

April 10, 2018



## Rosi: Satisfying Buyobo's Sweet Tooth

### Life Before WMI

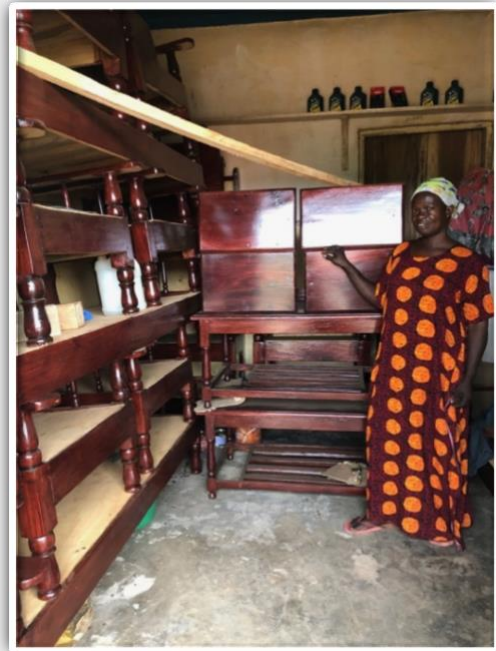
Before receiving a loan from WMI, Rosi and her family were struggling to make ends meet. She didn't have any business to speak of and was trying to support 3 children and a family member who is HIV positive. She would spend most of the day just sitting around the house after completing her morning garden work. In 2015, when a neighbor told her about the opportunity for a WMI loan, a vision for a business formed in her head.

### Business Background

With the initial funds, she began to make and sell mandazi, a Ugandan baked good resembling a doughnut, but with less sugar. She would bring a fresh batch to the Buyobo trading center every morning and before long was selling out while putting smiles on her customer's faces (I've tasted her delicious creation, it's easy to see why).

### Expansion

After this initial success, Rosi decided to expand and diversify her business. Her husband is a skilled craftsman, so the two of them teamed up to make and sell furniture. Their venture began by making "commissioned" pieces, where someone in the village would pay them up front to buy the materials and create the item of their desire. This was somewhat successful, but their customers wished they could see the item beforehand and didn't always trust that the money was being used properly.



*Pictured: Rosi with her inventory of furniture*

In response, Rosi and her husband decided to make furniture in advance, build some inventory, and open up a storefront in the trading center. This has proven to be a win-win proposition for the business; the customers can assess product quality before their purchase, and making multiple pieces at a time gives the business scale, lowering input costs while improving production efficiency.

The most popular furniture items are a coffee table and a set of 3 wooden chairs, several of which stand sturdily in the WMI headquarters in Buyobo.

Rosi's product line has continued to expand beyond furniture and mandazi. She now sells a selection of clothing and small savings boxes (similar to piggy banks) that have become popular.

## Strategy

Rosi has developed a sharp business sense in her 4 years as a shop owner, incrementally improving her cash flow through new products and strict credit terms. Because she only sells about 1 piece of furniture per week (usually 5 per month), she has continued to expand her product line to supplement the furniture income. She still makes and sells out of the mandazi



*Pictured: Rosi outside of her storefront*

every morning, and now offers a selection of clothing and savings boxes (similar to piggy banks) that have become popular. The higher inventory turnover of these items generates enough income to pay for small daily expenses to support her family.

Rosi's is also one of the few businesses in the village to not allow sales on credit. Customers must come with the full amount if they hope to take home one of her shiny new tables or chairs. This can frustrate customers, but it saves Rosi the tremendous headache of trying to track down people who purchased on credit.

Due to the high barriers to entry in the furniture business, Rosi has little competition in the village. Her customers are very grateful for her business, though. Without her, they would have to buy furniture in Mbale, the nearby town, and pay high

transport fees just to get it to their homes. Rosi is providing a great service to the community while running an excellent business in the process.

## Operations

Rosi buys the timber required from local lumber traders in Buyobo, where it is plentiful and less expensive than in Mbale. Rosi then hires a truck that transports the timber to Mbale, where her husband purchases other supplies needed, such as wood finishing and nails, and assembles the pieces. Her input prices have been rising recently, but fortunately she is able to raise prices to maintain her profit margin. People in the village often look down on businesses raising prices for any reason, but Rosi is given a pass, most likely because she is not selling everyday items necessary for survival such as food or medicine.

Rosi employs two people: her husband, who makes the furniture, and her 19-year-old son, who runs the shop on weekends. Rosi struggles with writing, so her son also assists her by keeping the books for the business. With the profits she is generating, Rosi first pays back the WMI loan, then pays for her children's school fees, and finally saves the rest or puts it back into the business. Rosi is very proud of the fact that she has never struggled to make a loan repayment or pay school fees in the last couple years.

## Challenges/Growth Opportunities

The business does present some significant challenges, though. During rainy season, the roads leading to Mbale become treacherous, preventing many vehicles, including the trucks carrying timber, from making the journey. The lack of supplies leads to production delays that are essentially unavoidable. In that same vein, Rosi sees the price of the truck transport as exorbitantly expensive. Each month, she pays about 300,000 UGX for the two trips into Mbale to deliver the lumber.

## Future Goals

To rectify the transport issue, Rosi would like to purchase a truck so they could do the transport themselves. A used truck costs around 10,000,000 UGX, and will require consistent and committed savings to reach the goal.

Further down the road, Rosi envisions her storefront as a one-stop shop for the people of Buyobo. She would like to add more clothing to her store and other household items such as firewood and cooking supplies.

## Impact of WMI

The financial inclusion provided by WMI has had an overwhelmingly positive impact on Rosi's ability to support her family, her personal quality of life, and her view of herself. Since she opened her business, she has never struggled to pay for school fees or meals, something that was commonplace beforehand. She has been able to afford transforming her home from a semi-permanent home to a permanent home and now sleeps on a nice, comfortable bed.

Rosi has also been able to afford the necessary care for the member of her family that is HIV positive. The medicine for HIV is available free of charge, but the individual would have to walk miles to pick it up, which was extremely tiring, given their health. But now, they are able to afford transport by boda-boda (motorbike), making the medicine much easier to access.

Lastly, WMI has had a tremendous impact on her self-belief and efficacy. As mentioned before, Rosi used to spend all day hanging around the house and working in the family garden without any other options. Now, she is very busy and feels much more productive. When asked what her favorite part about her work is, Rosi, grinning ear to ear, said, *"Each day, after I have sold my last piece of mandazi, I can relax and feel very accomplished and proud."*

A Day in the Life of Rosi	
<b>6-7am</b>	Wakes up and starts preparing the mandazi
<b>7-8am</b>	Finishes preparation, cleans her home
<b>8am-6pm</b>	Opens and runs the shop in Buyobo Trading Center
<b>6-8pm</b>	Cooks dinner for her 3 children and husband,
<b>8-10pm</b>	Cleans and organized for the next day
*On weekends Rosi works in her garden while her son runs the shop	