



# ***Mercy Corps Youth Impact Labs***

PARTNER CASE STUDIES

**OCT 2020**

## Contents

### GIG WORK

- 3-6 FixChap
- 7-10 Lynk
- 11-14 Getboda

### E-COMMERCE

- 15-18 Herdy Fresh
- 19-22 SkyGarden

### DIGITAL WORKS

- 23-26 Moringa School


### AGRICULTURE

- 27-30 Virtual City
- 31-34 Agro Supply
- 35-38 Rio Fish





# Partner Snapshot

<p><b>Partner Name</b></p> <p><b>Entrepreneur</b></p> <p><b>Industry</b></p> <p><b>Location</b></p> <p><b>Website</b></p> <p><b>Business stage</b></p> <p><b>Grant allocation amount</b></p> <p><b>No. of beneficiaries reached</b></p> <p><b>No. of jobs created</b></p> <p><b>Innovation developed</b></p> <p><b>Revenue increase</b></p>	<p>FixChap</p> <p>Prince Tillya</p> <p>Gig work</p> <p>Dar es Salaam, Tanzania</p> <p><a href="http://www.fixchap.com">www.fixchap.com</a></p> <p>Early stage</p> <p>TZS. 104,190,011 / USD 50,000</p> <p>338</p> <p>287</p> <p>Pick n Go service feature, B2B2C business mode</p> <p>TZS 67,903,750</p>	
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# Impact Highlights


## 338

Beneficiaries Reached



## 287

new work opportunities created



## \$14544

net additional income earned by gig workers on platform

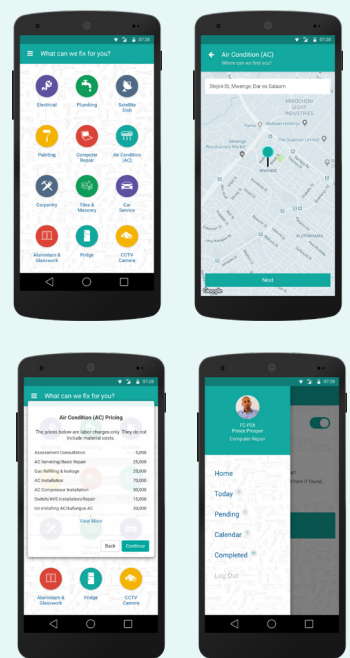


# Company Spotlight

Youth unemployment in Tanzania is low on average, compared to other countries in East Africa, however most employed youth (75%) hold informal and low-skilled jobs in the agricultural sector. While it depends heavily on agriculture, recent growth in Tanzania has been fueled by emerging sectors such as telecommunications and financial services. The emerging trends represent an opportunity to tap into technology to create opportunities for the growing youth population who do not have skills, and experience demanded by a new economy.

Established in 2018, FixChap is a digital gig platform in Tanzania through which clients book repair requests and get connected instantly to verified workers within their locations. FixChap has developed a platform that allows households to conveniently connect to vetted workers, make payment via mobile money, and rate the workers for the service rendered. Customers are able to access various services such as electrical maintenance, plumbing, laptop repair, air conditioning, car servicing, and carpentry on the platform.

The digital platform web and mobile App that Fixchapp has built leverages the shared economy model to bridge the trust gap between clients and gig workers. The easy to use App allows a client to make a book a service, receive a quote and make payment on the platform in six easy steps.



## Engagement with Youth Impact Labs



“The support provided by Impact Labs has been instrumental in the development of a marketing strategy to onboard B2B2B corporate clients on the FixChap platform.”

**PRINCE PROSPER - CEO FIXCHAP**

Prior to engaging with youth Impact Labs, Fixchap had a team of four and 202 handymen that were generating income on the platform, albeit irregular. Mercy Corps engaged Fixchap in Nov 2019, providing a milestone based grant valued at TZS 104,190,011. The engagement was focused on creating new work opportunities for gig workers on the platform by expanding its model to serve corporate clients, testing an inclusive model that would improve gender balance in the platform. The engagement resulted in the creation of new tech features including a vendor portal and creation of over 200 new work opportunities for young gig workers in Tanzania.

## Milestones Achieved

1

Developed new tech feature on the platform to support B2B2C model including a vendor portal customized for large clients

2

Developed a Pick n Go service feature and software

3

Created brand awareness resulting in 2000 new App downloads on Google play store.

4

Refined Fixchap's recruitment strategy to improve the gender balance on the platform that resulted in improving the ratio of handymen on our platform from 10% to 30%.



# Impact of COVID-19

**The pandemic has greatly affected the gig economy.** Demand for services that require close contact with clients such as painting and masonry reduced significantly following the pandemic. The number of gigs completed on the platform has dropped from 1200 to 550 per month. As a result the platform is only actively creating opportunities for only half of the gig workers that had been registered on the platform.

**However it has not been all doom,** Covid-19 has created exposure for FixChap's digital platform since people are spending more time on social networks. The firm has taken advantage of the opportunity to maximise brand exposure which has resulted in a significant increase in App downloads. FixChap's geographical reach has also expanded and the App is getting attention outside of the capital city, Dar es Salaam.

To cope with the ongoing economic crisis rapidly expanded its service offering to include Pick and Go service. The new service line was developed in response to a market need following movement restrictions advised to reduce the spread of the virus. The platform now allows customers to hire a gig worker to shop for essential goods and deliver items to the customer's doorstep.

In addition, Fixchap has reduced its overhead costs to stretch their runway. To date, Fixchap has managed to reduce its monthly operating costs by 30%.

## Lessons learned



### **INVESTING IN CUSTOMER CENTERED DESIGN TO ENHANCE THE USER EXPERIENCE OF BOTH THE WORKERS AND END USERS ON THE PLATFORMS IS PIVOTAL IN ENSURING CUSTOMER ENGAGEMENT**

Involving customers in the product design process and planning for multiple user trials to enhance user experience on the platform has led to higher customer buy-in in the long run.



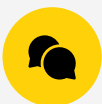
### **GENDER INCLUSIVITY CAN BE ACHIEVED IN THE GIG ECONOMY BUT PLATFORMS NEED TO BE INTENTIONAL ABOUT ATTRACTING WOMEN TO MALE DOMINATED ROLES**

Provide painting services to address concerns that the women had on safety and worksite dynamics which improved enrollment of women in the platform taking in on traditionally male dominated jobs.



### **TAKING ADVANTAGE OF A CRISIS TO BUILD BRAND AWARENESS AND TEST NEW MARKETS**

The COVID-19 pandemic opened up FixChap to new opportunities to build brand awareness and test new products. Fixchap successfully built a new Pick n Go service expanding their service portfolio to include providing delivery services.



### **COMMUNICATION WITH STAKEHOLDERS DURING CRISIS BUILDS CUSTOMER LOYALTY**

During a crisis keeping communication lines open for customers and partners to assure them of your support and commitment to safety helped build brand loyalty.

# Scale and Sustainability

FixChap has successfully secured an additional \$7,000 in funding that will enable it to extend its runway and commercialize the new service lines that it has added to its portfolio. The company has also worked on its unit economics to ensure that its services remain competitive and sustainable even with reduced demand. The company aims to re-engage corporate clients and hardware shops to continue growing its business as the economy opens up again.

## Beneficiary Story

### Women in the gig economy: Meet Oliva, a female handywoman in Tanzania

The gig economy has enhanced a flexible working culture that enables women to participate in income generating activities. This has not only empowered women to participate in the job market but has also diversified job skills within organizations thus boosting the global economy. In the heart of Dar-es-Salaam, Tanzania, meet Oliva Maluli, a female gig worker, specializing in masonry, tiling and painting jobs. Oliva's educational background in masonry and bricklaying, attracted her to her current work when she realized that few women in Tanzania were engaging in handiwork. Following her graduation, Oliva focused on building her skills by working within the school on an attachment basis. During her attachment period, Oliva met FixChap through a recommendation from a lecturer and after an interview session, she joined the platform and received further training in customer relations and technical utilization of the platform.

### Impact in income and lifestyle change

Following her engagement with FixChap, Oliva, who initially didn't earn an income, now earns between USD 100 - 130 per month, depending on the work done. This amount has enabled her to cater to her personal expenses, her parents' needs and exam fees payment for her sister, who is in her final high school year. With the earnings, Oliva has also managed to start a side business where she sells olive oil which has helped her diversify her income streams. Oliva is particularly proud that she opened a bank account through which she saves and has an NSSF account through which she can safeguard her future, post-retirement. Not only has her engagement benefited her in monetary terms, but also in soft and hard skills. As a result of the training she received on customer relations, Oliva is confident in interaction with customers and her excellent work ethic has assured her 3-5 jobs per week.

### Future aspirations

In future, Oliva has plans of enhancing her academic qualifications by taking on a diploma or degree in her field of expertise. She is hopeful that once she earns a degree, she will have a better chance of earning more income. An entrepreneur at heart, Oliva, also plans to set up a hardware shop in future and create employment for other young people.





# Partner Snapshot

<b>Partner Name</b>	Lynk	
<b>Entrepreneur Name</b>	Adam Grunewald and Johannes Degn	
<b>Industry</b>	Gig work	
<b>Location</b>	Nairobi, Kenya	
<b>Website</b>	<a href="https://lynk.co.ke/">https://lynk.co.ke/</a>	
<b>Business stage</b>	Early stage	
<b>Grant allocation amount</b>	USD 150,000	
<b>No. of beneficiaries reached</b>	2764	
<b>No. of jobs created</b>	1968	
<b>Innovation developed</b>	Lynk Byld, Lynk Shop	
<b>Revenue increase</b>	USD. 382,244	

# Impact Highlights

**2733**  
Beneficiaries Reached



**1903** New Work Opportunities Created



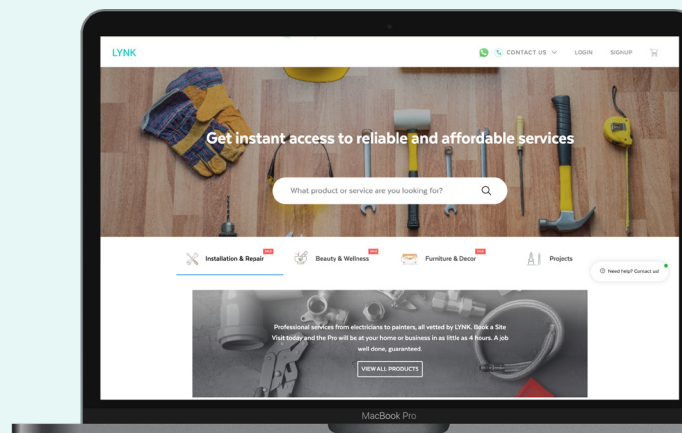
**\$2,686,980**  
Income Earned By Gig Workers On Platform



# Company Spotlight

The informal sector accounts for 83% of Kenya’s labour market. A majority of informal sector workers gain access to work opportunities through ad hoc approaches, which often result in low wages, irregular work, and few opportunities for workers to build a career. With a broken incentive system, good work does not necessarily mean more work or higher pay. Furthermore, positive feedback or a strong track record of work is generally not catalyzed into borrowing power, or the ability for someone to create a formal business.

Since its establishment in 2015, Lynk has focused on developing the core technologies and processes to enable it to facilitate job-matching and begin growing demand. Lynk provides digital gig workers an entrepreneurship infrastructure in which workers can gain access to training, tools, financing, marketing and a payment gateway. To date, the platform has created over 65,000 jobs and engaged over 1,800 workers. Gig workers are also able to build their digital career identities on the platform, allowing workers to showcase their work and collect real-time ratings from the client base.



## Engagement with Youth Impact Labs



: **With support from Youth Impact Labs, we developed a Commercial team and conducted research that enabled us to commoditize the services of our workers by restructuring some of the offerings along fixed price. This was done with the aim of improving the number of jobs the workers got.**

**AKINYI OOKO - DIRECTOR OF OPERATIONS & ACADEMY LEAD, LYNK**

Youth Impact Labs engagement with Lynk provided the innovator with the opportunity to test, iterate and expound on the 3 major business units that exist to-date and form the company's backbone. From launching an e-commerce platform, to set-pricing and market research, the experiments and pilots have facilitated higher quality and more dignified work from workers on our platform.

Youth Impact Labs supported Lynk to develop and pilot 2 products:

- **Byld** - A platform that connects construction workers to job opportunities. The platform allows employers to access vetted worker profiles; enables contractors to track attendance, rates & workers; and makes payments to workers through mobile money or banks.
- **Shop (formerly Discover)** - This is a digital platform that provides an interactive shop front that allows entrepreneurs to showcase their products for purchase and share their digital shops on social media.

As a direct result of this program, Lynk has created 67,000+ jobs for 1800+ Pros and transferred a total of USD 2.6M directly into their hands.

## Milestones Achieved

1

**Designed and piloted 2 tech products - Lynk Byld and Lynk Shop**

2

**Commoditized offering which improved the client experience guaranteeing that each client received standard quality service every time they engaged Lynk gig workers. Workers also benefited from training, toolkits and increased income**

3

**Lynk successfully piloted an in-housing model. In this model, gig workers were onboarded as full-time employees and given the opportunity to sharpen their skills and knowledge while having access to a dedicated workshop, safety equipment and high power tool.**

4

**Created decent work opportunities for 1,800 gig workers**

5

**Pros earned over USD 2 million in income over the duration of our engagement.**

6

**Over 300 gig workers doubled their income over the duration of our engagement.**



# Impact of COVID-19

Like most companies providing in-person services, Lynk was adversely affected by COVID-19. The company experienced decreased demand in the beauty and cleaning & care business segments as most customers opted against in-person services in the fear of COVID-19 infection. As a result gig workers earned a fraction of their usual income on the platform the second quarter of 2020. Gig workers interviewed reported employing negative coping strategies including selling productive assets and skipping meals. In response to COVID-19, Youth Impact Labs supported 115 vulnerable gig workers who had lost work opportunities on the platform with a one-time cash transfer of KES 10,000 to cushion them against the effects of the pandemic. Lynk also invested heavily in marketing to ensure that the market bounced back as movement restrictions were lifted.

In contrast, Lynk's Furniture and Installation, Repair and Maintenance segments experienced an increase in demand as clients sought to build home offices and make their homes more comfortable. The segment has enabled the company to remain resilient as it navigates the new market dynamics brought about by the COVID-19 crisis. Going forward, Lynk plans to focus on growing the Furniture segments to scale its business.

## Lessons learned



### **END TO END ENTREPRENEURSHIP SUPPORT IS CRITICAL TO THE GROWTH OF GIG WORKERS**

Lynk established that for gig workers to succeed on their platform, they needed to support them in figuring out pricing, how to communicate with clients, time management, getting access to tools and pathways to upskill themselves. The entrepreneurship support that the platform has provided has resulted in significant income growth for gig workers as they are able to concentrate on their core craft.



### **TO EFFECTIVELY PROVIDE ON-DEMAND DOMESTIC SERVICES, PLATFORMS NEED TO MANAGE THE RISK EXPOSURE**

Through the Cleaning and Care business that initially targeted residential customers, Lynk established that there was a significant exposure to reputation risk arising from cases of breach of trust. In addition, the domestic cleaning segment has low margins which curtail the extent to which the platform can innovate to lower the risk. While domestic cleaning services have the potential to create new work opportunities for many gig workers, additional innovation to reduce risk exposure is needed for digital platforms to effectively provide the service.



### **STANDARDIZING SERVICE OFFERINGS RESULT IN IMPROVED EARNINGS, CUSTOMER AND PRO SATISFACTION.**

By providing upfront pricing, clearly defining expectations, standard delivery, and quality guarantee, Lynk improved earnings across its business segments, pros received upfront cash for materials and customer and pro satisfaction levelled up.

## Scale and Sustainability

Lynk's business model has been proven by the market over time. The company generates revenue from transaction fees on every gig that the workers on the platform complete. The revenue generated has enabled the business to cover its core expenses and work towards profitability. Its business model has proven resilient in the wake of the COVID-19 economic shock.

Lynk's aggressive marketing strategy has resulted in a stable client pool of household and corporate customers. Going forward, Lynk plans to continue investing in improving the client experience on the platform and quality of work delivered by its gig workers. The firm is in the process of raising additional funding to finance its growth.

## Beneficiary Story

### Leveraging technology to grow gig work

Shadrack is an electrician and a gig worker on Lynk. Through the platform, he gets gigs to conduct general maintenance and repairs for households in Nairobi and to occasionally undertake major works for developers and real estate companies in the city. His career in construction started when he moved to the City from his home village and he learned basic construction skills through apprenticeship. However, due to the large supply of unskilled workers at construction sites, work opportunities were few and far between. Keen to improve his chances of getting jobs, he turned to the internet and explored opportunities on Facebook and OLX. While it solved some of the challenges of finding work opportunities, jobs sought from the internet posed new challenges as the clients would sometimes fail to pay for the work done and he did not have any recourse as a worker.

In 2017, Shadrack learnt about Lynk through a friend. He enlisted on the platform and began bidding for repair and maintenance jobs. Over the last two years, he has experienced a substantial increase in the number of jobs, resulting in a 50% increase in his income. Shadrack now earns up to KSh. 3000 daily, 3x the income earned by an average blue collar worker in Kenya. Shadrack credits Lynk for expanding his market and giving him access to a pool of clients outside of his usual network. It has also significantly improved his credibility in the market giving him the confidence to bid for 'large jobs' posted by real estate developers. To keep up with the growing demand, Shadrack employed one additional worker. He takes pride in being able to create opportunities for other young workers. Most importantly, unlike the typical job matching platform, Shadrack is assured of getting paid for his work on Lynk. Lynk structures the contract for their gig workers which provides clarity on areas of engagement, manages client interactions and provides a payment gateway. He has been fully paid for all the jobs that he has completed under the platform.

In 2019, Shadrack acquired top-of-the-range tools and safety gear on credit as part of Lynk's new initiatives to improve the quality of work on the platform. The tools have helped improve his competitiveness and ability to deliver high quality work. Shadrack pays for the tools through a flexible payment plan where Ksh 300 is deducted at every engagement. He notes that without the financing plan, it would have almost been impossible for him to purchase such high end tools in one go.

Shadrack is an avid saver, he has over time saved and bought a motorbike which provides him with a means of transport to different client sites. He hopes to start his own business in the near future as well as set up a cloth shop for his wife.

"I would have never gained access to such high quality tools if it was not for the support provided by Lynk, I am grateful that I can upgrade my hustle" - Shadrack





## Partner Snapshot

<b>Partner Name</b>	GetBoda
<b>Entrepreneur Name</b>	Andrew Miller
<b>Industry</b>	Gig work
<b>Location</b>	Nairobi, Kenya
<b>Website</b>	<a href="https://www.getboda.co.ke/">https://www.getboda.co.ke/</a>
<b>Business stage</b>	Early stage
<b>Grant allocation amount</b>	USD 59,000
<b>No. of beneficiaries reached</b>	443
<b>No. of jobs created</b>	420
<b>Innovation developed</b>	Route optimization
<b>Revenue increase</b>	USD 105,158



## Impact Highlights

**443**

Beneficiaries Reached



**420**

new work opportunities created



**\$127,071**

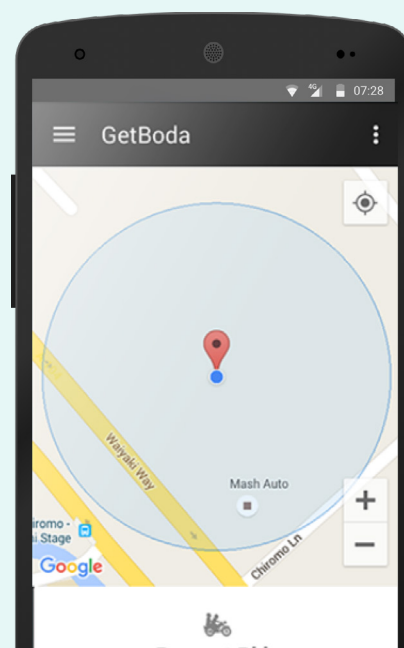
net additional income earned



## Company Spotlight

Africa has one of the most expensive logistics industries in the world. The last mile delivery remains a huge challenge that inhibits growth. Like most Sub Saharan African countries, Kenya experiences structural issues in logistics infrastructure and competence. However, aided by the growing retail industry which is forecasted to increase by almost 34% in real value terms over 2015 – 2021, and increased government spending on infrastructure, the logistic industry is projected to grow in an unprecedented rate.

Getboda is a on-demand logistics company that has developed a software to optimize logistics services for businesses. The company has a crowdsourcing courier logistics platform that connects over 1000 riders with SMEs who require delivery services. The platform's delivery dispatch algorithm feature enables the riders to map out their routes and bundle packages that are delivered on the same route thereby earning higher incomes compared to offline courier operators.



## Engagement with Youth Impact Labs



∴ **“Youth Impact Labs has supported Getboda in developing an integrated pick up station software that helps manage multiple corporate and SME clients through one system. We also developed a new shipper App that enables delivery partners to plan routes for deliveries.**

**ANDREW MILLER - FOUNDER, GETBODA.**

Getboda, through the support of Youth Impact Labs, has tested and proven a new and effective way of optimizing last mile deliveries in the busy central business district. The company introduced an automated pick-up stations model where clients can collect their packages at conveniently located shops. Through the financial support provided by YIL, Getboda partnered with 20 strategically located shops and developed a new technology that enabled the company to effectively track all packages dropped at pick up stations and ensure safety of the packages. The model has enabled the shop owners to earn additional income as well as made it more convenient for clients to pick up their packages. To date, Getboda has created over 400 sustainable employment opportunities and expanded their operations to an additional 4 cities in Kenya.

## Milestones Achieved

1

**Development of a dispatch algorithm and pickup station software to improve efficiency of deliveries by courier operators.**

2

**Through the algorithm, Getboda increased the number of deliveries per rider by over 25% and riders experienced an average increase in income of 40%.**

3

**1000+ additional couriers onboarded on platform Getboda increased its registered courier operators from 120 in June 2019, when they began, to 1,230 in February 2020.**

4

**\$85,000 earned by riders and track driver through the platform**

5

**Expansion to 4 additional counties in Kenya**

6

**Industry recognition - Getboda was awarded the most improved e-logistics platform in Kenya at the December 2019 digital excellence awards. The company was also selected as one of 5 innovators to represent Kenya at the 2019 TAS (Transform Africa Summit) in Rwanda.**



# Impact of COVID-19

At the onset of the pandemic, Getboda experienced a drastic decline in the number of customers as people opted to remain indoors in efforts to control the spread of Covid-19. Additionally, as a result of the global lockdown, the volume of business from one of Getboda's largest clients dropped significantly as they primarily source products from China. As a result of this, the number of packages delivered per month fell from a high of 10,000 packages to 3,000 packages per month. In response to the pandemic, Getboda shifted its internal operations team to working remotely. However, due to challenges in setting up the infrastructure and operations to support remote working, the productivity of the fleet team significantly dropped.

However, the pandemic opened up new opportunities. The restrictions on movement brought about high demand for delivery of essential goods to the customers doorstep. Getboda received numerous requests from grocery stores, restaurants and pharmacies who were looking for efficient delivery services. The company has entered into strategic partnerships with pharmacies and grocery shops. To meet the growing demand and sustain Getboda's working capital, Youth Impact Labs supported the e-logistics company with a USD 9138 working capital grant. The grant support facilitated the expansion of Getboda's delivery services to restaurants and pharmacies as well as procurement of delivery bags and PPEs for its delivery partners. In addition, Getboda hired 2 Operations Managers to manage food delivery services and a Hygiene Officer to implement hygiene best practices for food delivery.

## Lessons learned



### EARLY STAGE TECH COMPANIES NEED SUPPORT IN HIRING TECH TALENT

As a startup, Getboda found it expensive to hire tech talent and this slowed down their pace of innovation. Further, finding the right cultural fit for a start up company is equally challenging. The lack of resources among locally owned tech start ups has resulted in many startup failures or significantly slowed down the growth of promising solutions.



### DIVERSIFY CLIENT BASE TO STABILIZE REVENUE

Getboda's revenue was heavily dependent on ecommerce platforms. At the onset of the pandemic, the firm's revenues decreased rapidly due to reliance on one customer segment. Getboda is working towards diversifying its client base by partnering with pharmacies and groceries to make its revenue more resilient to adverse changes in demand on ecommerce platforms.



### CASHFLOW MISMATCH BROUGHT ABOUT BY CORPORATE CLIENTS LIKELY TO STIFLE GROWTH OF GIG PLATFORMS

Strategic partnerships with corporate clients in an important growth driver in the gig economy. By serving corporate clients, platforms are able to unlock new work opportunities for numerous gig workers who would not otherwise work with such clients. However, corporate clients are less likely to pay per task as is the norm in the gig model. As a result, gig platforms face daunting cashflow challenges as they try to match receiving quarterly payments from clients with daily payments to gig workers. Such cashflow challenges are likely to threaten the growth potential of many underfunded platforms.

## Scale and Sustainability

Getboda's business model has been central in ensuring its sustainability even in the wake of the COVID-19 crisis. Getboda has built a resilient tech platform that solves relevant market challenges and has attracted a growing customer base of ecommerce platforms, restaurants and grocery shops. In addition, the company has a growing pool of riders that are able to fulfill customer deliveries efficiently.

As the demand for logistics services is projected to grow, the company is well positioned to leverage the technology built through the engagement with Youth Impact Labs and scale its operations to other geographies and service lines. Primarily, Getboda is focused on scaling its long distance delivery business by partnering with food aggregators and farm input suppliers.

## Beneficiary Story

### Catalyzing the growth of small businesses in Kenya


Alex is a seasoned entrepreneur based in Thika town. He operates an electronic shop that imports phones and electronic accessories and sells them in the local market. His electronic business faces a myriad of challenges including logistic challenges and stiff competition from traders selling counterfeit goods. Due to the challenges, Alex was struggling to meet the shops expenses and was contemplating letting one of his workers go and reducing the working hours to 8 hours a day from the 12 hours he operated previously.

When Get Boda sales agents approached Alex with an unusual business proposition, to utilize his shop as a collection point, Alex had a sigh of relief. Alex saw the potential to increase foot traffic to his shop and generate additional income and immediately signed up. Getboda trained Alex on how to use the drop-off point software to dispatch the parcels and his shop began operating as a collection point in June 2019.

Three months into the partnership, Alex has dispatched a total of 600 parcels and earned \$600. The income generated goes to helping him cover his shop rent costs. In addition, he has enjoyed the secondary benefit of increased foot-traffic. Everytime a customer comes to pick up a parcel, Alex is able to market other products that he sells in his shop which has grown his customer base considerably. Alex looks forward to growing with Getboda and dispatching many more parcels through the partnership.



# Partner Snapshot

<p><b>Partner Name</b></p> <p><b>Entrepreneur</b></p> <p><b>Industry</b></p> <p><b>Location</b></p> <p><b>Website</b></p> <p><b>Business stage</b></p> <p><b>Grant allocation amount</b></p> <p><b>No. of beneficiaries reached</b></p> <p><b>No. of jobs created</b></p> <p><b>Innovation developed</b></p> <p><b>Revenue increase</b></p>	<p>Herdy Fresh</p> <p>Derrick Muturi</p> <p>Ecommerce</p> <p>Nairobi, Kenya</p> <p><a href="https://www.herdy.co/">https://www.herdy.co/</a></p> <p>Early stage</p> <p>USD 60,000</p> <p>244</p> <p>230</p> <p>Herdy Fresh App</p> <p>USD 13,1169</p>	
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# Impact Highlights

244

Beneficiaries Reached



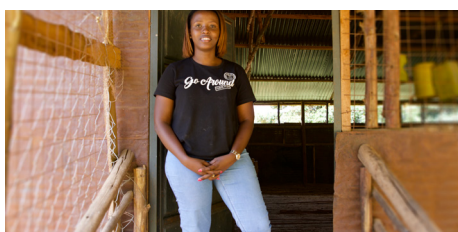
230

new work opportunities created



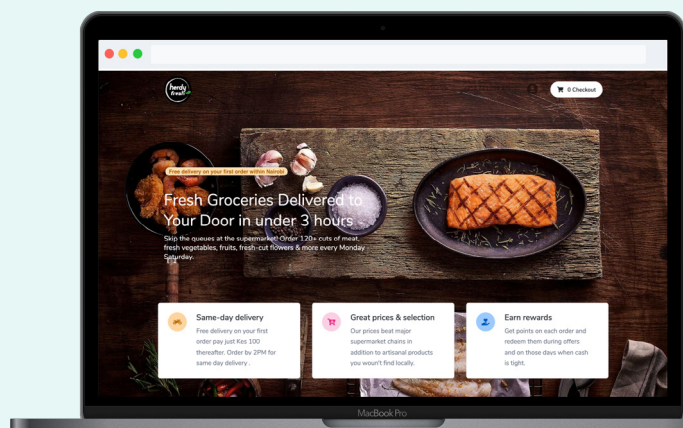
\$24,832

net additional income earned by gig workers on platform



# Company Spotlight

Market access is one of the biggest challenges facing smallholder farmers in Kenya. Most value chains are largely unstructured and the produce is sold at the farm gate and delivered to market through a chain of middlemen. As a result, many smallholder farmers have high post harvest losses or sell their produce below market rate. Conversely, urban consumers face the challenge of accessing fresh and high quality products in an efficient and convenient way. Herdy Fresh offers a solution, the Kenyan based e-commerce platform sources quality fresh groceries and meats from farmers, processes and packages the produce and delivers to customers doorstep within 3 hours. Herdy's interactive web and mobile App offers a seamless user experience where customers can shop for an assortment of meats and vegetables, place an order and make payment via mobile money or credit card.





## Engagement with Youth Impact Labs



Herdy has engaged in a variety of workshops facilitated by Youth Impact Labs on customer segmentation and strategy development. These workshops have equipped us with valuable insights on fine tuning our business strategy

**DERRICK MUTURI - FOUNDER, HERDY FRESH.**

## Milestones Achieved

1

**Provided market access and fair pricing to 74 suppliers** who have grown with the platform and as a result employed at least one additional full time employee.

2

**Served 1658 households over the last 3 years, and completed 7949 orders. Increased demand by 86%**

3

**Increased operating efficiency and reduced cost of operations by 30%.** In 2018, Herdy sourced produce from farmers twice a day which was ineffective and often led to losses. As the number of customers grew, the enterprise needed to improve its operation efficiency. Through the support provided by YIL, Herdy purchased a cold room and an electronic meat saw which enabled it to reduce procurement days to twice a week and reduce the time it took to process an order to 30 minutes from 4 hours. The operation efficiency enabled it to source produce at a better rate from farmers and become competitive in the market.

# Impact of COVID-19

**Increased demand on e-commerce platforms** - At the onset of the Covid-19 pandemic, the government gave directives encouraging social distancing and working from home. As a result, consumers limited their physical movement and opted for online shopping which increased demand for products on the platform by 51% in March 2020. Herdy also experienced increased supply from farmers who were now facing a hurdle following the closure of most restaurants. To meet the rising demand on the platform, Herdy outsourced delivery services through ride hailing app Taxify and logistics provider, SedyGo.

Herdy received a \$20,000 working capital grant from Youth Impact Labs which has enabled them to meet the increased demand for their services and deliver essential services to 851 households.

## Lessons learned



### **PROVIDING ACCESS TO STABLE AND RELIABLE MARKETS FOR FARMERS IS PIVOTAL IN SPARKING JOB CREATION AT THE FARM LEVEL:**

Smallholder farmers that have been supplying produce to Herdy Fresh consistently attribute their growth and growth in number of workers to the reliability of the market.



### **STRATEGIC PARTNERSHIPS WITH OTHER ECOSYSTEM PLAYERS IS PARAMOUNT FOR GROWTH AND RESILIENCE IN THE WAKE OF A CRISIS**

Forging strategic partnerships with other digital marketplaces and delivery platforms has enabled Herdy to reduce its cost of customer acquisition during the pandemic. The unprecedented partnerships among competitors enabled the delivery of essential goods to customer's doorstep at the height of pandemic and has resulted in considerable market growth for all players the number of active customers and basket sizes has grown.



### **BUILD AGILE TECHNOLOGY TO PIVOT QUICKLY**

Like most tech innovators, Herdy Fresh has invested heavily over the years to build its technology. However, at the onset of the pandemic, Herdy had to pivot quickly and form strategic partnerships with other ecommerce platforms and delivery platforms in order to take advantage of the changing market dynamic. To successfully partner with the strategic partners, invested in building tech integrations with other platforms and greatly benefited from having an in-house tech team that enabled it to rapidly integrate with Jumia and Sedy-go at the onset of the COVID-19 pandemic.

## Scale and Sustainability

Herdy Fresh is committed to building a scalable and sustainable platform that serves smallholder farmers. As a result of Covid 19 pandemic, Herdy Fresh consolidated its operations and reduced the number of farmers that were supplying the platform from 129 to 12 active suppliers. However, there are several scalable outcomes that were achieved by the enterprise including sustained partnership engagement with delivery and ecommerce platforms as well as a growing customer base (from 807 to 1658) which is expected to result in increased demand for meat and groceries. As demand grows the number of farmers engaged is expected to increase in tandem. The enterprise has also invested in improving its internal operations and reducing its operating costs significantly to allow it to break-even in the next year. In addition, YIL is providing technical support to enable the company to review its unit economics and improve its pricing and customer acquisition process to match the new market dynamics brought about by the COVID-19 economic crisis.

## Beneficiary Story

### From hive to home: Meet Bree's Bees

Operating in East Africa's business hub, Nairobi, Bree's Bees is an agribusiness MSME specializing in honey production — off taking the honey from small holder farmers and cleaning and packaging it for distribution across Kenya. Bree's Bees is setting the pace by sourcing raw honey from Kenya's Arid and Semi-Arid lands (West pokot (Baragoi and Kapedo) and Kitui County).

In addition to selling raw honey, Bree's Bees also packages innovative honey based products including -cream honey, garlic honey and comb honey.

### Bree's bees has increased its market share by leveraging digital platforms

Agribusinesses are rapidly shifting to digital platforms to establish market share in a highly competitive economy. Today, consumers in urban settings are more likely to purchase products online from the comfort of their mobile phones and computers. Bree's Bees has engaged digital platforms like Herdy to increase market share and grow its brand. Herdy provides first mile solutions to farmers and last mile fulfillment to consumers. Currently, Bree's Bees' main product on the Herdy platform is its "Bree's Bees Kitui Honey" which is growing in popularity due to its natural quality and affordability.

### Impact: Brand visibility, increased sales and employment

Thanks to the partnership with Herdy, Bree's Bees has expanded its clientele to minimarts, other online platforms like Jumia, restaurants within Nairobi and export companies, increasing its revenue by 10% annually. Additionally, from the proceeds of her honey enterprise, Brenda employed three young people to support the business. Her packaging has also increased from 250 grams and 500 grams to 1 kilogram each retailing between Ksh.250–1000 (USD 2.5–10).

Brenda appreciates Herdy for their seamless payment process. "It only takes a minimum of 5 days to receive payments once the invoice has been issued. This makes the payment process seamless and hustle free as compared to other platforms," she said.





# Partner Snapshot

<b>Partner Name</b>	Sky Garden
<b>Entrepreneur Name</b>	Daniel Maison, Christian Grubak, Martin Majlund
<b>Industry</b>	Ecommerce
<b>Location</b>	Nairobi, Kenya
<b>Website</b>	<a href="https://sky.garden/">https://sky.garden/</a>
<b>Business stage</b>	Early stage
<b>Grant allocation amount</b>	USD 68,000
<b>No. of beneficiaries reached</b>	2,246
<b>No. of jobs created</b>	843
<b>Innovation developed</b>	SkyRider app, In-App education tools, Track and Trace software



# Impact Highlights

**1571**  
**Merchants Access Marketing, Logistics And Payment Support**



**651** **Riders Access Gig Opportunities**



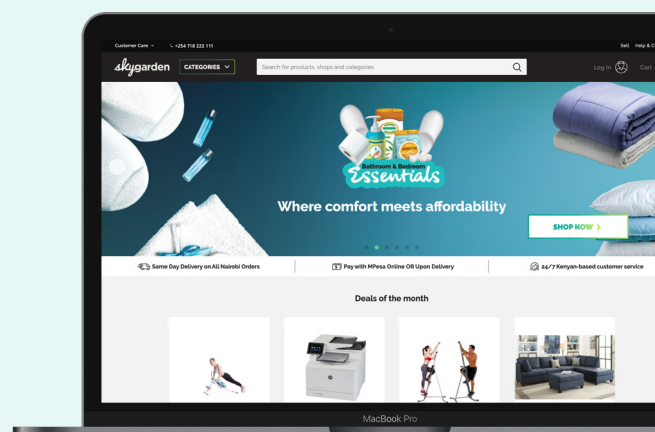
**\$1,078,801**  
**Earned By Merchants On The Platform**



# Company Spotlight

Kenya’s e-commerce market revenue is projected to reach US\$1,093m by the end of 2020. However, local micro traders have still not reaped the benefits of e-commerce. They have for a long time experienced challenges in market access, credible e-commerce platforms and efficient payment systems on these platforms. This is due to limited digital skills to enter and thrive in the e-commerce market as well as logistics and payment challenges.

Founded in 2017, Sky Garden is an inclusive e-commerce platform that provides an avenue for SME vendors to retail their products to the end consumer. Sky Garden provides three main solutions for micro traders, that is, trust, logistics and secure payment options. The company developed a webshop solution for microtraders, giving them access to an expanded market. The platform enables retailers to sell their products online by providing marketing solutions and delivery infrastructure. The retailer has full autonomy of their webshop and can promote product deals on their website or share links to their webshops for customers to buy from them directly.



## Engagement with Youth Impact Labs



**I am proud to say that we have had a fantastic partnership with Youth Impact Labs who have invested the time and energy to make our dream a bigger reality.**  
**DANIEL MAISON - CO-FOUNDER, SKY GARDEN**

Youth Impact Labs (YIL) supported Sky Garden to accelerate its growth by increasing digital marketing and investing in efficient logistics systems. Through the technical and financial support provided by YIL, Sky Garden increased its marketing spend, designed education material for merchants and piloted the Sky Rider App that enabled the platform to efficiently assign delivery gigs to riders and track the goods on transit until they are delivered to the customer's doorstep. The investments have resulted in increased efficiency and accelerated growth. The number of Merchants on the platform has increased from 5,000 to 12,000 with Merchants earning over \$1M in the period of engagement.

## Milestones Achieved

1

**Development of educational content -** Sky Garden developed an Educational Curriculum that helps new merchants effectively utilize the tools on the Sky Garden platform. The curriculum involved the development of a robust library that integrates videos, infographics as well as short punchy articles to support the merchants in understanding and utilizing the platform.

2

**Built Sky Rider App with route optimization technology -** The App was integrated to the platform's backend and included a Google Maps plugin built to pull the rider's GPS coordinates to provide turn by turn directions. The increased operational efficiency enabled Sky Garden to offer same day delivery services.

3

Sky Garden increased marketing efforts targeting 2000+ micro merchants that resulted in a **700% increase in income for merchants over the engagement period.**

# Impact of COVID-19

At the onset of the pandemic, Sky Garden experienced a pretty dramatic change in buying trends - the number of customers on the platform organically increased by 85%, the average basket size increased from Ksh 3,500 to Ksh 6,000 and products demanded shifted from electronics to essential goods. In response to the changing dynamic, Sky Garden partnered with supermarkets, wholesale essential goods providers and PPE providers to ensure that their customers could access essential goods efficiently and at fair market prices.

The shift in market trends negatively affected numerous offline micro traders and underscored the utility of the Sky Garden model in supporting micro traders to leverage the digital commerce infrastructure. Sky Garden through the support of Youth Impact Labs has increased its drive to educate micro traders on digital marketing and has invested in enabling over 12,000 merchants access to a wider market reach.

## Lessons learned



### EFFECTIVENESS OF DIGITAL MARKETING

On average Sky Garden's cost of customer acquisition was USD 8. Throughout the engagement, Sky Garden has proven the effectiveness of digital marketing in boosting merchant sales. However, the marketing tools were not effective across board for all categories, fast moving goods such as electronics resulted in a higher return for digital marketing investment compared to other categories. The disparity calls for more innovation to develop algorithms that better target clients that are interested in purchasing clothing, household and other slow moving goods sold on the platform.



### MERCHANT EDUCATION SHOULD BE CENTRAL TO SUPPORTING ECOMMERCE GROWTH

Lack of digital marketing savviness among young microtraders resulted in lower income compared to more established businesses on the platform. While the e-commerce infrastructure was built to close the skill gap, merchants were required to upload products, price and actively market their webshops. Merchants reported challenges in effectively navigating the ecommerce platform which resulted in lower income generated on the platform. Developing interventions that train micro merchants on how to effectively utilize ecommerce tools is pivotal in supporting their growth in the ecommerce industry and closing the digital skills gap.



### TRACKING MARKET TRENDS TO HELP MERCHANTS MAKE INFORMED PRICING AND INVENTORY CHOICES

Income disparity among merchants on the platforms was attributed to inability of less experienced merchants to effectively study market trends. The platform reports huge pricing differences, product quality differences and some merchants stocking "out of fashion" products. However, most e-commerce platforms, including Sky Garden, do not have an effective way of communicating market trends on the platforms, back to merchants. Developing interventions to track e-commerce market trends and communicate to merchants is an important next step in enabling more micro merchants to thrive in the ecommerce industry.



# Scale and Sustainability

The sustainability of the Sky Garden model is greatly influenced by the market trends in ecommerce. The digital transformation in Africa and increased appetite by microtraders to digitize their enterprise and leverage digital marketing tools increases the addressable market available for Sky Garden. However, low retail margins and increased competition continues to weaken microtraders ability and willingness to pay a transaction fee to a marketplace leading to a majority of micro traders opting to set up stand alone webshops on social media sites.

Sky Garden continues to prove its value by providing efficient and secure payment, marketing and logistics services to merchants. The platform plans to invest in improving efficiency of the platform and increasing the number of add-on benefits to include access to credit to make it more attractive to merchants.

## Beneficiary Story

### Linking MSMEs to profitable markets through e-commerce

Francis Mwangi runs an MSME that manufactures hygiene products in Kenya. His first sale was made through e-commerce platform, Sky Garden, in 2019. Like many MSME owners, Francis wanted to join an online platform that would support his brand growth and attract sales.

### Engagement with Sky Garden

Francis was interested in running a business but he hadn't set up a physical station yet, due to limited funds. New to the market, he researched on various e-commerce platforms through which he planned to launch his product but he couldn't find a suitable one. When his friend, who had purchased a pair of shoes from the Sky Garden platform explained to him about the site, Francis' interest was spurred and not long after, he contacted Sky Garden. Following his meeting with the Sky Garden team, Francis' web shop was set up and he began selling his products.

### Impact: Income change and business expansion

Francis' brand has considerably grown thanks to his webshop on the Sky Garden platform. Within the first two months of being on the platform, Francis utilized the income earned through Sky Garden in increasing his marketing budget to enable him to reach a wider audience. Additionally, Francis onboarded a business partner and increased his hygiene product range.

*“Sky Garden has created visibility for my business. The promo codes that the platform gives to customers have increased my sales and grown my customer base. I appreciate Sky Garden's fast delivery, instant payment options and effective marketing strategies especially on social media.”* - Francis Mwangi, MSME owner

### Future plans

In future, Francis plans to expand his business, with the aim of creating employment for young people.



## Partner Snapshot

<b>Partner Name</b>	Moringa School
<b>Entrepreneur Name</b>	Audrey Cheng
<b>Industry</b>	IT Training
<b>Location</b>	Nairobi, Kenya
<b>Website</b>	<a href="https://moringaschool.com/">https://moringaschool.com/</a>
<b>Business stage</b>	Early stage
<b>Grant allocation amount</b>	USD 36,630
<b>No. of beneficiaries reached</b>	258

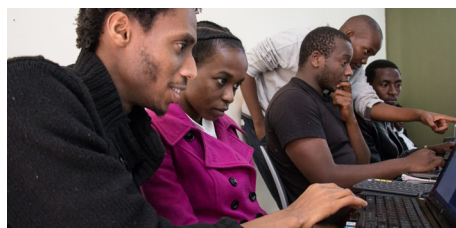


## Impact Highlights

**16**  
Students Training In Kampala  
Uganda

**58** Students  
Trained In  
Kisumu

**46** Students  
Trained In  
Eldoret



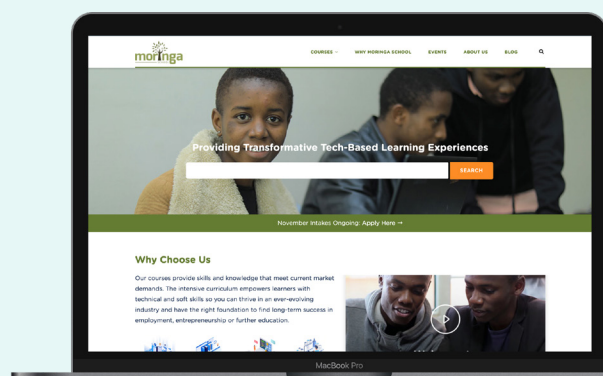
**19**  
Students Trained On Data  
Science In Nairobi



## Company Spotlight

According to the International Labour Organisation, half of the 10 million African university students who graduate each year are unemployed. It is not for a lack of available jobs, but largely due to a dearth of relevant workplace skills. Within Kenya, 40% of college graduates are unable to find employment, and only 1% of computer science majors can secure positions in their field of study. The issue is compounded by universities and other educational training programs that deliver outdated, theoretical content that does not match the needs of companies seeking soft and hard skills.

Moringa School seeks to fill this void in the tech education sector by offering a comprehensive, technology-focused curriculum designed to equip post-secondary students with the necessary technical and workplace skills to pursue and secure meaningful employment throughout Africa and the rest of the world. In addition to providing demand driven skills training, Moringa assists its graduates to secure work opportunities in full time employment or remote online work. As at the end of 2019, Moringa had trained 2,153 students and had an 85% placement rate for Moringa Core class graduates.



## Engagement with Youth Impact Labs



**: Youth Impact Labs supported us in conducting research that focused on understanding IT sectors in the job market. We needed this information to help us provide our students with relevant training for the IT sector. This research also helped us critically think about our expansion plan**

**BOLUWAJI OYEWUMI - DIRECTOR OF BUSINESS DEVELOPMENT AND GROWTH, MORINGA SCHOOL.**

Youth Impact Labs supported Moringa School to scope and test expanding its reach to secondary cities in Kenya as well as Kampala, Uganda. Through YIL support, Moringa conducted a scoping study to understand the IT skills training landscape in each of the target locations and conducted bootcamps in Kisumu and Eldoret to test the student willingness to learn software development. At the end of the exercise, Moringa decided to set up a new campus in Kampala, Uganda. The school also expanded its product offering to include data science following the study recommendations and enhanced its curriculum to better support students to transition to online work opportunities.

## Milestones Achieved

1

**Conducted market research in Kenya and Uganda to inform Moringa's job placement process.**

2

**Conducted two bootcamps in Eldoret and Kisumu where they trained 104 students**

3

**Expanded course offering to include Data Science and trained 19 students**

4

**Set up new class in Kampala Uganda and trained 16 students**



# Impact of COVID-19

**Digital transition** - Prior to Covid-19, Moringa School had no plans of transitioning to be a 100% remote learning school - they had just acquired a five storey building to serve as a campus as part of their expansion plan. Following the Government's directives to close down schools, Moringa school shifted to online classes which have provided an opportunity for students to continue learning through the pandemic. However, this shift resulted in some students dropping off from the school due to discomfort with the new mode of learning. By migrating all systems online, Moringa School invested in tools such as Zoom and Slack to facilitate communication of its team as well as students. Moringa School also financially catered for Zoom licences and data bundles for all students and staff.

In spite of the halt on the school's expansion plans, Moringa School is meeting 94% of its class attendance target which could be attributed to the heavy investment the school has made to support students learning remotely.

## *Lessons learned*



### **JOB CREATION POTENTIAL OF THE IT SECTOR**

Digital jobs have the potential to create significant employment opportunities in Kenya. However the sources of demand for IT professionals are traditional employers, such as large corporations and non-traditional employers, and startups/SMEs. These two categories of employers often have diverging skill needs and demands.



### **JOB MATCHING INTERVENTIONS ARE NEEDED TO IMPROVE MATCHING EFFICIENCY IN THE IT SECTOR**

Many employers still do not fully understand how to leverage technology in their businesses, and by extension businesses often do not know who to hire, the skills they need, and how to deploy these skills effectively. As a result, there is frustration caused by uncommunicated and unmet expectations. Interventions to better help SMEs to hire and integrate technology into their businesses will trigger innovation and job creation in the sector.



### **EXPANSION OF TECHNOLOGY INTERVENTIONS TO SECONDARY CITIES REQUIRES CAREFUL PLANNING AND INTEGRATION WITH THE LOCAL ECOSYSTEM**

While there is demand for IT skills and IT jobs in secondary cities. Expansion of technology focused solutions to secondary cities is hindered by inadequate infrastructure and a lack of enabling ecosystems. Interventions seeking to support expansion of technology solutions to secondary cities need to invest heavily in building an enabling tech ecosystem in secondary cities.

## Scale and Sustainability

Moringa School has the efficacy of its model in Kenya, Uganda, Rwanda and Pakistan. The school has managed to grow their campuses rapidly with the support of development actors but also ensures commercial viability of its model by charging a training fee and partnering with corporates to upskill their employees.

Moringa School is currently considering a number of partnerships to ensure sustainability of its programs post COVID-19. The school has partnered with a research organization that is supporting in the development of sustainable ways to facilitate student financing as well as product development. Moringa school also plans to partner with established education institutions to collaborate in curriculum development.

## Beneficiary Story

Pauline is a 23-year Ugandan Citizen who holds a Bachelor of Science IT from Ugandan Christian University. Passionate about technology, Pauline sought to advance her skills and complement her university studies with a more demand focused curriculum. She was excited to learn that Moringa had expanded its reach to Kampala and did not hesitate to sign up for the classes.

She describes the learning experience at Moringa School as eye opening. Unlike her University studies, Moringa's class was more student centered. The blended learning model allowed her to work at her own pace while still benefiting from learning from her classmates and tutor. The inaugural Moringa class in Kampala was hosted by Outbox innovation lab. The learning environment not only exposed students to an advanced level of learning but also allowed the students to interact with tech innovators that frequented the innovation lab. Pauline was captivated by the practical aspect of the course. She quips that she has learned to work under pressure and collaborate effectively with peers. Pauline and her classmates also took part in projects that provided them with an opportunity to apply their skills in a simulated workplace environment.

After completing the 5-week program, Pauline moved to Nairobi for the advanced course at Moringa's Nairobi campus. While moving to a new country to study is costly, Pauline reflects that the investment was worthwhile. She believes that the investment will set her apart in the Kampala market and open up new work opportunities. However, she hopes that Moringa will one day teach the advanced classes in Kampala to make it easier for her peers to learn and benefit from the schools' resources.

***“In Moringa School you grow holistically. It's a hands-on and you acquire both technical and soft skills”, Pauline***



# Partner Snapshot

<b>Partner Name</b>	Virtual City
<b>Entrepreneur Name</b>	John Waibochi
<b>Industry</b>	Agriculture
<b>Location</b>	Nairobi, Kenya
<b>Website</b>	<a href="https://www.virtualcity.co.ke/">https://www.virtualcity.co.ke/</a>
<b>Business stage</b>	Early stage
<b>Grant allocation amount</b>	USD 100,000
<b>No. of beneficiaries reached</b>	14,449
<b>No. of jobs created</b>	317
<b>Innovation developed</b>	Digital solution suite
<b>Revenue increase</b>	USD 30,000



## Impact Highlights

**14,449**  
Beneficiaries Reached



**317** New Work Opportunities Created



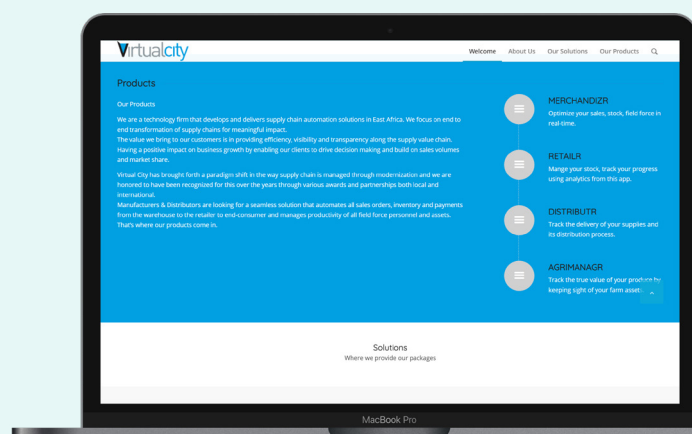
**\$7,000**  
Net Additional Income Earned



## Company Spotlight

Food safety continues to be a major concern in Kenya due to challenges that hinder the improvement of quantity and quality of fresh produce in the agriculture value chain. Some of the notable challenges include; need for end-to-end visibility of each process; increased cost of labor/inputs; losses in storage and need for consistency in production. The value chain linkage has been traditionally served by middlemen or financially secure traders with minimal value addition or consumer safety in mind.

Virtual City developed a digital solution suite that digitizes operations and provides full traceability for their clients working within the agriculture value chain. It's main clients are aggregators focused on food and vegetable markets which has helped create an integrated and well packaged solution that can now be scaled to horticulture clients not only in Kenya but across Africa. The customized and relevant digital solution suite tracks the operations of a Horticulture packhouse from farm to retail.





## Engagement with Youth Impact Labs



: “We are grateful to the Youth Impact Labs team  
: for supporting us in redesigning our horticulture  
: platform with the aim of improving the user  
: experience.”

**JOHN WAIBOCHI - FOUNDER, VIRTUAL CITY**

Youth Impact Labs engaged with Virtual City to develop the digital solution for the horticulture value chain. The support provided included a \$100,000 financial assistance and technical assistance aimed at developing the technology and marketing it to packhouses. As part of the support, the

## Milestones Achieved

1

**Created prototype mobile applications for SME packhouses in the horticulture value chain**

2

**Developed a new business model to roll out repackaged technology targeting small and medium sized packhouses in the horticulture value chain**

3

**Digitized Virtual City’s horticulture value chain**

4

**Created work and income generation opportunities in the horticulture value chain**

# Impact of COVID-19

**The customer base has been hit pretty hard** since a number of Virtual City's customers' ability to pay has dropped threatening the firm's cash flow. Majority of agriculture companies that the firm works with, exporters and those targeting the local customers, saw their markets volumes drop. Additionally, pack houses were forced to operate between 20-30% labour capacity with 30,000 workers being put on unpaid leave at the onset of the pandemic. Within the FMCG customer base, Virtual City experienced a 50% drop in demand following the closure of restaurants and schools.

**Working capital and human resources have been greatly affected by the pandemic.** Currently, Virtual City has about 3 months working capital runway which the company is preserving by sub-letting 50% of their floor space. The Virtual City team also transitioned and has been working from home since April. However, 70% of the team have been able to navigate through the changes while 30% have struggled to keep up and as a result, Virtual City let go of half of them.

To cope with the harsh effects of the pandemic, Virtual City developed AppiGo Kenya, which is a new platform targeting cottage industries and SME retailers that cannot engage in physical sales. The goal is to provide these retailers with a full e-commerce site where they can load and publicize their products while having an e-commerce web store running within 24 hours that allows them to collect orders and deliveries. The platform is provided for free.

## Lessons learned



### **BASED ON THE REVIEW OF THE QUALITATIVE AND QUANTITATIVE LEARNINGS**

a customized digital system that provides as close to real time visibility of purchases, stock movement, sales and payments, improves the operational efficiency of the Packhouses with clear impact on financial management, quality tracking and customer satisfaction.



### **DIGITAL PLATFORMS IN THE AGRICULTURE VALUE CHAIN NEED TO BE MOBILE, EASY TO USE, INTERACTIVE AND ABLE TO GENERATE SIMPLE OUTPUTS THAT ARE INSIGHTFUL AND ACTIONABLE.**

addition, the platforms should provide digital financial transactions and reconciliations of stock versus sales versus payments to provide an inclusive oversight of a business.



### **DIGITAL PLATFORMS SHOULD BE DEVELOPED IN SUCH A WAY THAT ALL PLAYERS IN THE AGRICULTURE VALUE CHAIN**

can interact with them effectively, that is, farmers, aggregators and customers.

# Scale and Sustainability

Virtual City has developed suitable structures to assist in the continuation of the innovations. The firm has partnered with critical anchor partners including financial institutions and leading packhouses in the country that continue to utilize the technology developed despite the economic downturn.

In order to grow its customer base, Virtual City has steered efforts towards marketing and social media campaigns, targeting businesses in the food value chain. Kenya is experiencing a digital transformation in the agriculture value chain. The increased appetite by packhouses and retailers to connect via digital systems is expected to increase the reach for the innovation developed by Virtual City.

## Beneficiary Story

### The gap in the agriculture value chain

Kenya's agriculture value chain is quite fragmented and has caused immense food wastage due to lack of proper storage and transportation facilities. Taimba Limited is an agritech business that has been running for almost 3 years. Taimba provides market linkages between rural smallholder farmers and urban traders. The company purchases fresh groceries from farmers at negotiated prices, repackages then delivers to their customers at no cost. Taimba's customers are informal greengrocers of which 85% are women who would initially experience challenges in accessing quality groceries at an affordable price.

Dominic Kavuisya is the founder of Taimba Limited. His interest in farming was spurred by his upbringing. He grew up in the village where he and his friends engaged in farming to sustain their livelihoods. He however noticed that all the smallholder farmers in his village harvested the same produce and sold to the same market scope. As a result, a lot of farm produce was wasted since there was an oversupply of produce. When Dominic moved to Nairobi, he realized that the cost of food was high yet less than 100km away where his village is located, food was going to waste. It was at this point that Dominic devised a plan to develop a platform that would connect smallholder farmers in rural areas to urban centres.



### Engagement with Virtual City

Dominic first engaged with Virtual City through a work engagement. He approached the Founder and pitched his idea of building a platform that connects the agriculture value chain. Since Dominic lacked the seed capital to develop this technology, Virtual City supported him by providing their existing platform to make Dominic's dream a reality.

### Impact: Technology support and expansion

Through the engagement with Virtual City, Taimba has scaled its operations. Taimba initially facilitated logistics using motorbikes and tuk tuks. Today, the company has purchased vans and sourcing trucks. Taimba also moved into a new facility and created employment for temporary and permanent workers. For every 5 tonnes of potatoes that Taimba sources, 50 casual jobs are created to facilitate sorting and packaging.

### Future plans

In future, Dominic plans to grow his passion in impacting suppliers at the bottom of the agriculture pyramid, reducing food wastage and maintaining high quality produce at affordable rates.

# Partner Snapshot

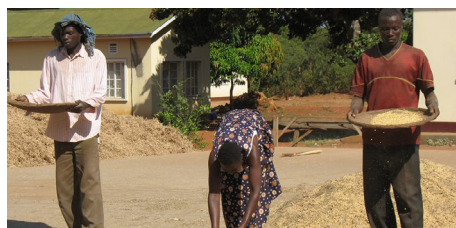
<b>Partner Name</b>	Agro Supply Uganda Ltd.	
<b>Entrepreneur Name</b>	Joseph Ogwal	
<b>Industry</b>	Agriculture	
<b>Location</b>	Kampala, Uganda	
<b>Website</b>	<a href="https://agrosupplyltd.com/">https://agrosupplyltd.com/</a>	
<b>Business stage</b>	Early stage	
<b>Grant allocation amount</b>	USD 50,000	
<b>No. of beneficiaries reached</b>	8,627	
<b>No. of jobs created</b>	721	
<b>Innovation developed</b>	Mobile Layaway system	
<b>Revenue increase</b>	USD 14,857	

## Impact Highlights

**8,627**  
Beneficiaries Reached



**721** New Work Opportunities Created



**\$678,714**  
Income Earned By Gig Workers On Platform

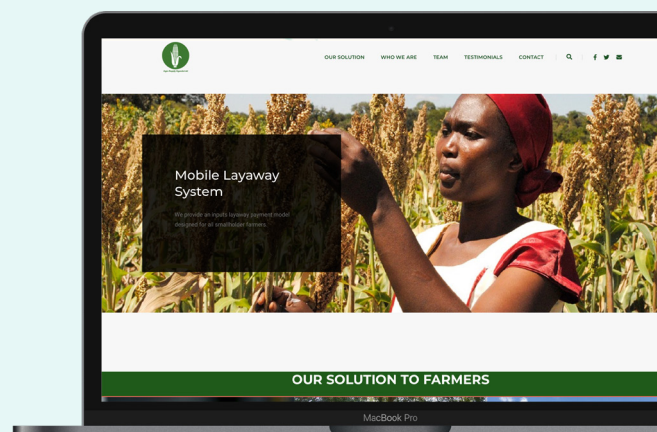


## Company Spotlight

Agriculture employs 70% of the labour force in Uganda. Despite being an important employment and GDP growth driver, only 10%- 20% of rural smallholder farmers have access to financing through traditional banks and microfinance.

Started in 2016, Agro Supply established itself as a major player in transforming the agricultural value chain in Uganda. Agro Supply began supplying agricultural inputs to smallholder farmers at the bottom of the pyramid. The company also trained farmers on good planting & harvesting practices and connected them to ready markets for their produce. However, Agro supply realized that the smallholder farmers did not have the funds to purchase the inputs during the planting season and often requested to purchase the farm inputs on credit or took out loans from saccos and informal lenders.

Agro Supply therefore developed a mobile layaway system to help farmers save money gradually using their phones and cash out only to purchase farm inputs during the planting season.





## Engagement with Youth Impact Labs



- Support provided by Youth Impact Labs has
- helped upgrade our tech system. Youth Impact
- labs also provided technical support that en-
- abled us to audit our internal operation systems
- and improve efficiency,

**OGWAL JOSEPH - FOUNDER, AGRO SUPPLY**

Agro Supply received financial and technical support from the Youth Impact Labs. As part of the engagement, Agri Supply upgraded its technology and recruited over 1200 additional farmers to the platform. In addition, the company refined its standard operating procedures.

## Milestones Achieved

1

**Upgraded Mobile Lay-away system** - Agro Supply added an age tracking module and a savings option for new farm inputs like a hand Tractor & Ox-plough.

2

**Increased savings frequency of 800 existing farmers in the layaway system** through financial literacy training and savings promotion

3

**Increased farmer base from 2577 to 4793 farmers**

4

**30% increase in farm yield from 723 kgs/acre to 1269 kgs/acre**

5

**Implemented a marketing campaign to onboard new farmers and increase distribution of seeds.**

# Impact of COVID-19

At the onset of the pandemic, agriculture input supply chains were disrupted as the Government enforced movement restrictions. This affected Agro Supply's ability to source inputs from producers and deliver it on time to farmers. In addition, Agro Supply could no longer provide on-ground training and distribution services to the farmers.

Even with the challenges, Agro Supply experienced increased demand for inputs from farmers. As soon as they were able to streamline their distribution challenges, Agro Supply expanded its internal capacity to meet demand including recalling laid off workers and engaging 30 additional agents to support the distribution process. In addition, the firm transitioned its training service to the digital space and shared information with farmers directly on their mobile phones.

## *Lessons learned*



### **COUPLE FINANCIAL LITERACY TRAINING WITH FARM MANAGEMENT TRAINING TO TRANSFORM SMALL-HOLDER FARMER HABITS**

While financial literacy is important in transforming smallholder farmer habits, it needs to be paired with farm management training and access to quality inputs to show results. Agro Supply was only able to convince farmers to save for inputs after they were trained on farm management and realized the benefits of utilizing quality inputs and following good farming practices throughout the planting season.



### **LEVERAGE EXTENSION SERVICE PROVIDERS AND MODEL FARMERS TO SCALE INNOVATION**

Like most new consumers, farmers are often apprehensive about adopting new technologies. Engaging extension service providers and model farmers to market the new innovation has proven effective for Agro Supply to onboard farmers into the platform.



### **LOW UTILIZATION OF MOBILE MONEY IN NORTHERN UGANDA**

While mobile money has been hailed as the new frontier in financial inclusion. The service is faced with numerous challenges in Northern Uganda including perception that it is too costly and the lack of agents located close to the farmer's residence. As a result, a significantly lower number of farmers saved through mobile money and instead opted to deposit cash with Agro Supply agents.

## Scale and Sustainability

Agrosupply's business model of helping farmers to save for farm inputs has paid off and stabilized the business' cash flow by reducing the number of farmers taking inputs on credit significantly. In addition, the innovation has enabled the company to grow its volumes. Agro Supply anticipates to continue the growth trajectory by expanding geographically, expanding its product portfolio to include solar systems and providing farm management training.

## Beneficiary Story

Geoffrey Juma, a father of three, is a smallholder farmer in Uganda's Odyebongwen village. Often his neighbours come to seek advice on good farming practices from him owing to the high yield he gets on his farm. However, this had not always been the case - like most farmers in his village, Juma did not always have adequate quality farm inputs at the beginning of each planting season which negatively affected his crop yield. Juma's fortune changed when he enrolled into Agro Supply's layaway system and started saving for his farm inputs gradually.

Juma met Agro Supply during a training session organized by the sub-county government in 2017. Agro Supply began by training Juma on farm practices before enrolling him into the saving platform. The training covered proper spraying and post harvest methods. In addition, Agro Supply has encouraged Juma and his neighbour to combine their harvest and sell their produce in bulk to get a better price from buyers.

In his first year of saving, Juma, who specializes in maize farming, made his first purchase of maize seedlings. That year, Juma had a bumper harvest which he attributes to the quality of the seedling and the training received from Agro Supply. The success caught the attention of his neighbours and drew them to join the Agro Supply layaway system and start saving for their next planting season.

An elated Juma is now grateful that he can reap a good harvest and earn a decent income from his farm. Juma's yield has increased 4X from 6 bags per acre to 20-25 bags/acre. The income from his farm has enabled him to set up a shop and buy a motorcycle to complement his income. Even with diversified income, Juma is still an avid saver and ensures that he regularly puts aside funds for farm inputs.

After 3 years of working with Agro Supply, Juma was assigned the role of Agent Coordinator, he is now responsible for offering training and delivering seeds to other farmers in the village.



## Partner Snapshot

<b>Partner name</b>	Rio Fish
<b>Entrepreneur name</b>	Angela Odera
<b>Industry</b>	Agriculture
<b>Location</b>	Homa Bay/ Migori Counties
<b>Website</b>	<a href="https://www.riofish.co.ke/">https://www.riofish.co.ke/</a>
<b>Business stage</b>	Early stage
<b>Grant allocation amount</b>	USD 7,380
<b>No. of beneficiaries reached</b>	100
<b>Innovation developed</b>	Rio Fish App Technology



## Impact Highlights

100

Farmers Reached



9

Full Time Employees Engaged

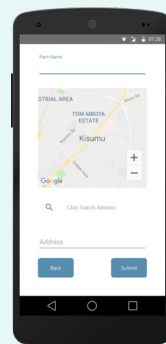
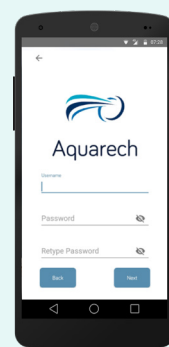
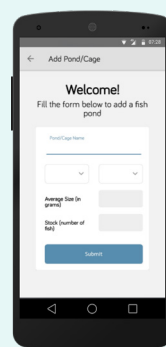
## Company Spotlight

During the preparation of the Poverty Reduction Strategy, the Government identified aquaculture development as a core activity to lift households out of poverty. Despite considerable efforts made that have seen an increase in aquaculture investment and adoption of fish farming, the sector still faces huge challenges with access to quality farm inputs and access to markets due to its fragmented nature. Lack of a formal marketing channel has resulted in losses, reduced income and the unfortunate culture of sex for fish trade.

Rio Fish is a fish farm aggregator that provides end-to-end tech solutions for the aquaculture value chain spanning input supply, farm management and access to market. Rio Fish has developed a technology that links input suppliers, fish farmers and fish traders.

The App supports three main components:

- **Farm management:** Farmers track fish growth, generate reports and access feeds and fingerlings from traders.
- **Marketing:** Fish traders can see the precise location of farmers and the expected harvest date of their fish.
- **Input Supply:** The system acts as a marketplace between input suppliers and farmers





## Engagement with Youth Impact Labs



**: We appreciate the support from the Youth Impact Labs team. They brought in strategy consultants who helped us expand, optimize our internal functions and commercialize our fish management app.**

**ANGELA ODERO - CO-FOUNDER, RIO FISH.**

Youth Impact Labs supported Rio fish to improve the user experience on its tech platform and refine its business model. Youth Impact Labs engaged a consultant to review Rio Fish's business case and develop a comprehensive financial model that would inform the company's pricing strategy.

As a result of the engagement, over 50 youth groups have been trained on the new technology and are leveraging the technology to connect to input providers and clients.

## Milestones Achieved

1

**Tech developed**  
- Rio Fish developed a fish farm management app which links farmers to traders and suppliers.

2

**Onboarded fish farmers and fish traders** - Rio Fish onboarded 100 farmers on the Rio Fish App and trained them on modern fish farming.

3

**Provide market access**- Rio Fish implemented an online marketplace for input suppliers and farmers that allows farmers to sort through a list of credible suppliers and order fish feeds and fingerlings from their preferred supplier.

4

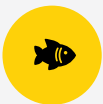
**E-commerce** - We are looking at developing the e-commerce platform of the Rio Fish App to link traders to the consumers.

# Impact of COVID-19

The COVID-19 crisis adversely affected the aquaculture industry. Rio Fish, like other fish farmers experienced limited access to quality fish feeds due to the supply chain disruption. In addition, movement restrictions imposed by the Government also affected their market as the fish farmers faced hurdles in transporting the fish to the capital city.

**To cope with the disruption**, Rio fish partnered with a feed supplier to directly import quality fish feeds. And moved from relying on farm gate sales to setting up a fish hub and franchises to sell their fish in the nearby towns. Rio Fish is providing market for other farmers through aggregation. Rio Fish is also aggressively marketing its tech platform to large buyers to create a steady market for fish farmers on the platform.

## Lessons learned



Fish farming aggregation requires **constant training and follow up** of the fish farmers to guarantee high product quality.



A portion of smallholder fish farmers are accustomed to **receiving free inputs** hence they do not run their farming enterprises as businesses, rather as hobbies. Changing this mindset is a key to enabling income-generating farming activities.



**Internet applications are a hard sell for older farmers** and it takes a lot of training and convincing to get them on board, but the younger farmers have embraced it and even suggest ways to make it a more useful tool.



Farmers are open to **learning sustainable farming** methods provided they have support and a guaranteed market.

# Scale and Sustainability

The sustainability of the Riofish technology is threatened by low tech adoption among older fish farmers. However, the company has proven the value of the technology by addressing the farmers biggest concern - access to fair markets. Farmers have proven willingness to learn how to operate the App and utilize it consistently.

Rio Fish's growth plan includes increasing the network of input providers and fish traders on the platform to ensure that farmers are able to access a variety of farm inputs and sell their fish at fair prices.

## Beneficiary Story

Martin Kagose is a fish farmer in Rongo constituency. He ventured into pond fish farming after the Kenyan government through the Economic Stimulus Package (ESP), provided fish farmers with funds to set up ponds.

### Engagement with Rio Fish

Martin met Rio Fish through a fish farm management education program run by the county government of Migori in partnership with Rio Fish. At the time, Martin was experiencing challenges in accessing good quality fingerlings and profitable fish markets. Rio Fish trained the farmers and provided technical assistance to help them set up standard ponds, access quality fingerlings and feeds, and access profitable fish markets. In addition to the technical assistance provided, Rio Fish introduced Martin to the Rio Fish App which connects fish farmers to fish traders and fish input suppliers. Though the app is still at initial stages of utilization, it will help bridge the gap in the aquaculture value chain.

### Impact on livelihood and income generation

Following his engagements with Rio fish, Martin has managed to increase the number of his fish ponds from 2 to 6 ponds with a dimension of 10M\*30M respectively. His production capacity has now increased to 7,200 fingerlings stocking, unlike to his past experience where each pond had a capacity of 300 fingerlings. Having engaged with Rio fish in different capacity building exchanges, Martin, is now able to produce a minimum tonnage of 3.5 tons of fish in 7 months having effeciently utilized the high-quality feeds, fingerlings and technical support provided by Rio fish.

From his current production status, Martin's income has increased from Kshs 30,000 where he used to sell fish per piece to Kshs 1,050,000 where he is now selling fish in tones. He is delighted with the income and his family can now experience a better quality of life.

He intends to increase the size of his farm, hence productivity and to create employment opportunities for the local youth.



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