

## GER Initiative Success Story: Trust in Ger Area Residents Pays Off CHF International

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"I never thought we'd be running our own business" said Oyun, a member of the Cool Idea (Uran Setgemj) Sewing Group. "We have our own production space with equipment, a steady supply of raw materials and our buyer is satisfied with the quality of our production." Cool Idea was formed in September, 2004 by six unemployed women, who knew how to sew and lived in the Darkhan Derveneya Ger Area.



*Members of the Association learning to sew gloves from the leather cuttings*

The six women were registered unemployed clients of the GER – Growing Entrepreneurship Rapidly - Initiative. The GER Initiative assists many unemployed Ger Area residents to find work with larger companies. When the GER Initiative approached the Darkhan Sheepskin Company, a leather coat manufacturer, the Company was not interested in hiring more employees however they were discarding their leather cuttings. The Company realized that this material, although sometimes small, was still valuable and could be utilized to make a salable product. They offered to give the leather cuttings to people to sew into products and pay for the labor if the quality was acceptable. The GER Initiative agreed to facilitate the outsourcing process – still a new concept in the Mongolian business world - while assisting their target clientele to take advantage of the opportunity.

In the initial phase of the relationship, the Company provided the leather cuttings in uniform pieces so that the women could make gloves; the GER Initiative gathered the women together, taught them how to sew the pieces together, managed the production and provided quality control assistance. The Initiative also held sessions on business association development. The women organized themselves into nine groups with six to ten members per group. All group members learned to sew leather gloves and sold the finished products back to the Company through the GER Initiative.

After the first few months, the groups established the Darkhan Sewing Association and jointly hired their own coordinator to manage the relationship with the Company and to look for new market opportunities. The Darkhan Sheepskin Company trained five of the women from the groups to do the cutting, gave the groups four sewing machines and expanded the outsourced products to rugs, slippers, mittens and gloves. The Company is happy with the results so far. "The more we trust in them and the more we give them, the more we get in return" said Mr. Zoljargal, director of the Darkhan Sheepskin Company.

There are now 55 women involved in the Sewing Association. The Association intends to start a revolving loan fund for their members and is exploring a more formal cooperative structure. Since July 2004, the Association members have produced 1,215 pairs of mittens, 658 pairs of gloves, 569 pairs of slippers and 16 rugs. The Cool Idea Sewing Group now has a steady income and is looking to make business connections with other large sewing companies. "We are thankful to the GER Initiative for helping us get an income" Oyun said. The GER Initiative continues to offer business advice, training and association development services to each group and the Association. The groups have set business goals and their confidence is increasing.

The GER Initiative offers business development and employment services to Ger Area residents in Mongolia's four major cities: Darkhan, Erdenet, Choibalsan and Ulaanbaatar. Goals of the Initiative are to create and expand microenterprises and increase employment rate of the Ger Areas. The GER Initiative is implemented by CHF International and funded by USAID and USDA.



*Oyun and another group member looking over quality of slippers*

