

YEP TRAINING – Arusha class 4, 2020

Report Q1 2020



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1. Introduction – looking back

2019 was a successful year for the YEP program in Arusha. 36 entrepreneurs graduated in November. 4 loans were granted and 4 other entrepreneurs are interested in getting a loan. As mentioned before, this year's group was very strong and dedicated. This was mainly because of the good selection at the beginning of the year. Also, we used our improved curriculum for the first time. It is in Swahili and contains a lot of practical elements, such as assignments and group discussions. We also managed to facilitate the so called 'special classes' for 30 of our students. Through these practical classes they increased their knowledge on their field of business.

Lastly the cooperation between TCCIA, Trias and YEP improved and representatives of TCCIA and Trias added value to the YEP program through their participation and knowledge at shop visits and business plan meetings.

2. Follow up meetings students year 3

In January we mainly focused on some follow up meetings regarding the students of year 3. Some of them we didn't manage to meet anymore at the end of 2019 or others wanted to meet us for advice or show us their new location. For example Helen, who sells diapers and sanitary pads. She was not happy with her former location so decided to move to a nicer one.

We also visited Mery Santaeli who started the 'pamoja selling point' in October 2019. She has a tailoring business but also sells products of 5 other YEP entrepreneurs. Her business is going well now, also the products are selling good and she keeps records of all the products sold.



Another example of the follow up meeting we had was with Glory. Glory produces and sells spices. Her business is growing rapidly and she got an offer to sell her products in Mwanza. She needed advice on some business aspects and we met her to discuss this.

Also we visited Thompson who received a loan from the credit fund through TCCIA SACCOS. His rasta saloon improved significantly! This is a nice example of how the loan is used in a good manner.



Left picture: September 2019



Right picture: February 2020. New wall paper



Furthermore he added a shower with hot water and a chair for washing hair

3. Update Themis Living garden

TCCIA organized meetings with the RAS ('Regional Administrative Secretary') and the City Director to further discuss the development of the Themis Living garden. The deputy RAS was very positive about our proposal and promised to discuss the proposal with the Regional Trade Officer. TCCIA received a phone call shortly after the meeting from the Regional Trade Officer stating that he is positive as well and ready to cooperate, push and make follow up with the City Director and to support a stakeholders meeting. The City Director was less cooperative and made us meet the investment officer again to further discuss. This meeting however never took place (the investment officer was not informed about this meeting...). But instead we were invited to attend a seminar on the future city plans, presented by a consultant of the Danish consultancy agency Niras. His ideas on city planning were mainly the same as ours. The objectives on tourism were to:

- Achieve longer stays by tourists in the city, with greater spend on accommodation, food, transport, tour guides, arts and crafts, jewelry etc.
- Promote visits to facilities such as Cultural Village and Maasai Market [and also Themi Living garden could be added],
- Provide an integrated visitors centre in a prominent location [could be Themi Living garden],
- Ensure that the proposals in the Master Plan to retain a green city with orderly urbanization are implemented,
- Ensure the long term sustainability of the tourism sector by conserving the natural environment and investing heavily in sanitation.

But the main question is who is going to make follow up on this project. The government doesn't seem to have money for it. Next step is to organize a stakeholders meeting (TCCIA and Trias to organize) and discuss way forward.



Meeting of the Program Partners (Trias, TCCIA Arusha and YEP) with the RAS

4. Impact analyses

Nicholaus Nyaligwa, our intern and statistician by profession, is doing an impact analyses of the YEP program on the YEP beneficiaries of year 1,2 and 3. He expects to be able to share the results of his analyses end of April. Until now 32 beneficiaries have been interviewed. The goal is to interview a total of 50 beneficiaries.

5. Coaching and monitoring visits

In the first quarter we conducted 9 coaching & monitoring visits.

1. Kingstone Asilia coffee tour company - YEP beneficiary of 2018

We visited Emanuel and Salehe at the end of 2019. They keep on developing their business so they invited us again to come and see their improvements. Since this year, a third member, Bryston, 21 years old, joined the team. He has a background in tourism. Until now they had 4 guests in their new homestay (the treehouse). They found two volunteers who stay a bit longer in Tanzania and want to act as agents for them and find customers. This seems to be a good idea, since their main customers are volunteers.

They want to move from informal to formal with their business and get all the required licenses and registrations. We will help them with this.



The Kingston Asilia team

2. Mariegrace Beauty Saloon - YEP beneficiaries of 2017

The visit to Mariegrace was mainly meant as a monitoring visit as Grace is not repaying her loan on a regular basis. Josephat from TCCIA SACCOS joined us on the visit. Unfortunately Grace was not at the saloon. Marietta informed us that the business is still going well and that December was a good month for them. According to Mariette on average they have a sales of 100,000 Tsh per day (including the clothes business). She will inform Grace about the payback and Josephat will keep on following up. Furthermore Marietta expressed her interest in having a loan, but we first have to see how stable their business is and they repayment of Grace.

3. Upendo Saimon – YEP beneficiary of 2017

We visited Upendo together with Josephat, since she is not repaying her loan. She stopped her saloon business and is cooking lunch now. She promised to pay back in November 2019, but she didn't. She seems to have some money from her current business, but she refused to repay. During this visit she promised to come to TCCIA office and repay some. Josephat will make follow up on this.

4. Happiness Peterson – YEP beneficiary of 2018

Business is doing well, she has many customers. The number of customers is increasing because of mouth to mouth advertisement. Jan / Feb is low season. But December was a good month, she sold 30 cakes. Simple cake for 6 people for birthday is 35,000 Tsh. She wants to start using real butter, price will increase up to 40,000 Tsh. Her customers are from everywhere. Even in Dar and Kenya. She also sells cookies, but that is not going well because supermarkets want TBS logo. One of her challenges is that customers are asking for a contract, she found British and US customers who want a contract (mkataba). YEP will discuss with Sia if she can reduce the price for drafting and stamping such a contract. She is building a small bakery next to the house (with support husband who is a teacher at secondary school). Plan is to finish the bakery in June and get the TBS certificate. Another challenge is her equipment. Currently she uses only a hand mixer. It is remarkable that she is able to make beautiful cakes only with small equipment. We advised her to be more active on social media and share pictures of her cake. Her Instagram page is **happycakes_n_decoration**.

We discuss some financials. She is very good and disciplined on doing bookkeeping. Her sales vary from 350,000 Tsh up to 1,063,000 Tsh per month. Her margin was the following: October 482,000 Tsh, November 355,000 Tsh and December 455,000 Tsh. Her profit varies from 40,000 Tsh up to 400,000 Tsh. Her fixed costs are only salary (30,000 Tsh and business reservation, which depends on the monthly sales). She uses the profit to build the bakery.

5. Chake Amani – YEP beneficiary of 2017

After several times that we went to his place and we didn't find him there, he now finally was at home. He stopped his soap business due to family problems, he was really down for a while but since one month he started making bracelets for curio shops. According to him the demand is there, but he cannot fulfill the demand because of lack of capital. We advised him to start saving bit by bit and build capital. He doesn't have much cost of living since he is living at his sister's house. We agree to visit him on a regular basis so see how it is going. We also agree that he doesn't need to pay back for now.



Chake (right in the back) showing us his bracelets

6. Pascal Simon Magere – YEP beneficiary of 2018

He has been very busy with his business. Business has been going well because, according to him, he is applying the knowledge he received from YEP. Before YEP he didn't keep any records, now he does. He now understands better to set the price of his paintings and to calculate profit. He still remembers how to make the financial forecast, although he didn't do it for this year, but he still has the papers and notes. He got a lot of work outside the office, so no time to do the financial forecast. He has a new assistant now. Currently he has many challenges, caused the business to drop down. Main challenge is that he had and still has to take care of the health of some relatives.

In November last year a customer from UK ordered a painting of 600,000 Tsh and instead of paying money, he received a painting machine which can paint in leather or wood (pyrography machine). He thinks he is the only one in Arusha who has a machine like that. On the 7th of February he expects a big order from a customer who wants to paint on leather.

With the sales from his business, he managed to buy a laptop for his young sister, who studies at university.

We discuss his plan to rent a place together with Faraja (fellow YEP beneficiary). They decided not to do that anymore but Faraja will teach him more about graphic design (Faraja participated in the special class for Graphic Design, organized by YEP).

Lastly he shares with us that he almost finished to build his mother's house in Mto wa Mbu. After that he wants to start building his own house in Arusha.

Plan for 2020: To solve some challenges, such as finish building his mother's house. And opening another branch. Loan needed? Maybe later he will need it, once all the challenges are solved.



Meeting with Pascal Simon Magere at YEP training centre with David and Nicholas

7. Neema Charles – YEP beneficiary of 2018

Her contract with the church ended in December 2019 (she worked in the church close to the YEP training centre as a secretary. Besides that she sold shoes). Before December she had been informed by the manager of the church that her contract would not be extended. During that time the manager needed her to stay in the church, doing some cleaning etc. She didn't receive any allowance anymore and also had to pay for her room. She decided to stop there, because this way she could not survive. Currently she is living at Kijenge, at one of the church's members house. She rents one room, where she stores her properties. She has a fiancé now. Her fiancé is a day worker for building material. She stopped with her shoe business. How does she get her daily food? Where she used to live she gets her food. Her send off party is on 14th February, in church, 16th of Feb is marriage. Church will pay for that. What happened to her stock? She sold it and used it to pay for her room. Fiancé is not helping her financially. She didn't ask him for money. Future plans? For now she doesn't have any plans, she is focusing on her marriage. After that she will see what she will do, either find a job or start a business again. Her children can still be in the orphanage centre in Moshi, sponsored. For now we can't help her in any way, we will wait for her to reach out to us in case she needs any advice.

8. Mohammed Ramadhani – YEP beneficiary of 2018

Business is not bad, it's going well. Customers are there. Sales is growing. His plan was to become a wholesaler for home need shops. He still has the idea but the capital is not enough. At the moment no savings. We ask him about his plan. He wants to go slowly, start with selling few products as wholesaler. Such as water and soda, juice. Not yet started this plan. Currently he doesn't do bookkeeping anymore. There so many small products, and many customers. We advise him to start with recording the stock at the beginning at the month and end of the month, to at least get an insight in this sales. He doesn't know his current sales. We agree that he will start with recording stock as per first of February.

We also discuss the tax issue, still needs to pay 300,000 Tsh per year. He pays in quarterly installments. Apparently his sales are so high that he can't apply for a entrepreneurship ID. He is also agent for Mpesa and has a line of 500,000 Tsh. There are a lot of customers, his line is not enough. Maybe expand that. But we'll see after he shows us his records. Also important to show TRA. Competition? No, he is the biggest shop there and customers come to him.

9. Laurence Gabriel – YEP beneficiary of 2018

The business is going okish, he is still producing bread, but not every day. He was selling some bread and scones to a school. But the school decided to start making bread themselves, so supply stopped in November. He tried to negotiate with other schools, but until now not successful, because safety regulations regarding food have changed. What kind of requirements? The schools didn't provide him information. He is still waiting for a response.

Other ways of earning money? He used to be a sales agent. He went to people who keep chicken and talk to them about the price for treys and went to the market to sell them. He got some commission, 100,000 Tsh per month.

Why not selling more at home need shops? Campaign of TFDA, passing shops, telling them that food should be sold in packages and labelled. It is a long way from selling local bread to packaged bread, first start generating some income. We advise start being agent for bread again. Maybe he can join Mery's place? His plan is to have a small place where he can cook small bites. Currently he has no capital, no savings.

We discuss some ways to start generating income. Start selling factory breads to shops. According to him there are some shops where he could supply to. 10 - 15 shops. 50 breads per day. Margin would be 5,000 Tsh per day. 45,000 Tsh needed to start selling 50 breads.

Rent bicycle, instead of using dala dala.

To reduce the travel costs he could also join a delivery. But for that he needs crates. We ask him to do some research where he can find crates. We will discuss in which way we can support him on this (maybe small loan of 45,000 Tsh). He will contact David for further follow up. Update: he recently informed us that he completely stopped his bread business and will focus on cooking now.

6. Recruitment year 4

From last year we learned that a good way to do the recruitment is through government officials or business people who have a big network of entrepreneurs. During 3 days we visited entrepreneurs selected by Shadia Mollel, who has a business in castor oil herself. Another day we visited entrepreneurs selected by Maria Kalinga, the Arusha City Fishery Officer and a YEP beneficiary of 2019. Also one day we visited the entrepreneurs who already submitted their application form at TCCIA. Most of them applied because they heard of the program from previous YEP beneficiaries.

In total, up to now, we conducted 41 recruitment visits. About 70% of them seems to be (very) potential for the YEP program. The team consisted of Jerry and Josephat (TCCIA) and David and Annemieke (YEP).



Left: visiting a young entrepreneur (25 years) who runs 3 local greenhouses, right: a lady who makes juice

7. Going forward

We were on schedule with the recruitment and had visited some very potential entrepreneurs. Some more days of recruitment were scheduled. Unfortunately, due to the corona outbreak in Tanzania, on the 16th of March, we had to stop our field trips and cancel the planned visits. We are currently investigating how we can best proceed with the recruitment visits. Some entrepreneurs showed their interest in the YEP program and if they agree, we can still visit them, with private car and taking all necessary safety measurements (i.e keeping distance, not more than 2 people at the same time, wash hand before and after visit etc).

We together with Trias and TCCIA also decided to postpone the kick off, which was scheduled for the 23rd of April. The kick off will be postponed with at least 2 months, but we will keep a close eye on the situation and decide accordingly. In the meanwhile we will start developing an online teaching tool (Youtube, online platform etc) through which we can already share some of our basis classes, such as basic record keeping and the '10 mistakes made in business'.

We still continue with the coaching and monitoring visits, again taking all the necessary safety measurements.
