Mwanza, Tanzania Business Review

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Project Progress and Problems

Business Issues

I came into my internship with a special interest in examining the business aspect of Tukwamuane’s efforts, specifically, to look at the group’s business model and see where it could be improved. It became clear to me early on during my time in Mwanza, however, that there were far too many gaps to fill before the group would have a workable business model to consider improving. The biggest challenge that Tukwamuane faces is that they are currently not able to turn a daily profit. As a result, they remain reliant on funds coming in from Western Heads East in Canada to pay their monthly bills and cover unforeseen running costs. This is a major issue as it prevents any move towards sustainability and subsequently hinders the group’s sense of ownership of the project, as they are constantly being ‘bailed out’ of tough situations by the Canadians. I was able to identify the financial disparities in a balance sheet that outlines Tukwamuane’s daily running costs (including recommended compensation for NIMR staff and equipment) and an estimation of their current revenue. Currently, the mamas need to make an additional 60,000 Tsh a day just to break even. This is a challenge that can be overcome, but it will require major changes to be made. I imagine that the project will look radically different at the point in time when the mamas are able to make money on their own, without Canadian support.

Pricing Scheme

Upon examining the daily costs in the kitchen, we came across a major problem regarding the pricing scheme that the mamas were using to sell their product. Instead of a typical scheme where bulk quantities are sold for a relatively cheaper unit price, the mamas were selling the small cup servings for the lowest
price per unit and were feeling frustrated that community members were opting to buy multiple small cups instead of the bigger servings. We conducted a long meeting with the women, explaining the theory behind a change in product pricing. We provided them with five options for new price schemes, including the relative price per unit (i.e. if you sell the small cup for 300 Tsh, and four small cups make up a litre, your relative litre price for this unit is 1200 Tsh), and projected monthly earnings using each new scheme in comparison to typical monthly bills. After a period of group decision-making, the women chose the new scheme which most minimally changed the prices. Although we were disappointed with their decision from a business perspective, we acknowledged that this was likely the result of the community’s capacity to pay for the product and went with the women’s recommendation. It is also my opinion, however, that the women avoid having to make difficult business decisions because they know that they will be supported by WHE through challenging financial periods. For example, it is hard to stand one’s ground and explain an increase in price to angry customers. I believe that the women avoid these situations because they know that WHE will back them up financially whenever necessary. I think that Tukwamuane must confront these challenges on their own if they are to ever truly become self-sustainable.

In an effort to replenish the funds in the Tukwamuane bank account after the Pamella crisis, Alison and I decided to increase sales in the community to ‘wazungu’ (foreigners), orphanages and hotels/restaurants. We considered the price points of similar products at local upscale supermarkets, where many foreigners shop, and decided that we would set the price at double the fee being charged to members of the Mabatini community (2000 Tsh/L compared to 1000 Tsh/L). This price was accepted by the ‘wazungu’ community and we were able to increase sales to over 60L/month. On their own initiative, Tukwamuane began to distribute small quantities of the yogurt to supermarkets in town, where the product was sold for a price similar to what the ‘wazungu’ were being charged. I advise future interns to
carefully consider the ‘tiered’ pricing system as a part of the business model as a whole. While it may not be ideal to maintain this system for a long period of time, it has been useful in assisting the group to recover after the theft of money by Pamella.

**Marketing**

In order to help grow their business, it is important for the Tukwamuane women to market their product to new potential customers. With this in mind, Alison and I created a handful of packages for local hotels and restaurants. The packages contained a Tukwamuane brochure and overview, recipe suggestions for cooking with yogurt, and an order form. We distributed these with the mamas and received some feedback from prospective clients. We were advised to have the package translated so that it could be presented in both English and Swahili, and it was suggested that the mamas bring along samples of the product. This was a good first effort and should be improved and repeated in the future, as it would do the group a lot of good to obtain a few bulk contracts to increase sales in the city.

**Packaging**

While discussing the product price points, the women restated their desire to obtain standard packaging for the yogurt. They made it clear that new packaging would allow them to present the product as ‘changed’ and ‘different’ which would make it easier for them to apply a new price scheme that would have a better chance of being accepted by the community. Upon recommendations by visiting UWO faculty, we have started to investigate plastic packets that can be sealed with a machine. This material is currently being used in the UWO/World Bank start-up project in Kenya and seems ideal for the Tukwamuane women’s efforts. Obtaining packaging is an extremely important step forward for the project, as it would allow for improved sales through distribution around the city of Mwanza.
Once packaging is in place, labels will be needed to make the product more marketable. The women have already identified and designed the labels which they are interested in. These can be obtained through SIDO Mwanza – either by purchasing them in bulk or by paying for the individual ink cartridges to have a smaller number produced. At this point, I believe that it would be better to opt for the smaller number as we can’t be sure about our future needs.

**Distribution**

Distribution is another big challenge for the women to work on. Currently, they make the vast majority of their sales directly from the community kitchen. On their own initiative, they have started to move into the city to sell yogurt to vendors at Mlango Mmoja, for example, and to establish relationships with stores in town to sell the Fiti product. I have made a very strong recommendation to the women that they create a schedule which would see a pair of them going out each day to sell a quantity of yogurt in the city. This would be very helpful in terms of increasing sales and allowing the women to apply their creativity in a new initiative. Once production increases and packaging is obtained, the women will need to hire out transport to get their product to market, likely in the form of a bike vendor.

**Product Quality Approvals**

In the future, once the women have obtained packaging and have been able to establish themselves in a facility that is more suitable for their production needs, they will need to have their product approved by TBS (the Tanzanian Bureau of Standards) and by the TFDA (the Tanzanian Food and Drug Administration). Alison and I investigated both of these processes during our time in Mwanza but concluded that it would be best to wait for the business to be improved before we chase after these approvals, as a failure to pass the first time would negatively affect the group’s chances for future approvals. It is important to note, however, that while these
designations are very important for the long-term marketability of the product to the public, they are not absolutely required in order to sell the product in stores for the time being.

**Trade Fair**

The Tukwamuane women participated in a SIDO-sponsored (Small Industries Development Organization) trade fair in Mwanza in the fall of 2007. The trade fair was held at the Saba Saba fairgrounds and hosted small businesses from all over East Africa. The week-long event provided a great opportunity for the women to showcase their product and promote their business. The mamas received rave reviews from both customers and SIDO staff, and were able to interact with various people and groups who may be instrumental for the growth of the project in the future (i.e. TBS, SIDO staff, and other businesspeople). We expressed to our contacts at SIDO that we would greatly appreciate if they would contact the mamas about similar opportunities in the future.

**Bank Accounts**

Currently, Tukwamuane works using two bank accounts. The most frequently used one is referred to as the “Tukwamuane” account. Monthly bills, salaries, and other project costs are withdrawn from this account, and all funds wired from Canada are sent here. The second account is known as the “mamas’” account and is used to issue microcredit loans to group members. It is my understanding that the money coming into the kitchen through community sales was deposited into this account for quite some time, which allowed it to be built up to the balance of approximately 1,000,000 Tsh, where it sits now. While it is very important that the women maintain this microcredit scheme, it is absolutely necessary to create more structure surrounding the group’s finances.
It is my opinion that the current structure of the bank accounts is not conducive to the women of Tukwamuane fully committing to and exhibiting ownership of the project. The current scheme sees Canadian funding as almost wholly responsible for project costs, with little contribution from daily project revenue. I would strongly recommend that future interns work with the women to create a transparent, professional system that documents monthly revenue against costs, coupled with bi-monthly bank statements to ensure strict financial reporting. I also support the recommendation of UWO faculty who visited Mwanza in October 2007 that the women put all proceeds from yogurt sales back into the “Tukwamuane” account to cover bills. The women should also be routinely reminded that they must aim to be responsible and capable of paying the monthly bills as soon as possible, and should be working to take the steps towards that capability.

**Government-Related Issues**

**Land Purchase**

The mamas articulated their desire for a new plot of land early in my internship. At the end of August, we had the opportunity to meet with members of City Council, the Deputy Minister, members of Kivulini, and members of Tukwamuane to discuss the project’s future. The need for new land was strongly expressed by the mamas and others at the community meeting, and we received a commitment from Mayor Bihondo at that time to assist us in our efforts to obtain this land. After working extensively with Joseph Mlinzi (the Mayor’s assistant), Mr. Thomas Tukay (the city urban planning director), Mr. Ndassa (Mr. Tukay’s project manager), and the Mayor himself, we were able to select a plot of land outside of the city in Nyamhongolo and work through the paperwork to make the purchase. The funds for the land came from WHE in Canada and at the end of 2007, and were transferred to Tanzania in early 2008 to complete the payment.
**TASAF Application**

During the Deputy Minister’s visit in August, it was recommended to us to investigate TASAF (the Tanzanian Social Action Fund from the President’s Office). We worked with Mr. Ngowi, the TASAF coordinator at Mwanza City Council, to complete the extensive application for TASAF. Near the end of our internship, it was made clear to us that Tukwamuane was essentially guaranteed to receive funds from TASAF under the category of “Vulnerable Groups” because of their efforts to support the HIV+ community in Mwanza. Mr. Ngowi presented us with a detailed budget for a grant of approximately 9 million Tsh to cover the purchase of cows, the construction of a cow banda, training, and other supports for the women. Pending the completion of the purchase of land at Nyamhongolo, which is needed for the construction of the banda, the TASAF grant will be presented to the mamas and the action plan will be initiated in early 2008. The TASAF grant is another massive step forward for the Tukwamuane women as it represents major support for their efforts from the Tanzanian government, which is essential for the future sustainability of the project.

**NGO Application**

Towards the end of our internship, Alison and I met with representatives at the Regional Commissioner’s Office to sort out the paperwork needed to submit an application to register Tukwamuane as an NGO (non-governmental organization). After a lot of back and forth, it seems that the application will be submitted in Dar es Salaam before the end of 2008. If all goes well, the process should be wrapped up by early 2008. Registering the women as an NGO has been identified as a priority by both Kivulini and Tukwamuane for quite a long time and is a nice organizational step forward as we look towards the future growth of the project.

**Business Registration**
Efforts to register Tukwamuane as a business (including the registration of the business and product name) started in the summer of 2007 with the previous group of interns. It seemed as though Pamella was spearheading the process, and all information was lost once the legal proceedings against her commenced. Alison and I revisited the application on our own within the last few months of our internship but were unable to make much progress. Representatives at City Council directed us to the Regional Commissioner’s office, from there we were sent back to City Council, obtaining no answers from either group. I was able to obtain some forms from the internet but would advise future interns to follow up on this, perhaps through the Kivulini Legal Aid office. This is another important step that needs to be taken in the near future.

**SACCO Registration**

After a community meeting with members of both the Tanzanian municipal and federal government, it was recommended that we investigate registering Tukwamuane as a SACCO group (savings and credit co-operative). SACCOs groups work to save money together and issue small microcredit loans to members of their organization. The Tukwamuane women are essentially running a SACCO within their group at the moment, which is wonderful from a standpoint of financial empowerment. When we met with members of the Mwanza City Council to receive advice about applying to become an official SACCO group, we were advised that the group must consist of a minimum of 20 members (Tukwamuane only has 10) and that the only real benefit of registering the group would be to ensure legal protection if loans were not paid back – certainly an important consideration for the future of the project. Mwanza City Council has promised to provide an informational meeting for the group in future if they express interest.

**Research Issues**
Forever Angels Baby Home

Following an introduction to the Forever Angels Baby Home by the summer 2007 interns, Alison and I spent one afternoon a week volunteering with the children. This provided us a great opportunity to see another aspect of aid efforts in Mwanza and was a wonderful change of scenery in weeks heavy with project work. Alison decided to take the opportunity to commence a light observational study on the effects of the consumption of probiotic yogurt on the toddlers at Forever Angels. Regardless of how her investigation wraps up, the relationship with Forever Angels provides a good opportunity for WHE interns with interests in childhood nutrition to easily access information for research studies.

Mahina Community

Alison and I followed up with a request made during the UWO faculty visit in the fall of 2007 that we attempt to track the CD4 cell counts of members of the Mahina community. There is a group of approximately twenty-five HIV+ individuals in Mahina who have been receiving probiotic yogurt from the community kitchen for a long period of time, which makes them an ideal population for a simple research study. We met with the group several times, along with a translator (Nico, a close friend of Dr. Isaac Luginaah, who lives and works in Nyakato), and obtained an verbal commitment from them to cooperate with us and provide us with approximately six months of CD4 cell count data. We returned to collect the data and found that it had not yet been prepared, so future interns will need to follow up with them to obtain this data.

Other Issues

Swahili Lessons

Alison and I took our Swahili lessons (two hours each, twice a week) at the International Language Training Centre in Isamilo. I would highly recommend this
facility for future interns. Mastering as much of the language as one can as quickly as possible will allow one to maximize their experience in Tanzania. I regret not taking more time to study the material we were presented with, as I think it would have cemented some of the grammar and vocabulary in my head. I would advise future interns to consider taking a crash course of classes at the school in a more intensive manner upon arrival in Mwanza, in order to take in more at the beginning of the trip.

**English Lessons**

Alison and I taught English twice a week and provided the mamas with a review test before the weekend. The women are making great progress with their studies, but I worry that the limitations of interns’ Swahili will begin to make the lessons more difficult. We found it challenging to effectively explain grammatical concepts without a strong grasp of Swahili. I would suggest that the intern selection committee start considering applicants who have a TESOL (teachers of English to speakers of other languages) certification, as the mamas would greatly benefit from an individual who has training in education.

**Tanzanian Partners**

**Kivulini Women’s Rights Organization**

Kivulini has continued to be a great support for the Tukwamuane Women’s Group and WHE interns. Support peaked during the initial period of problem solving surrounding the case against Pamella, and was sustained during visits to Mwanza by the Honourable Deputy Minister of Community Development, Gender and Children, Salome Mbatia, and a consultant from Danone, Ivan le Mintier. The Kivulini staff was
always understanding of the needs of interns and was willing to stretch its limited resources as far as possible to be of assistance.

A major problem that exists with WHE’s interactions with Kivulini is that of communication. This problem is perpetuated at many levels within both organizations: between WHE staff and interns, within the Kivulini organization itself, and between Kivulini and representatives of WHE in Mwanza. Within WHE, I feel that it is essential that the full history between Kivulini and WHE is disclosed to each new intern travelling to Mwanza. Personally, I still am unclear on details of the ‘bumps’ which the two organizations went through in the past, and felt that having this knowledge would have allowed me to be more professional in my interactions with Kivulini. Within Kivulini, there is often a lack of communication between staff members regarding efforts being made to work with Tukwamuane. This is not a major issue but affects WHE when interns go to different staff members for assistance and the information is not passed on to others within Kivulini. I believe that the most serious problem is the lack of communication between WHE interns and the executive staff members of Kivulini. During the majority of our internship, we were under the impression that Kivulini had little contact with Tukwamuane and that we were essentially the sole consultants working for the project within the city of Mwanza. We have since come to a better understanding and now understand that Kivulini has selected Tukwamuane as a project which they wish to ‘incubate’ over the next five years. This relationship is significant for Tukwamuane, as Kivulini has been working with the mamas since the inception of the project, and therefore is very familiar with the group’s needs and ambitions. It is vitally important for Tukwamuane to continue to receive support from Tanzanian sources as they work towards sustainability.

To remedy the problem of communication, thereby preventing duplicated efforts and maximizing the support that Kivulini can give to the WHE interns, I met with Maimuna (the executive director of Kivulini) and made the recommendation that
interns prepare a bi-weekly report for her pertaining to the activities of WHE/Tukwamuane. I believe that this exchange of information will do a world of good to maintain a positive and healthy relationship between the two organizations as they continue to work together for the betterment of the Tukwamuane project.

At the end of our internship, members of the WHE Steering Committee expressed a desire to hire a consultant through Kivulini to perform various tasks for the project – translation, management of finances (though the signing power at the bank will remain with the mamas), and the possibility of proposal writing in the future. Alison and I interviewed a candidate for this position who seems promising, and held a conference call with Maimuna and Mel Katsivo from UWO. Mel has promised to prepare a contract for Kivulini that would see the consultant working for WHE through the NGO, whereby Kivulini would be responsible for distributing salary and providing management support. If all goes well, I feel that this will also strengthen ties between UWO and Kivulini.

**NIMR (National Institute for Medical Research)**

WHE/Tukwamuane has continued to be supported by the staff at NIMR. When Alison and I arrived in Mwanza, it had been arranged for Pamella to deliver milk to the lab and pick up the prepared probiotic cultures weekly. We thought it would be an improvement to involve the mamas in the process in order to take steps towards independence and sustainability. It was arranged that Mama Hilda (NIMR staff who is also one of the kitchen’s milk suppliers) would bring 2L of milk to NIMR each Tuesday morning, and that the cultures would be picked up by one of the mamas on Wednesday afternoon. After a couple of months, communication broke down and we had several weeks where probiotic cultures were not being produced. The problems shifted between Hilda not delivering the milk, Simon (the
microbiologist) not being present to prepare the cultures, and/or the mamas not being informed of the changed schedule. We met with Dr. Changalucha, Mr. Temu (the chairman of the microbiology department), and members of the microbiology lab to re-establish everyone’s responsibilities and to obtain commitments from each party to maintain production for the community kitchen.

I had the opportunity to meet with Mr. Temu and received his recommendations for future compensation for the work that NIMR does to support the project. He advised that in future, WHE should continue to supply lab supplies to NIMR, including gas packs, plastic Petri dishes, MRS broth, and agar. Some of these products must be brought from Canada, but many can be purchased in Mwanza through lab supply stores. I made it clear to Mr. Temu and to the lab staff at NIMR that it is a priority for WHE/Tukwamuane to develop the group’s business to a point where they are able to contribute to the work being done at NIMR. I believe that the NIMR staff members understand that while their compensation won’t be imminent, it will be a step taken by the project in the future.

**Mwanza City Council**

Alison and I made a great deal of progress working with Mwanza City Council during our time in Mwanza. Members of the municipal government have repeatedly communicated their commitment to assisting the Tukwamuane women, and it is important for the mamas and WHE interns to continue to follow up on these promises and maintain relationships with contacts to ensure that the group continues to receive support from the ground in Tanzania. Joseph Mlinzi (the Mayor’s assistant) should continue to be a good starting contact for interns to liaise with others within City Council.

**SIDO (Small Industries Development Organization)**
SIDO has provided a lot of assistance to Tukwamuane over the past couple of years, in the form of training, advice, opportunities for promotion, labels, etc. Unfortunately, we were unable to follow through with SIDO on the purchase and printing of labels for the group, so this should be followed up on by future interns. Overall, SIDO is a great resource for counselling on all matters pertaining to running a small business like Tukwamuane.

Canadian Partners

Western Heads East

The Canadian contingency of WHE has shown an incredible amount of dedication and persistence to the project over the past four years. I am enormously impressed with the dedication that members of the Steering Committee have shown to the Tukwamuane women. It is truly commendable that this project has been developed and sustained for so long through volunteer efforts.

I was very lucky to be supervised by Dr. Gregor Reid, one of the founding members of Western Heads East. During both my preparation and the time I was stationed in Mwanza, Dr. Reid took the time to identify my personal goals and advised me to take steps to further both the project and my own aspirations. I also received great support from Dr. Sandra Smeltzer, who constantly grounded me and provided me with sensible advice pertaining to the project and to my various personal concerns regarding developmental work. I truly valued the assistance I received from these two individuals and feel that it strengthened my efforts in Tanzania.

Although there were a lot of positive aspects of our interaction with the UWO community during our internship, I was slightly disappointed by the support provided to interns by the WHE Steering Committee as a whole during my time in Tanzania.
When we began dealing with the case against Pamella, I felt like there was very little input or ownership of the situation coming from Canada. Perhaps this was just due to the nature of the challenge; although we didn’t have the answers for the questions, it is likely that members of the Steering Committee didn’t, either. Regardless, we would have greatly appreciated to have been receiving more advice from the Canadians during this time. Similarly, I was surprised that we rarely received phone calls from Canada for regular updates. That said, I was happy to receive responses from the Canadians when I sent update emails home, and noticed that I received progressively quicker responses to my emails as our internship progressed. In general, I feel that it is important for the Canadians to remember that interns are student volunteers on their own in a foreign country, regardless of how confident they may seem. I would have greatly appreciated receiving routine calls/emails offering assistance, even if the help wasn’t needed.

**Conclusion**

My internship in Tanzania with WHE and Tukwamuane was one of the most inspiring experiences of my life. I was so thankful to be able to develop such close relationships with the Tukwamuane women and others in Tanzania and to be given the opportunity to work together through the challenges we encountered. I learned more about life and my priorities during the last five months than I ever have before.

As the project moves to the future, it is important that participants remain focused on the end goal of independence and sustainability. WHE and Tukwamuane have achieved so much over the last four years, but I believe that the ultimate accomplishment will be to put the women into a position where they can continue to do their work and serve their community on their own. I look forward to watching the project continue to evolve over the next few years and will always treasure the time during which I was a part of this great effort in Tanzania.