



Saral Services

Annual Report April 2006-07

Society for action research for Accelerated livelihood Services

Plot no. 17, Asha Cooperative Society

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Executive Director's letter

We are happy to present our Annual Report for 2006-2007, which saw rapid growth in multiple dimensions, such as capacity building, credibility and research. This was possible only due to the steadfast support given by Cooperatives, NABARD, Sheffield Hallam University, Oxford University, IIT Kharagpur and client NGOs such as SRIJAN, AROHAN, BASIX and PRADAN. We take this opportunity to thank all our clients, friends and well wishers.

To address the growing demand for support on capacity building, we experienced difficulties, mainly due to lack of personnel in key functions. As an organization we learnt that we need to build our own capacity to handle these assignments more effectively. To build our own capacity we have to induct senior persons and also provide appropriate training to our staff.

SARAL Services was able to associate with 100 rural ICT application initiatives in 10 states across India. New areas in which we initiated action for application of ICT include survey, capacity building, process formation for software development and research works.

As SARAL Services ended its 3rd year, we continued to make progress in understanding and implementing a truly solution based approach for bridging the digital divide.

OVER VIEW

New Vision New Ideas New Practices

This year marked the 3rd year of SARAL Services and is an occasion to look back and then set our path for the ensuing years. Moving from issue analysis to service providing was the 1st big step in the reinvention of SARAL. As an advocate of Rural ICT application we found our vision getting broader, our involvement deeper and scope of our effort many time bigger. So big that the vision we initiated took the shape of a movement.

Today the Slogan Of this movement is AUTOMATION for REFORMATION.

Acivities

- Capacity Building of NGOs & leveraging the power of ICT in Organizations doing Rural Development has been a key thrust area of the year
- Intensive work on action research projects for identification of pertinent IT solution bestowed SARAL Services with appreciations, learning and satisfactions.
- Enhancement of the technical capacity of the Human resources of the Organizations like AROHAN, SRIJAN, SSP and the partners of CCF was a

remarkable step towards increasing the efficiency of the Organization and indirectly impacting the target population they are working for.

- Feedback and guidelines to the Software Vendors such as SAFAL Solutions could broaden their vision and enable them to understand their limitations.
- Intensive multi sphere research works enabled the software Vendors to develop the valuable software such as SafalFin2, SafalFin3 and SafalTA, which could automate the management of SHGs groups, joint liability group and Individual customers using Grameen method of lending.
- ICT survey and project design under the Rural e service Project brought a deep insight for the software developers for developing application for Primary Agriculture Cooperative Societies and SHGs.

Process of building a suitable IT solution was the imperative task that culminated in research in the following subsectors:

- Requirement understanding
- Interpreting the problems in the field with software developers
- Testing of application
- Handholding in the field
- Training

And eventually the findings became the source data and basis of application development.

INNOVATIONS

Based on the principle of user center design and feature driven development of agile technologies, generation of a standard operating procedure for software development was another remarkable achievement of the year which at present is being effectively used by our associate software company Safal Solutions.

The features of the process incorporate steps for interaction with users at the design and testing level, which appears unthinkable when the users are not IT literate. At the same time, to get an effective out come from such interaction, complete participation with proper understanding from the user end is highly required. The challenge lies in making the process creative so that participation of the users is intense. Training and exposure of the users before the design preparation is required to ensure their deeper involvement. With deep involvement only more sustainable implementation is possible. SOP should be shared with the clients and users who want the software. It has to be a journey that needs to be undertaken jointly, as against developing solutions in isolation and offering them to the users.

1. Tracking of RL and BL: In software development, it is important to track requirement list and bug list. Clients feel that all problems (said as well as unsaid) should be solved within the same budget. The software vendors, however, feel that unsaid/unstated problems should be part of new budget. There is a conflict of interest and therefore, there is need for transparency so that comfort level in relationship between the vendor and the users is maintained. For ensuring transparency, requirement list and bug list have to be jointly monitored. All the points have to be tagged and counted for better monitoring. Google shared documents are a useful tool to manage such documents. While working with Arohan and Ibtada we have realized that we must have such arrangements.

2. Design workshop: Very often application requirements of an organization are spelt by a few staff in the organization, while the application may be used by all of them. If the requirement captures needs of all the users, it will be accepted by all. However, it does not happen this way most of the time. Therefore, there has to be a process for preparing the requirement. The requirement should be prepared through following three steps.

Step1

Users should be encouraged to state the initial set of requirements or the problems that need to be attended

Step2

Based on the problems, an ethnographic questioning pattern should be prepared for different stakeholders. To enhance our understanding of the requirements of the clients we have designed a questioning pattern.

Step3

Lastly, the requirement should be finalized through two workshops.

First workshop

- *Final preparation of the requirement list should be done by gathering maximum possible data and filtering them out under specified parameters*

Second workshop

- *Basing on these requirement list the design should be prepared and finalized in an excel sheet for the understanding of all.*
- *Preparation of data collection sheet and small data set can be additional objective of the second workshop.*

3. Verification and functional testing by users: Identification and rectification of the shortcomings becomes easier when the final product undergoes verification and functional testing against the Required list parameters. Working of the software as per the RL parameters certifies the Software as applicable.

The key learning in this context is that the requirement of participation of the users in the entire process of Verification and testing should be 100%. The unwillingness of the users for this participation is a constraint in application development. Registering this requirement as a part of the MOU should be a must for every project.

Development of training material and formulation of three specified training modules for the partners of CCF could impact the output of the organizations and make a remarkable and scalable contribution.

Human resources of 13 NGOs were inducted on Module A

This covered the installation process. Multiple opportunities for practice were an effective method for developing their confidence in uploading the package and data.

ANALYSIS

1. Action research projects on IT applications

Enhancement of delivery system of Rural Cooperatives needed suitable technology which was identified by a systematic survey done on 160 DCCB and 50 MFIs from 16 states across India.

2. Diagnostic study of MFI, SONATA:

Sensing the need for automated management information system and based on the experience of Cashpor, SONATA planned to develop software. They debated whether to outsource the development or to do it in-house. Owing to their bad experience in outsourcing the software development in the past, they opted to go for in-house software development.

SONATA hired two MTech/MCA professionals to develop the package. These IT professionals took the responsibility of software development on consulting assignment basis. They promised to complete the software in three months. But in three months, they could develop only few screens such as Branch, Center and Loan proposal.

Meanwhile, these two professionals got better opportunity elsewhere and migrated leaving the assignment in the middle. Need for the completion of the software made SONATA to recruit 3 more developers in the month of July 2006. They are still working on it and have been able to generate only the collection and disbursement sheet (CDS) so far.. Developing an integrated required software package has become an extraordinary task for these new developers since they are facing difficulties in developing modules like and correction of errors in data entry.

Understanding the excessive consumption of time in development. SONATA preferred Saral Services to deliver required professional assistance.

After analysis SONATA was not found in a position of developing in-house software. Poor experience of out-sourcing and unavailability of experienced vendor in Allahabad for developing such packages promoted them to think for in house development. The developed modules were poor in grading and coding. Hence SONATA was given two options either outsourcing the design and project management or out sourcing the complete software. Continuing with same design and code was not advisable.

SYSTEMS IN MANAGING THE SELF HELP GROUPS

- Receiving of a second loan before settling out the first loan is often a common phenomena in SHGs. Practically, these should be treated as two loans where as to simplify the process the SHGs use to club the loans which creates technical problem in accounting. Traditional accounting approach does not accept such clubbing. However we design a loan product of a credit limit with rolling schedule (CLRS) will work. In this case, total outstanding does not exceed the credit limit but the schedule rolls over to maximum number of installment of the loan product at the time of second disbursement.
- Disbursing a loan in two meetings (in two installments): At times, one wants to disburse Rs. 10000 but only 8000 is there in cash-in-hand. Therefore Rs. 2000 is given in the next meeting. When will the schedule start? This is a practical problem a SHG faces and it has to be attended. By using CLRS system we can solve this problem also.
- Four-weeks a month: One of NGO was using the concept of four weeks month. When loan product is monthly it means it is for four weeks only. Method has been incorporated in SafalFin2 of Safal Solutions and is being used by SRIJAN in four locations.

- Systems in Grameen method of micro-finance: Often Grameen uses flat rate of interest. We now have introduced declining balance of interest in grameen method of lending. It has been appreciated by MFIs community in Kolkata. There has been problem in fixing the algorithm initially now it has stabilized. This concept has been adopted by SafalTA software of Safal Solutions

. Plan for 2007-08:

1. Reports of the first phase of ICT survey
2. Second phase of ICT survey
3. RESP – Identification of IT solutions specification
4. Mobile application for SHG
5. Capacity building of 13 CCF partners
6. Capacity building of Arohan, Cooperatives, Safal Solutions
7. Methods for IT support for large NGO like PRADAN
8. Building training modules for Micro-finance applications and Health applications

Accounts and Audit:

We have maintained our accounts as per the rules of accounts and a Charter Accountant has audited our accounts and report is being presented before you..

SOCIETY FOR ACTION RESEARCH IN ACCELERATED LIVELIHOOD SERVICES
(SARAL SERVICES)
 Avanthi Complex (2nd Floor) Karkhana 500 009

BALANCE SHEET AS ON 31ST MARCH,2007.

LIABILITIES			ASSETS		
Pariculars	Amount	Amount	Pariculars	Amount	Amount
	(Rs)	(Rs)		(Rs)	(Rs)
CORPUS FUND			FIXED ASSETS		
Opening Balance	90267		Gross Block	89365	
Less: Excess of expenditure over income	78528		Less: Depreciation	32732	
Closing Balance		11739	Net Block		56634
CURRENT LIABILITIES AND PROVISIONS			INVESTMENTS		0
a)Current Liabilities			CURRENT ASSETS, LOANS AND ADVANCES		
Salaries payable		62872	a)Current Assets		
Madhu & Associates		3928	Sundry Debtors		0
Subodh kumar gupta		16401	Bank Balance		78159
Bonus payable		34937	Cash in hand		1042
Consulting Fees payable		103829	Advances		11000
TDS payable		6171	b)Loans and Advances		
Travel advance SRIJAN		1345	TDS		59596
b)Provisions			Travel advance SSK		1410
Provision for FBT		4020	Travel advance PRADAN		17401
			Rent deposit		20000
		245242			245242

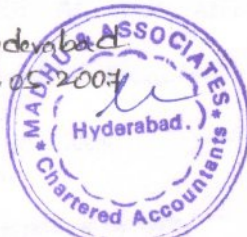
As per our Report of even date
 For MADHU & ASSOCIATES
 CHARTERED ACCOUNTANTS

For SOCIETY FOR ACTION RESEARCH IN ACCELERATED
 LIVELIHOOD SERVICES (SARAL SERVICES)

Madhusudan

(M.MADHUSUDAN)
 Proprietor

Place: Hyderabad
 Date: 08.05.2007



V.P. Gulati *P. J. Narayanan* *S.K. Gupta*
 (Dr V. P. Gulati) (Dr P. J Narayanan) (S. K Gupta)
 Chair Person Treasurer Executive Director

**SOCIETY FOR ACTION RESEARCH IN ACCELERATED LIVELIHOOD SERVICES
(SARAL SERVICES)**

Avanthi Complex (2nd Floor) Karkhana 500 009

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDING 31st MARCH,2007

(From 01/Apr /06 TO 31/Mar/07)

EXPENDITURE			INCOME	
Particulars	Sch	Amount	Particulars	Amount
		(Rs)		(Rs)
Administrative expenses	1	82906	Information Technology Capacity	1205515
Salaries		769609	Building Services - Fees	
Staff welfare		70748	Bank charges reimbursement	30
Travelling&conveyance		36957		
Audit Fee		2806		
Rent & maintenance		92984		
Consulting charges		185000		
Board meetings expenses		1315		
Web hosting charges		4249		
Depreciation		32732	Excess of Expenditure over	74084
Misc. expenses		323	Income	
		1279629		1279629
Excess of Expenditure over		74084	Excess of Expenditure over	
Income			Income C/F to Balance Sheet	78528
Provision for FBT		4445		
		78528		78528

As per our Report of even date
For MADHU & ASSOCIATES
CHARTERED ACCOUNTANTS

1. Madhusudan

(M.MADHUSUDAN)
Proprietor

Place: Hyderabad
Date: 08.05.2007



For SOCIETY FOR ACTION RESEARCH IN
ACCELERATED LIVELIHOOD SERVICES
(SARAL SERVICES)

(Dr V. P. Gulati)
Chair person

(Dr P. J. Narayana)
Treasure

(S. K. Gupta)
Excutive Director

(Handwritten signatures of Dr V. P. Gulati, Dr P. J. Narayana, and S. K. Gupta)