Strategic SWOT Analysis of SHGS  
(With Reference To SHGS of Gokhalenagar)

Arun Sarjerao Mokashi  
Head of the Department, T.J.College, Khadaki,  
Pune, Maharashtra, India.  
mokashiarun7@gmail.com

Abstract:  
SHGs is the activity which is implemented in near about sixty countries. In India, there are lakhs of SHGs which are improving economic and social status of poor people. SHGs have promoted small and micro entrepreneurship in rural as well as urban area. SHGs help to earn within the small investment with the help of their group. It is the tool of microfinance against the poverty.

Objectives: To know how strategies can help SHGs to solve their problems.

Research Methodology: A primary data is collected through preparing questionnaire for members. Data is collected, classified, tabulated, analyzed and presented. Secondary data is collected from the standard books on SHGs management.

Conclusions: SHGs are the emerging activity in India through which Economic and social change is possible. It is the present scenario that where government is not reaching SHGs are actively working. It is the infra for government by which NABARD, Government & NGOs can help to the economically & socially deprived factor i.e. women.

Women who were afraid by the name of the bank, they are confidently handling all the banking transaction without any help. Before SHGs membership only 56 members have their account with bank but after membership 100% members have their account with Bank.

With strategies applied by the organization, can sustain the movement which is beautifully growing and making members able to arrange social functions, banking the money, creating small entrepreneur who is employer also which is the main objective of SHGs. To make women financially and socially strong to fight against poverty.

Keywords: SHGs, SWOT

SHGs is the activity which is implemented in near about sixty countries. In India, there are lakhs of SHGs which are improving economic and social status of poor people. SHGs have promoted small and micro entrepreneurship in rural as well as urban area. SHGs help to earn within the small investment with the help of their group. It is the tool of microfinance against the poverty. It is also proved as an important tool of micro finance.
economy. Planning for the small process is micro finance.

To most, microfinance means providing very poor families with very small loans (microcredit) to help them engage in productive activities or grows their tiny businesses. Over time, microfinance has come to include a broader range of services (credit, savings, insurance, etc.) as we have come to realize that the poor and the very poor that lack access to traditional formal financial institutions require a variety of financial products.

Micro Credit is defined as provision of thrift, credit and other financial services and products of very small amount to the poor in rural, semi-urban and urban areas for enabling them to raise their income levels and improve living standards. Micro Credit Institutions are those which provide these facilities.

Microfinance has origin in Bangladesh. Prof. Yunus worked for the poor farmers and the most ignored factor in the social customs-women. In 1976 Prof. Mohammad Yunus introduced the movement of “Gamin Bank” in the Bangladesh in the Chignon that means the bank for poor. It is the introduction of microfinance to the world which is practically applied by the Prof. Yunus for the group which is literally

ACCORDING TO PROF. YUNUS:

“IT’S NOT PEOPLE WHO AREN’T CREDIT–WORTHY, IT’S THE BANK THAT AREN’T PEOPLE WORTHY”

Today Prof. Yunus’s system of micro-credit is practiced in some sixty countries, and his Gramin Bank is a billion-pound business. It is the story of success that was led down the pioneer for micro credit which is available at the doorstep to the poor. This is a revolution in the micro credit. Many families in Bangladesh received the benefit of the credit. Gramin bank was formed to support the women who were working for family without any support. The gamin bank was supported them like mother. Most of the families are enjoying the benefit from the banks.

Most of the low income group population depends upon the govt. help & finds satisfy what they offered by government. Therefore they demands much more from the govt.without processing so much for the self development. Wealth of the govt. didn’t get protected by the population.

They use the wealth, but can’t take active part for the increment in National Income. As the mass class is not organize, well educated & higher income group can make growth rapidly but lower income category needs the development plan for the financial help that combines govt. aids with the social benefit.

For the growth of development of mass, financial plans should be run with accordance with need of population. For this participation of population is essential. They have to decide what are their problems? How to find out solution for the problems? They should be able to solve their problems by their own. They should analysis & explain their problems, after finding the solution they have able enough to operate their plans, uplift themselves from the low level.

Micro finance helps them to solve their problems, they offer them opportunities. SHG and BLP has done well and made tremendous contribution to scale and is on a high growth path.

Indian Microfinance promoters and public sector banks have invested heavily in the SHG approach to providing loan to poor infrastructure of SHG provides a way of finance towards the poor by providing access to financial services for India’s low income families. The general perception, reinforced by many bankers themselves, is that SHGs are profitable clients for banks, and that SHGs are the vehicle through which banks can most effectively reach out into rural communities.

Indian version for micro credit is SELF HELP GROUP, Which is donation to the micro finance from India.

The Self Help Group is defined as, “a homogenous group of poor people, voluntarily formed to save small amounts within their earnings and to mutually agree to contribute to a common fund which is on-lent to members for meeting their credit needs, either for consumption or income generating activities, on interest rates, maturity terms and other conditions mutually agreed upon by the group members.” it is generally accepted definition.

Women self help group means a group of local women framed with homogenous objectives savings or gather for social purpose for self promotion. Various objectives can be found behind the formation.

It is a tool of poverty alleviation and a way of reaching to the section of the population commercial banks, and other financial institution can’t reach due to their administrative limits. This population is covered by SHG. Self help group provides loan for business by giving group guarantee to the loan which otherwise could not be given by the bank. SHG promote saving habits among their members.
Women SHG are a group of 15 to 20 women. The member suffers from various to difficulties and problems relates with health, Finance, social status, harassments. Meetings are the simple and easiest way to place to discuss their problems. They voluntarily come together and regularly collect their small savings and deposits in SHGs bank A/C. After six months SHG become eligible to get loan from bank. SHGs own savings and bank loan is distributed among members which becomes tool of economic change. It is very important activity in the society for uplifting economic and social status of members. So the study is significant.

STRATEGIC SWOT ANALYSIS OF SHGS:

Today, India have more than 7 lakh SHGs covering population 1,40,000 which is in need of social and economic uplift. For sustain and growth, it is necessary to apply strategic planning tools to face the problems in future.

Strategic management is an ongoing process that evaluates and controls the business and the industries in which the company is involved; assesses its competitors and sets goals and strategies to meet all existing and potential competitors; and then reassesses each strategy annually or quarterly [i.e. regularly] to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors, a new economic environment., or a new social, financial, or political environment.”

SWOT analysis (alternately SLOT analysis) is a strategic planning method used to evaluate the Strengths, Weaknesses/Limitations, Opportunities, and Threats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective. Setting the objective should be done after the SWOT analysis has been performed. This would allow achievable goals or objectives to be set for the organization.

Identification of SWOTs is essential because subsequent steps in the process of planning for achievement of the selected objective may be derived from the SWOTs.

STRENGTHS:

- Strengths: characteristics of the business, or project team that give it an advantage over others. Answer of the questions given below can give idea of strengths,
  - What advantages does your organization have? What do you do better than anyone else? What unique or lowest-cost resources can you draw upon that others can’t? What do people in your market see as your strengths? What factors mean that you "get the sale”? What are your organizations?

- WEAKENESSES: Weaknesses (or Limitations): are characteristics that place the team at a disadvantage relative to others, what could you improve? What should you avoid? What are people in your market likely to see as weaknesses? What factors lose you sales?

- OPPORTUNITIES: external chances to improve performance (e.g. make greater profits) in the environment. I.e. What good opportunities can you spot? What interesting trends are you aware of? Useful opportunities can come from such things as: Changes in technology and markets on both a broad and narrow scale. Changes in government policy related to your idea. Changes in social patterns, population profiles, lifestyle changes, and so on. Local events.

- THREATS: external elements in the environment that could cause trouble for the business or project what obstacles do you face? What are your competitors doing? Are quality standards or specifications for your job, products or services changing? Is changing technology threatening your position? Do you have bad debt or cash-flow problems? Could any of your weaknesses seriously threaten your business?

Strength of SHGs:

1. As SHGs are voluntary organization form by members, it has some distinct features form the commercial organizations. It is nonprofit organization properly form for development of weaker section of the society. Nonprofit organization is generally social orientated organizations, which have either for development of the society or for economical help to them. So benefit received by the group should be equally distributed within the members. It has limit on the members.
2. No of members usually have between contains 10-20.
3. All members would meet regularly. These meetings happens frequency of week, fortnight or a month depending upon the activities.
   a. The members start their activity by all the members’ savings specific amount to be remitted every week or month.
   b. SHGs start their external borrowing programmers after six months.
c. SHGs actually work as a corpus. They convert their savings into capital with the help of banks.
d. It is a flexible institution changes its rules according to the convenience of members.
e. Responsibility can be taken rotationally by members voluntarily.
f. They are collectively responsible for the loan of members. It is the faith on members that they will repay loan in time.
4. The loan procedure is simple and offer on lower interest rate.
5. Interest rate is decided as per rule of NMS.
6. Meetings are arranged as per convenience of members.
7. It is totally based on the member’s participation and cooperation.
8. It arranges various functions, plans, and training programmes for the members.
9. It is recorded institution that is by the rules of members.
10. Experienced institutions can help to raise the productivity & national income by arranging training sessions for members.
11. It encourages the members to set up their own business and to be an independent.
12. It is a democratic group which based upon the members convenience. It has to follow certain rules.

**Weakness:**

1. Large funds are generating from the savings of SHGs. Women are less illiterate. So planning and managing the funds is one big problem for SHG.
2. Women are setting up business by taking loan from SHGs. Products of SHGs are superior but inadequate knowledge of market conditions, advertisement, are the problems of SHGs.
3. The main aim of SHG is to gather, solve the problems of members, collection of savings, offering the loan to members. It is possible only when members take the active part in the projects. Non participation of members makes the plan failed.
4. As the members are pre or less educated they seeks the help form the bank staff. Non cooperation of bank staff is the reason of member’s nonparticipation.
5. Meetings held by members are generally in the afternoon. Members were restricted for attending the meetings, doing business, attending the trainings programme.
6. Government made classification for income groups. It creates difference in the group.
7. Aim of SHG is to create social, cultural and economical awareness. By saving money, getting loan form government only economic awareness is followed. Members are ignoring all other aspects.
8. Women groups are sometimes managed by male. They did all the banking transactions for members. It creates disagreement and groups were discontinued.
9. Most the members are house workers. Their morning and evening are busy in house cores. In afternoon they want to take some rest. So most of the members didn’t attend the meetings. They didn’t know the decisions made in their absence.
10. Funds aerated from savings are generally distributed to members as a loan. Loan is given for the productive purpose. This loan is used for nonproductive purposes, for groceries, fees, medicines. Members can’t repay loan in time or installment. This will create problems in SHGs.
11. Government is allotting revolutionary funds to members, loan for business, marketing facilities, and stalls. Some groups forms for this benefits only. After receiving all this SHGs were discontinued.
12. Political parties are using the power of SHG for their political functions. Members are attending political functions because of peer pressure of parties. This is the wastage of time.
13. Very few members are doing business for the loan of SHG. Income of SHG depends upon the interest on loan and interest and profit are interdependent. Large no of members are not taking loan from SHGs.
14. Women power is differ from any other power. Where the women members gather, they have difference in opinion. It creates difference in opinion it is harmful to the groups integrity.
15. Political parties are using the power of SHGS for their own benefit. It can create the situation of SHG like co-operative moment. Parties are using SHG as a vote banks.
16. Government is providing subsidy and facilities to the SHG. All welfare schemes as well as information for members of SHG. This information is not reaching to the members due to illiteracy. The government is lacking in passing the information in the society. So they can’t take proper benefit of them.

**Opportunities:**

1. Most of the members are 10th or 12th pass. If proper training of management and marketing
is given they can sell their products commercially.
2. If the government allot them fix place for marketing they can provide variety of product within affordable price.
3. Fairs like Bhimthadi are encouraging the small entrepreneur for the business
4. Within the small investment SHGs are creating employment opportunities which are not possible either for the housewives.
5. Government & industries are in favour of SHGs for providing business & increase their earning capacity. Government provided business of ShaleyaPoshanAahar, Distribution of light bill, gardening. If the members took it more seriously, Govt. is ready to provide business to them.
6. The members who are afraid of banking now they are operating bank account easily. They are arranging social functions and are participating in rallies. They are organized now. They can collectively fight against the enemies of the families i.e. liquor, women injustice etc.
7. SHG- BLP programme make the member bankable. With the group guarantee they can approach for loan to the bank & can set a business. Small entrepreneurship is providing employment to other members. If they want to expand the business many NGO like Lupin, PCMC are ready to help them.
8. With the facilities given to them & their family members, they can educate, train themselves and their family members in a very small fees. i.e Course of MSCIT is given to members of their family members within only Rs.500/-. 
9. Big mega stores are offering one rack for SHGs products are the customer prefer the homemade products, If the member maintain quality and quantity they can market more products which would generate more business. 
10. A large market is ahead for the product. Proper training makes the women earnable.
11. Banks are offering loan and support to SHGs. They are making surveys and deciding which schemes are more profitable for SHGs. Positive feedback of members can able them to earn more capital from banks and NGOs.

**Threats:** These are the nonprofit organizations formed for the economically and socially back people for help them. Therefore they have different threats other then the commercial organizations.
1. The organization depends upon the support of NGO. The lack of organizational administration can ham the help of SHGs. In future SHGs should become independent by themselves so that they can manage their own.
2. The Government or NGO declares so many schemes for the members. The information of which does not pass in time to the members. So many members cannot participate in it. Failure of the schemes can make SHGs weak as most of the members join SHGs for economical help.
3. Most of the time the name of the members for the scheme is selected by the NGO workers. It is found that the member who is economically sound is getting the benefit of the scheme and the BPL people are long away from the scheme. It creates dissatisfaction in the member which lead them to leave the group.
4. Training given by NGO is not sufficient enough to start the business. When member takes the training he is in the wrong impression that NGO also provide jobs for the training. It is difficult to convey the members that it is the training that facilitate to develop yourself. Members are withdrawing themselves due to this. After training support should be given to members by which their business will grow and stable.
5. The savings and loan are the economic factors that connect the members with the SHGs. The distribution of loan should be transparent & in the presence of all the members. The criteria should be decided so that it could not create any problems in members.
6. The monitoring of loan is must. The reason for which the member is taking loan it should be used for that purpose only. Encouragement should give to productive use of loan for creating employment opportunities.
7. Government in interested in providing employment opportunities for the SHGs. The member should take it seriously for the sake of earning. i.e. When distribution light bill is given to the SHG member, some bills found in dustbin.

Opportunities should be taken seriously and professionally. Otherwise it is the question mark on the member’s ability which is difficult erase.
8. Some political parties are taking benefit of SHGs. They are using SHGs for political reasons. It will vanish SHGs like cooperative sector. All the internal and external politics is avoided for the betterment of the SHGs.

**CONCLUSIONS:** SHGs are the emerging activity in India through which Economic and social change is possible. It is the present scenario that where government is not reaching SHGs are actively working. It is the infra for government by
which NABARD, Government & NGOs can help to the economically & socially deprived factor i.e. women.

Women who were afraid by the name of the bank, they are confidently handling all the banking transaction without any help & also helping other in banking matters.

Loan from banks which was out of question for them before SHGs, can receive group loan for small business under the group guarantee scheme.

By banking the savings & converting it into income generating activity is the most beneficial work done by group. More ever SHG-BLP programme connects SHGs with schedule banks make the members bankable. Before SHGs membership only 56 members have their account with bank but after membership 100% members have their account with Bank.

SHGs provide them loan for their small family needs i.e. to buy groceries which could not be possible either. SHGs help them to earn by setting small business in groups. SHGs are improving Entrepreneur abilities by giving them training, loans, funds, marketing facilities.

Members are now micro entrepreneur. Some of them are in filing business, running a canteen, providing ShaleyaposhanAhar, distributing light bills for earning. It is the success story of financial inclusion.

The problems are occurring to come. The major problem is due to facilities that SHGs are offering. If they don’t reach up to the member who are need they will lose confidence in SHGs which is already noticed in survey.

Internal & external politics is keeping away members from SHGs. Members are withdrawing themselves because of this. This will prove obstacle for growth of SHGs.

The banks are ready to offer help to members. NABARD & Banks are on their way to survey & preparing schemes for member. Disinterest of members can discourage the bankers from help.

As earlier stated financial inclusion is the availability of banking services to the vast sections of disadvantaged and low income group. The aim is fulfilling with the help of SHGs. SHGs are making people credit worthy.

WITH TH HELP OF SHGs BANKS ARE BECOMING PEOPLE WORHTY & MEMBERS ARE BECOMING BANK WORTHY.

With strategies applied by the organization, can sustain the movement which is beautifully growing and making members able to arrange social functions, banking the money, creating small entrepreneur who is employer also which is the main objective of SHGs. To make women financially and socially strong to fight against poverty.

References:
Bachat Gut MahilaPustika : 2007-08