

GALIYAT RESEARCH PROJECT

Potential Possibilities for
Enterprise Creation

Tuck Shop | Hotel / Restaurants | Tea Stall | Coconut Stall | General Store | Burger | Ice Cream / Coffee

Shawls / Clothing | Umbrella | Dry Fruits | Mechanic

Artificial Jewelry | Sun Glasses | Handicrafts



Changla Gali

Bandar Point

Ayubia



Kuza Gali

Diyaar Gali

Nathia Gali



Farooq - e - Azam Morti

Kashmir Point

Baghotar



Dunga Gali

Harnoi

Khera gali



KPEmpowered (KPE)

Khyber Pakhtunkhwa Empowered (KPE) programme has been conceptualized by SEED, and has been formulated to serve the larger purpose of socio-economic development in KPK. The Galiyat pilot project is being launched under the KPE programme. This pilot project will be launched in Galiyat in collaboration with the Galiyat Development Authority (GDA), and will be executed with the support of Tech Valley Abbottabad. The focus of this pilot project is to develop an entrepreneurial ecosystem in Galiyat through; creation of sustainable livelihood opportunities for grass-root-entrepreneurs, and enhancing and augmenting tourism in the region.

Galiyat Research and Mapping

INTRODUCTION

Development of the tourism industry in KPK is one of the key focus areas of Galiyat region's provincial government. However, progress in this particular sector requires that an innovative approach is taken with respect to its development. Tourism cannot flourish in isolation. It is the by-product rather than the source of socio-economic progress in the region. Economic prosperity stems from entrepreneurial and business activity in a particular region, and is scalable and sustainable when the cores of such activities are indigenous resources.

The Galyat site visit was conducted, covering 13 locations, to map the micro-enterprise landscape and to assess the needs of their grass-root entrepreneurs. This survey helped ascertain their requirements which could be used to develop and customise products that could relevantly addresses their business and operational needs.

We would like to acknowledge the integral contribution of Social Entrepreneurship and Equity Development (SEED) towards making of this report and for providing us with all the resources and mentoring required in making its production possible.

BACKGROUND

Galyat region, or hill tract, is a narrow strip or area roughly 50–80 km north-east of Islamabad, Pakistan, extending on both sides of the Khyber Pakhtunkhwa-Punjab border, between Abbottabad and Murree.

The word itself is derived from the plural of the Urdu word gali, which means an alley between two mountains on both sides of which there are valleys and it is not the highest point in the range. Many of the towns in the area have the word gali as part of their names, and are popular tourist resorts. The primary industries that operate in this area are food, gift items, garments, shoes and a amidst this landscape is that even though local manpower is absorbed by the industries operating within the area, opportunities are limited, due to lack of resources and lack of tourist attractions.

Local Stakeholders

- Galyat Development Authority
- Grass Root Entrepreneurs (Public Sector)
- Consumers/Customer Base

Research objectives

Our research objectives were as follows:

- To gain an understanding of the business landscape at the grass root level and identify industries that showed growth potential.
- To understand if the vendors who run these small industries are open to innovative methods and opportunities of expanding their operations.
- To realise the business challenges faced during operations and how they can be overcome to increase the revenue generation of the vendors involved.

METHODOLOGY

A) Forms and Profiles

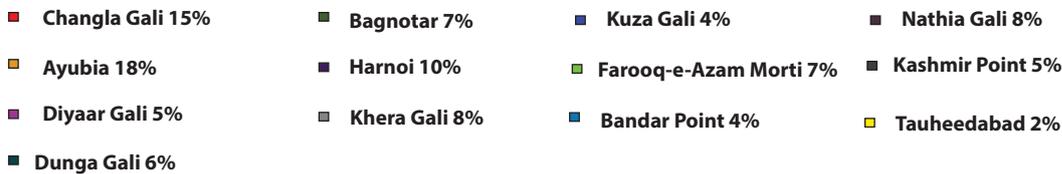
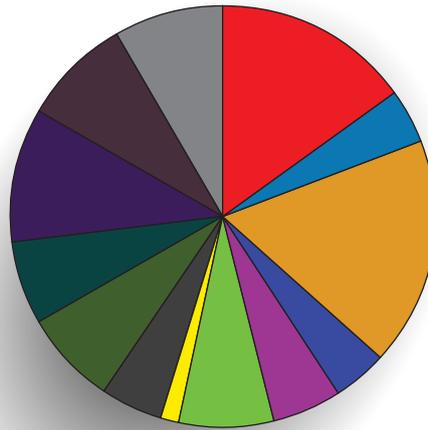
In order to fulfil the aforementioned research objectives, we designed a questionnaire which was used to collect information about the vendors, and their business aspirations.

Sample Size	200 participants
Area Selected	Galiyat Region
Locations	Changla Gali, Ayubia, Diyaar Gali, Tauheedabad, Bagnotar, Harnoi, Khera Gali, Bandar Point, Kuza Gali, Farooq-e-azam Moorti, Kashmir Point, Dunga Gali, Nathia Gali
Objectives	To determine the operational and business challenges faced by street vendors and also the existing conditions of their work surroundings.
Information Collected	<ul style="list-style-type: none">• Basic owner profile (name, education level, age and location)• Nature of business• Business challenges and operational difficulties• Top operating businesses in the area
Methodology	Qualitative and Quantitative

Field Research and Data compilation

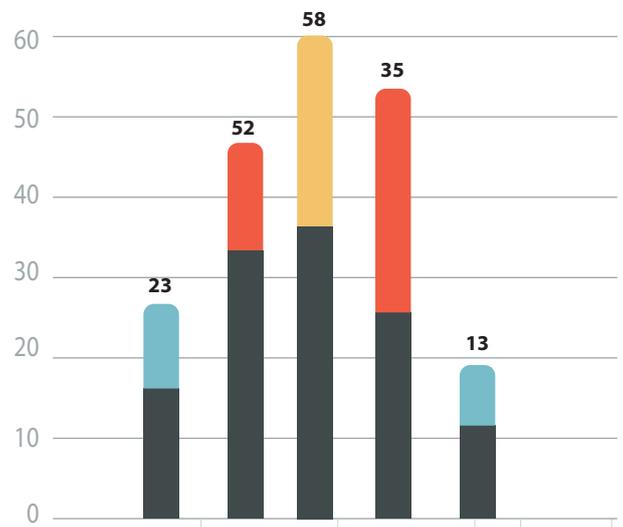
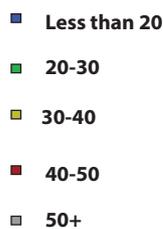
The collated data helped to provide us with a perspective on industry performance and its challenges. The sample population was also asked about their future plans with respect to their current businesses and how innovative methods could possibly increase their revenue generation and hence add value to their current methods. They were shown pictures in this regard to which they gave their comparative responses and reviews. The research was also done from the perspective of design, as to how modern, designed infrastructure could attract more customers, ease operations and make their current facility more accessible, aesthetically appealing and profitable.

Outcome



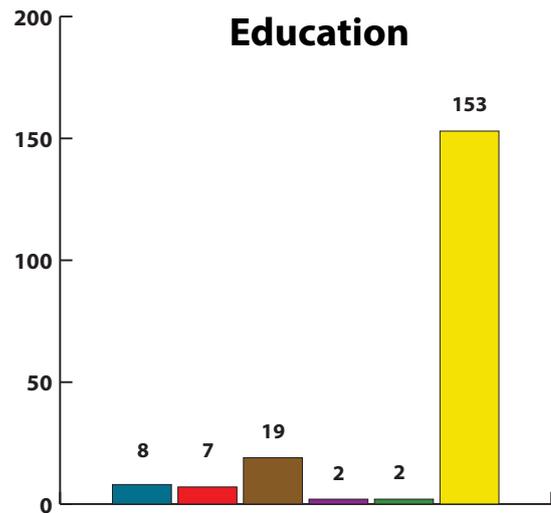
General Observations

- The bar graph shows the age bracket of the candidates interviewed at the locations of Galyat. Most of the vendors belonged to the 30-40 age category.



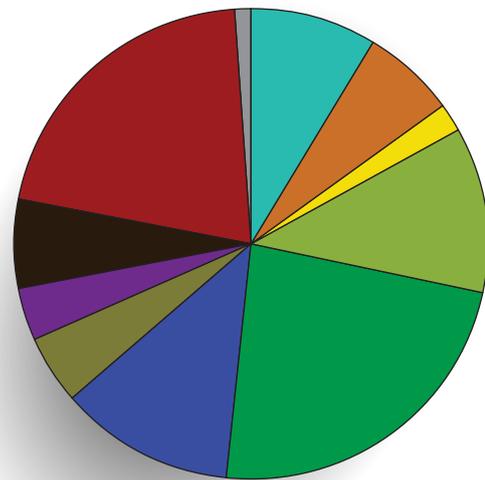
2. Only a small percentage of the vendors had significant education. 153/200 vendors were uneducated but had noteworthy work experience in their respective arenas. More than 60 vendors were new to their businesses while around 55 vendors had 10-20 years of experience of operating kiosk businesses.

- Primary
- Middle School
- High School
- Intermediate
- Graduate
- None



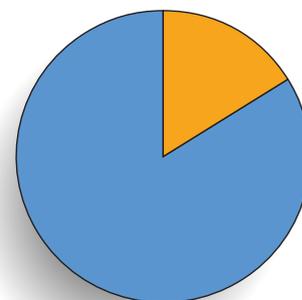
3. The most prominent business categories in these areas were General Store items and hot beverages. While cold drinks, gola gandas, bhutta, and clothing items such as shawls were secondary but prominent selling items in the area.

- Clothing / Shawls 9%
- Accessories 6%
- Fast Food 2%
- Cold Spots 11%
- Hot Beverages 23%
- Bhutta 12%
- Coconut 5%
- Activities / Security / Services 4%
- Fried Items 6%
- General Items 21%
- Produce



4. 27% of the businesses are seasonal, where vendors have to move away or freeze their businesses due to weather conditions or lack of tourist attractions, while the remaining are permanent and circulate in these areas all through the year.

- Permanent 73%
- Seasonal 27%



Business Cycle

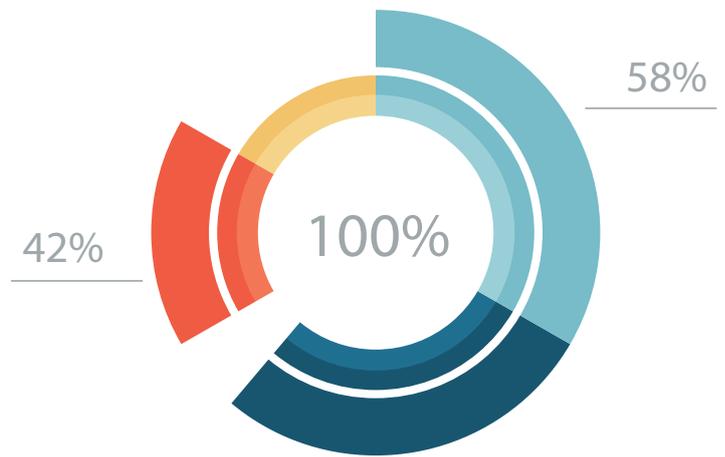
5. 42% of the Vendors interviewed were unsatisfied with their business operations due to the problems they face and the profit they earn. More than 90% of the vendors were willing to expand their businesses in their own or other domains, amongst which the most popular were food items sold on carts.

Willing to Expand In



- Clothing 14%
- Food 49%
- Hotel 14%
- Accessories 14%
- Beverage 9%

Vendor Satisfaction

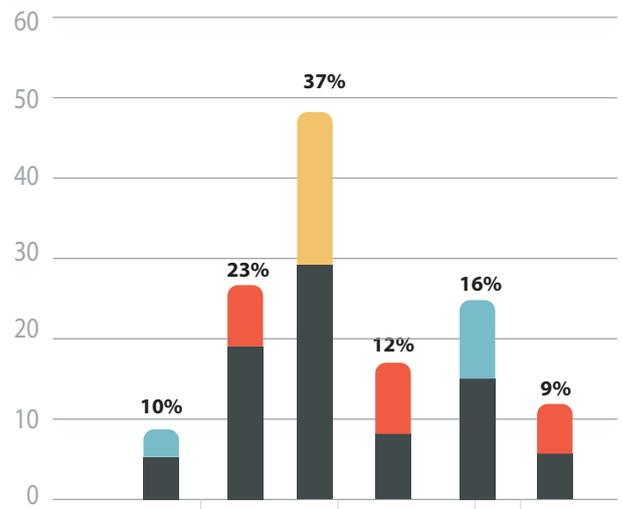


100%

- Yes 58%
- No 42%

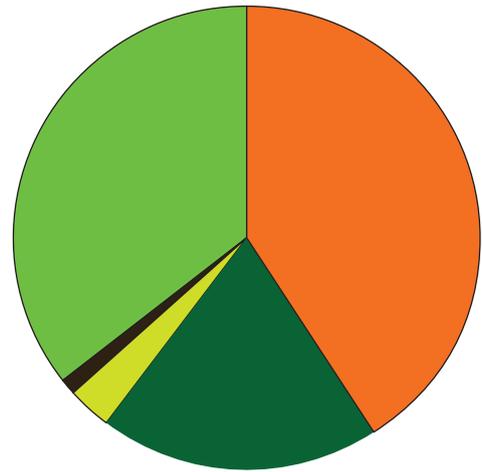
6. According to the interviewed vendors the most popular and profitable businesses in the area are of food items, which includes fried and cooked items, hoteling/rest houses and clothing items such as shawls and warm clothes.

- Hotel
- Accessories
- Food
- Clothing
- Toys
- Beverage



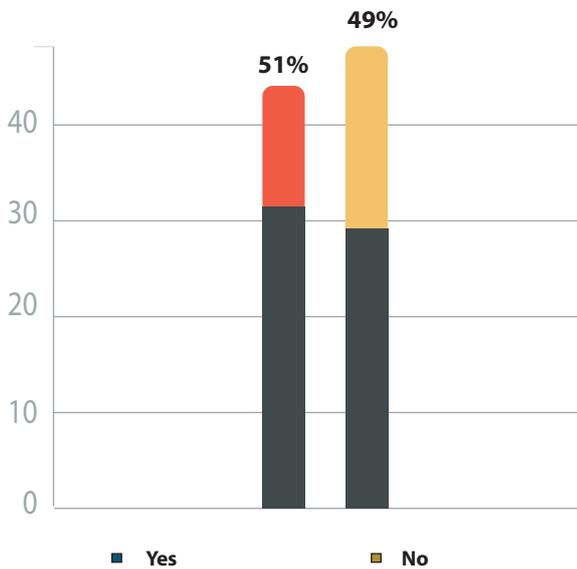
Top Businesses In Area

7. The major business challenges the Vendors face include weather problems, rain and snow, and power issues. Lack of shade/shelter and preparations make it very difficult for the vendors to carry out operations in extreme weather therefore they freeze their businesses which affects them financially. Shortage of gas, water and electricity is also a huge setback for them while the authority problems make it difficult for them to carry out their businesses smoothly.

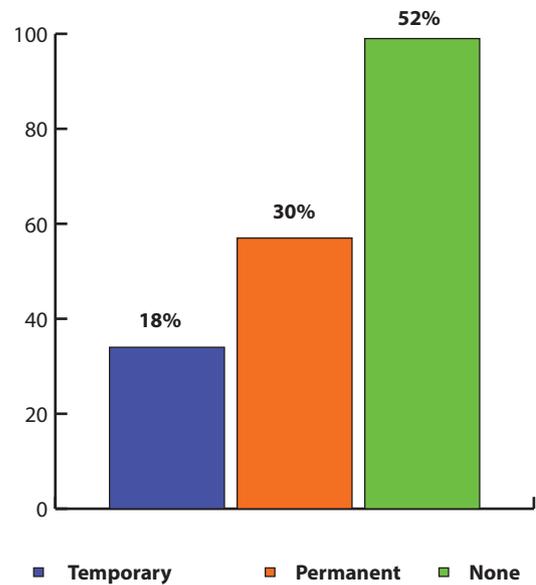


■ Financial ■ Weather
■ Gas / Water / Electricity ■ Authority
■ Lack of Tourist Attraction ■ Facilities

8. 52% of these operational businesses are open air while 30% have a permanent shade/shelter against the weather conditions of the area. While half these selling points offer a sitting space for customers to relax and utilize, the other half are incomplete in that aspect.

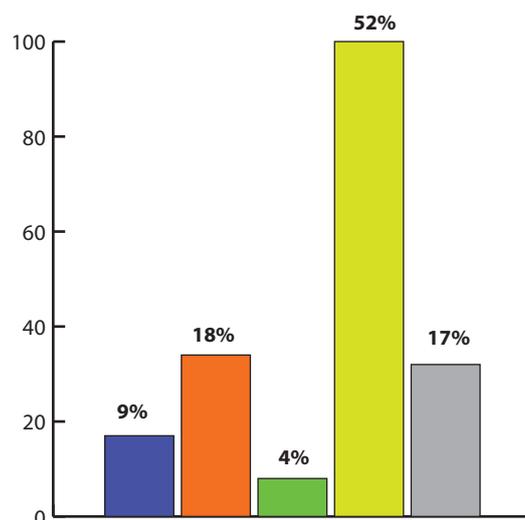


Existing Sitting Space



Existing Shade / Shelter

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KEY FINDINGS

1. The results of the mapping research exercise indicated that even though the respondents are satisfied with their current setups, they are willing and enthusiastic about changing to a better option. On a business level most of them feel that there is room for expansion, however they are not quite sure about how they should proceed in this respect.
2. There is a large gap with respect to their understanding about good branding and marketing exercises, and proper packaging of their product and services.
3. Their horizons are rather limited, and some have been conducting the businesses that they have been in since a few generations.
4. Ineffective and inefficient use of space is a common problem. Galyat Development Authority had provided most vendors with some kind of enclosure/cubicle. However, vendors are unaware of how to make use of this space to their maximum advantage.
5. Businesses with most potential as suggested by respondents were food, shawls, and both warm and cool refreshments.

RECOMMENDATIONS

Some of the biggest obstacles faced by the vendors operating in Galiyat, included lack of resources to carry out their business operations successfully, which included the obvious – electricity and gas. Meanwhile unsteady weather conditions have a direct impact on the number of tourists who visit these localities and therefore impact the revenue generation of the businesses in the area. However, the lack of facilities, infrastructure, tourist attractions and business knowledge are also the key reasons due to which these small scale yet prominent business have not experienced subsequent growth in their operations and income generation. Based on these findings, following are the recommendations and initiatives proposed which could alter and enhance their operational capabilities.

1. Training and mentoring sessions to enhance business acumen:

Survey responses revealed that the vast majority of small-scale businessmen among the masses had received little or no formal education. Instead they learned their trades early on in childhood. In most cases the trainers, or masters were their own relatives which had run similar businesses in the past. These traits and skills were prominently transferred from one generation to another. When interviewed, some respondents specifically pointed out that they do not visualize their businesses beyond what they currently are. While there were a few who has received exposure if not education and therefore were enthusiastic about expanding their activities to other parts of the country.

Training sessions which provide basic business mentoring would help attendees develop a better understanding of the value of planning, research, goal-setting, record-keeping, marketing, customer satisfaction etc. These sessions could be specific to business but also approach the ethical value required behind their everyday conducts, such as dealing with the customers and assuring quality. Such initiatives could act as catalysts of change and eventually benefit the society.

2. Innovating Infrastructure involved in business operations:

Closely allied with the training initiative, a technology focused drive could be used to create appreciation amongst these small scale entrepreneurs. This would allow them to understand and explore the value of involving innovation to their methods of business operations.

- I. Infrastructure** - Based on the research done in the terms of design and development, most of the vendors in Galiyat showed no signs of improvements in the infrastructure over the years. Seats and shades were shabby, and lacked any maintenance. In fact most of the vendors did not have any proper counters, benches, tables, dustbins, or any standards for a functional service despite the availability of space. There were no aesthetic measures to attract more customers or create a pleasant environment for customers to relax at rest stops.
- II. Branding**- Branding and marketing methods were carried out using simple sponsored mediums- paint or banners on walls.
- III. Business timings**- Business hours concluded as the sun set, due to lack of electricity to continue operations in light and also due to the weather restraints. There was no night life as compared to other tourist spots in the country. A possible exploration in terms of renewable energy could not just benefit the environment but create sustainable systems of operations and expand business hours and therefore increase the revenue generation capacity of these vendors.
- IV. Health and Hygiene**- There were not many relevant conducts in terms of health and hygiene. Vendors could therefore be trained in this regard to adapt standardized methods of operating food kiosks by using hair nets, gloves, clean equipment, disposable cutlery, clean drinking water etc.
- V. Variety**- The vendors, though conducting their operations since years, had not expanded their businesses by involving other products for selling. Food vendors have been selling the same products and recipes since generations. Despite having the kitchen and space facility they have never opened up to the idea of cooking a variety of items to cater more tourists and attract more people. The different vendors are spread out in different areas and thus not attract a larger number of regular customers neither do they plan to do so. If these vendors could be trained to utilize their local resources and produce a larger number of attractive products, they could not just increase their business operations but also provide business opportunities to home based cooks etc.

3. Expanding business operations

These vendors could also be trained to export and import products, to explore the possibilities of turning their small scale businesses into larger ventures. The first step to which is by helping them understand the value of their local resources. Some currently popular and successful examples in this particular prospect are- horse riding and honey production and selling. They could be trained to brand their products and thus create a definite market rather than selling similar products with indefinite suppliers. They could be trained to create a supply and manufacturing chain even if on a small scale.

Conclusion

One of the major objectives of the report were to understand the potential of growth in these sustainable arenas. These vendors, which were profiled after being interviewed proved to be excellent establishments in their respective business genres, however they majorly lacked training, business mindset, education, understanding of the potential in their conducts and anticipation to grow. The need of the hour is to channel these every day efforts carried out by the 200 promising grass root entrepreneurs in the right direction so that they do not keep limiting themselves to their conventional business methods but in fact aim towards expansion and growth in business and revenue generation. It is therefore important to incubate these ideas into their minds, and encourage and facilitate their efforts to tap to their full potential. This in turn would not just affect the region and its current business methods but ultimately the society.



About SEED

SEED Pvt. Limited is a social, entrepreneurship and equity development organisation. Its core mandate is to provide solutions to social challenges, using entrepreneurship as a vehicle to create wealth and deliver positive social impact



About AEROsync

AeroSync was incubated as SEED Incubation Centre in Karachi. It was acquired this year and is now part of SEED's portfolio. It is an industrial design company that develops products designed to provide innovative solutions which ease and improve the business operations of grass root entrepreneurs. The Verkios has been designed and developed by this team, and the technical trainings and manuals will also be developed by this team. They will also deliver technical trainings and provide maintenance services to the Verkios vendors.