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A startup designed to exclusively cater to RMG workers built 19 shops in three years and continues to charge full steam ahead

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Apon Wellbeing sets up retail shops at RMG factories from where workers can purchase everyday products with an average of nine percent discount on the market retail price. Photo:Salahuddin Ahmed/TBS

Siraj Panna is an operator at Alim Knit BD Ltd, one of the largest knitwear companies in Bangladesh. He is part of more than three million people who are currently employed in our RMG industry.

"I do not always have money in hand," said Siraj. And he is not alone. Scores and scores of RMG industry employees are deprived of enough cash in hand for even the most basic essentials, such as food, that last a whole month.

But Alim Knit BD Ltd, the company Siraj works at, is a partner of Apon Wellbeing.

"I can buy products now and pay later from my salary. It is a great initiative for us. We get more discounts here than anywhere else," explained Siraj.

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Apon Wellbeing sets up retail shops at RMG factories from where workers can purchase everyday products with an average of nine percent discount on the market retail price. These shops, dubbed as fair price shops, have a wide range of products available, just like any other average superstore in Dhaka.

For the past three months, Siraj and his partner have been regular customers at the fair price shop located beside his workplace. The couple is very happy to be able to purchase products from the shop whenever they need.

They can avail a wide range of products, starting from staple items such as rice, wheat, lentils, cooking oil, spices to snacks such as biscuits, chips, and fresh bread. Each product comes with a specific discount which, if added all together, comes to an average of 9 percent flat discount on the total amount of purchase.



Photo:Salahuddin Ahmed/TBS

Dairy items, hygiene products, fresh and frozen food, beverages, and so on, are also part of the product line at Apon's fair price shops.

Like Siraj, there are three million others who would be interested in such a service if it is made available. And it was not until 2018 that Apon Wellbeing crafted a business model catering to this otherwise largely ignored target group to make food, health coverage and credit benefits accessible for RMG workers.

"We identified that there are thousands of people working under one roof who were never brought under retail coverage even though ample scope exists in this sector. So, I wondered, why people do not see this as a retail opportunity," explained Saif Rashid, founder and managing director of Apon Wellbeing.

In 2015, while digging deeper into the ideology Saif had come across DBL Group's CSR initiative - operating fair price shops at its premises. However, he figured that most factories specialising in manufacturing were not specialised in retail.

"But if a third-party would take upon the challenge, I believed factories would be willing to give access to implement changes," he said.

In 2016, Saif matured his idea and received funding from Ashoka, a global organisation supporting social entrepreneurs, to experiment with it.

"I left my job thinking it is a \$112 billion market consisting of around 3.4 million people that no one was catering to. Thus, I jumped into it," said Saif, during an interview with The Business Standard.

And five years later, Apon Wellbeing is thriving.

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Apon Wellbeing has 20 shops operating across various RMG factories and is catering to around 51,000 workers. Photo:Salahuddin Ahmed/TBS

But what exactly is Apon Wellbeing?

It is a multi-channel marketplace start-up that provides affordable retail products with credit benefits and yearly health insurance coverage of up to Tk15,000 to RMG workers.

Workers can buy products on credit from Apon Wellbeing without having to pay any interest and clear dues upon receiving their salaries. Any worker who purchases products worth Tk2,000 each month can avail the health insurance for free from the company's insurance partners.

At the moment, Apon Wellbeing has 20 shops operating across various RMG factories and is catering to around 51,000 workers of whom 4,500 are currently availing health insurance.

"I have been purchasing products worth over Tk2,000 every month for the past four months. I am looking forward to getting the health insurance coverage," said Mohammed Sobuj, operator, sewing section of Alim Knit BD Ltd.

 Photo: Noor A Alam

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It is a win-win business model

"The consumer goods manufacturers and insurance providers working as our partners are getting access to an untapped market through Apon Wellbeing. In return, they are giving us benefits to offer to our customers. Other services such as Bkash and Rocket also provide cash back offers to all Apon customers which adds to the discount already provided," said Saif explaining how the company manages to offer such incentives to customers.

These incentives, along with credit purchase facilities, serve as economic benefits to RMG workers - one of the lowest wage earners in Bangladesh. Workers can buy anything from the fair price shops on credit throughout the month and adjust dues with their salaries at the end of the month. Besides, purchasing daily needs on the way out of a factory after the shift ends saves time for workers as well.

So how can Apon Wellbeing sell products at a price lower than the market rates?

"Workers are getting discounts solely because factories are giving us free space to operate. As per our calculation, we can provide more benefits to workers than we are getting in terms of savings from rent and utility, due to the economic leverage generated from multi-shop operation," Saif replied.

This multi-channel marketplace recently introduced fish and meat at its outlets and "the acceptance rate was beyond our expectations!" he added. Workers are placing pre-orders for fish and meat every week.

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Apon Wellbeing is working with the Global Alliance for Improved Nutrition (GAIN) and World Fish - two renowned NGOs to source fresh produce and connect with small holder farmers.

Photo:Salahuddin Ahmed/TBS

Photo:Salahuddin Ahmed/TBS

"I buy everything from here since I am getting products at a lesser price. Beef costs Tk30 less than elsewhere and if I pay cash, I get more discounts. Whatever we have here is way more than enough," expressed Sobuj.

How do factories benefit from this business model?

Ever since Apon Wellbeing began operating in August 2016 it has come a long way, however, the journey was not easy. "It took us a year to just convince factories; any new thing takes time to settle in," the founder explained.

For Apon Wellbeing's plan to work, it was imperative to have factories on board. The start-up minimises its costs by availing a space within the factory premises to set up an outlet without having to pay rent and utility expenses.

"We just need a free space that may have no economic value to the factory. They also have to bear the expenses of a few lights, fans and a computer. Compared to a factory's monthly expenses, the utility bill for a shop is much less," said Saif.

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And, according to Saif, the benefits for factories in return for such minimum investment are very high.


Photo:Salahuddin Ahmed/TBS

Photo:Salahuddin Ahmed/TBS

"According to a research conducted by GAIN, having a shop within the factory gives benefits to workers aids in decreasing employee dropout rates and increasing productivity. Besides, since Apon provides health insurance, it aids in further reducing factories' expenses," said Saif.

"We set up our first shop in April 2018. I had to pitch to factory owners till the end of 2018. From 2019, we started getting referrals and now we have 25 factories in the pipeline," added Saif. He believes the trust has been built, and factories now see their benefits, workers get their benefits, and the Apon team has created a solid brand value.

Apon Wellbeing's plans

This start-up has won several awards from the World Economic Forum, MetLife Foundation, YGAP, Tommy Hilfiger, and more, for its innovative model. So far, Apon Wellbeing has raised around \$6,00,000 and is currently raising \$1.2 million. With the investment, the start-up plans to set up at least 150 outlets in the coming three years.

Besides, the multi-channel marketplace will launch financial inclusion plans; offer digital savings and credit facilities to industrial workers. The start-up also intends to start operating online and offer home delivery services.

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Apon Wellbeing is open to collaborating with others. "If you want to do something in the RMG sector, you can talk to us. If there is a benefit for our customer group, we will definitely work with you," concluded Saif.

To know more, visit:- <https://www.apon-wellbeing.com/>

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