

Business Model of Lokvani

1. Introduction

Our country being a welfare state desires to give its people the highest standards of living and access to essential services. In this context it requires a model of governance based on cooperative federalism, decentralisation, accountability, social justice, economic reforms, respect for citizens rights and transparency. The *sumum bonum* behind this ideology is to provide an administration which is efficient, effective, clean, corruption free, freely accessible to the people and based on simple and transparent procedures. This role is critical for the administration at various operational levels down to the village, panchayat because of their far greater interface with different section of the public. Although administration is following the above said principles, but one of the major issues nowadays is to harness information technology for improved data storage and retrieval, monitoring, support to decision-making, communication with the public.

2. Present model of Lokvani, Sitapur -U.P.

A society by the name Lokvani was constituted at district level to implement the project autonomously and to reduce the bureaucratic hassles. The National Informatics Centre (NIC) provided the necessary technical know-how for the project. It was decided that instead of opening new kiosks, existing cyber cafes/computer training institutes should be granted licenses to become Lokvani Centres. This decision was taken to ensure the financial viability and the long-term sustainability of the kiosks. Lokvani society signed agreements with kiosk operators after registering them on an annual fee of Rs. 1000/-.

The information related to various departments was made available to the kiosks through a website hosted on NIC Delhi web server. The kiosks were given login/passwords to log on to Lokvani website. The Rate List for the services was finalized and care was taken to ensure that the kiosks follow the prescribed pricing.

This model of Lokvani worked out quite efficiently up to Tehsil, Block and Town level as there was very negligible set up cost involved. To further spread the growth of Lokvani network to village level, some initial investment in hardware will be involved. Recurring expenditures can be met from the income generated from various services provided to people from the kiosk. Key is to add sufficient information/ services to Lokvani in order to make the kiosk viable and find enterprising business oriented kiosk operators. Additionally kiosks can also generate some revenue by providing other private services through their kiosks like computer education, computer typing, digital photography, cyber cafe etc. In some earlier projects like Gyandoot, government subsidies were provided to kiosk operators, which caused their downfall as they depended on subsidies instead of treating their kiosks as a business proposition.

3. Services Offered

3.1 Existing / Running Services:

- ✓ Public Grievances
- ✓ Tender notice publishing / tender form
- ✓ Land Records
- ✓ Single Window System (Birth/ Death/ Caste/ Income/ Domicile Certificate)
- ✓ Arms Licence Status
- ✓ Teachers GPF monitoring
- ✓ Government schemes information
- ✓ Works information
- ✓ Funds allotment information
- ✓ Employment

3.2 Proposed Services

- Online court cases, cause lists, judgements
- Online Electoral Rolls
- Vehicle Registration, Driving License
- Payment of electricity bills, phone bills
- Ration cards and allotment to qotedar.
- Police thana computerization / networking connectivity
- Tourist Related information
- Daily rates of Fruits/ Vegetables/ Grains
- Online pensioners info. / Installation of IVRS – SMS
- Parivar register Database (Rural & Urban)
- All employees Database
- University/ College info. (Seat Availability, Admission)
- Health info. (All Hospitals/ Nursing Homes/ Laboratories)
- Recovery Certificates (R.C.s)
- Industries info (Durry exporters etc.)
- Registry of properties
- Banking Services
- Drinking Water facilities Database
- Development from MP/MLA funds
- Khasra and Jamabandi records
- SC/ST tracker

4. Proposed Business model for Lokvani Kendra (Rough estimates)

4.1 Expenditure for setting up new kiosk

S.N.	Name of Items	Estimated Cost
1.	Computer	30,000
2.	Printer	10,000
3.	Accessories (UPS etc.)	5,000
4.	Digital Camera	5,000
Total		50,000

4.2 Monthly Estimated Expenditure/Income of Kiosks

a. Expenditure

S.N.	Name of Items	Estimated Cost
1.	Rent of shop / room	500
2.	Electricity/ water/ generator maintenance expenditure	1,000
3.	Internet expenses	500
4.	Stationary & other Consumable items	500
Total		2,500

b. Income from Lokvani Services:

S.N.	Services	Nos. * Rs.	Income (Rs.)
1.	Grievance redressal	120 * 25	3,000
2.	Arms	300 * 5	1,500
3.	Land Records	150 * 10	1,500
4.	Tenders	50 * 20	1,000
5.	Certificates	60 * 10	600
6.	Miscellaneous (future services)	--- * ---	2,000
Total			9,600

c. Income from Other Services

S.N.	Services	Cost (Rs.)
1.	Digital photography	1,000
2.	Net Surfing	1,000
3.	Computer typing	1,000
Total		3,000

Monthly Income of Kiosks

Net Income = Income from Lokvani Services + Income from other services
= Rs. 9600 + Rs. 3000
= **Rs. 12,600**

Monthly profit of Kiosks

Net profit = Income - Expenditure
= Rs. 12,600 - Rs. 2500
= **Rs. 10,100**

5. Proposed business model of Lokvani Society at district level

5.1 Expenditure for setting up Lokvani Office/Centre

S.N.	Head	Name of Items	Nos. * Cost	Total Estimated Cost
1.	Hardware	Computer	5 * 40,000	2,00,000
2.		Printer	2 * 25,000	50,000
3.		Online UPS	1 * 1,00,000	1,00,000
3.	Software	Lokvani S/W		75,000
4.		Application S/Ws		25,000
5.	Networking	Hub, LAN Cabling		20,000
6.	Site Preparation	Civil Work		30,000
7.		Electrical work		20,000
8.		Air-conditioner		30,000
Total				5,50,000

5.2 Initial Grants/ Aids/ Income :

S.N.	Head	(Rs.)
1.	Government grants	15,00,000
2.	MP/MLA / Contingencies	10,00,000
3.	Kiosk Agreements (40*1000)	40,000
Total		25,40,000

5.3 Monthly estimated income/expenditure of Lokvani office/centre

a. Expenditures

S.N.	Name of Items/Head	Nos. * Rs.	Total Cost
1.	Operators Salary	5 * 2,000	10,000
2.	Administrator Salary	1 * 8,000	8,000
3.	Peon salary	2 * 1,000	2,000
4.	Stationery for printing		1,500
5.	Printer toner / refilling		5,000
6.	Other stationery		2,000
Total			28,500

b. Income: (revenue sharing from kiosks)

S.N.	Services	20% of kiosk income * 40 kiosk	Total Cost (Rs.)
1.	Grievances	600 * 40	24,000
2.	Arms	300 * 40	12,000
3.	Land Records	300 * 40	12,000
4.	Tenders	200 * 40	8,000
5.	Certificates	120 * 40	4,800
6.	Miscellaneous	200 * 40	8,000
Total			68,800

Net Monthly Income of Lokvani Society = Rs. 68,800 – Rs. 28,500

= Rs. 40,300

6. Our Experience :

Revenue from one application (Public grievance) is shown below for 11 Lokvani centres operational in Sitapur since Dec. 04. One complaint generate, minimum revenue of Rs. 25/- for kiosk operators (10 for entering, 5 for printing, 10 for subsequent status printing/disposal)

S.No.	Lokvani Centre	No of Complaints Received (till June 05)	Amount Collected (Rs.) (in 7 months)	Income per Month (Rs.)
(A)	(B)	(C)	(D) = (C) * 25	(E) = (D) / 7
1	Biswan -1	775	19375	2768
2	Biswan -2	3279	81975	11711
3	Laharpur -1	534	13350	1907
4	Laharpur -2	1355	33875	4839
5	Mahmudabad -1	1635	40875	5839
6	Mahmudabad -2	1342	33550	4793
7	Misrikh -2	992	24800	3543
8	Misrikh-3	1334	33350	4764
9	Sidhauli -1	1470	36750	5250
10	Sitapur -1	3195	79875	11411
11	Sitapur -2	6563	164075	23439
Average income per month per kiosk				Rs. 7,297

The above table illustrates the income from just one source i.e. public grievances. Other services also contribute substantially to the income of kiosk operators. This is a very attractive business model for Lokvani kiosk operators. All the above kiosk operators were already running computer centres/ cyber cafes; hence their initial investment was only registration fee of Lokvani, which is Rs. 1000/-.

7. Our Recommendations :

1. No loans & subsidies to Kiosks in order to ensure sustainability. Also to ensure that only willing and able people run the kiosk.
2. First increase the no.of services delivered through kiosks and then increase their reach in rural areas

3. A combination of govt. and private services to be delivered through kiosks to ensure sustainability. Allow other private services from kiosks like digital photography, computer typing, Net surfing, chatting and email etc. to ensure profitability.
4. Revenue sharing from kiosk income for Lokvani Society
5. Kiosks must be self-sustainable and profit driven
6. Initial budget provision for Lokvani set up from Central / State Govt.