

CASE STUDY NO. 1, NOVEMBER 2021

AGS | BUILDING BUSINESSES
AND PARTNERSHIPS

Accelerated Growth for
Micro, Small and Medium-Sized
Enterprises in Zambia (AGS) Programme

Okavango Foods

Business Case Study



ABOUT AGS

The AGS Programme is a Finnish Government funded private sector development initiative implemented in partnership with the Ministry of Commerce, Trade and Industry (MCTI) of the Government of the Republic of Zambia (GRZ). It aims to directly support start-ups and Micro, Small and Medium Enterprises (MSMEs) to accelerate their growth and expand their contribution to the creation of jobs, well-being and inclusivity in the Zambian economy. AGS supports Zambian MSMEs to accelerate, grow, and access new markets through various services.



LEARN

AGS LEARN trainings offer a comprehensive curriculum on managerial and technical business skills following the ILO developed Start, Improve and Expand Your Business Methodology.

Read more about AGS services at www.agsprogramme.org.





OKAVANGO FOODS GROWS CUSTOMER BASE WITH AGS SUPPORT

In March 2021, Okavango Foods took part in AGS LEARN Training, which aims to develop the technical and managerial skills of MSME business leaders in Zambia. Okavango's Director Chanda Masabo explains how the company has been able to transform the learnings into real results and new business opportunities.

Okavango Foods is a Lusaka based agribusiness which started its operations in 2014. It specialises in meat processing, pastry production and catering.

The business prides itself in the taste of its food, and they say their motto is 'Good Food, Good Price'. The company wants to offer affordable catering services to everyone and as a part of that mission offers their clients free delivery.



GROWTH BROUGHT KNOWLEDGE NEEDS

Okavango Foods management realised that they needed to enhance their business management to be able to handle further growth in the business. They didn't have a proper business plan or necessary skills to keep financial records, and they applied for AGS' business training to improve their skills.



AGS helped us understand a lot of things. We now know our value proposition and understand how to take care of customers. We have also improved our products, have better marketing strategies and experienced staff," **explains Masabo.**



KEY LEARNINGS FROM THE TRAINING HELPED TO UNDERSTAND COMPANY FINANCES BETTER

Some of the key lessons and skills that the business acquired from the training include financial management, marketing planning and record keeping.

Before the AGS training, the business did not have certain positions amongst its staff. They have now recruited an accountant, a chef, and a salesperson. They learned the importance of having someone to record and document the financial aspect of business operations and the need for human resource in general.

“We are now able to keep records of all our business activities. We have books for everything – sales, expenditure, inventory, etc. This has helped us track every spending, understand trends in terms of our budget and plan accordingly. Also, there is now a clear distinction between personal and company money, **says Masabo.**”

”



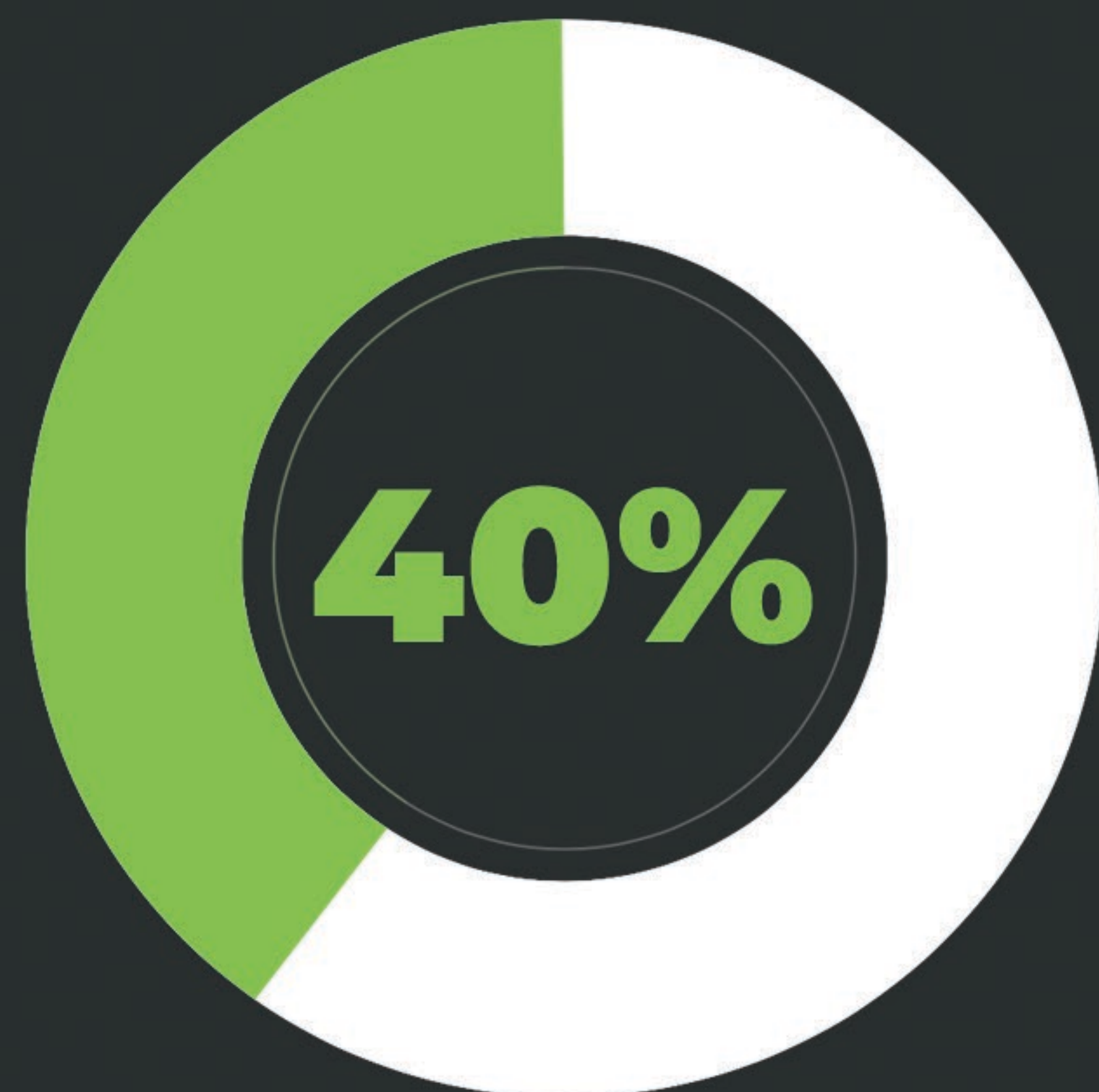


IMPLEMENTATION OF LESSONS FROM AGS TRAINING HELPED OKAVANGO FOODS TO GROW

After the training the business has seen major growth with more clients coming in and an office being established. Masabo highlights that planned growth was the most important lesson for him. Previously, the business would just respond to arising pressures, but now all the business growth is planned.

Okavango Foods has gotten new clients and deals and has identified new markets. They now supply their products to seven butcheries and companies including Choppies and Food Lovers - supplying about 1.2 tonnes of meat weekly.

After the training, Okavango Foods' revenue had grown by over 40% from March to May 2021. However, as of mid-July, 2021 revenue generation had gone down due to the reintroduction of COVID19 restrictions owing to a new surge in the number of cases. The catering services side of the business has been affected the most as it depends on events.



Okavango Foods' revenue had grown by over 40%





OKAVANGO'S NEW ACCOUNTANT



OKAVANGO'S GROWTH CONTRIBUTES TO THE GROWTH OF OTHER SMALL BUSINESSES

Before the training, Okavango had 15 employees. They now have 20 employees and expect to hire more by the end of the year 2021. The business requires more human resource in its production department as the number of butcheries to supply is growing.

Okavango has created a source of revenue for farmers. The more their sales go up, the more they buy from farmers. By using local suppliers, the company also contributes to the growth of other small businesses.

For example, instead of buying from supermarkets only, they also buy from local markets (small holder farmers) including Bualeni and Soweto markets.



Just by supplying 1-2 butcheries in a month, our revenue goes up – as one butchery gives us k90,000 and we end up having a revenue of k2,000,000 per month.”



OKAVANGO'S DELIVERY TRUCK



A MISSION TO RAISE THE STANDARD OF CHICKEN PRODUCTS ON THE MARKET AND VENTURE INTO NEW MARKETS

Okavango Foods is working on the creation of new markets for new products. The business would like to exclusively produce chicken products which, according to Masabo, is a big opportunity owing to the lack of quality chicken products on the market.



In the next three years, we will have a big processing plant where we will process all kinds of products and increase productivity. We would like to have at least seven revenue lines from chicken, including dog food as a by-product from the bones.”

The business has already acquired land on which this will be made a reality. Masabo urges other businesses to apply for the AGS training as there is a lot of lessons to be learned that can help businesses grow.



AGS

BUILDING BUSINESSES
AND PARTNERSHIPS

Accelerated Growth for SMEs in Zambia (AGS) Programme

 DG Office Park, 1 Chila Road,
Lusaka, Zambia

 +260 760633618

 info@agsprogramme.org

 www.agsprogramme.org

Follow Us!

 @AGSProgZambia

 @AgsZambia

 @AgsZambia