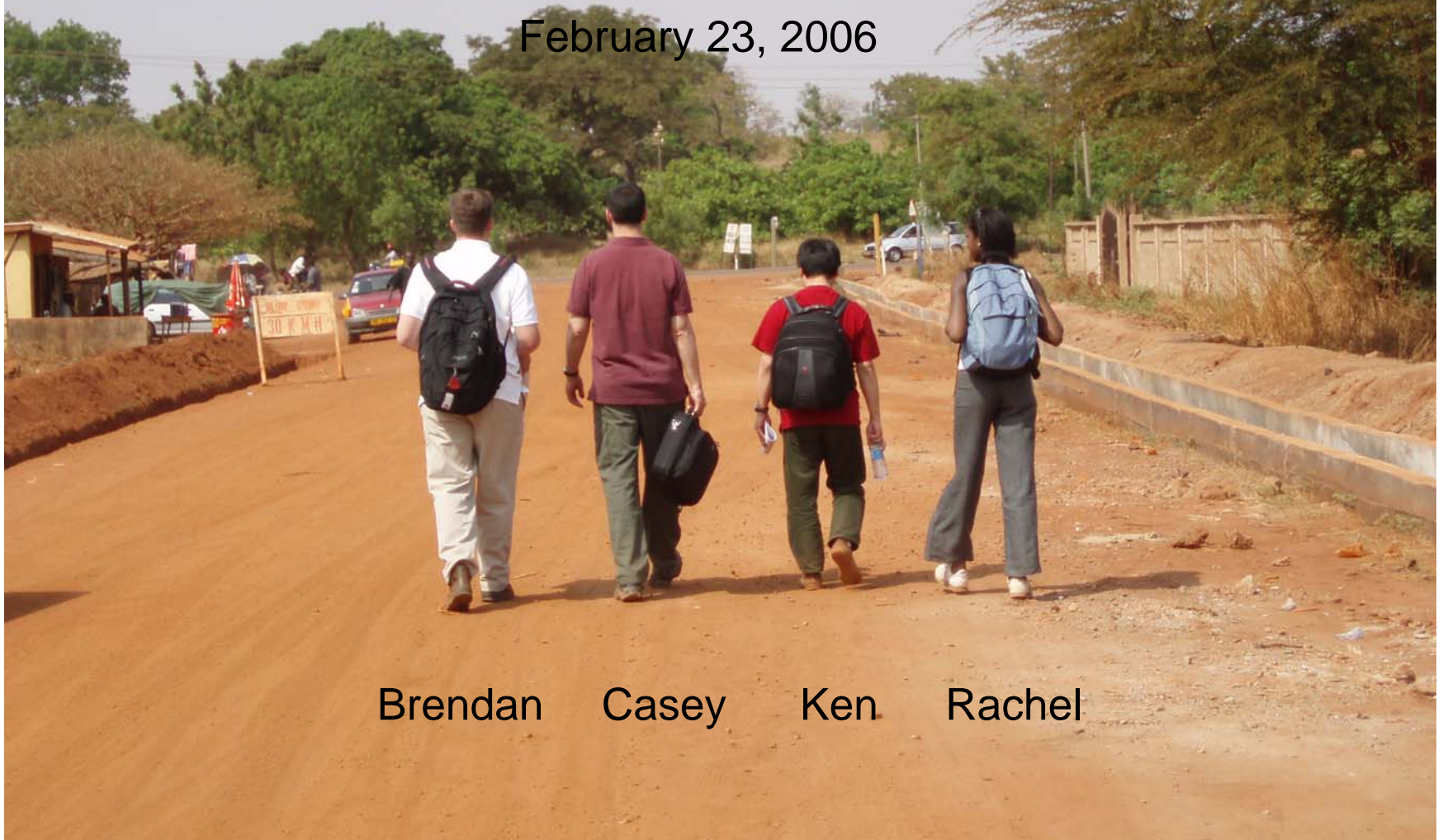


Ghana G-Lab Team Final Presentation

Global Entrepreneurship (15.389) MIT Sloan Business School

February 23, 2006



Brendan Casey Ken Rachel

(Brendan Monaghan, Casey Gordon, Ken Honna, Rachel Lawson)

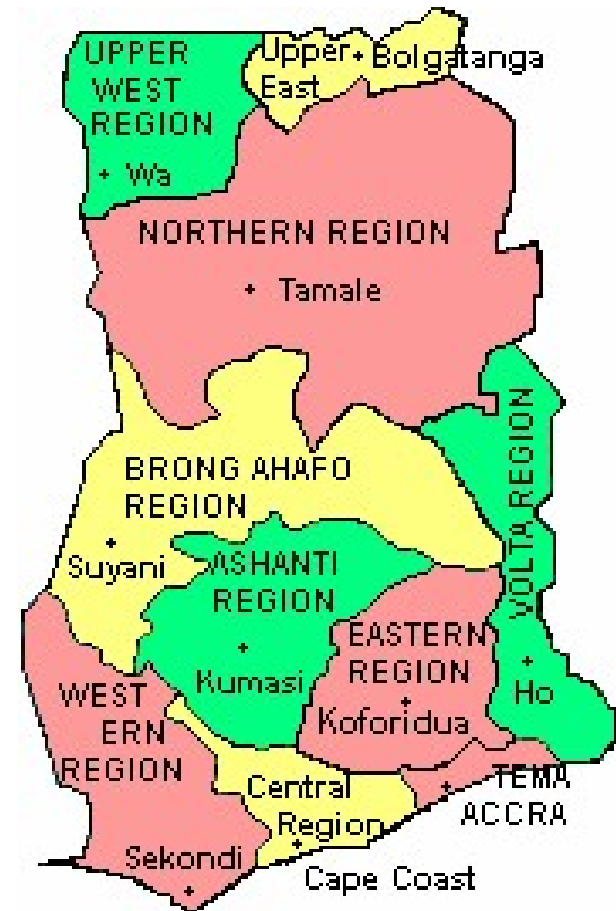
Background



- Company – Pure Home Water
- Purpose – “To sell a range of household drinking water treatment and safe storage products to low-income users in urban and rural areas of Ghana.”
- People – Two Social Entrepreneurs
(Hamdiyah Alhassan and Wahabu Salifu)
- Timeframe – Funded for two years (2005-'07)
by the Conrad N. Hilton Foundation

Background

- Country - Project based in the Northern Region of Ghana.
(pop. 1.8 M)
- Partnerships
 - World Vision
 - Hilton Foundation
 - MIT Dept. Environmental Engineering
 - Ghana School of Hygiene
- Products - history



Timeline of Work In-country



- **Week One: Information Gathering**
 - Interviews (Entrepreneurs, Suppliers, Retailers)
 - Identifying issues/focus
 - Double bottom line discussion
- **Week Two: Pursue 4Ps Strategy**
 - Develop specific strategies
 - Work with entrepreneurs to transfer knowledge
- **Week Three: Implementation of Proposals**
 - Develop on-going schedules, goals and activities
 - Prepare documentation for future reference
 - Prepare and deliver final presentation

Project Scope



- Define Fundamental Strategy / Focus
 - Sustainable vs Subsidy
 - Market segment
 - Product
 - Price
- Implementation of action plan
 - Promotion activities
 - Sales activities
- Close co-operation with MIT environmental engineers
 - Water quality testing
 - Mapping
 - Customer surveys

Project Scope

Marketing Strategy – 4P's

Promotion - Brendan

- “Market Days”
- Signage and Display of Products
- Setting targets

Place - Casey

- Retailer options, training/education,
- Expansion (Markets, Drug Stores, Filling Stations)

Price - Ken

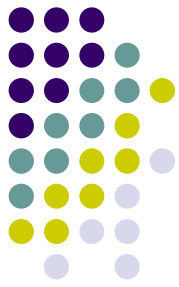
- Competitive pricing / Breakeven analysis
- Sourcing options
- Incentives
- Accounting system

Product - Rachel

- Focus on product mix
- Better design based on user feedback (flow rate, capacity, cost)
- Packaging and testing



Problems / Surprises



- Social entrepreneurship priorities/goals
 - Urban/rural – Need vs. Profit
 - Efficient use of resources (transportation, office space, etc.)
- Entrepreneurs
 - Business understanding
 - Their incentives
- Supplier relationships
- Product challenges (quality, product mix)
- Diversity of customers (socio-economic background, education on water...)

Conclusions



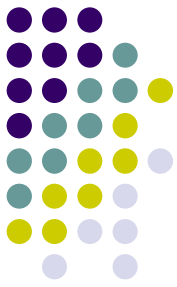
- Fundamental Strategy / Focus
 - Sustainable / for profit organization
 - Market segment – (1) first target the people who can afford and then expand, (2) Build awareness through “market day” (3) Retailer education
 - Product – focus on Tamakloe
 - Price – Increase price, Negotiate with supplier, other sourcing option
- Implementation of action plan
 - Promotion activities
 - Sales activities
 - Negotiation with main supplier
 - Retailer acquisition

Recommendations

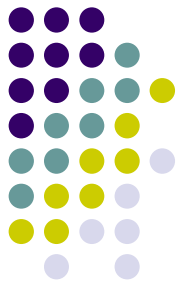


- Focus on activity – organization visits, market days...
- Develop a strong retail network
- Increase product price to reach sustainability
- Focus on white-collar clients in the first stage, before targeting lower-income customers
- Manage supplier relationship through negotiations
- Make further analysis to assess opportunity to produce filters locally

Other Aspects

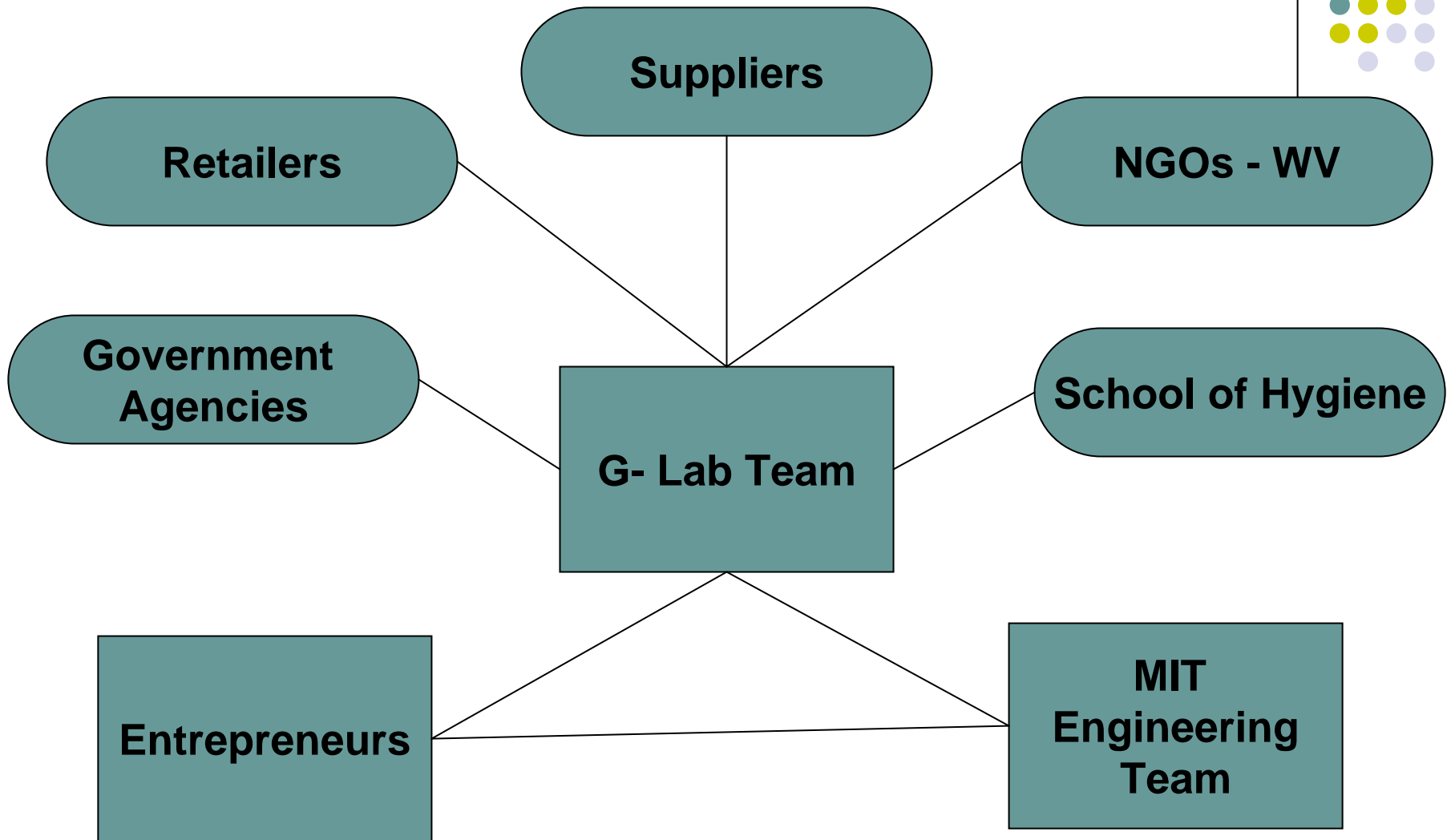


- Team Dynamics
 - Internal
 - External
- Client Relationship
- Own Takeaways



Appendix

Relationships



From perspective of G-Lab team

G-Lab Project Week #1 Update



Overview: Information Gathering

Suppliers

Interview with Peter Tamakloe - Ceramic Filtron
Interview with Michael Commeh – Candle Filter
Indian Products in Melcom – Steel candle filter

Buyers

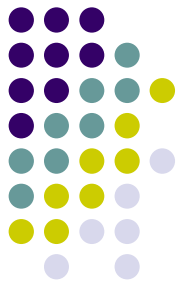
Interviews with retailers in the Marketplace
Customers and potentials of the filter products through Rachel's surveys

Entrepreneurs

Interviews with Hamdiyah and Wahabu
Understanding of situation on the ground and areas of concern in their work

NGOs

Meetings with World Vision representatives in Accra and Tamale
Meeting with Bismark from WAWI



Breakeven analysis

Price	177,316
Margin	40,000

Unit	-	100	200	300	400	500	600
Sales	-	17,731,579	35,463,158	53,194,737	70,926,316	88,657,895	106,389,474
Total cost	22,872,874	35,904,452	48,936,031	61,967,610	74,999,189	88,030,768	101,062,347
Variable costs	-	13,031,579	26,063,158	39,094,737	52,126,316	65,157,895	78,189,474
Fixed costs	22,872,874	22,872,874	22,872,874	22,872,874	22,872,874	22,872,874	22,872,874

