FRUGAL ENGINEERING
& SOCIAL ENTERPRISE
Creativity is a skill and innovation is a process.
CREATIVITY
Is Thinking Up New Things,
INNOVATION
Is Doing New Things.
Innovation

- Involves thinking differently, creatively and insightfully
- Enables solutions/ inventions that have an impact on social and economic value
- Fulfills unmet needs, not met by conventional products/processes/ institutional forms
- Moving beyond R&D to mean new applications of old technologies, new processes & structures, organisational creativity & more...
Idea Factors

• Need spotting
• Solution spotting
• Market research
• Trend following
Idea Factors

What is desirable to users?

What is possible with technology?

What is viable in the marketplace?

Innovation
Innovation

- **Innovation** is the initial commercialization of invention by producing and selling a new product, service, or process
  - Product innovation
  - Service innovation
  - Process innovation
Innovation distinguishes between a leader and a follower.
- Steve Jobs
Risks Associated with Innovation

- Innovation involves creating something that doesn’t now exist
- Long odds for success
- Market risk
- Technology risk...
Frugal innovation

- Frugal innovation, means making clever products from limited resources and seeing poorer populations as a market to serve not as an object of charity.
- Due to the scarcity, people demand for more value.
- Companies deliver to that need by focusing on product reorientation and local solutions.
From ‘Jugaad’ to Frugal Engineering

• Existing culture of **improvisational innovation** or ‘jugaad’ driven by scarce resources & customers’ needs

• Informal improvisation needs to be scaled up to a system based on frugal engineering geared towards Indian needs

• Would drive disruptive innovations in sectors such as health, education, housing etc. to meet the needs of many.
Focus on ‘frugal innovation’ that produces products and services that are affordable by more people at low levels of income, without compromising quality.
JUGAAD

FRUGAL

FLEXIBLE

INCLUSIVE
Jugaad Innovation

Follow Your Heart

Do More with Less

Keep it Simple

Seek Opportunity in diversity

Think an act Flexibly

Include the margin
Social Entrepreneurship
What Is Social Entrepreneurship?

Process of creating value by bringing together a unique package of resources to exploit an opportunity, in pursuit of high social returns.
Social Entrepreneurship

“Innovation to create sustainable, scalable solutions to our most pressing social challenges. Working at the intersection of business, nonprofit, and government, social entrepreneurs/social innovators blend models and create mission-driven ventures to effect positive social change.”

-Tulane University
New kind of Business Social Business

– Creating *business models* revolving around *low-cost products and services* to resolve social problems

– Social business is for ‘more-than-profit’
  combine revenue-generating business with a *social-value-generating structure*

– Can be two kinds
  * Creating services for poor
  * Owned by poor (** not a SB **)
“Social entrepreneurs are not content just to give a fish, or teach how to fish. They will not rest until they have revolutionized the fishing industry.”

— Bill Drayton
THANK YOU FOR YOUR PATIENT LISTENING!!!

ramangujrajral@ediindia.org