



**KENYATTA UNIVERSITY
WOMEN'S ECONOMIC EMPOWERMENT HUB**



WOMEN IN MANUFACTURING: A CASE OF AZAAVI FOODS, KENYA

By

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The Business: Azaavi Foods is a woman-owned manufacturing enterprise incorporated in 2019 as a private limited company situated in Nairobi City County, Kenya. The business operates under the category of Food and Beverage sub sector in the manufacturing sector. Azaavi foods offers tasty, organic, affordable dried fruits that meet the nutritional value of customers through quality selection, consistency and supply throughout the Year. The enterprise produces and supplies dried fruit like mangoes and pineapples and also snacks like banana and potato crisps. Azaavi foods was started to bridge the gap from Farm to Fork by providing market access in order to reduce post-harvest losses, create employment, promote sustainable production and consumption practices for organic farming to ensure food safety and security.

Business Ownership: The business is owned by Pauline Okubasu, a business woman in Nairobi City County. She is married and a mother of three children, who are all below 18 years old. During covid-19 pandemic her husband lost his job and he was given a good send-off package / retrenchment benefit. He gave her this money and it helped her grow her business and acquire machinery and equipment. He is also very supportive of her business and his role is an advisor. As a founder and a director of the company, her role includes running the operations in terms of marketing, sales, finance and book keeping. She is therefore in both management and operations.

Education and Training: She has over ten years of experience in the Marketing and Communication field. She is a strategic marketing and Communications Consultant with background in branding, advertising, sales, customer experience, events management and digital marketing. She holds a Master of Business Administration Degree in Marketing. She was previously employed and worked at several companies. She was in the corporate world for eleven years before she decided to venture into business. She has undergone additional training and attended several workshops on food manufacturing.

Interest and Journey in the business: She started the business with little capital and was housed at a government facility, Kenya Industrial Research and Development Institute (KIRDI) for two years. She started the business from scratch, growing the business, attending trainings until she brought in employees (casuals) to help especially in peeling the fruits. She started by selling to family

and friends; currently she is selling to retailers. Challenges of the business include financial, market access, hiring skilled human resource.

Employees: The enterprise has 5 employees: 3 are permanent, 2 are casuals. (2 are outsourced for Finance Department) There is only one male. She is the only one in management. She is passionate about women empowerment and likes to employ women because they have the capability to transform the family.



Products of Azaavi Foods

The family has two businesses. She manages Azaavi Foods and her husband runs the other business. The husband does more in terms of catering financially for the family. He got another job after being retrenched from the previous one.

Initial capital, production, price and earnings: Starting capital was Ksh. 20,000; current value of business: Kshs. 10 million; annual sales: Ksh 3 million; sales percentage increased from 10% to 30%. Profit is still zero since the business has not broken even as she is still investing more in it by ploughing back the profit. At the moment she is still doing everything herself in the business and contemplates employing more people in the mere future.

Sources of funds: Her sources of funds are mostly family savings. Formal and non-formal credit is not part of her source of funds. For the business, she has been following up on the possibility of getting a grant. Meanwhile, the Kenya Climate Innovation Centre (KCIC) grant from European Union (EU) is supporting her with market access. She is now looking for grants to scale up because

after she has gotten the market, she needs financing for her to produce enough for the market. The husband takes loans for the benefit of the family. She fears taking loans because of fear of high interest rates, retail stores don't keep time for payments, fear of delays in repayment.

She has not experienced constraints/ challenges of applying for credit because she fears taking loans but in her leadership position, she has seen other members going through the challenges. These challenges include; women's businesses being perceived as high risk, financial institutions that have not understood the products, women fearing to take loans, stringent requirements such as the need to provide collateral like land, houses, title deeds which women do not have, especially land.

Raw materials: Avaazi works with farmers who promote sustainable consumption practices such as organic and biological. She buys fruits from small holder famers. Her objective is to reduce post-harvest losses by helping the farmers. She uses mostly tommy mangoes because they can be got last off-season. She also dries a lot of stock to cater for off-season.

Social Networks/ Collective Action: As a member of WIM programme, the effect on her as an individual and to the business is that she is more confident now than she was before venturing into the male dominated manufacturing sector. She has learnt a lot from her mentor as well as networking forums. WIM has grown her leadership capability and has provided her the opportunity to be in two Boards. She prefers women only networks as opposed to mixed networks because she is able to relate more, women are more open to sharing ideas and they talk a lot. Being in an area of like-minded people is good for her.

Decision making: She made the decision to start the business and also decided where to sell the products. She bought some land which she solely decides on its use because it is her land which she bought when she was still employed. She would like to develop her land and locate her factory in it. If she gets some funding, she would like to build her factory on the land she bought and build her family house on the other portion of the land. The current space for the factory is rented. She can also invest and purchase an asset without asking for permission from her husband. In addition to the land, she also owns an apartment. She has no restrictions and she is open as she always tells her husband of business challenges and opportunities. He gave her his retirement money so he has a lot of faith in her and her decision making ability.

Benefits of WIM Program: The WIM Program has influenced her decision making and changed her mindset. Her confidence has grown, leadership skills developed, thought process has changed through the mentoring and training sessions. She has developed her entrepreneurship skills and has had opportunity for learning and exposure. Participation in WIM affects her time in that several programs are running so one must prioritize and select what is relevant to their business. Whatever one learns there they will apply at a particular stage in their business.

WIM program has also assisted her in planning her time which she has learnt through the networking

sessions thereby making her more strategic. WIM has improved her productivity and quality of products. She has created new networks through WIM. However, the existing WIM training program is too short according to her.

Household chores: She is very busy, being a sole proprietor. In fact she does not perform household activities at home. She has employees to do that and has tried to empower her house-manager to do household shopping and manage her children when they come from school. Before she employed the house manager, she still was not able to dedicate her time to handling household duties because as an entrepreneur, she has so much to think about that even when you get she home she had no time for household activities. She still goes on with the work pertaining to the business even when you she is at home. When she was employed she would call the house help to prepare for her everything to cook when she got home but at the moment she doesn't have the luxury of cooking. She has given the house manager more responsibilities which now has given her more time for the business. The husband helps out a lot even with the household shopping.

Gender Issues: Being a mother and a wife and still trying to run a business is not easy due to many challenges. She has learnt to be comfortable with the fact that that she cannot always give 100%. She has her children to take care of and she is also trying to grow a business which also needs her attention. She is restricted because she is in both management and operations. Her dream is that with time, she will be able to recruit more employees and she will empower them for business continuity.

The business has not broken even yet, the husband supports the business and the family. He is her Advisor and sounding board. Every day they discuss about her business and he is able to advise her. In regards to him joining her to manage the business, he may do it eventually though he is not entrepreneurial. He would do well if he came in at management level. Being in business is a fun but difficult journey.

Society's perception of women in business/manufacturing is changing from being negative to positive. Empowering initiatives are many even at the government level. WIM program are assisting in changing perceptions through advocacy and capacity building. Mindsets are changing even at cultural level due to capacity building and advocacy.

Benefit of owning business: Owning and managing the business has increased her self -worth and also helps her manage financial resources better. She can achieve what she wants with limited resources as she has learnt record-keeping and prioritization. The family benefits more from earnings of the business. The business has also created employment for others.

Lessons learnt:

- i. Existing WIM trainings are very brief and the women entrepreneurs want longer mentorship/ hand-holding programs of about 3 to 6 months.
- ii. Under a mentorship program, the woman entrepreneur sets out the expected achievements

- together with the mentor and work towards attaining the same.
- iii. Entrepreneurs need a mentor to succeed in business as hand holding is important from the experienced entrepreneurs.
 - iv. Networking is important to build confidence and learn from other women entrepreneurs' experiences.
 - v. Financial support in form of grants is required especially for start-ups as they have no record of financial performance nor collateral to give the financier.
 - vi. Entrepreneurs need Business Development courses to grow their businesses.
 - vii. Accessing credit from a financial institution is difficult when customers don't pay you on time. Probability of defaulting is very high and this attracts high penalties.
 - viii. Women are also not able to access credit due to fear of taking loans.
 - ix. A supportive spouse is key to business success, he gave her money, takes loans to support the family, doing household shopping, helping take care of the house
 - x. Prioritization of activities is important for success of a business.
 - xi. At initial stage of the business a woman needs a house help who is empowered so that you have time to concentrate and grow the business
 - xii. As the business grows, one needs to empower the employees so that they can take care of operations and the woman takes care of strategic decisions and also have time for the family by taking over some of the household duties.

Recommendations:

WIM

- i. Mentorship, coaching and hand holding programs of 3 to 6 months should be developed by WIM as they help in tracking business growth and performance.
- ii. Sensitization programs are important for women to learn ways of accessing funds for business.
- iii. WIM program serves as a platform for businesses to network, collaborate, and access valuable resources and information and membership; should be mandatory for all women in manufacturing.
- iv. Making membership mandatory would ensure that businesses benefit from WIM's services and contribute to the economic development of women as well as of the country's economic landscape.

KAM

- i. Sensitize women in manufacturing to be members of KAM in order to acquire skills in decision making, leadership, entrepreneurship skills, and opportunity for learning, network and exposure.

GOVERNMENT

- i. Government interventions are needed for women to get accessible and affordable credit.
- ii. The Government should promote character based lending for women entrepreneurs as many do not have collateral to help them access loans.
- iii. Government should promote programs for awarding grants to women startups. This is because banks are very shy to lend money to start ups as they have no proof of repayment from the business.
- iv. Start -ups should have ease of connectivity to public utilities like water and electricity.
- v. The government should give tax holidays and concessions to start ups as they take time to break even and start making profits.



Left to right: Dr. Angelica, one of the employees, Ms. Pauline, Ms. Faith and Ms. Peggy Ochieng from Kenya Association of Manufacturers