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Sierra Leone Opportunities for Business Action SOBA 2

QUARTERLY REPORT 2016 Q4



For the SOBA programme Q4 of 2016 was characterised by responding to DFID's request to **'ramp-up' delivery** – expand impact and achievement in a shorter period of time. The ramp-up strategy was designed and new team members recruited to support the delivery of ambitious targets. Output targets for 2017 were raised, low-performing interventions stalled and high-performing areas expanded.

From a project management perspective SOBA was incorporated into the ASI Sierra Leone central office and the Shared Service Platform designed to increase efficiency and quality of support services. An internal audit and risk assessment was carried out to strengthen the management of the programme.

The following presentation outlines a summary of the SOBA programme in Q4 of 2016 and includes the following sections:

1. Portfolio Overview

- Portfolio Development & Strategy
- Ag-inputs & Services
- Food Processing
- Poultry Processing
- Renewable Energy
- Ilab/ Business Innovation Hub
- Overview of SOBA investments & Partners

2. MRM & Milestones

3. Project Management

1. PORTFOLIO DEVELOPMENT & STRATEGY

SOBA Portfolio and technical activity was characterised both by programme ramp-up design and launch as well as ongoing delivery within ag-inputs, food and poultry processing, and solar home system markets in Q4.

1. Ramp-Up Response & Redesign

In Q4, SOBA responded to DFID's challenge to SOBA to 'ramp-up' delivery – expand impact and achievement and do so in a shorter period of time. The following characterised redesign process and activity:

- Raised output targets for 2017
- Redesigned budgets and plans to ensure delivery for August 2017
- Expanded depth and reach of delivery within the agriculture and renewable energy sectors
- Parked light manufacturing activities in response to shortened delivery timeframe and nascent state of the sector
- Expanded iLab/ Business Innovation Hub initiatives to augment scale-up/replication activity
- Recruited a larger technical team, including nine new members, and established swift onboarding plan

2. Continued SOBA Delivery & Quickened Pace

Concurrently, SOBA Portfolio worked to speed the pace of planned programme delivery. The following key activities transpired in Q4 (a full list follows in the deck):

- Unreasonable Labs Business Model Validation course and competition completed with 11 post-revenue business participants
- TJAL Investment Phase 2 partnership designed and launched, focusing on integrating cultivation information and skill development alongside expanded distribution and reach upline
- Lion Mountains competed rice husk drier installation in factory, significantly reducing fuel costs while boosting processing potential
- HoneyCare, an East African honey and snacks company, completed an investment scoping visit to Sierra Leone
- Branding and marketing initiatives completed with TJAL, Leecon Poultry, Bennimix, Seed Tech
- Easy Solar and BBOXX secure first investment guided by SOBA technical support

Overview & Activities

- **TJAL:** In conjunction with our work to build stronger brand awareness, **marketing and branding collateral were rolled out** (including catalogues, banners, signage, brochures, business cards for TJAL and TJAL agents). TJAL ordered **16 containers** of NPK and urea. It **introduced smaller, 25kg fertilizer bags targeted to smallholder farmers**.
- **Seed Tech.** Investment case completed and **investor outreach underway**.
- **Nianda** launched **four demo plots with first hybrid seeds in Sierra Leone** and in partnership with Hazera. SOBA supported the deal brokerage, business plan development, integration of GAPs alongside sales, and marketing efforts. So far, demo plots have proven hybrid seeds are highly effective; farmer orders for tomatoes, eggplant, sweet pepper, cucumbers, and onions skyrocketed.
- **Fresh Salone** open field **model nearing end of trial period**. Review scheduled for Q1.

Next Steps

Distribution & Supply Management:

- **TJAL:** Ongoing collaboration on ag-dealer programme, integrating 1-2 additional cohorts of agents. Hiring two agronomists to upskill ag-dealer and farmer planting practice and product awareness. Plans to procure delivery van and estimated 40 additional containers of fertilizer.
- **Seed Tech.** Plans to open three outlets in Makeni, Bo, and Kabala – targeting upcountry farmers directly and leveraging SOBA brand/marketing support. Ongoing investor pursuit with OCA and SOBA support.
- **Nianda** to hire local agronomists, to launch marketing initiatives, and to pull farmer outreach – linking in farmer networks to demo plots and where plots serve as training and sales point.
- **Value Prime Enterprises**, an innovative supplier of agri-inputs, to visit Sierra Leone to establish trade deals with local distributors.
- **Ag-Dealer Development:** Ongoing work to build ag-dealer programmes within SOBA partners and to launch down-market players positioned to expand access to products and information. Cohort 2 will be launched in Q1.

Information & Skill Development:

- **Smart Farmer** initiative to launch, including full-time in-country support and farmer database development.
- **Hybrid maize seed trials underway.** SOBA to contract WARC to complete DuPont Pioneer hybrid maize seed trials among target maize traders and their networks of farmers.
- **Smart Subsidy pilot underway.** Collaborating with MAFFS and NGOs, SOBA aims to pilot a scalable ‘smart subsidy’ alternative to direct deliver that will ground the development of the private sector.



Partner Snapshot

TJAL growth and expansion continued to skyrocket in Q4.

TJAL ordered 16 containers of product and will likely sell out in the winter season. In preparation for the largest planting season and peak sales in May-June, TJAL plans to order 1000 MT of fertiliser to meet demand. The company is also expected to procure a truck to manage regional delivery.

Meanwhile, SOBA and TJAL completed a next phase of partnership. Here, TJAL has committed significant investments to shared objectives that include:

- Hire two agronomists to expand farmer and ag-dealer engagement and to ensure GAP information is passed to farmers on product sales
- Build out ag-dealer programme
- Integrate expanded product line
- Expand promotions
- Grow inventory range and volume



Overview & Activities

- **Bennimix advertising and marketing campaign launched**, including: 1) new sales and marketing team in place at Bennimix; 2) new product branding launched; 3) 25 free standing units constructed and distributed to pharmacies and supermarkets to showcase Bennimix; 4) trial of four new cereal products, including an adult line underway.
- Lion Mountains completed construction and distribution of ten kiosks around Bo District for the sale of retail packaged rice; **rice husk dryer installed and operationalised**; mapping and research for the introduction of solar lights through the rice kiosk network completed.
- **Aromatic Coffee and BB Enterprises moving ahead with pre-investment stage** business and financial management improvements.
- **HoneyCare investment scoping for snacks expansion into Sierra Leone** complete. Potential co-investment with Bennimix and DKG in discussion.
- **Packaging market research** to build a business case for investment in equipment and SME outreach underway.

Next Steps

- Ongoing support for improved commodity and sourcing management. Activities planned include: buyer-led workshops Aromatic Coffee, BB Enterprise, Bennimix.
- Continued support to build up **Bennimix commercial/consumer facing product sales, solidify product expansion and complete an audit in preparation for investment readiness.**
- **Lion Mountains kiosk launch and completion of 20 additional kiosks aimed at expanding rural sales and distribution.** Linking in solar sales through lean hypotheses testing (adaptive management) project and third phase of SOBA-LM engagement.
- Collaboration with iLabs team to scale up visibility of successes and implement light-touch interventions through local service providers.
- Facilitate **exposure and peer learning visit to Bennimix factory by other food processors.**
- Complete packaging research, business case and recommendations – aiming to collaborate with 1 Africa Ltd, an entrepreneurial packaging firm.



Partner Snapshot

With support from SOBA and in collaboration with FINIC, Lion Mountains built the first rice husk drier in Sierra Leone. The rice husk drier significantly speeds rice drying, as opposed to slab-based drying, and enables the factory to process during the rainy season.

Additionally, the drier runs on recycled biofuel – rice husk – cutting fuel outlays. The drier also produces a secondary byproduct that can be carbonised and briquetted. Lion Mountains plans to invest in a briquette machine and utilise the fuel to power parboiling.

Overview & Activities

- Buyer-led workshop completed in Kabala with three poultry companies (Big Things, Mammy Umu Poultry, Nsorbeh Poultry). **Poultry companies hosted 50+ traders and farmers, negotiating for pre-season maize purchase.**
- Trial of **standardisation in maize trade through application of weighing scales** and purchase in kilograms underway. 23 scales distributed to nine poultry companies and 14 aggregators, all randomly selected. The project is applying a lean, hypotheses testing (adaptive management) approach.
- Business and financial management training and QuickBooks integration with Leecon and Big Things underway.
- **Feed trial with Entrael Sarl, a Guinea-based feed processor, ongoing** and with only Big Things remaining. Feed proven more viable than locally mixed options, but not as viable as near complete feed originating in Europe.

Next Steps

- **Poultry expert to complete farm diagnostics with at least four poultry farms** – including Leecon, Big Things and Glorious Poultry, aimed at building a business case for expanded product and service lines to be taken up by local distributors. Diagnostics should also pull demand among high performing, lead farms for products/services when available.
- **Recruitment of international suppliers** for highly valued poultry products and facilitation of linkages with Sierra Leone distributors.
- Lab testing for feed quality with Dutch firm.
- Feed trial with Entrael Sarl and Big Things ongoing.



Partner Snapshot

SOBA and Leecon Poultry continued collaboration in Q4, completing the following:

- **Maize supply & sourcing management:** Introduction of weighing scales and a shift in buying practice to weight from bags. Shift to weight supports fair and universal metrics aimed at building trust and value in the maize trade.
- Marketing collateral completed and launched. New brand, website, store materials and site sign in place.
- Improved controls and financial management activity ongoing, with Leecon purchasing a computer and SOBA offering QuickBooks software.

Overview & Activities

- **Investment**
 - **Easy Solar and BBOXX each secured debt financing** in Q4. Loans enable first full container purchase for both distributors. SOBA supported the investment readiness and term sheet negotiation for both.
 - **SOBA continued efforts to attract international solar companies into Sierra Leone.** SOBA pitched to Off-Grid Electric, M-Kopa, and Greenlight Planet an with newly completed Sierra Leone Solar Energy Investment Deck.
- **Distribution**
 - BBOXX completes new route-to-market strategy. BBOXX will focus on direct to end user and institutional sales.
 - EES established a network of 120 retail agents and towards agent sales for d.light products.
 - Marketing strategies that accompany new distribution models were completed concurrently.
- **Policy & Compact**
 - REASL and SOBA complete partnership agreement, agreeing to co-invest to improve REASL strategic intent, financial streams, and leadership capacity.
 - Supported 2017 Finance Act and renewable energy provision updates.

Next Steps

- BBOXX: Operationalise marketing plan and **receive inventory from BBOXX UK**
- EES: **Acquire d.light inventory** and operationalise retailer network
- Easy Solar: Partnership graduates to Investment Phase 2. **New inventory in country.**
- REASL: Develop strategic plan, financial model, constitution, and interim secretariat
- **Applied market research for targeting BoP consumers will be completed, delineating pathways to low income groups.**
- Investment pitch and scoping continues with Schneider, Fosera, One Degree Solar, and Greenlight Planet



Partner Snapshot

SOBA and Easy Solar launched a partnership to trial two key distribution hypotheses in Q2. Following several months of testing, both have proven highly successful.

- Upselling. **Through the upselling pilot, more SHS were upsold in the first month.** With upselling, customers who initially purchase an entry-level unit and prove credit worthy, can subsequently opt for a larger solar home system (SHS).
- Shortened repayment period. Through this trial, repayment periods were shortened from 90 to 40 weeks. Results showed little to no impact on uptake. **Easy Solar now operates solely on a 40-week repayment schedule.** This has improved credit management and reduced overall per product costs.



ILAB: BUSINESS INNOVATION HUB

Overview & Activities

- **Unreasonable Labs Business Model Validation completed, with 11 participants.**
- **Entrepreneur Coffee Hour launched**, with first gathering at the SensiHub in December.
- Launched activities to incubate and to develop **professional services industry** (marketing, accounting, media) to accelerate performance of small and growing businesses (SGB).
- Recruited two team members to run Business Innovation Hub.

Next Steps

- **Increase entrepreneur community engagement and collaboration through Pitch Nights, Business Clinics, and Entrepreneur Coffee Hours**, fostering scale-up of key SOBA investments and initiatives.
- Develop a **development pathway for Sierra Leone's entrepreneurial ecosystem.**
 - Complete mapping of entrepreneurial ecosystem in coordination with Aspen Network of Development Entrepreneurs.
 - Devise short and long-term investment recommendations.
- Support growth and targeting of professional services industry:
 - Conduct two roundtable sessions with marketing and accounting firms to identify industry-wide gaps and secure buy-in.
 - Trial new professional service provider value propositions targeted at SMEs through direct collaborations with at least 2 marketing and accounting providers.
 - Launch business database development and complete business survey for media collaboration with FT Insight.
- Launch preparation for a **second Unreasonable Labs Business Model Validation Lab.**



Partner Snapshot: Unreasonable Labs Business Model Validation

After a social media, radio, print, and PR outreach campaign, 11 teams were selected to participate in the Lab.

They worked through a five day curriculum, including trainings in customer discovery, rapid prototyping, relationship building, and budgeting. The teams also met with 15 volunteer mentors selected by SOBA.

While two teams were selected as winners by a panel of judges, most teams noted improvements in their business in the after-lab assessment. **Improvements included: up to 50% increase in sales, new contacts with customers, use of new marketing tactics, and setup of financial tracking tools.**



ANNEX 1: SOBA INVESTMENTS & PARTNERS

Sector	Name of Partner	Intervention Status			
Ag-Inputs	1 TJAL Enterprise	Investment Phase 2-3	Energy	41 BBOXX	Investment Phase 1
	2 Fresh Salone	Investment Phase 2-3		42 Easy Solar	Investment Phase 1
	3 Seed Tech	Investment Phase 1		43 EES/d.light	Investment Phase 1
	4 Nianda/Hazera	Investment Phase 1		44 Telefcient	Pre-Investment
	5 Ag-Dealer Development	Investment Phase 1		45 Ignite	Pre-Investment
	6 Muktarr Enterprises United Farmers			46 TOTAL	Pre-Investment
	7 Development Association Limited			47 Solar Era	Pre-Investment
	8 Salone Seeds	Closed		48 Ecobank/Aggregators	Pre-Investment
	12 Holland Farming	Closed		49 REASL	Investment Phase 1
	13 Seed Co	Closed		50 Task Force	Investment Phase 1
	14 Project 4F	Investment Phase 2-3		51 BME	Completed
	15 Traders	Pre-Investment		52 WWE	Completed
	16 Maize Shellers	Investment Phase 1		53 Sierra Leone Agricultural Equipment Company Ltd.	Closed
	20 Natural Habitats	Closed		54 FINIC	Closed
21 Gold Tree	Closed	55 Unreasonable Institute	Investment Phase 1		
22 Worldwide Lemon Grass	Closed	56 FT Insight	Investment Phase 1		
Poultry Processing	23 Big Things Poultry	Investment Phase 1	iLabs	60 VOTO	Pre-Investment
	24 Leecon Poultry	Investment Phase 1		61 Value Prime Enterprises	Investment Phase 1
	25 Entrael Sarl	Investment Phase 1		62 Apollo	Closed
	26 TJAL Enterprise	Pre-Investment		63 GoShop	Pre-Investment
	27 Sierra Akker	Closed		64 M-Kopa	Pre-Investment
	28 Pajah	Closed		65 Off-Grid	Pre-Investment
Food Processing	29 Bennimix	Investment Phase 2-3	66 Greenlight Planet	Pre-Investment	
	30 Lion Mountains	Investment Phase 2-3			
	31 Aromatic Coffee	Investment Phase 1			
	32 B&B Enterprises	Investment Phase 1			
	33 HoneyCare	Pre-Investment			
	34 1 Africa Ltd.	Pre-Investment			
	35 Milla Group	Pre-Investment			
	36 Kona Kpindibu	Closed			
	37 Lebano Plast	Closed			
	38 Secure Sky SL	Closed			
	39 Mountain Lion	Completed			
	40 Airtel	Closed			

2. MONITORING & RESULTS MEASUREMENT (MRM)

Overview & Activities

- **Early Impact Assessment (EIA)** – an early impact assessment was conducted in the ag-inputs & services sector. This was done to; (1) follow up on ag-input sales; (2) check if farmers were getting advice on use and benefits of inputs; (3) check if farmers were using inputs correctly; and (4) to see if there were any early signs of impact. The findings were shared with Ag-Inputs team to further improve partnership activities.
- **Renewable Energy Retailers Survey** – A retailers survey was done in conjunction with one of SOBA's RE partners. The aim was to see if existing retailers were also interested in selling solar products and if so then which types of solar products. These findings were shared with the partner.
- **Buyer Led Workshop** – MRM team actively supported buyer led workshops together with poultry farmers. Key information for all participating poultry farmers were also collected. This included number of layer birds, different types and volumes feed ingredients used, quantity of feed used per day and egg production efficiency.
- **Partner Validation Study** – two partner validation study were conducted and feedback given to portfolio team. This was done for Aromatic Coffee and Konapindi. The study focused on validating these partners current outreach, their financial and human resources, and their expansion plans.

Next Steps

- **MRM Training** – One week training on DCED Standards to Results Measurement is planned for early 2017. Two days of the training will be for the entire team whilst the remaining three days will be intensive training for the MRM team only.
- **MRM Workplan** – A detailed MRM workplan will be developed in Q1 outlining all key MRM activities until the end of August 2017. This will include all planned assessments, case studies and documentation of results
- **Intervention Guides** – MRM team will continue working on updating existing intervention guides and developing new ones for new partnerships

MRM Snapshot

MRM Training

The entire team were trained on SOBA's Outcome level logframe indicators. The training focused on definition of these indicators, how to capture them and calculation methodology. A refresher training on attribution was completed.

Webinar on ICT enabled data collection

SOBA shared its experience on use of tablets for data collection during the ASI-wide webinar. SOBA has been using tablets for data collection since 2015.

Aggregation System

SOBA Aggregation System was developed and tested.

MONITORING & RESULTS MANAGEMENT: MILESTONES

Ref	Milestone	Q	Milestone Delivery Date	Risk Assessment	Mitigation Strategies	Status as of December 2016	Verification
Ag-Inputs							
1	Financial model and investment case for Seed-Tech International completed.	Q4	31-Dec-16	In Q3, SOBA and Seed Tech selected a financial investment advisory firm to complete activity. Seed Tech also completed the first down payment, followed by SOBA's first contribution. The activity is underway now, with one visit completed in Q3 and another visit scheduled for Q4. Limited information, including sales record and procurement records, have slowed the progress to-date.	OCA is a top-notch firm with experience in working with entrepreneurs and businesses similar to Seed Tech. They are navigating data collection as best as they can, including requesting support for a new, local accountant to better order books and audits. The final OCA trip is planned for early Q4. The final case material and presentation are planned for shortly thereafter. SOBA's Business Advisor is closely managing the process, including frequent engagements with Seed Tech and OCA individually.	Completed. Investment deck, teaser and financial model completed in Q4. Seed Tech completed two investor meetings (AgDevCo, CRS Impact Investment). SOBA will continue to coach Seed Tech on investor relations while concurrently helping them to professionalise operations in Q1/Q2 for growth planned with capital influx.	1. Financial model 2. Investment case for Seed Tech International
2	TJAL: Investment Phase 3 partnership completed.	Q4	31-Dec-16	TJAL has performed well through multiple phases of SOBA investment, demonstrating both an openness to tackle new business strategies as well as a willingness to prove concept. Of all Sierra Leone distributors, TJAL is now positioned best to service small farmers. SOBA will now collaborate with TJAL to push new products, services, information, and promotions. Certainly, some of these initiatives will prove ripe for expansion while others will fail. We're confident that TJAL partnership design and completion is a low risk.	SOBA has launched project design, including reaching out to third-party information platforms, marketing and inputs suppliers participating in this next round of engagement and to accelerate the pace of partnership completion.	Completed. Final phase of partnership for TJAL/SOBA 2 outlined in Q4. Investments already underway, including branding/marketing, ag-dealer programme, agronomists, inventory growth.	1. PA IP3 TJAL 2. Concept note for key initiative
iLab							
3	Unreasonable Labs delivered successfully, with strong entrepreneur and mentor participation.	Q4	31-Dec-16	Unreasonable Labs is a 3-month planning, recruitment, and delivery process. It is resource and planning intensive.	Unreasonable Playbook offers strong direction and guidance. The team has closely followed the Playbook, integrating creative recruitment strategies currently.	Completed. Unreasonable Labs transpired in November 2016 with 11 participants. A first and second prize was awarded to top pitch performers by an independent panel of prominent business people.	1. Event review 2. Two competition winners
MRM							
4	Field work for the Interim Impact Assessment on Ag-Inputs Sector completed, data analysed and report compiled.	Q4	31-Dec-16	Depends on hiring of reliable enumerators and team time/involvement for fieldwork, data entry, analysis and report writing.	Prior planning is very important. Research plan & tools to be developed in October, field work planned for early-mid November and data analysis and reporting writing in December.	Completed. Research plan, tool developed in October. Enumerators hired, trained and field data collection in November & early December. Data cleaning, analysis and draft report done in December.	1. Research Plan 2. Research tools 3. Data Analysis and Report

3. PROJECT MANAGEMENT

Overview & Activities

- Q4 saw the SOBA programme respond to **DFID's request to ramp-up** the activities and investments to finish in August 2017 instead of January 2018. From a project management perspective this entailed a big recruitment push to respond to increased staffing needs, increased focus on the efficiency of the operations of the project and more attention given to team morale.
- With the support of a recruiter from the ASI HQ, SOBA Programme Managers carried out an intensive recruitment process for 11 new long-term positions (9 resulting from the ramp-up strategy) as well as a number of short-term positions. This included advertisements through various channels, targeted headhunting, carrying out pre-screening interviews and conducting an assessment centre to increase the efficiency of the process. Most positions were successfully filled in Q4. Thorough due diligence was carried out on each candidate combined and contracts were prepared for an expected start in Q1 of 2017.
- Q4 also saw **SOBA's move to the new ASI Sierra Leone central office** bringing ASI programmes together under one roof. The **Shared Service Platform** was developed to increase efficiency and increase quality of support services for all ASI projects.
- The ASI Audit and Risk Assurance team carried out an **internal audit and risk assessment** of both the SOBA programme and the ASI SL central office covering financial management, HR and operations. SOBA achieved a very good overall score and recommendations were made how to strengthen systems and processes. This was part of SOBA's increased **focus on risk management**. Both the portfolio and the strategic risk registers were updated formulating strategies how to mitigate potential risks.
- The **transition of the Sierra Leone Local Content Agency** under the management of the GoSL was planned for Q4. This transition was management from the HR and operations side by SOBA Programme Managers.

Next Steps

- Following the big recruitment push of Q4, Q1 will see **onboarding** of all new team members. This will include a thorough induction, security briefing, operational set-up and training on SOBA systems and processes.
- The **Shared Service Platform** will be further developed. An **ASI compound** for international advisers will be set up to maximise VfM and increase efficiency.
- Recommendations from the internal audit will be implemented for both SOBA and the ASI Sierra Leone office.
- The LCU/ SLLCA deliverables will be finalised and quality assured.
- Professional development opportunities will be made available (MRM, Gender, Excel trainings).

An aerial photograph of a densely populated city, likely in the Caribbean, with a blue color overlay. The city features numerous buildings, some with flat roofs and others with gabled roofs. In the background, a large hillside is visible, and the ocean can be seen on the right side. The sky is filled with soft, white clouds. The text 'www.sobasl.org' is centered in the middle of the image in a white, bold, sans-serif font.

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