

S.W.A.K. Point-of-Use Water Treatment Business Analysis

*Presentation to SWAK Community Group Leaders
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Agenda

1. Methodology
2. Current Practices & Results from Field
3. The Ideal Group
4. Business Model
5. Recommendations
6. Questions & Answers



Methodology

- 2 months preparation prior to arrival
- 10 days in the field
- Visited 15 SWAK groups
- Conducted focus group interviews and house-to-house visits
- Compiled results & developed recommendations



Current Practices

- Groups have seen some success
 - Sales for WaterGuard: 0 to 4 crates per month
 - Wide variety of selling methods
 - CDC/SWAK trained members understand product
 - Committed to helping communities



Current Practices

- Groups continue to face challenges
 - Irregular supply
 - Capital constraints
 - Training issues
 - Misuse & misinformation in community
 - Low levels of community awareness
 - Some groups more successful than others



Results from House Visits

- 79 households visited in 14 communities
- Boiling and rainwater are the biggest competitors to WaterGuard or PuR
- Most people did not fully understand the reasons for treating or boiling water
- Some communities were not using proper dosage
- Most communities did not re-treat water
- Where product was being used correctly a reduction in diarrhea was reported
- Awareness of product was most often through SWAK members



The Ideal Group

- 1. Motivated to Help Community**
- 2. Sustained High Sales**
- 3. Extensive Group Reach**
 - a. A strategy to ensure full coverage of community
 - b. Defined territory
 - c. Selling beyond individual home area
 - d. High number of customers
 - e. High percentage of repeat customers
 - f. Continual addition of new customers



The Ideal Group

- 4. Clearly Defined Goals**
- 5. Financial Records**
- 6. Group Highly Respected**
 - a. Helping community
 - b. Educating community
 - c. Highly trained group members
 - d. Variety of skills in group
 - e. Successful IGAs



The Ideal Group

7. Actively Promotes Product

- a. Contact with leaders & community influencers
- b. Contact with community health workers
- c. Frequent and varied promotions and events
- d. Group members use products and act as role models
- e. Knowledgeable about products
- f. Encourages word-of-mouth and testimonials

8. Shares Training Information with Group



The Ideal Group

9. Well Organized

- a. Individual roles and responsibilities
- b. Cross-training and extensive member participation
- c. Sales updates at meetings
 - i. Track against goals
 - ii. Shares successes and failures
- d. Sales targets and selling incentives



The Ideal Group

10. Works together as a group

- a. Selling in teams
- b. General selling support
- c. Practice selling
- d. Mentorships for new salespeople

11. Works with other groups

- a. Joint events
- b. Shares resources
- c. Reaches all potential customers
- d. Follow-up training events



Business Model

1. Establish Goal
2. Raise Capital
3. Familiarize Group with Product
4. Create Organizational Structure
5. Create Territory Structure
6. Plan Marketing Strategy
7. Implement Plan
8. Keep Records
9. Conduct Follow-up



1. Establish Goal

- Why do you want to sell WaterGuard and PuR?
- What will you do with the profits?
- Set sales targets



2. Raising Capital

- First Time Capital
 - Identify amount of money you need to raise
 - Start small (e.g. one crate)
 - Think about possible sources of money
 - Examples: Profits from IGAs, group contributions, loans, donors/well-wishers, advance orders from customers
 - Arrange purchase with SWAK
- Continuing Capital
 - Maintain original capital!
 - Identify additional amount of money you need
 - Sustainability= only original capital needed
 - Inventory expansion= use group sales information to estimate how much money you will need
 - Think about possible sources of money



3. Safe Water Education

- Create Formal Training Procedures
 - Send representative to SWS training
 - Create group training plan
 - Schedule time to share knowledge with group
- Don't let questions go unanswered
 - Write down questions from community and group
 - Arrange systematic way to get answers
 - Examples: have specific person in group responsible to get answers, ask SWAK, ask CDC
- Training Review
 - Periodic and new member review sessions
 - Ensure all members understand all product benefits



4. Create Organizational Structure

- Each group should have the following positions:
 - Sales Manager
 - Dedicated to managing and increasing product sales
 - Makes sure everyone in group is familiar with products
 - Coordinates sales teams
 - Responsible for communication with other groups
 - Distribution Manager
 - Gets products from distributor (e.g. SWAK, CDC)
 - Responsible for getting questions answered
 - Record Keeper
 - Sales teams
 - Pairs for door-to-door
 - Teams for events



Everyone works with Record Keeper

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5. Create Territory Structure

- Review community area and establish sales territory
- Try to reach every house in territory



6. Sales Plan

- Identify types of customers
- Identify influential people in community who might help you sell
- Identify events and activities which will reach these people



Example

Type of Customer	Influencer	Events and Methods
General population	<ul style="list-style-type: none">•Chiefs•Pastors•Friends•Neighbors•Influential community members	<ul style="list-style-type: none">•Kiosk•Church Events•Chief Baraza•Market•Funeral•Wedding•Big Gatherings•Dramas•Door-to-Door
People who are sick	<ul style="list-style-type: none">•Doctors•Community Health Workers•Clinics•Nurses•PTC/Support Groups	<ul style="list-style-type: none">•Home Visits•Hospitals & Clinics•Pharmacies•Group Visits



7. Implementation

- Go out and sell!
 - Use sales plan
 - Create and use marketing materials
 - Use knowledge from training
 - Use group for support



8. Keep Records

- Keep sales ledger
 - See example attached
 - Keep capital money separate from profit
 - If you want to expand inventory, put profit in capital account
- Keep pending sales ledger
 - Helps track inventory and ensures capital recovery
 - Give out more product only when salesperson has returned money for previous products



Example

Sales Ledger

Date	Sales Person	Product	Quantity	Unit Cost	Total Cost (-)	Price (+)	Profit (=)
15/12/04	Helen	PuR	10	6 KSh	60 KSh	80 KSh	20 KSh
17/12/04	Jacob	WaterGuard	3	40 KSh	120 KSh	135 KSh	15 KSh

Pending Sales Ledger

Date Given	Sales Person	Product	Quantity Taken	Unit Cost	Total Owed	Amount Repaid	Date Repaid	Entered in Sales?
30/11/04	Jacob	WaterGuard	3	40 KSh	120 KSh	135 KSh	17/12/04	√
12/17/04	Jacob	PuR	50	6 KSh	300 KSh			



9. Follow-up

- After sale, visit customer at home
 - Make sure she is using product properly
 - Answer any questions
 - Add customer house to territory plan
 - Schedule next meeting with customer
- Even if you were turned down once, try visiting potential customer again
- Ask for referrals to find new customers
 - Ask if there is someone else in the area you can visit
 - Ask for testimonials
 - Ask customer to tell friends about product



Suggested Training Curriculum

Day One

- Familiarize with product (SWS Training)

Day Two

- Establish Goals
- Raising Capital

Day Three

- Organizational Structure
- Territory Structure
- How to Create Sales Plan
- Record Keeping



Training Curriculum

Day 4

- Implementation
 - Practice skits
 - Familiarize with marketing materials
 - Learn how to follow-up with customers

Day 5

- Field-Training (mentors, shadowing)
- Train-the-Trainer

6-Months after training: Regional refresher course



Recommendations

1. Common Challenges
2. Recommendations for PSI
3. Recommendations for SWAK



Common Challenges

- Supply Issues
 - Irregular supply
 - Schedule regular delivery of product to central location
 - Lack of group funds to repurchase SafeWater Products
 - Don't spend original capital on anything but product



Common Challenges

- Demand Issues:
 - Lack of Customer Funds
 - Suggest creative ways to gather funds
 - Example: buy 1 bottle for each compound
 - Sell in small quantities
 - Example: sit at water taps and sell one capful
 - Low Awareness
 - Do more events: refer to sales plan
 - Perform demonstrations for both PuR and WaterGuard
 - Be a role-model: Group should use product
 - Make product suggestion at point of sale
 - If someone buys Savlon, suggest WaterGuard to them
 - Use marketing materials (e.g. Posters, handouts, brochures)
 - Lack of Customer Incentive to Buy
 - For challenging sales, offer first time purchase at cost
 - Offer free gift with large or bulk purchases



Common Challenges

- Incorrect Usage of Product
 - Overdosing, underdosing, inconsistent use, no retreatment, using for purposes other than drinking water
 - Leave instructions for customers at house
 - Include information on product choice and dosage
 - Use follow-up meeting to check if product is being used correctly



Common Challenges

- Low Incentive to Sell
 - Give badges to all salespeople to wear while selling
 - Give certificates to top-selling groups
 - Create prizes for successful sales: in group, in greater community, regionally, nationally
 - Set sales goals
 - Give group recognition of top salespeople
 - **Give regular pep-talks to remind group of the great things they are doing to help the community**



Rural Marketing

Recommendations for PSI

- Rural market penetration can be achieved effectively and inexpensively through the use of:
 - Instructional Materials
 - Brochures
 - Hand-outs
 - Calendars
 - Rural Event Sponsorships
 - Football and athletic tournaments
 - Local dramas and plays
 - Low-Cost Sales Incentives
 - Free pen with purchase
 - Badges and certificates for salespeople
 - Sales Contests and Rewards
 - Award a bicycle to the group with the highest sales in region



Recommendations for PSI

- Rural populations take a long time to adopt new products
 - Risk averse
 - Information is limited
 - Change can be confusing
- Support regional trainings



Recommendations for SWAK

- Due to low margins and low volume, inventory management is VERY important
- Encourage groups to work together
- Create district-wide competitions
- Work with national SWAK organization to share best practices, sales information, etc.
- Answer commonly asked questions and inform groups
- Keep up the good work!!!



Questions

- Please let us know if you have any questions



THANK YOU!

EROKOMANO!

1. Reach everyone in community
2. Save capital money for stock replenish
3. Keep records for inventory control
4. Make sure whole group is trained

