of bigger Western companies.

We anticipate that an inexperienced team of programmers will be able to complete 40 contracts with an average value of 1000 USD in a single year. As teams gain experience they will fulfill fewer contracts with increased complexity and increased return. We expect teams with 1-2 years of experience to handle 15 contracts with an average value of 5000 USD and teams with 3 or more years of experience to handle 5 contracts with an average value of 20,000 USD.

**OUTLOOK**

After scaling up within Jaipur, the company would look to expand more into other cities within India with high levels of poverty and discrimination against Dalits. The business will look to take its most successful programmers and give them the opportunity to teach and lead their own team. In this way, our business will be fostering a sustainable cycle of teaching and learning within Dalit communities and will be able to bring more and more Dalit out of poverty. We would also seek to establish long-lasting partnerships with prominent Western companies that share our businesses commitment to social responsibility and become key partners for their outsourcing work. Dalit ownership of the company would steadily increase as shares are made available to dedicated and experienced staff members.
REFERENCES:


Ferreira, F. (2015). The international poverty line has just been raised to $1.90 a day, but global poverty is basically unchanged. How is that even possible? Retrieved from: http://blogs.worldbank.org/developmenttalk/international-poverty-line-has-just-been-raised-190-day-global-poverty-basically-unchanged-how-even


