

**BoP**  
INNOVATION  
CENTER

# 2017

YEAR OF  
INCREASED  
SOCIAL IMPACT

**ANNUAL REPORT**

Solutions  
accessible to all

Providing the cape so  
women can take-off

Turning misfortune  
into fortune







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**We co-build  
inclusive market  
propositions  
for consumers in  
low-income  
markets**



# ABOUT US

BoP Innovation Center (BoPInc) is a Dutch non-profit foundation that focuses on ameliorating people's lives at the base of the pyramid. The BoP is a demographic term that covers the approximately 4 billion people who have to live on less than US \$8 per day). With our offices in the Netherlands, East Africa (Nairobi, Kenya) and South-east Asia (Dhaka, Bangladesh) we accelerate market-based innovations and business to serve the BoP population. So whether we are helping companies to reach the poor with socially responsible goods and services or we are helping poor entrepreneurs develop thriving businesses, we aim for making a positive impact in the daily lives of people.

Our approach is based on the ideas of C.K Prahalad, who developed the idea that businesses, governments, and donor agencies stop thinking of the poor as victims and instead start seeing them as resilient and creative entrepreneurs as well as value-demanding consumers.

We assist local Small and Medium Sized Enterprises (SMEs) and multinationals in the development, marketing, and distribution of their products or services to BoP. We support entrepreneurs in product and service innovations, share learnings, and improve the enabling business environment for BoP entrepreneurs. Together with leading companies, civil society organizations, and knowledge institutions, we explore the potential of low-income markets, gain local consumer insights, and create new business propositions.

From 2012 until the end of 2017, more than 60 product and service improvements were launched in BoP markets with the support of BoPInc. More than 700,000 BoP consumers were reached with these products and services through innovative channels.

## CORE EXPERTISE

Our services are based on three pillars of expertise, that are described in the following pages:



**Inclusive Innovation**



**Marketing & Distribution**



**Inclusive Business Empowerment**









# INCLUSIVE INNOVATION

## CLIENT REQUEST

“I want to introduce an innovation in low-income markets, but need support on how to develop it.”

## OUR APPROACH

Inclusive innovations are **new solutions that have a positive impact** on people’s lives. They provide the Base of the Pyramid (BoP) with access to **affordable quality products or services** and income-generating opportunities.

BoPInc supports entrepreneurs and organizations in their innovation process by **reducing complexity and risks**. We provide **design thinking expertise, market insights, and entrepreneurial guidance** to develop solutions for BoP markets that are feasible, desirable, and viable.

## OUR INCLUSIVE INNOVATION SERVICES

**Design & Prototyping Sprints:** We collect market insights, develop propositions, and test early design concepts. This offers validated ideas that provide direction in the innovation process.

**Scouting & Adaptation:** We scout global innovations which we transfer to and improve for local markets. This way clients can be inspired by successes elsewhere and won’t have to reinvent the wheel.

**Innovation Process Management:** We bring an entrepreneurial spirit to a client’s innovation process and integrate the expectations and roles of different stakeholders. This reduces the complexity of the innovation.







# MARKETING & DISTRIBUTION

## CLIENT REQUEST

“I have a proposition for low-income markets, but need support on how to market and distribute it.”

## OUR APPROACH

We provide solutions to **startups, SMEs, and corporates** to ensure that their products and services are **accessible and appealing** for the BoP consumer. We do this by including the BoP not only as **consumers, but also as professionals** in the business operations of our clients. We are experts in marketing & distribution for BoP markets and provide our clients with **meaningful insights** and co-develop strategies to **generate business** as well as **social impact**.

## OUR MARKETING & DISTRIBUTION SERVICES

**Actionable BoP Insights:** We discover and define market opportunities for you by conducting (actionable) market research and interacting closely with BoP consumers.

**Effective Marketing Strategies:** We co-design and launch effective brands, marketing strategies and behavioral change campaigns that captivate BoP consumers.

**Viable Distribution Channels:** We co-design and implement (last-mile) distribution channels to reach the BoP, including door-to-door sales models.





SKY COME

airtel  
TOP UP  
HERE



WOT HOTELS

1. Quality of products  
 2. Price of products  
 3. Availability of products  
 4. Delivery time  
 5. Customer service  
 6. Variety of products  
 7. Packaging of products  
 8. Brand reputation  
 9. Location of the supplier  
 10. Payment terms  
 11. Flexibility of the supplier  
 12. Reliability of the supplier  
 13. Consistency of the supplier  
 14. Sustainability of the supplier  
 15. Environmental friendliness of the supplier  
 16. Social responsibility of the supplier  
 17. Ethical sourcing of the supplier  
 18. Transparency of the supplier  
 19. Communication of the supplier  
 20. Innovation of the supplier

WOT Bakery

Name: RUWENZORI  
 Estimated Demand: 2,000 units  
 with ingredients of:  
 1. Yeast (1kg) (high, low & open)  
 2. Amalgam (2kg) (2kg) (1kg)  
 3. Sustainability (consistency) (brand)  
 4. Very short delivery period (1 day)  
 5. Favorable payment terms (1 week cash)  
 6. Good quality (taste)  
 7. Belong to a...





# INCLUSIVE BUSINESS EMPOWERMENT

## CLIENT REQUEST

“I want to be successful in the field of inclusive business, but need support to develop the right capabilities.”

## OUR APPROACH

To operate in BoP markets, you need a set of **non-traditional (business) skills and know-how**. We are committed to providing the support needed to clients and customers to strengthen and grow their businesses. We call this ‘Inclusive Business Empowerment’ (IB). We do this through **advocacy and lobbying**, individualized **state-of-the art tools**, tailor-made **trainings** for business and development professionals, creating **strategic alliances**, conducting **research** and **sharing knowledge**.

## OUR INCLUSIVE BUSINESS EMPOWERMENT SERVICES

### Tailor-made Entrepreneurship Skills Training:

We strengthen skills of entrepreneurs and/or company staff on inclusive business topics: both online as offline.

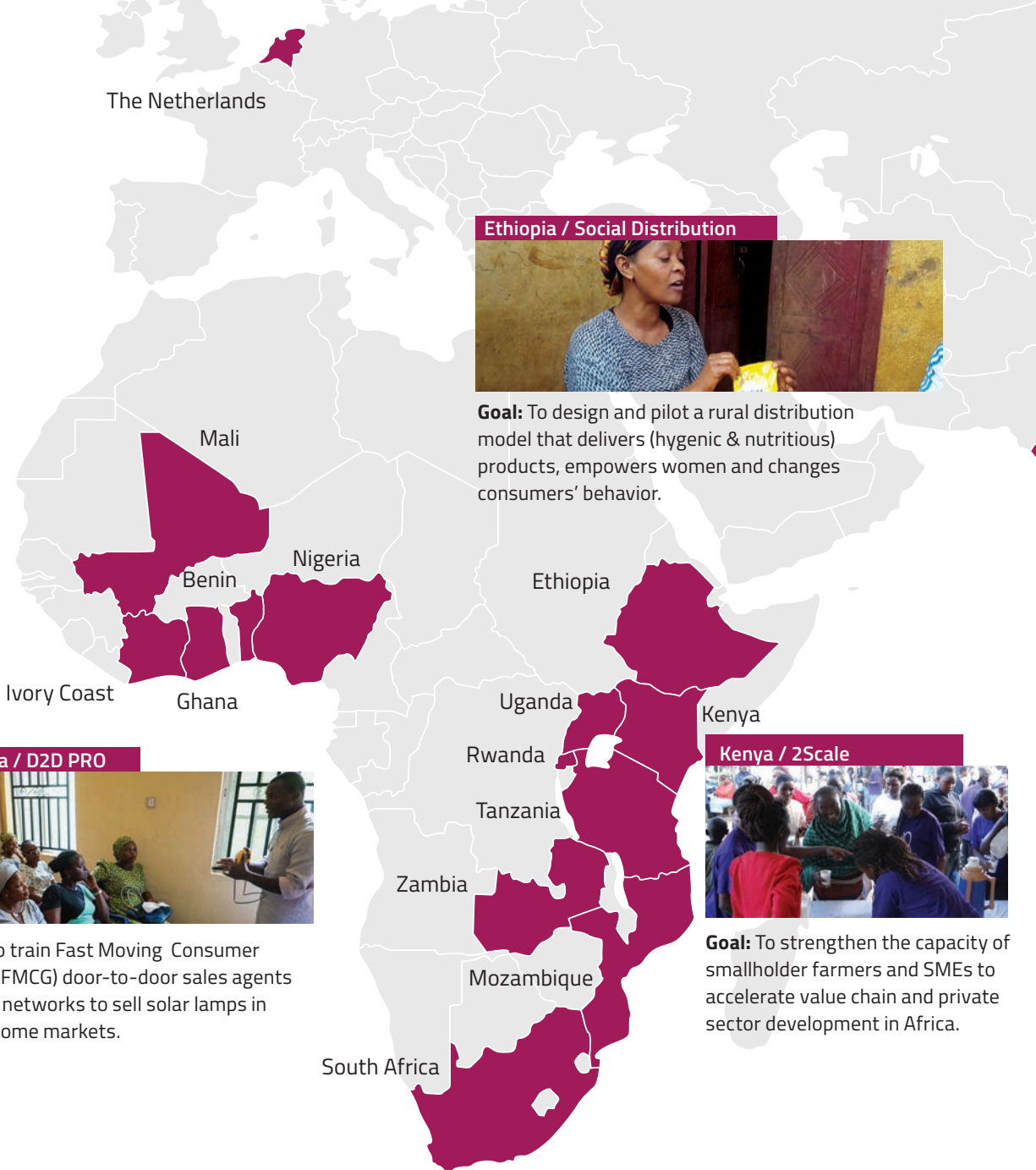
Our trainings are geared towards inclusive innovation processes, and marketing and distribution strategies in low income markets.

**Organizational Capability Tracks:** To help organizations bring IB ambition to a next level, we reflect with companies and organizations on their internal processes, values, and (human) resources. We map the status quo of organizational IB capabilities, and design a capacity development track to address potential gaps.

**Knowledge Products & Tools:** We co-create tools and inspiring knowledge products on inclusive business, based on best practices and local expertise to reach a wide range of stakeholders.







# OVERVIEW OF BoPInc



Making a difference in

# 18

different countries

# 54

Active projects  
in 2017

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## WE DELIVER VALUE TO AND WITH BOP COMMUNITIES

We support start-ups, SMEs, and multinationals in creating commercially and socially viable business models, that include the people in the BoP as consumers, producers and entrepreneurs.

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## OUR PORTFOLIO FOCUSES MAINLY ON THREE SECTORS:



FOOD &  
NUTRITION



WATER, SANITATION  
& HEALTH



RENEWABLE  
ENERGY

### Bangladesh / Proofs



**Goal:** To reach 80,000 rural households with a network of 320 rural sales ladies that drive behavioral change to improve nutrition and sell products.



# OUR IMPACT UP TO 2017

## CONSUMERS



**729,070**

BoP consumers reached  
with improved products & services

## ENTREPRENEURS



**90,654**

BoP entrepreneurs who  
generate more income

**61**

products & services launched  
in BoP markets

**COMPANIES**



**428**

companies supported  
to serve the BoP

**2,849**

people trained in entrepreneurship skills

**PRODUCERS**



Over

**1 million**

farmers were (indirectly) supported to serve the BoP



## Our contribution to the SDGs



**“If we stop thinking of the poor as victims or as a burden and start recognising them as resilient and creative entrepreneurs and value-conscious consumers, a whole new world of opportunity will open up”**

C.K. Prahalad, The Fortune at the Bottom of the Pyramid

CEO letter

# 2017 YEAR OF INCREASED SOCIAL IMPACT



The adoption of the Sustainable Development Goals (SDG s) can be viewed as the world's greatest achievement in recent history, as they represent a global collaboration for the future of humankind and the planet. Not only are these goals broad but they are also more inclusive

than goals of the past. The SDGs recognize the importance of business to play a critical role in leading creative solutions for sustainable development. Social entrepreneurship is now recognized as a means of addressing the world's most pressing social and environmental problems. This is why, for our 2020 strategy we aligned our goals with SDGs.

Because social entrepreneurship is market based and is focused on social good, it impacts the environment in a much broader way as compared to the traditional NGO model. This is why our work at BoPInc affects and impacts health, nutrition, poverty, gender, economic growth, sustainable cities, communities and sustainable energy. For us at BoPInc, 2017 is the year in which we consolidated and grew our presence

throughout the world, and increased our social impact. While social impact has always been our *raison d'être*, this past year it's become at the forefront of work and we have strengthened our monitoring and programmatic approaches to have more of a focus on social impact; this is why we refer to 2017 as the "Year of Increased Social Impact".

Reflecting on the first year anniversary to the goal's adoption and on our work over 2017 at BoPInc, we see that when we engage with businesses to address development challenges, we actively and mainly contribute to achieve the SDG 2 (No Hunger) and SDG 8 (Decent Growth and Economic Growth) targets. More specifically through our projects we contribute to other 6 SDGs (see image in opposite page). By harnessing and unlocking the passion, creativity and dedication of social entrepreneurs, we can achieve the mission of a better world!

I invite you to read more about BoPInc's activities and learn how we co-create with companies and partners to support people at the Base of the Pyramid and help address the multitude of development challenges as articulated in the SDG targets.

A handwritten signature in black ink, consisting of a stylized 'H' and 'D' intertwined.

Henk van Duijn  
*Chief Executive Officer*



# YEAR HIGHLIGHTS



## IAP TRAINING ETHIOPIA

In the project Innovations Against Poverty (IAP), BoPInC staff trained a group of advisors on the Inclusive Business and Inclusive Innovation toolkits, to strengthen their service provision to SMEs applied to IAP.

## UNILEVER LONG TERM PARTNERSHIP

We have worked with Unilever for over three years and during the summer 2017 we took the exciting step of sealing a long-term collaboration with very broad objectives on Inclusive Distribution.



## MARCH

### GUARDIAN ARTICLE

The Guardian publishes an article on how we pioneer virtual reality technology: “using virtual reality to understand what life is like for low-income consumers.”

**The Guardian**

## APRIL



### BOP MARKETING AND BEHAVIOR CHANGE WORKSHOP

BoPInC was part of the 3rd Practical Impact Alliance held at MIT, developing a workshop where lessons learned from BoPInC’s work in low-mid-income markets were discussed.

## JUNE

### MOST INFLUENTIAL POST WINNER

“Finding the Right Last-Mile Distribution Model”. MIT was awarded the most influential blog post in Next Billion, which centers around a publication by BoPInC /MIT.

### ONLINE COURSE

Together with IBA we developed a course in which over 500 participants gain knowledge on tools and methodologies used by 2Scale. Some of the topics were: value creation, innovations in farming, access to finance and agribusiness clusters.

## PROOFS EVENT

This learning event brought together practitioners, researchers, donors, government and private sector representatives to discuss their experiences and learnings with multi-sectoral approaches to improving food and nutrition security in Bangladesh.



## WORLD FISH

BoPInC staff supported a group of researchers in adapting new research approaches to better include the perspectives of end-users of their research, such as consumers and smallholder farmers. This workshop, commissioned by Worldfish, in Malaysia brought all the researchers together.



## SENSEMAKER

Start of a project that aims to develop larger, more sustainable, and gender-balanced youth enterprises, food and agricultural SMEs, and nutritional sales agents in Benin.

## AUGUST

### VIRTUAL LATRINES

Launch of our more wacky innovation project that aims to explore virtual reality as a sales and marketing tool for improved sanitation.



## OCTOBER



## NOVEMBER

### 2SCALE EVENT

BoPInC organized an international event to present the outcomes and learnings after 5 years of the 2SCALE program. The event presented different success cases for the program and brought together over 150 participants from different disciplines. During this event, also learning publications that were co-developed with KIT (Royal Tropical Institute) were presented to the Dutch Ministry of Foreign Affairs.

## DECEMBER







# SPECIAL INITIATIVES IN 2017

BoP innovation approaches in sustainable development are multidimensional, interdependent, and cut across many relevant development areas. The following crosscutting topics were covered during 2017:

**Women's empowerment:** identifying the obstacles to equality and personal success that women face and ensuring that our services and support address those challenges.

**The use of new technologies in inclusive businesses:** Leveraging the increased adoption of (smart)phones at the BoP for enhanced experiences and more cost-effective delivery of knowledge and services.

**Youth employment in last mile activation and distribution:** Addressing the challenge of employing young people to support the distribution of products and services to geographically remote people.







**Profitable Opportunities for Food Security (PROOFS)**  
PARTNERS: ICCO, iDE

## **PROOFS: Creating networks of female micro-entrepreneurs (Bangladesh)**

**Goal:** Increase the number of women who enter the value chain as economic actors.

In PROOFS, 320 rural women in Bangladesh were recruited and trained to work as microentrepreneurs and are called Nutrition Sales Agents (NSA). Within PROOFS, BoPInc developed the strategy of the Nutrition Intervention and supported the setup of the NSA network. Through the NSAs, 80,000 rural households receive important nutritional and hygiene information, and are able to access nutritional and hygiene products which would otherwise not be (easily) available for purchase.

## **SMART LOGISTICS: Powerful female CEO introduces new product (Kenya)**

**Goal:** Empower female entrepreneurs to exploit untapped opportunities in their value chains.

In collaboration with GAIN Marketplace BoPInc worked with Smart Logistics Kenya's Rose Mutuku on a new nutritious product (pre-cooked beans) introduced to the Kenyan market. In addition to designing a marketing and branding strategy, BoPInc worked with Rose on building the business case for this new product and getting access to seed capital to set-up a professional production line and marketing campaign.



**Global Alliance for Increased Nutrition (GAIN)**

## **BANDA BORAE: Marketing tasty soy bean kebabs produced by women groups (Ghana)**

**Goal:** Working with a women processor's cooperative to increase market share.

Banda Borae is a processing cooperative of 20 women, who used to market their soybean kebabs at the local market without branding or market strategy. Under 2SCALE, BoPInc managed to boost the self esteem of women by introducing a brand to their product. We also helped to expand the cooperative's route to market by introducing branded and mobile containers to directly target the different local markets. That has lead to a steep increase in sales, and a proud and more efficiently-run processing cooperative.



**DUTCH FUNDED PROGRAM 2SCALE**  
PARTNERS: IFDC, ICRA

Women's empowerment

# PROVIDING THE CAPE SO WOMEN CAN TAKE-OFF



## WOMEN'S EMPOWERMENT

Women are present in every value chain as producers, processors, and distributors. However, their roles are often informal, not recognized, with limited power and voice. Or their roles are recognized but they have difficulties in accessing the resources needed to grow and professionalize their businesses. In most of the developing countries, women make up more than half of the agricultural workforce and also have the responsibility for children's education and families nutrition. Many of these women still face gender-related constraints and barriers; because of this, many female entrepreneurs are stuck in the early stages of the entrepreneurship pathway.

\$10 trillion is what women's unpaid work accounts for annually. \$28 trillion would be added to the global GDP by 2025, if all countries would empower women to their full potential (FAO Committee on Food Security, 2011).

An increase to a woman's income of \$10 achieves the same improvement in children's nutrition and health as an increase to a man's income of \$110 (FAO Committee on Food Security, 2011). Enabling the economic empowerment of all women ensures healthier, more fulfilled lives.

At BoPInc, we believe that **women entrepreneurs** play a vital role in **boosting economic productivity and growth** in emerging economies and should be **included** as viable and trusted economic actors in **value chains**.

To reap the benefits of women's entrepreneurship, the constraints for female entrepreneurs should be addressed and their potential should be unleashed. BoPInc does this through the design and implementation of four new delivery modules that target female entrepreneurs. These models range from inspiring the emergence of start-ups to accelerating and professionalising already existing female-led small and medium enterprises in the agro-food sector in emerging countries.



New technologies in inclusive businesses

# SOLUTIONS ACCESSIBLE TO ALL

## THE USE OF NEW TECHNOLOGIES IN INCLUSIVE BUSINESSES

Innovation is in the DNA of our organization. As an Innovation Center, we are motivated to find new solutions to old problems. We recognize the enormous untapped potential that technology wields and our team is built to use this technology for social good. Our multidisciplinary team allows us to incorporate different disciplines in the innovation process, collect market insights, understand new technologies, and co-create inclusive business models.

Experience has taught us that although BoP markets have an exciting business potential, innovating in these markets can be unusually complex and challenging. General challenges when doing business in low-income markets include: lack of market information, limited availability of marketing, sales, and distribution channels, consumers

having irregular and limited incomes, which means they need trusted low-risk products at an affordable price, and often higher operating costs.

At BoPInc, **we believe that companies can mitigate many of these challenges by integrating Information and Communication Technologies (ICT) in their inclusive business models.** And those solutions can play **a critical role in improving lives of people** living at the bottom of the pyramid.

**2017** was a year full of **many exciting, innovative projects using new technologies**, from the use of Virtual Reality to sell toilets, to the development of an alert support system to protect farmer's crops. We proudly share highlights of this area of work during the last year.



**PARTNERS:** ICCO Bangladesh, Wageningen University, mPower, AIS, BCAS, TerraSphere  
**FINANCIAL SUPPORT:** Netherlands Space Office

## Geopotato (Bangladesh)

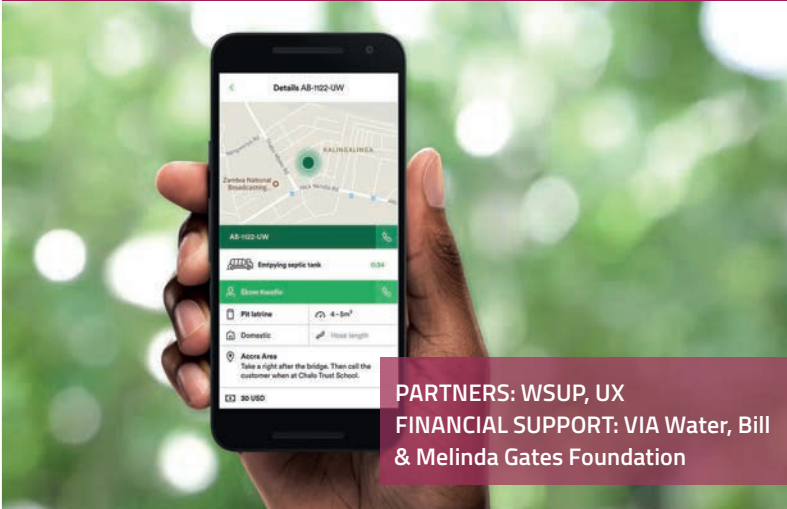
The GEOPOTATO project in Bangladesh explores various IT solutions, such as SMS and voice messaging to reach farmers. The project offers a decision support service to farmers using weather and satellite data for an optimal control of "Late blight" in potato production. Late blight is the most common and highly destructive fungal disease in potatoes, tomatoes and solanaceae crops in Bangladesh.

## Virtual latrines (Mozambique)

In this project, virtual reality (VR) is being used as a sales tool to sell toilets and attract low-income consumers in Mozambique. Changing attitudes towards sanitation is one of the most pressing problems faced by low-income households in Mozambique. In this market segment, the toilet is not a priority and, often, other improvements and investments are prioritized. A 3-month pilot with this solution has led to significant sales improvements, including: more customers showing interest after first interaction, reduced time spent per customer, improved recognition, trust and appreciation of the company's brand and sales agents, and improved motivation of the sales agents.



**PARTNERS:** FX Studio, XL xtralarge  
**FINANCIAL SUPPORT:** VIA Water



**PARTNERS:** WSUP, UX  
**FINANCIAL SUPPORT:** VIA Water, Bill & Melinda Gates Foundation

## PULA (East Africa)

Large parts of Africa struggle with setting up proper fecal sludge management. The majority of urban households rely on concrete pits or septic tanks to discharge fecal waste therefore they require regular liquid waste collection. Collection is often done by small businesses that have little market insights and are poorly regulated. This leaves room for illegal disposal and uncontrolled side-business, causing environmental impact and health risks. PULA is a business application that improves liquid waste transport services.



**DUTCH FUNDED PROGRAM 2SCALE**  
**PARTNERS: IFDC, ICRA**

## Promofruits (Benin)

The main challenge for Promofruits was to diversify from the current sales of pineapple juice to wholesalers and to make the product offering and branding more attractive to low-income consumers. BoP Inc has been supporting them in 2Scale to improve its outreach by launching creative and informative marketing campaigns, rethinking distribution models and testing more cost-effective packaging options. BoP Inc in 2Scale also supported Promofruits to come up to a business model to scale-up the number of cargo bikes from 10 to 100.

## Guts Agro (Ethiopia)

GUTS Agro produces a high-protein corn-soya blend that is the first of its kind in Ethiopia. The main challenge of Guts Agro was on their production and product development. Thus, we helped them in 2Scale to develop a BoP product called Super Mom, and also assisted in designing a distribution model to reach the BoP consumers through Likie ladies, who are women entrepreneurs that sell products door-to-door. Likie now operates in five different cities, with more than 50 women micro-franchisees.



**DUTCH FUNDED PROGRAM 2SCALE**  
**PARTNERS: IFDC, ICRA**



**DUTCH FUNDED PROGRAM 2SCALE**  
**PARTNERS: IFDC, ICRA**

## Stawi (Kenya)

Stawi Foods and Fruits Limited is a food processing business, that has been supplying to big supermarkets on credits thus creating liquidity challenge for the business. We supported them to develop a business plan and undertake market activation activities in low income markets to promote uptake and adoptions of its new 500g porridge products. The activation channels included chamas, door to door, church and retail channels.



Youth employment in last mile activation and distribution

# REACHING THE RURAL POOR

## YOUTH EMPLOYMENT IN LAST MILE ACTIVATION AND DISTRIBUTION

Today, roughly 4.5 billion low-income consumers within the developing world earning less than \$8/day collectively spend more than \$5 trillion a year on goods and services. This represents more than the middle and higher consumption segments combined! With this much potential at the Base of the Pyramid -and not only in a commercial sense but also in consideration of the abundance of social good that accompanies sustainable growth in these communities- this work points to a new social and economic imperative for the wider global context.

A major challenge that businesses face when attempting to tap into this enormous potential is the problem of accessing and reaching these customers. Whether the product is a solar home system, a toilet, or fast moving consumer goods, businesses face the question of how to get the product to the consumer or the consumer to the service, without incurring enormous costs which make the business model unprofitable. BoP consumers are inaccessible for many reasons: markets are fragmented and thin, conventional low-cost distribution options such as large central stores are irrelevant, consumers lack transport to travel distances,

and taking goods and services to them can be expensive (for distant rural areas with poor infrastructure). Purchases may depend on high-touch marketing and demonstration by people they trust.

Additionally in Africa, youth employment is a growing challenge that has become a top political priority for the region. Young people form a large share of those living in the BoP. The majority of these youth are likely to have jobs that are typically less stable and have lower earning potential than older people. Therefore, they are also less likely to obtain financing or access to land.

At BoPInc, **we believe that to include and create employment opportunities for young BoP population in the development of projects is fundamental to achieve the maximum social benefit.** We have worked with multinational corporations and SMEs alike to tackle the challenges of covering the last mile together with youth underemployment. We have co-created a number of solutions such as using young local sales agents and piggybacking on existing networks that reach low-income consumers, thus increasing employment and income opportunities for these young people.







# **PARTNERS, ENTREPRENEURS, AND CUSTOMER IMPACT STORIES**







## ABOUT DOOR 2 DOOR PRO

Door 2 door pro is a project which offers an innovative and effective solution to distribution and sales of solar products and cook stoves to rural people in Osun, Nigeria.

# SHINING A LIGHT ON SOLAR DISTRIBUTION

## AN INSPIRING STORY FROM THE D2D PRO PROGRAM

**LOCATION:** NIGERIA  
**PROGRAM:** D2D PRO

In a small kiosk off to the side of a bustling road in Osogbo, the capital of Osun State in Southwest Nigeria, we met with two widely smiling D2D Sales agents - Ms. Uweh Olubunmi and Ms. Adeleye Adenike. Prior to the D2D sales program, these ladies - both entrepreneurs - were struggling to increase the profit margins of their businesses. This is because many agents like Uweh and Adeleye sell fast moving consumer goods whereby the demand for the items are high, but the margins are slim. Solar products offer the possibility to drive up profits for ladies like Uweh and Adeleye.

While sitting in the kiosk, one cannot help but notice the electrical poles that line the street. Apparently, while many businesses and households in Osun state are connected to the grid, blackouts and power outages are a daily reality. In a country struggling to alleviate poverty, energy access is key as energy poverty is an indicator of poverty. Energy offers enormous opportunities and deprivation undermines attaining these (opportunities). The unreliability of the grid disrupts businesses, studies, and life in general. Therefore, the demand for affordable products that produce light and electricity is high. There is an array of products (kerosene

lamps, candles, phone lights and (diesel) generators) on the market that usually do not last for long, had a low quality and are expensive. With its involvement in this project, BoPInc wanted to change that!

With funding from Transform and BoPInc along with strong partners like Clinton Giustra Enterprise Partnership (CGEP)<sup>1</sup> who provides the necessary linkages to finance and Greenlight Planet (GLP) who produces quality solar lamps and a pay-as-you-go (PAYG)<sup>2</sup> product line, established the door to door distribution model.

The female agent's training covers product knowledge, sales skills, stock management and record keeping, warranty handling, and financial management. Also training in the Angaza pay-as-you go platform, which enables low-income customers to purchase its solar lamps in instalments over a period of multiple weeks or even months. In this way distributors and sale agents can register customers, collect repayments and activate solar lamps using mobile devices.

<sup>1</sup> a social enterprise that provides stock credit to sales ladies that sell Fast Moving Consumer Goods (FMCG)

<sup>2</sup> These products can be purchased on credit, enabling consumer to pay off their lamps in terms. This PAYG system is run by Angaza, which is increasingly used by other solar companies.

After the training the sales agents are supported by BoPInc providing continuous mentoring and guidance. Many of these ladies have begun selling to larger customers including cooperatives and pharmacy chains. This allows them to sell multiple units to one customer, often striking a deal on the margins of the product when the customer provides credit to the final users. However, targeting grid-connected customers might be a bit more challenging as compared to off-grid customers because the payback period is longer for the former.

Besides the profitability, the ladies explain their motivation for selling these products: they are aware that there is a need and demand for solar products in their community and they also enjoy seeing their customers and community reaping the benefits of solar products. This provides an incentive to the sales lady and creates an even stronger bond with their customers. *"I want people to enjoy the bright lights instead of bad solutions like kerosene lamps and generators"*, mentioned Adeleye.

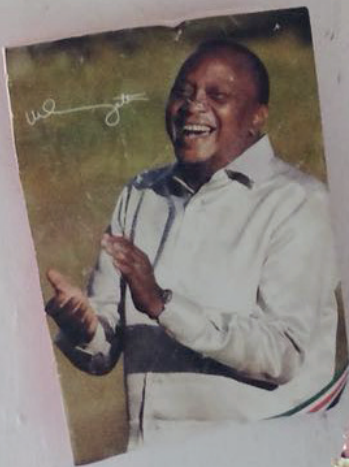
In this past year, the lessons learned about the D2D Pro approach and how to increase sales figures for Solar products have been invaluable.

**"I want people to enjoy the bright lights instead of bad solutions like kerosene lamps and generators."**

***Mrs. Adeleye Adenike***

***Door 2 Door Sales Agent  
Osogbo, Southwest Nigeria***









## ABOUT 2SCALE

2Scale is a Dutch-funded initiative, which is short for "Toward Sustainable Clusters in Agribusiness through Learning in Entrepreneurship". It is one of the largest incubators of inclusive agribusiness in Africa with 50 public-private partnerships in 9 African countries. The project strengthens the capacity of smallholder farmers and SMEs to accelerate value chain and private sector development.

# VALUE ADDITION: THE WAY TO GO!

A STORY FROM THE 2SCALE PROGRAM

**LOCATION:** KENYA

**PROGRAM:** 2SCALE

Nestled on the highest mountain in Kenya (Mount Kenya) lives Mrs. Ruth Kinoti, the Managing Director of a growing enterprise called Shalem Investments. The company is a sorghum aggregator and trader currently based in three Kenyan regions. Like many other people in the region, Ruth grew up in a peasant family and they struggled to meet basic needs; In particular, her father had difficulties paying school fees: *"My parents had to sell the products they cultivated, mainly maize, before they could pay school fees"*, she recalled.

Despite the difficulties, she managed to graduate as a teacher and started to work at a boarding school. It was there that she noticed that beans and maize were a significant part of the school meals. She said, *"I approached the school administration and proposed that we could supply the school with produce. From one thing came another and I started to supply the school with produce from my family and neighbours. Before I knew, I was providing 10 schools with produce from smallholders. That's how Shalem Investments started"*.

Shalem began modestly with 12 farmers and during 15 years steadily grew to 7000 farmers. Her vision is to

see Shalem bring lasting solutions to the community by providing healthier nutrition alternatives as well as providing a decent living for smallholder farmers. She explains, *"Since we started aggregating sorghum for East Africa Breweries Limited (EABL) with support from 2SCALE it has been a joy to see farmers grow their income exponentially"*.

The main challenge for Shalem was to develop new channels besides the Business to Business (B2B) activities. During this project we went jointly with Shalem into a journey to develop added value for sorghum targeted to consumers. We facilitated co-creation workshops to identify gaps in the market and consequently develop a branding and distribution strategy.

The outcome was a re-branded porridge flour that was affordable for BoP consumers. The packaging was also designed and developed considering strict country regulations on plastic use. To promote it and make it available, a marketing and distribution strategy was developed and implemented. In just a few short weeks after the marketing strategy was launched (using a small pool of promoters) 800 women in the community were reached.



The final strategy was market activation. For this a tent was built at the market Gakoromone in Meru. There were music events, nutrition talks and 10 brand ambassadors young women and men who introduced the product to vendors and customers in the market. It was hard to ignore them as those handling porridge had T-Shirts, Caps and aprons branded with the Asili Plus. Over 2,000 people were reached during those market days, taking place once a week for three weeks. The customers had the opportunity to taste the Asili Plus porridge flour and received promotional items such as T-Shirts for free after purchasing more than 4 packets of the porridge.

Shalem investments is looking forward to growing its business by replicating the marketing and distribution strategy developed to other parts of the country, which will triple its income. The women involved during the pilot will be part of the micro franchising model where they will continue selling the Asili plus fortified flour as an income generating activity.

The role of BoP Inc during this project focused on improving and diversifying access to markets, previously centered on beer manufacturers, to food products and animal feed.

**“By working together to develop a great quality and affordable product, BoP Inc helped us to achieve our goal of combating malnutrition among the BoP population.”**

***Mrs. Ruth Kinoti***  
***Managing Director Shalem Investments***  
***Nairobi, Kenya***







**“PROOFS give me  
the opportunity  
to educate others  
every day of my life.”**

*Mrs. Lovely Begum*

*PROOFS Sales Agent*

*Rural Bangladesh*

## ABOUT PROOFS

Profitable Opportunities for Food Security (PROOFS) aims to improve the lives of 80,000 households in the North-West and South-West regions of rural Bangladesh. The focus is to improve food security, prevent malnutrition, and improve water and hygiene of smallholder households. The project, funded by the Embassy of the Kingdom of the Netherlands, is a partnership between ICCO Cooperation, IDE, and BoPInC.



# FROM HOUSEWIFE TO ENTREPRENEUR

## AN EMPOWERING STORY FROM THE PROOFS PROGRAM

**LOCATION:** BANGLADESH

**PROGRAM:** PROOFS

It's Monday afternoon in a rural village in Bangladesh and Lovely Begum is on her way to host a nutrition session for the women in the area. As soon as a group of around 30 women, carrying babies and young children, have found a place on the rug placed in the middle of the courtyard, Lovely starts her session. She tells the ladies about the different food groups, shows them how to wash their hands and discusses breastfeeding. At the same time she demonstrates and sells several products like sanitary napkins and micronutrient sprinklers. Consumption of these products is on the rise as the awareness level amongst the villagers continues to increase.

Lovely is part of a 320 female sales agent network that BoPInc set up together with the other partners in the PROOFS program. The women were trained in basic management skills, record keeping and in nutrition. These 320 micro-entrepreneurs to date have reached 80,000 rural households in Bangladesh with behavioral change messaging on hygiene and nutrition and have sold around 800,000 USD worth of nutritious and hygiene product.

Working with female sales agents in rural Bangladesh was not always easy. Although many of the sales agents already had experience in working in their communities, convincing

their families to start working as a sales agent was still a barrier for many of them. Sales agents told us: *"My husband said I was not capable of doing it [becoming a sales agent]."* and *"My husband did not have confidence in me traveling alone, because I had never crossed the river by myself"*. Nonetheless, we have seen first waves in attitude changes among household members, particularly when the sales agents started contributing to the household income:

*"Before being a sales agent, my mother in law used to scold me. My father's house is close by and I would want to visit often. My mother in law didn't like me leaving the house. Now being a sales agent she is happy that I go out to contribute some money and is not angry anymore when I visit my father's house."*

Towards the end of the PROOFS program the majority of the sales agents reported that their husband and other family members were happy or even very happy with their work as a sales agent because of the money they bring in, but also because of their contribution to the community. As Lovely put it: *"PROOFS, unlike other projects, does not give me a salary; it gives me the opportunity to improve my education and educate others every day of my life, while at the same time ensuring a decent income."*



## ABOUT 2SCALE

2Scale is the short for “Toward Sustainable Clusters in Agribusiness through Learning in Entrepreneurship”. It is an initiative funded by the Ministry of Foreign Affairs of the Netherlands, and executed by IFDC together with several partners. During recent years it has become one of the largest incubators of inclusive agribusiness in Africa with 50 public/private partnerships in 9 African countries. The project strengthens the capacity of smallholder farmers and SMEs to accelerate value chain and private sector development.

# MIXING PROTEIN WITH PROFIT

## AN INNOVATION STORY FROM THE 2SCALE PROGRAM

**LOCATION:** MOZAMBIQUE

**PROGRAM:** 2SCALE

Novos Horizontes is a private company based in Rapale district in Nampula province, Mozambique and is dedicated to poultry feed, and chicken production and processing. The company manages an out-grower scheme of 190 smallholder chicken producers, as well as breeders and laborers in the hatchery and abattoir at Novos Horizontes' farm.

In 2Scale, BoPInc provided an in depth market assessment to understand the challenges that the company was facing. From this, Novos could see that retailers used to buy whole chickens from resellers under the Novos Horizontes brand. There, the chicken was cutted into pieces to be sold to their customers. The main reason for this was, that the whole chicken was too expensive the final, low-income consumers. This intermediary step resulted in the loss of brand recognition and a potential hygienic/food safety hazards for end-consumers.

Novos understood they lacked control over quality, margins and their product branding was lost through the repackaging done by the resellers. Furthermore, they realised that the potential of the resellers (middle-men) was invaluable not just because of their entrepreneurial spirit, but because they had enormous reach in distribution to the BoP market. Novos figured out that if they were willing to sell more at the BoP,

they should support and have a more close relation with the resellers because they already had direct access to the BoP customers.

As a result BoPInc helped them in 2Scale to build a closer relationship with resellers. Novos Horizontes invited the informal resellers to the factory, gave them trainings, branded uniforms, and provided support in building up and upgrading their shops and even in some cases, supplied fridges to increase their freezing capacity.

Previously, Novos Horizontes was already supplying some of the larger middlemen, but the relationship with the resellers was almost nonexistent. After BoPInc support in 2Scale, the relationships between the actors has improved and the sale volumes increased. Also the company started to produce smaller chicken portions packaged in quantities of 500 g and 300 g for the BoP consumers. Additionally the shops are now branded. This partnership resulted in increased access to the product by BoP consumers via a network of 40 retailers, who sell small chicken packages to consumers in the local markets. Through this network, the chicken is made accessible in appropriate locations and at affordable prices. Novos Horizontes has benefited from improved brand recognition among this market segment and increased sales.



**“ I am happy that  
I was trained on  
how to think like a  
business person.”**



## ABOUT KMAP

The Kenya Market-Led Aquaculture Programme (KMAP) is focused on creating a vibrant aquaculture industry that generates sustainable income, employment, and food security. Led by Farm Africa and funded by the Dutch Embassy, the program has two main objectives: First, to increase production levels to the tipping point needed for input suppliers to be commercially viable and, second to increase access to markets for fish farmers and input suppliers.



# TURNING A MISFORTUNE INTO FORTUNE

## AN UPLIFTING STORY FROM THE KMAP PROGRAM

**LOCATION:** KENYA - EAST AFRICA

**PROGRAM:** KMAP

It is 6:00 AM and Gladys, a fish farmer participating in the Kenya Market-led Aquaculture Programme (KMAP), receives a call from one of her regular buyers to harvest 600 kg of fish. Elated, Gladys starts to harvest her fish. At 10:00 AM, she is worried because she has already harvested but her customer has not made contact. She makes a call and receives very disturbing news; her buyer has been involved in a grisly road accident.

Gladys is one of 1,100 small scale fish farmers in KMAP who will participate in a BoPInc business training that teaches fish farmers in Western and Central Kenya to think more like entrepreneurs. The farmers, who typically can only afford to stock one pond at a time and struggle to find a market for their fish because of the smaller size and limited quantity, learn practical skills to increase sales and improve their business.

Using the Business Model Canvas as a guide, farmers learn to define their target market, create a value proposition and outline the most viable marketing and distribution channels to reach their customers. The sessions stimulate farmers, who tend to be male and older than 40, to think about the role of women in their fish farming business. They are also very

interactive. With 20 farmers together in a training most of the solutions come from the farmers themselves.

A few weeks after participating in the training, Gladys called us with an update: *"I am happy that I was trained on how to think like a business person. When my customer got in the accident and I was stranded with 600 kg of fish, I had to think very fast. I bought oil and paid someone to help me clean and fry the fish. At the end of the day, I sold the fish at a higher price and made over KSH 30,000 (approx. USD \$ 292) extra."*

Using what she learned in the training about value addition, Gladys decided to sell fried instead of raw fish and benefited by making an extra income. She also managed to reach a wider consumer base that preferred to buy fish that was already cleaned and cooked.

We, of course, were thrilled to hear her news. Success stories from farmers like Gladys continue to inspire our work with low income entrepreneurs in Kenya and across the globe.

# FINANCIAL STATEMENTS

*ALL AMOUNTS X1000	REALISATION 2017	REALISATION 2016	REALISATION 2015
Projects and other income	€ 2,017	€ 2,054	€ 1,917
Direct costs projects	€ 461	€ 352	€ 261
<b>Net Turnover</b>	€ 1,556	€ 1,702	€ 1,656
<b>Expenditure</b>			
Staff	€ 1,340	€ 1,310	€ 1,237
Other	€ 250	€ 218	€ 203
<b>Total Expenses</b>	€ 1,590	€ 1,528	€ 1,440
<b>RESULT</b>	<b>- € 34</b>	<b>€ 175</b>	<b>€ 215</b>
<b>Destination of result</b>			
Continuity reserve	€ 50	€ 105	€ 133
Appropriated reserve	- € 84	€ 70	€ 82

\*Unaudited statements, the audited statements will be published on our website [www.bopinc.org](http://www.bopinc.org)



# WHAT THEY ARE SAYING ABOUT US

## UNILEVER

*"Unilever has been working with BoP Inc since 2015 and I am proud that I found this "diamond". They are an organization that has a big value-add to us as Unilever. They are one of the most efficient partners I have worked with. Their first focus is on improving the lives of people living at the BoP, they are doing this through true understanding unlocking the potential of cross-sector collaboration. Their success brokering different partnerships comes from a true technical expertise in social business modeling, their strong and innovative facilitation capabilities and all of this done by purpose driven people."*



KATJA FREIWALD,  
Advocacy & Partnerships Director for  
Women's Empowerment & Livelihoods in  
the Chief Sustainability Office at Unilever

## WORLD FISH

*"It was a pleasure to work together and I love the clarity that the team brought in terms of framing the tools for user-responsive, market-based research."*

CYNTHIA MCDOUGALL  
WorldFish Project Leader



## SNV

*"BoP Inc since its foundation has been a strategic partner for SNV in several projects, consistently delivering professional and sound inclusive business advisory services in complementarity with our own expertise in the field. Its capacity to quickly adapt to local contexts and effectively identify innovative solutions around business modeling and marketing and distribution strategies makes them a valuable and complementary partner, such as the work currently conducted under the Innovations Against Poverty Fund."*

JAVIER AYALA  
IAP Multicountry Fund & Executive  
Manager at SNV

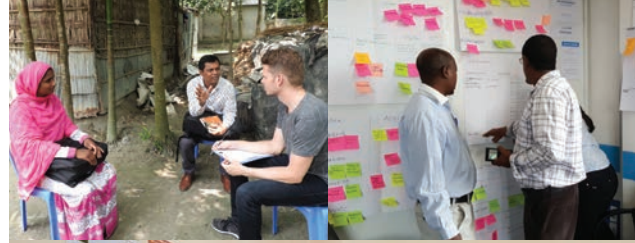


# THANKS TO OUR PARTNERS AND SUPPORTERS





WE ARE LOOKING FORWARD TO 2018!





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