

Feature No. 22: Gram Mooligai Co. Ltd.

With three quarters of its national population living in rural areas, access to primary healthcare is one of the most pressing issues facing India's businesses and policymakers. Further complicating this picture is the fact that the government has so far had difficulty making a sufficient financial commitment to fund free, needs-based health services. Although currently on the rise, this spending only accounts for less than one percent of the gross domestic product. Private healthcare groups have also been unable to fill this gap in a country where nearly a third of the population lives in poverty. The entrepreneurs behind Gram Mooligai found a unique opportunity within this seemingly insurmountable challenge to deliver much needed health services to India's rural poor while tapping into new markets underserved by public and private actors alike.



Gram Mooligai was originally created as an offshoot of a successful NGO rural healthcare project, entering the private-sector to expand its operations in harvesting local medicinal plants. The company is owned by a network of rural growers that manufacture a variety of herbal remedies including Trigul balm for joint pain, Sugam cough syrup and Jwaracin, a fever reducer. Gram Mooligai's unique competitive advantage is its synthesis of modern healthcare systems with local remedies familiar to rural households. The company sources its products from India's strong heritage of traditional healing methods and its rich biodiversity, with

over 18,000 known species of plants. It establishes a loyal customer base by drawing on the Ayurvedic system of healing, a set of practices that are trusted by Gram Mooligai's target market because of their deep roots in Indian culture and use of well-known herbal medicines.

The company sells these products primarily by penetrating the previously untapped market for primary healthcare services in the Indian countryside. While individual households in these regions may not have strong purchasing power, spending on average \$50 per year on primary healthcare, companies that can access entire communities en masse find a significant source of revenue. Gram Mooligai has made this a part of its model, casting a wide net by enlisting local health practitioners to offer their products to over 30,000 households. The company relies on partnerships with 100 NGOs and a network of 300 women health practitioners to obtain this sizable market access. Due to its success in rural areas, the company has begun selling its products to underserved groups in Bangalore and is currently seeking \$500,000 in investment to expand its offerings in urban areas.

For more information about Gram Mooligai, visit <http://www.villageherbs.com> or see the company's profile at www.new-ventures.org.

Written by Derek Newberry for the World Resources Institute ©2006 - The Rising Ventures Series features innovative small and medium businesses (SMEs) in emerging markets that deliver social and/or environmental benefits. These businesses have been identified through the New Ventures (www.new-ventures.org) and Development through Enterprise (www.nextbillion.net) projects. To view other Features in the Series, visit <http://www.new-ventures.org/risingventures>.