



## Sylvia: *Buyobo's Trusted Medical Resource*

### Life Before WMI

Before receiving financial assistance from WMI, Sylvia would have to buy food on loan from the local market to feed her 4 children, promising to pay the vendor back when her meager salary came in at the end of the month. This practice created a tremendous amount of stress in her



*Pictured: Sylvia prescribing medicine to a customer*

daily life, so she jumped at the chance to get a business loan when the opportunity presented itself. She was nervous about taking out a loan, but she credits the WMI community with, in her words, *“removing my fear surrounding loans.”*

### Business Background

Sylvia took her first loan in 2014 and decided to use the funds to open a drug shop located in the heart of Buyobo's trading center. In Uganda, a “drug shop” acts as a traditional western “pharmacy,” prescribing and selling medicine to the community, while a “pharmacy” acts as the drug wholesaler and does not interact with the end consumer.

Sylvia was educated as a nurse and midwife, and works in the nearby government hospital 4 days a week, typically delivering 5 to 10 babies a day. Through her education she developed the

foundational knowledge required to run her business, but has continued to teach herself about new treatments and drugs as they become available. She recently hired a second employee, Carol, who is able to manage the shop when Sylvia is working at the hospital or if one of her children is sick. She pays Carol a daily stipend and provides incentives tied to the amount of sales when she is running the shop.

### Shop Operations and Community Impact

The heartbeat of Sylvia's operation is her superior customer service, which serves as the only necessary form of advertisement. In a community built on trust, the testimonials of her customers are essential as she competes with the drug shop across the street, which sells at the same prices but has far less knowledge of the drug's effects. Her most popular products are anti-malaria pills and STD medicines.

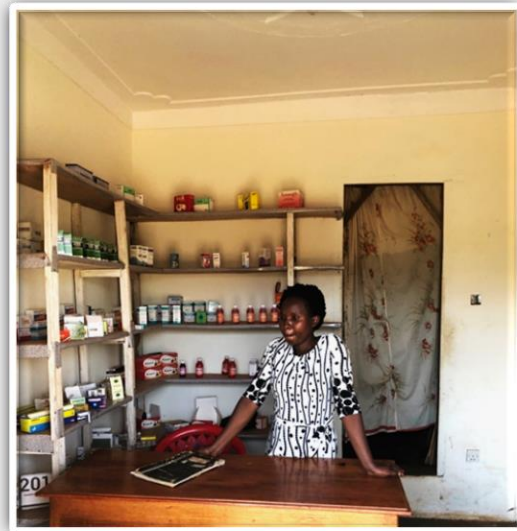
Her shop also serves as a back-up medicine supply for the community when the local government hospital runs out of drugs to give to patients. The hospital receives shipments of drugs quarterly, and frequently run out with several weeks before their next shipment is

scheduled to come. Patients turned away from the hospital can come to Sylvia's shop to stay on their prescribed regimen.

### Challenges

Sylvia buys her drugs at wholesale prices from pharmacies in nearby Mbale. Most of the drugs are generics and come from either Kampala or India originally. Because her operation is still quite small, she has very little ability to negotiate volume discounts with her suppliers, and her input prices have been rising steadily in the last several years.

A significant challenge facing Sylvia's business is her inability to raise prices in response to changes in these supply costs. Her customers in the village know the historical prices of products, and see it as immoral and unfair to raise prices even as her profit margin approaches zero. This is a non-negotiable because if she raises her prices, word will quickly spread about her unfair customer care and her clients will go elsewhere. Working in a rural Ugandan setting means that western remedies to businesses (such as raising prices when input costs increase) often don't apply. Only some feel right about making extra shilling at the expense of their neighbor and those few are shunned by the community and frequently have to close their businesses.



*Pictured: Sylvia at her shop's front desk*

### Impact of WMI

For Sylvia, the financial access created by WMI has had an overwhelmingly positive impact on her life, albeit not without challenges. She is now a jumbo borrower and uses some of the funds to support a second business- a flour mill- that she runs out of her home. The financial burden created by the jumbo loan still causes stress, but with her 4 children fed well daily and attending good schools, the stress is much easier to bear. The loan repayments have, in her words, *"made me more accountable and willing to work hard every day."*

### Financial Management Training

The next step after financial access and inclusion is in-depth financial management training. When receiving a loan from WMI, every woman receives basic record-keeping and money management training. While this provides solid rudimentary skills and knowledge, additional education is necessary to teach the women the implications of the numbers they see in their books and how they can use them to plan for the future.



*Pictured: First interview with Sylvia*

Sylvia is struggling to consistently set money aside specifically for her business. When she has excess income, she tends to take it home and spend it all on family expenses. As a result, on days where her expenses exceed her income, she must dip into her personal money to keep the business afloat.

In the past, Sylvia has tried to set a daily savings goal for herself, but the plan comes unraveled because the goal is set un-attainably high and the saved money is readily accessible, leading to stress and frustration and eventually a plundering of the savings when unexpected family expenses arise.

To address this issue, Caitlin and I worked alongside Sylvia to improve her record-keeping and savings practices, which will in-turn allow her to save more consistently and confidently. We showed her how to record her daily profit and savings, and set a very reasonable savings goal of 1000 UGX/day. In addition, Sylvia devised a plan to store the savings electronically in a place that she will not be tempted to access. The goal is to save some amount each day, however small, and start to build both a rainy-day fund and a future investment pool for her business, in hopes of reaching her long-term goal of opening a pharmacy in nearby Mbale.

### Savings Goals

	Per Day	Per Month	Per Year	Cumulative Savings
Year 1	1,000	30,000	360,000 UGX	
Year 2	3,000	90,000	1,080,000 UGX	1,440,000 UGX
Year 3	4,000	120,000	1,440,000 UGX	2,880,000 UGX

Sylvia is planning to save 1,000 UGX/day specifically for her business. If she is able to stick to this for one year, she will have saved 360,000 UGX, enough to cover all incremental business expenses without using any personal money. This will create a snowball effect that will allow her to save even more (3,000-4,000 UGX/day) in the following year as she builds toward her future business goals.

### *Update: 60 Days Later*

We returned to Sylvia's shop in early May, just under two months after our first meeting. The purpose of the visit was to check on her savings progress and answer any bookkeeping questions that had come up. We were ecstatic to see that her savings in the past month had far and away exceeded our initial goal. During the month of April, she tried to save 5,000 UGX/day. Some days she was not able to save anything, but she kept at it throughout the month, and in

total saved 120,000 UGX for her business. If she is able to save this amount each month through the end of the year, which is her new goal, she will have 960,000 UGX in the bank.

That being said, her current level of savings may not be sustainable, especially if the current harvest season is as poor as some are projecting it to be due to a late and inconsistent rainy season. These environmental factors have a significant and widespread impact on local businesses because families have much less income to spend, even on things they need like medicine. Sylvia understands and accepts that she may have to lower her daily savings but is committed to keeping this habit and giving her businesses the cushion it needs moving forward.

<b>A Day in the Life of Sylvia</b>			
<b>6-7am</b>	Wakes up, works in her garden and tends to her 200 chickens		
<b>7am</b>	Van comes to take kids to school		
<b>Day she works in the hospital and shop (M,TH,F,Sa)</b>		<b>Day she only works at the shop (Tu, W)</b>	
<b>8am-5:30pm</b>	Works in the hospital, gets two 30-minute breaks	<b>9:30am-9pm</b>	Works in the shop, takes a short break for lunch
<b>5:30-9pm</b>	Travels to Buyobo and works in shop		
<b>9-10pm</b>	Goes home, eats dinner and cares for children before going to bed		