

BUSINESS STRATEGY



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Short Description

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case study

Description

Case 3: HELPAGE INDIA

The developments in medical sciences—the lowering of mortality rates and the increase in life expectancy—have ironically led to a situation where there are increasingly, a larger number of aged people in the society. The situation in most countries of the world is that the number of ageing people is increasing. India too, like other developing countries, experiences a rapid ageing of the population, with estimated 80 million aged people. Almost eight out of ten of these aged people live in rural areas. The challenges that the elderly people in society face are many. For instance, a report in the Indian context indicates the following challenges:

? 90% of senior citizens receive no social security or medical care.

? 73% of senior citizens are illiterate and can only earn a livelihood through physical labour, which is possible only if they are healthy in their old age.

? 80% of senior citizens live in rural areas with inadequate or inaccessible medical facilities; many are unable to access the medical facilities because of reduced mobility in the old age.

? 55% of women over the age of 60 are widows with no means of support

The elderly people, or senior citizens, are the fastest growing segment of the Indian society. By 2025, the population of the elderly is expected to reach 177 million. Unlike many developed countries, India does not have an effective security net for the elderly people. There have been sporadic attempts by governments at the central and state levels to pay old age pensions, but like most government schemes, there is a lot of leakage of funds and inefficiency. There is also a lack of post-retirement avenues for re-employment. Socio-economic developments such as urbanization modernisation and globalisation have impacted the economic structure and led to an erosion of societal values and the weakening of social institutions such as the joint family. The changing mores of society have created a chasm between generations. The intergenerational differences have created a situation where the younger people are involved in education, career building and establishing themselves in life, ending up ignoring the needs of the elderly among them.

The older generation is caught between a society which cares little for them and the absence of social security, leading them to a situation where they are left to fend for themselves. It is in this context that institutions such as HelpAge India play a positive role in society. HelpAge India, established in 1978, is a secular, not-for-profit, non-governmental organisation, registered under the Societies Registration Act of 1860. Its mission is stated as ‘to work for the cause and care of the disadvantaged older persons and to improve their quality of life’. The three core values that guide HelpAge India’s work are rights, relief and resources. HelpAge India is one of the founder members of HelpAge International, a body of 51 nations representing the cause of the elderly at the United Nations.

It is also a member of the International Federation on Ageing. The organisation of HelpAge India consists of a head office at New Delhi, with four regional and thirty-three area offices situated all over India. The governing body of the organisation consists of ten distinguished people from different walks of life. Besides the governing body, there are three committees: the operations committee, the business development committee, and the audit committee. The CEO, Mr Mathew Cherian oversees the planning and implementation of policies and programmes, with the support of five electors. The regional directors are responsible for their own regions. The program division at the head office chooses the partner agencies to provide the services to the elderly people.

HelpAge India raises resources to perform three types of functions:

? Advocacy about policies for the elderly persons with the national and local governments

? Creating awareness in society about the concerns of the aged and promote better understanding of ageing issues

? Help the elderly persons become aware of their own rights so that they get their due and are able to play an active role in society The major programmes undertaken by HelpAge India include mobile medicare units, ophthalmic care for performing cataract surgeries, Adopt-a-Gran, support to old-age homes, day care centres, income generation and disaster relief.

The business model of HelpAge India is based on revenue generation through grants and donations from international and national source. Nearly half of the donations come from international donors. About a fifth of the donors are individuals. The sources of contributions come from fundraising activities that include direct mail, school fundraising corporate fundraising, sale of greeting cards, acting as corporate agent for insurance, organizing event and establishing a shop-for-a-cause that sells gift made by disadvantaged people. A review report on the activities of HelpAge India enumerates its strong points as below:

? *Wide Reach and Impact* HelpAge India has been able to impact the lives of a large number of elderly people and their families by adopting a holistic approach that provide immediate relief as well as long-term sustainable improvement.

? *Effective Partnerships in Development* HelpAge India has evolved as a development support agency through creating partner agencies, that is funded to implement the projects.

? *High Degree of Charitable Commitment* Typically non-profit organisations spend a lot; on overhead and administrative costs. But HelpAge India is able to put nearly eighty-five, per cent of the funds towards actual project implementation.

? *Focus on Efficiency and Transparency* The partner agencies are chosen carefully and monitored thoroughly. This results in increased efficiency and low overheads. Project implementation through partnerships increases efficiency and cuts down on overhead costs.

? *Quality of Management* The management; quality of HelpAge India is good and there are a lot of committed people. New employees are also trained to be sensitive to the mission of the organisation.

With a wide spread of activities and being a non-governmental organisation having limited funding, HelpAge India has adopted modern means of information technology and networking. Most of the HelpAge executives work in the field and

have no direct access to the office network. They have to use e-mail in order to maintain contact with their regional or area offices. They use cyber-cafes or handheld devices for sending and receiving e-mails. HelpAge has installed a secure connection at an initial cost of Rs. 4 lakh and annual up gradation cost of Rs. 75,000 to access e-mail from anywhere, with a high level of security and protection of data and contents. The nature of non-profit organisations demands certain requirements. Among these, transparency of operations and funds management is a major one. There are many NGOs that are accused or suspected of misappropriating funds for personal benefit. HelpAge India is conscious of this fact and gives high priority to information disclosure. The audited financial statements and the annual report are available on its website. The financial statements give a detailed account of the expenditure on individual projects. The expenses on travel and salaries of its employees and CEO are also mentioned. The individual donors are provided information regarding the use of the funds donated by them. The functional approach at HelpAge India consists of developing projects based on the assessment of the needs of its target community rather than on implementing them directly. The implementation takes place through the partner agencies. Rather than outright grants, it supports income generation projects for the elderly people. The success of implementation critically depends on the identification and appointment of partner agencies. The officers of HelpAge India physically inspect the proposed agencies and check on their management to ensure that they are not family-run set-ups established for personal gains.

HelpAge India works presently, with nearly 400 partner agencies. These include, for instance, about 150 charitable eye hospitals that act as partner agencies for the ophthalmic care programme. HelpAge India with its slogan of 'fighting isolation, poverty and neglect' moves on its mission of providing 'equal rights, dignity for elders'. It foresees its future activities in the area of rights based advocacy for a better life for the elderly people by bringing them into the mainstream of society rather than being marginalised to the fringes.

Questions

1. In your opinion, what is the distinctive competence of HelpAge India?

2. Prepare a strategic advantage profile for HelpAge India.

Details

1. Case study solved answers

2. pdf/word

3. Fully Solved with answers