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Teaching Case Study

How to Fly a Tiger?

Sustainable Sourcing and Women's Entrepreneurship in the Bamboo Industry of India

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Initiated by

Foundation for MSME Clusters (FMC)

Under the aegis of

'Promote Bamboo MSME Clusters for Sustainable
Development' A Development Project funded by
the European Union (EU) With co-funding from
SIDBI, CEMCA and FMC

June 2022



Published Jointly by:

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This publication is free of cost and is available at <https://fmc.org.in/publications/>

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Acknowledgements

This teaching case was elaborated by the authors as part of the EU Switch Asia II project, Promote Bamboo MSME Clusters for Sustainable Development, (Reference no.: EuropeAid/154338/DH/ACT/Multi). The views expressed in this publication are those of the authors alone and should not be attributed to any of the project partners, the Foundation for MSME Clusters (FMC), the Small Industries Development Bank of India, Commonwealth Educational Media Centre for Asia, Copenhagen Business School. We also thank Trine Pondal at Flying Tiger of Copenhagen, Mukesh Gulati/the entire FMC team, and Lavinia-Cristina Iosif-Lazar, UN PRME office, CBS for their extensive support and feedback in the elaboration of the teaching case study.

Kindly notice that this teaching case is based on fictitious events but that the materials presented are based on in-depth research in Denmark and India undertaken in cooperation with Flying Tiger Copenhagen, the Danish Ethical Trade Initiative, and the FMC in India.

How to Fly a Tiger?

Sustainable Sourcing and Women's Entrepreneurship in the Bamboo Industry of India

Key words: Sustainability; corporate social responsibility; value chain; supply chain, bamboo industry; women; upgrading; India

In January 2021, Trine Pondal, Head of Sustainability and Social Responsibility at Flying Tiger of Copenhagen¹, received a telephone call from one of their trading houses in Hong Kong². The agent from the trading company disclosed that there might be an opportunity for sourcing bamboo products in India. Prior to that, Trine and her team had been concerned about their overreliance on imports of bamboo products from China. They had wondered how they could expand their sourcing activities beyond China to include at least one more location. She was convinced that bamboo had become an increasingly popular material in Flying Tiger products that span from home décor to furniture, sanitary products and kitchenware items. She had also been aware of the need to engage with climate issues and environmental footprints in the course of their strategy for both retailers and consumers. Moreover, bamboo-based products tapped into the current design aesthetic, which meant that more commercial stores and chains had adapted bamboo-based products into their assortments. There was still a large, untapped market for various bamboo-based products to be made and sold in Europe.

Trine was now going to decide whether and, if so, how Flying Tiger of Copenhagen could shift at least 50% of its bamboo based imports from China to India in order not to put all of its eggs in one basket. In making this decision, Trine Pondal could draw on all of her previous educational and work experience. Trine had obtained an MBA in Circular Economy at Bradford University School of Management and an MA in Ethnology from the University of Copenhagen. Prior to joining Flying Tiger Copenhagen in 2019, she had worked as Corporate Sustainability Manager at Pandora, Communications Project Manager at Berendsen, and Facilitator at the Danish Ethical Trade Initiative. With a deep interest in cultural processes, how culture is created, shaped and changed in local and global perspectives, Trine had a wide range of skills that she could mobilize in making this decision, including her sustainability professionalism, business understanding, and the ability to communicate and train others effectively in highly complex sustainability issues.

Due to global COVID-19 pandemic, Trine had not been able to visit India in 2020 and 2021. As she was very keen on promoting women's empowerment, in addition to achieving the specific economic, social, and environmental objectives of Flying Tiger of Copenhagen, Trine had commissioned an independent consultancy report that would allow her to make an informed decision about whether to source bamboo-based products from India,. She started reading the contents and issues highlighted in the report that she would need to consider before deciding whether Flying Tiger of Copenhagen should indeed make this strategic shift in its bamboo sourcing approach.

¹ Flying Tiger of Copenhagen website: <https://corporate.flyingtiger.com/en/About--CSR#people>; accessed 5 January 2021

² Kindly notice that this teaching case is based on fictitious events but that the materials presented in-depth research in Denmark undertaken in cooperation with Flying Tiger Copenhagen, the Danish Ethical Trade Initiative, and the Foundation for MSME clusters in India.

How did a Zebra become a Tiger?

The first part of the consultancy report laid out the history, structure, sourcing and sustainability profile of Flying Tiger of Copenhagen. The company traced its roots back to a stall at a flea market in Denmark where founder Lennart Lajboschitz sold umbrellas with his wife Suz. Then, in 1988, Lennart and Suz Lajboschitz opened their first brick-and-mortar store in a local neighborhood of Copenhagen. The product range at Flying Tiger of Copenhagen was inspired by its Danish heritage, with a strong focus on product relevance and uniqueness. Its assortment included categories ranging from home, kitchen, hobby and party to toys, electronics and gadgets, food and accessories and had a broad appeal across age and income groups. Each month the assortment was refreshed with around 300 new products divided into two product campaigns, typically adapted to seasonal themes and/or festive occasions, e.g. Valentine's day, Back-to-School, Halloween, or Christmas. The seasonal campaign products were complemented by its fixed assortment consisting of around 1,000 products that were relevant across seasons.

Whereas product selection, innovation and development were carried out internally at Flying Tiger of Copenhagen in keeping with a product safety process, workplace regulations, including workers' rights, health and safety, as well as ensuring that quality and compliance requirements were met, production was outsourced to international suppliers that committed to its Supplier Code of Conduct based on international standards as defined by the United Nations and the International Labour Organization, and its policies related to quality, workplace health and safety, terms of employment, working hours, wages, environmental protection and business ethics. Among other things, it prohibited child labor, forced labor, dangerous or severely unhealthy working conditions and abusive disciplinary practices. No purchases could take place without a valid code in place. Supplier commitment to the code had to be renewed every second year in writing.

Flying Tiger of Copenhagen always assured its customers of its focus on the ethical and sustainable ways of production when doing business as well as respect of ethical, environmental and social standards or throughout the full value chain from sourcing to shipping and sales in stores. In terms of demand from the sourcing partners, its test program ensured that its products were tested for hazardous materials. These requirements were aligned with its policy to comply with the EU or the applicable national legislation, whichever set the highest standards. And in several areas, it claimed to go beyond the legal requirements.

Regarding labor issues, Flying Tiger of Copenhagen followed the labor standards set by the International Labor Organization. Flying Tiger of Copenhagen asked its suppliers to commit to comply with those standards. That subsequently functioned as the terms of reference for risk assessments and factory/supplier audits conducted by Flying Tiger of Copenhagen staff, and improvements/remediation systems were put in place to either keep up, improve or disqualify certain suppliers. In some instances, companies dictated that factories/suppliers, who practiced zero tolerance conditions, such as child- or forced labor, severe violations of health and safety and human rights and/or attempted bribery of auditors were dismissed by the company. According to the Copenhagen-

based retailer, Flying Tiger of Copenhagen, the most common issues in 2018 were ensuring health and safety working environments, pollution and reduction of overtime work. The company could very well employ its own auditors in India.

For Flying Tiger where sustainability has been top priority for its CSR-/communication-/and marketing people, its sourcing staff tended to look for quality and similarity in the products. For Flying Tiger, quantity also constituted an important factor. Producing for Flying Tiger therefore required 1) a simple production process, 2) a design that could quickly be mass-produced, and 3) a simple design that could be produced with a high level of similarity/consistency. Quality was, however, also important to Flying Tiger of Copenhagen. Conclusively, if Flying Tiger was to import bamboo-based products from Indian bamboo female entrepreneurs, it depended critically on the type of products, the sustainability of the products and their quality.

The Bamboo Value Chain in India: challenges and constraints for exports

The second part of the consultancy report that Trine Pondal had commissioned dealt with the specifics of the Indian value chain for bamboo-based products. The report highlighted that the bamboo value chain dynamics within India had to be understood in the context of India's position in the global bamboo industry.

As a raw material, bamboo feeds into multiple higher-tier value chains including construction, furniture, handicrafts, and accessories. Most bamboo trade takes place within Asia, within Europe, and between Asia and Europe and North America. Many countries in Asia including China, India, and Japan as well as African countries such as Ghana, Nigeria and Cameroon promoted the cultivation of bamboo. China and Vietnam were the world's largest exporters while EU, USA and Japan constituted the biggest importers of bamboo and its related products. Within this wider global scenario, India had 30% of the world's bamboo resources – with the world's largest growing area of 15.69 million hectares³.

The Indian bamboo value chain includes a long list of actors. Women running micro enterprises are just at the lower end of the value chain. They together with the male members of the family struggle to get access to the bamboo raw materials either by going themselves to the forest and harvesting the bamboo, mostly with permission from the local forestry department and in limited quantities, or by purchasing the bamboo from depots set up by the forestry department. Harvesting is then followed by cutting, soaking, treatment, splitting, slivering and finally weaving of the bamboo baskets and other products. These artisans are then contacted by local collectors/traders who typically belong to their own village or neighboring villages and collect the products from local artisans and take them to the local markets. These traders may or may not have the knowhow of the bamboo artisanship.

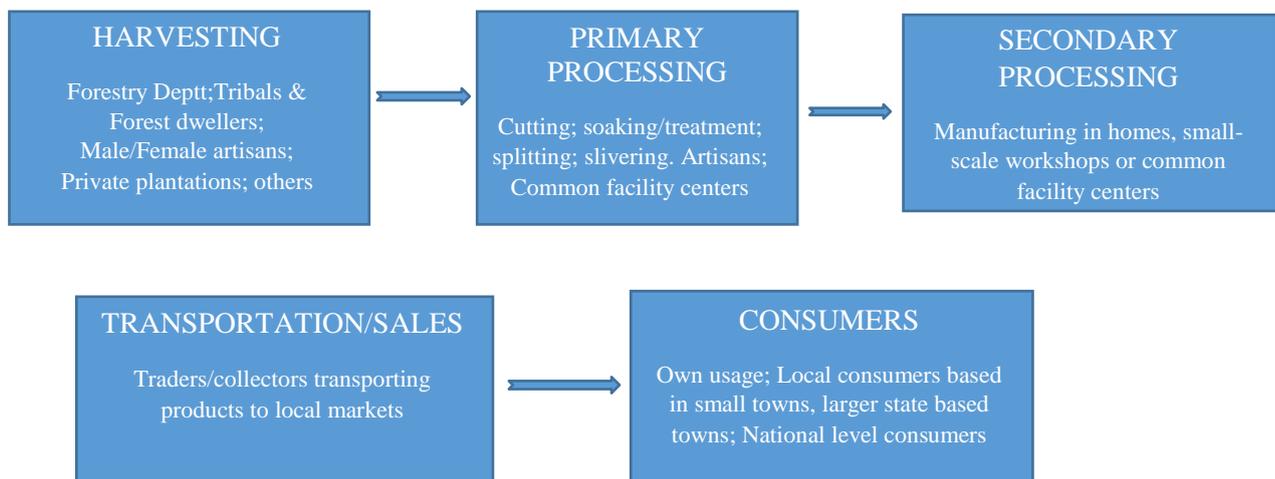
Other actors within the bamboo chain include government emporiums and large national firms such as FabIndia and Bamboo India. Several government emporiums house large sections of bamboo products and new emporiums are established housing only bamboo

³ Forest Survey of India (FSI) Report, 2017. <https://ruralindiaonline.org/library/resource/india-state-of-forest-report-2017/>; accessed 5 January 2021.

products in different parts of India.⁴ Also, some artisans-turned-venders also set up tiny shops in local markets selling their own products⁵ as well as some private online stores, as well as India's state⁶ and national emporiums. As for the larger suppliers of bamboo products, two names stand out. FabIndia and Bamboo India. FabIndia is India's largest private platform for products that are made from traditional techniques, skills and hand-based processes. Fabindia links over 55,000 craft based rural producers to modern urban markets, thereby creating a base for skilled, sustainable rural employment, and preserving India's traditional handicrafts in the process⁷. Bamboo India is a Pune, India based startup initiated by Mrs. Ashwini Shinde and Mr. Yogesh Shinde in August 2016. A primary aim to change the bamboo perception from The Poor Man's Timber to Wise Man's timber by providing plastic products replacement using innovative Bamboo Products like Bamboo Toothbrush, Bamboo Earbuds, corporate Gift articles & many more.

The figure below shows a stylized bamboo value chain for India, including the growing of bamboo, harvesting, primary processing, secondary processing, transportation, marketing, and sales.

Figure 1: A stylized bamboo value chain for India



As compared to the bamboo value chain in China, the latter is much more organized, mechanized, and involves factories in production instead of (home-based) male and women entrepreneurs and artisans that dominated the bamboo value chain in India.

In reading the report, Trine discovered that - in Indian bamboo value chains - bamboo harvesters were either farmers with their private bamboo plantations or tribal collectors from the state controlled forests as per Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 also popularly known as Joint Forest Management Act, recognizing rights of tribal people to manage and harvest forest resources, along with the state. These bamboo artisans were most often poor, living in villages in and around bamboo forests. They sold raw & un-treated bamboo in small quantities to the local

⁴ <https://timesofindia.indiatimes.com/city/indore/bamboo-emporium/articleshow/58540966.cms>; accessed 15 June 2021.

⁵ <https://artsandculture.google.com/exhibit/DwLitpHs127LLA>; accessed 15 June 2021

⁶ <https://blog.aboutamazon.in/supporting-small-business/bound-by-bharat-treasures-of-indias-state-emporiums>; accessed 15 June 2021.

⁷ <https://www.fabindia.com/>; accessed 15 June 2021.

businesspersons running small-scale businesses for further value addition locally and to large paper factories as it is with no value addition for them. Bamboo harvesting was a source of partial livelihood for most of them along with farming, poultry and animal rearing. Some of them also undertook primary processing of bamboo. Most of the bamboo products required shearing of bamboo on their nodes, splitting bamboo and then making slivers and sticks for further usage in traditional products.

Trine also found out that these operations were undertaken at cottage scale using hand-tools and primary equipment in households or neighbourhood in small groups of primary processors – among these mostly women. The bamboo poles could be used by primary or secondary producers to make incense sticks and woven blinds. Slivers were mostly woven to either make traditional baskets, bins & other utility products for local consumption or for a range of handicrafts such as lampshades, pen stands and fruit baskets as souvenirs for tourists. Slivers were also used for making tree guards (sheets of bamboo to protect sapling and young plants) and mats as intermediary products to make industrial boards or tiles by secondary processors. The unusable parts of bamboo such as clumps and the waste bamboo could be used to make charcoal using traditional small pit furnaces for self-consumption or for selling locally.

Can Flying Tiger of Copenhagen Fly to India? Key bamboo sourcing challenges in India

As her eyes glanced over the pages of the report, it became increasingly clear that Flying Tiger of Copenhagen would be facing a number of interrelated challenges in sourcing bamboo products from India. These were generally related to the production skills and capacities of local artisan-based producers. In looking at when products were produced and delivered in this value chain, it was typically highly challenging for village-based artisans to produce bamboo-products to be delivered at a specific point in time – something that was critical when orders from smaller, medium-sized or larger buyers had to be met. As village-level artisans were often engaged in multiple livelihood activities and in traditional craftsmanship, they were often not used to manufacturing bamboo products against pre-specified orders with a specific delivery schedule.

Regarding quantity, village-based bamboo artisans tended to only be able to produce bamboo-based products in relatively small quantities. During the fieldwork conducted for the study, it was revealed that the artisans would be in a position to produce – for instance – 100, 200, 1000 or even 3000 bamboo products (baskets, for instance). However, when further probing was done into whether the village-level artisans would be able to manufacture, for instance, 50.000 or 100.000 units of a given product (for instance, bamboo baskets), the answer was, “We cannot do that”. This was another critical constraint for Flying Tiger importing bamboo-based products from India.

The questions of where bamboo products were produced was also relevant. Bamboo products were primarily produced by women artisans at home. Only very few bamboo factories had been established in India in ways that allowed for the specialization of work tasks, which could increase productivity levels in the industry, and increase the quantity of bamboo products that could be delivered at a given time. Regarding the price of bamboo,

women artisans were often only able to sell products at very low prices, sometimes making it financially unviable to run a successful small-scale business in this industry. Typically, women artisans manufactured bamboo products themselves, but sometimes they hired additional wage-laborers to help them in meeting increased, seasonal demand.

Finally, the study commissioned by the Flying Tiger of Copenhagen probed into the social and environmental conditions under which these products were manufactured and sold by female bamboo entrepreneurs. For some women entrepreneurs, social deprivation and an urgent need to generate cash income might have become an important incentive to run a micro enterprise. At the same time, there was also a lack of access to bamboo as a raw material, women entrepreneurs were constrained in their ability to expand their business, and thus possibly, deliver bamboo-based products to Flying Tiger, Copenhagen.

In practice, small-scale women entrepreneurs were either unlikely to be familiar or not have the capacity to comply with the very detailed environmental and labor standards set by Flying Tiger of Copenhagen. As some of the women were even struggling with reading and writing very simple sentences and conduct very basic calculations it did not seem realistic that they would be able to comply with these standards on their own. In other words, they would need the assistance of a local organization or company that could help organize the women entrepreneurs and educate them about the labor and environmental requirements of Flying Tiger of Copenhagen. In this way, they could undertake the documentation and compliance monitoring required under these standards on behalf of the women.

A final concern raised in the report was the lack of transparency in the Indian bamboo value chain. The report highlighted that home-based workers were often the “weakest link” in the value chain, located several nodes down in the chain, where child labor or forced labor might be present. In fact, Flying Tiger of Copenhagen products are sometimes made of several components. Tracing the origin of these components further complicates the process. With hundreds if not thousands of products coming through the FT stores on an annual basis Trine Pondal believed that it might be a kind of mission impossible to trace the value chains of all of these products. Flying Tiger of Copenhagen, therefore used risk assessment in order to figure out where the sustainability/CSR team should focus its efforts. Suppliers had to fill out a questionnaire and Flying Tiger of Copenhagen then ranks the suppliers according to a pre-defined scoring system. Suppliers that score below a certain threshold are audited. Often Flying Tiger of Copenhagen will also know from previous interaction with these suppliers where “the trouble spots” are in terms of suppliers that have difficulties in terms of meeting Flying Tiger of Copenhagen’s code of conduct.

Will the Tiger Fly in India?

After receiving the phone call from one of its trading houses, Trine Pondal, the Head of Social Responsibility and Sustainability at Flying Tiger of Copenhagen, initiated discussions both at home, i.e. in her own company department as well as some of the major suppliers in the bamboo industry in India. As the case was still ongoing, there was much to explore whether the Copenhagen based company could expand its sourcing to India or not. Whereas the Indian counterpart suppliers were very excited to do business with a Europe

based retailer, they were not sure themselves whether they could meet the variety of demands in relation to value chain management, CSR and sustainability. Contacts were made with national level institutions whereby Flying Tiger of Copenhagen placed issues that were so close to its company policy on the table. The responses from the Indian side were promising, though unrealistic. The national level stakeholder's esp. suppliers such as FabIndia and Bamboo India had previously not been engaged in discussions that were prompted by Flying Tiger whereby issues such as value chain management were placed at the center of any initiatives for exports and expansion of business within the bamboo industry beyond the Indian borders. The key issue was that Flying Tiger of Copenhagen could not possibly work directly with bamboo artisans and/or female entrepreneurs that operated mainly at local/state levels, and had no choice but to engage with national level suppliers.

Your assignment:

Your assignment is to help Trine Pondal and her colleagues make the decision of whether they should shift the sourcing of their bamboo products from China to India. You should discuss the following questions in your group work:

- i) What are the challenges that Flying Tiger will face in relation to sourcing bamboo-based products from India? Should Flying Tiger shift its sourcing of bamboo-based products to India?
- ii) How can Flying Tiger help to economically upgrade women-owned micro- enterprises in the Indian bamboo value chain?
- iii) Is Flying Tiger likely to engage in socially and environmentally responsible purchasing of bamboo-based products in India, or will the sourcing of these products simply turn out to be a kind of 'greenwashing'?

Appendix 1: Pictures of Bamboo Production in India



Women artisans engaged in making bamboo kula (sieves)



An old female artisan in a village near Meghalaya is mainly responsible for splitting and slivering job



FMC field staff are helping artisans in calculations



FMC research team observing female artisans making bamboo products in the center of their village



Making the traditional kula (sieves)



Making baskets inside a common facility center



Splitting and slivering is a job done mainly by female artisans



Female artisan carries child on her back while doing the splitting job

Bamboo Products



**Bamboo products sold in
Copenhagen chain stores**





Jewellery made out of bamboo slivers