

# Business Plan 2020





## SPARK POSITIVE CHANGE

Be the start of something Bigger than yourself. Sponsor a Mashsha Stove, the gift that keeps on giving.

A Mashsha Stove uses half the wood and produces half the smoke of an open fire, providing a safer, easier, and more eco-friendly alternative that benefits communities and conserves the environment.



**10%** of every Mashsha sale goes into the pot to buy stoves for rural communities and schools.



MADE IN U.S.A.

## ONE STOVE, MANY BENEFITS.

Mashsha Stoves will help you and save you money.

Because it uses half the wood and produces half the smoke, Mashsha is safer and better than cooking on an open fire. Plus, it can cook big portions fast, making it quicker and easier to feed the whole family.

**LESS WOOD**

**HIGHER HEAT**

**LESS SMOKE**

**FASTER COOKING**



**ENERGY EFFICIENT**

**Louise Williamson**  
 Cell: 072 436 8347  
 E-mail: [louise@masheshastoves.com](mailto:louise@masheshastoves.com)  
 Web: [www.masheshastoves.com](http://www.masheshastoves.com)

Sustainability Professionals (PTY)LTD  
Reg No: K2015/128506/07

2016 GOPSA Finalist and Winner of the Social Impact Award



DIAGEO  
 CLEAN WATER  
 FOR PEOPLE



ASB  
 SOUTH AFRICAN  
 BANKING CORP







**MASHSHA**  
 WOOD-FIRED STOVES  
 KIND TO PEOPLE • KIND TO THE ENVIRONMENT

By

**Sustainability Professionals (PTY)LTD**

**“Your Chosen Social Entrepreneur For The Environment”**

## Company Details

Sustainability Professionals (PTY) LTD  
 Reg.No 2015/128505/07  
 Lovedale Farm 277 JU  
 Honeybird  
 Lows Creek  
 1302  
 Cell: 072 436 8347  
 Email: [louise@masheshastoves.com](mailto:louise@masheshastoves.com)  
 Website: [www.masheshastoves.com](http://www.masheshastoves.com)  
 Compliance: Level 4 BEE  
 VAT: 4490278191  
 GOV CSD: MAAA0552630

## Table of Contents

Executive Summary .....	3
Company description .....	4
Company goals and objectives .....	4
Bio of Founder - Louise Williamson.....	6
Objectives of Funding.....	6
Products and Services .....	7
Product Features & Benefits .....	7
Marketing Plan .....	9
Market Size.....	9
Marketing Channels.....	10
Independent-owned retail outlets:.....	10
Online & direct sales channel .....	10
CSI Marketing .....	10
Competitive Analysis .....	11
Competitive advantage .....	11
Sales.....	11
Historical sales.....	11
Sales Forecasts .....	12
Geographical Focus.....	12
Sales Team.....	12
Operations .....	12
Marketing .....	13
Quality Control .....	13
Stove Manufacture .....	13
Inventory .....	13
Company Suppliers.....	13
Legal Environment.....	14
Personnel (Currently) .....	14
Credit policies .....	14
Management and organization.....	14
SWOT analysis.....	14

## Executive Summary

**Business Description:** Sustainability Professionals (PTY) LTD is a female owned Social Enterprise that sells a uniquely designed range of energy-efficient biomass stoves for mass and household cooking and heating, based on an intentional business response to an investigated need for contextually suited efficient cooking solutions.

**Business Background:** Seventeen years in rural enterprise demonstrates that communities need cheaper, healthier energy for cooking and heating. Through innovative re-engineering, we patented the “Mashesha cook-stove” range. This provides both an employment creation model that runs on social enterprise/co-operative lines as well as affordable, cleaner and healthier cooking solutions that are aligned with a number of the Sustainable Development Goals (SDGs).

**Problem/Solution:** In Sub-Saharan Africa, 76% of the population is reliant on wood fuel to meet their daily energy requirement. Globally around 4,3 million people die prematurely due to household air pollution and millions of trees are logged for firewood. In South Africa, 12,146 schools rely on approximately 70 000 tons of wood fuel at the cost of R 1.1 million annually to comply with the constitutionally-driven nutrition programs and women’s employment. The cooks are exposed to smoke pollution and suffer lung and eye diseases. The collective process has negative social, environmental & economic side-effects. Our business is an integrated solution of employment-creation and market penetration of the Mashesha stove which burns with a clean hot flame, halving the fuel load and cooking time.

**Products:** There are 5 units in the Mashesha cookstove range. This ranges from 3 types for the Lower Living Standards Measure (LSM) which provide contextually suitable portable metal energy efficient stoves suitable for African style cooking ranging from households to mass catering where 50L to 100L pots are used. There are two units aimed at the upper LSM market for the outdoor barbecue-cooking enthusiast. All the units use 50% less wood compared to an open fire and generate significantly reduced smoke.

**Technologies/Special Know-how:** The business is a combination of a tested, patented product with low-tech market channels and customer reach that is culturally sensitive to African markets.

**Markets:** Donors/CSI to support food and nutrition programs and gender-responsive employment creation; community schemes & individuals for cheap, culturally-appropriate energy and multiplier employment; Independent retailers for African outdoor lifestyle and ‘green’ energy solutions.

**Competition:** Eco stoves currently on the market are very small, often requiring specific types of fuel sources and are not suitable for the mass communal cooking market needed in Africa. An American company has developed a large cookstove but it is not portable, versatile and requires a specific size pot, which restricts its application. It is 3 times more expensive than ours. The Mashesha stove is portable, durable and versatile in its applications and this allows for existing pots and fuel sources to be used and is a proudly South African innovation. The current trend in SA shows that schools that receive conventional kitchens cannot afford to maintain them and go back to cooking outside on an open fire. The Mashesha is an African solution for an African problem.

**Business Model and Distribution Channels:** We plan to target three channels to reach our customers:

1. Independent-owned retail outlets,
2. Online & direct sales channel
3. Adopting a corporate social investment (CSI) model where companies buy the stoves for schools/communities in their geographic area. Stoves are branded with the company logo and value added through showing beneficiaries how to make a free supplementary fuel from waste cardboard and paper which burns equally well as wood in the Mashesha.

**Progress to date:** Over the course of the last 3 years the company has raised over R2 million in grant funding from 6 awards for social impact. This funding was used to set up a manufacturing workshop, which has now been outsourced, and to expand the product range to maximise potential revenue streams. This was successfully achieved and the next phase is to focus on sales and marketing. To

date the company has achieved significant CSI support and sold over 500 units directly, including exports to the Seychelles, Mozambique and Botswana.

With climate change, gender equality and equity issues as well as the 2030 SDG in the forefront of the global development agenda, the time is right to create positive change through supplying contextually suited clean cooking solutions for rural communities.

We believe impact investment in the business will drive value for shareholders as well as deliver impact across a range of sustainable development dimensions.

**Funding sought and use of Funds:** The company is looking to raise R2m in a mixture of debt and equity through an impact investor for a percentage of ownership of the company to be negotiated with the investor. Our financial model indicates an attractive return to the investor in the range of 26% IRR on the assumption of a 50:50 debt equity split and 50% ownership by the investor. The investment will be used for market penetration in the Mpumalanga province in order to build market traction, by growing the customer base and ultimately create a demand for the innovation across SA and open opportunities into the rest of Southern Africa. In addition, the funding will be used to build a skilled sales team as well as register the company for carbon finance and other strategic projects including on-going product and business model innovation.

## Company description

**Sustainability Professionals** is a social enterprise focusing on solving the cooking needs of rural schools and communities in the SADC (Southern Africa Development Community) region. We sell fuel-efficient stoves that support cooking with large pots for institutional use and a smaller stove for household use. Our stoves use biomass or wood fuel but use half of the fuel normally required with open fires and are a lot safer to use, as they use a closed gasification process for combustion. From the time the fire is lit it takes roughly 5 minutes for the stove to start working and the stove burns with a clean, hot, long-lasting flame. The stove design incorporates strategically placed air vents, which allows for combustion and the secondary ignition of syngas (also called wood gas).

The company is a female owned; equity-driven South African company registered under the Companies Act 71 of 2008. The company, while registered, for compliance purposes as a private company, is essentially a social business venture. The company is rated with a level 4 BEE rating, is registered on the Government's central supplier database, is VAT registered and has an import/export license.

**Mission statement:** The Mashsha is an African solution for a Global problem.

In meeting our mission statement, we contribute to a country that has access to energy efficient and clean cooking solutions for rural schools and communities which currently rely on inefficient wood fuel to meet their daily energy requirements.

## Company goals and objectives

Short term goals:

- Meet sales target that result in significant year on year growth for year 1 and following five years.
- Secure impact investment and brand recognition for impact investors
- Secure an independent retail chain like MICA to sell the upper LSM units in South Africa
- Establish professional sales presence in the Mpumalanga Province.
- Secure a small showroom space in Nelspruit, and office space for the Sales manager close to the manufacturer.
- Proposal to banks to provide a finance solution for stoves
- Find a brand representative for the Mashsha "Spark positive change" campaign.
- Partner with government and the private sector
- Place the Mashsha stove on the Global Alliance of Clean Cookstoves catalogue
- Meet six of the Sustainable Development Goals as indicated below.



#### Medium term goals

- Expand the sales team into other SA provinces, followed by Mozambique and Swaziland
- Set up and offer a licensing model
- Achieve traction as an established Corporate Social Investment (CSI) and Socio-economic development (SED) opportunity for companies.
- Apply for certification as a Verifiable Carbon Standard as a carbon offset project

#### Long term goals

- Have the Mashesha brand known throughout the SADC region.
- Exit the business for a significant profit for shareholders.

Our strengths include our innovative approach to business, winning 5 national awards and most recently winning the African Entrepreneurship award for a business idea that is 'Most Significant and Sustainable in Africa'. We won the education category for the impact the Mashesha stove can have for rural schools and communities. An additional strength is our focus on solving social and environmental issues.

Currently Louise is working with the Mpumalanga Parks Board and the African Conversation Trust together with CO<sub>2</sub> Balance, a UK company, to complete the carbon project certification process. This will allow companies to benefit from tax relief under the new carbon tax law and help to drive new business.

This will be the first time that verifiable carbon standards will also include mass communal cooking practices as well as households.



*Image 1: Louise with the Catering range for schools and communities*

### **Bio of Founder - Louise Williamson**

Louise Williamson is passionate about the environment and community upliftment projects. After studying Nature Conservation, she worked at WESSA ([wessa.org.za](http://wessa.org.za)), a large South African environmental NGO where she ran an energy and sustainability programme for many years before adapting and innovating a product that allowed her to start out on her own.

Louise was influenced by her parents who instilled a sense of moral ethics and a love for people and the environment and through her work, she aims to improve the quality of life for impoverished communities by helping woman to use cleaner cook stoves and provide the knowledge to a cheap reliable fuel from waste.

Louise was awarded a place on the Gordon Institute of Business Science, Diageo sponsored social entrepreneurship leadership programme. Psychometric tests described her as follows: versatile with people, engaging, effective and flexible in relations, appreciative of other contributions and resilient. She sets an effective work pace and display high, inspiring energy. Being practical, competitive and proactive are additional strengths and she was deemed to have an effective profile for social enterprise, which has been verified in the start-up phase of the business.

A key strength of the business is the partnership with the Global Alliance for Clean Cookstoves to network and keep up to date with the latest developments in the clean cookstove sector. The company actively participates in global webinars related to cookstoves and participates locally in the bioenergy cluster forum.

### **Objectives of Funding**

- Fund the development of a trained effective sales team in order to meet targets.
- Finance marketing including ongoing advertising campaigns to support the sales team.
- Have the Mashsha stove certified as a VCS under the international Gold Standards as a Carbon Offset project.

- Reach a target of 2500 stoves sold for year one after which we are aiming for significant year-on-year growth.
- Improve margins over the next few years by negotiating with stove manufacture to provide volume discounts.
- Create employment opportunities and skills development for youth and woman empowerment.

## De-risking factor to consider.

The company has been running unfunded for the last 12 months and during this time more than 300 units were sold and successful exports to Botswana and the Seychelles were achieved. These sales have substantially de-risked the business model by proving that there is a need for the product and that customers are very satisfied with Mashsha range.

Further de-risking aspects include the following;

1. Quality outsourced manufacturing and product delivery to the customer.
2. Product validation and customer demand.
3. Marketing and branding collateral have been completed.
4. International interest in a licensing model.

Should funding be secured the business will be able to scale in a sustainable manner and go from strength to strength.

## Products and Services

The metal cooks stoves are made with a range of sheet metal thickness from 1.2 to 3mm mild steel and painted with high heat black paint for durability. The metal thickness is determined by the weight of the cooking pot it needs to support.

There are 5 types of Mashsha stoves - 3 Types for the Rural market (households and mass communal) cooking market and 2 types for the upper LSM group. (Annexure C). The value proposition of the stove is a distinctive niche based on the innovative design; the stoves are solving a critical problem for cooks that do mass communal cooking on a daily basis.

Our price points for rural households to the mass communal cooking range from R994 to R3900 VAT inclusive. The pricing structure is based on a 33% gross margin which we intend to increase over the next 8 years. When the company submits a CSI proposal, a 20% fee is added for training and include delivery charges.

For delivery the stoves are package in either boxes or bubble wrapped in a large thick plastic bag with user instructions and product tags with barcodes. Each stove is fitted with a unique metal tagged serial number for monitoring purposes;

## Product Features & Benefits

- All the units come with handles and apart from the small Mashsha, which is a complete unit with no moving parts, the 4 larger units come with a removable pot stand, pot support rods for added safety and a removable ash plate to easily clean the stove after use.
- The removable pot support rods prevent a 50L pot from sliding off when cooks are stirring maize meal porridge, but the added advantage of the rods being removable is that it makes the stove versatile in its application of pot size and cooking preference.
- If used daily, the pots have a lifespan of 4 years. Stainless steel versions are available and will increase the lifespan but attract a premium price.
- Since the stoves are made with mild steel, this allows for old/ broken units to be recycled.
- The design is such that there is enough space between the pot stand legs so that you can easily feed the fire with wood or briquettes. White ash is a by-product and can be placed in the garden once cooled.

- The stove burns with a clean hot flame and uses half the amount of wood as an open fire. In this way, the Mashsha saves energy, money, time and mitigates climate change due to the reduced emissions.
- For mass communal cooking, the 50% fuel saving allows the unit to be paid off in under twelve months in savings on the purchase of wood.
- Available data from 13 countries showed that girls and young women in Sub-Saharan African households with polluting cook stoves, spend about 18 hours a week collecting fuel. Women that have access to a Mashsha stove will spend half the time collecting wood which frees up time to pursue family and community responsibilities and educational activities.



*Image 2. The catering range is ergonomically designed to aid cooking with such large pots.*



*Image 3: The Upper LSM units have removable and adjustable braai grids and accessories to allow for the traditional African “potjie kos or stew” cooking where typically three-legged cast-iron pots are used.*

## Marketing Plan

We have made use of primary and secondary research to compile the marketing plan. Boomtown Design, a local creative agency has had input into the brand and marketing strategy. Please see the attached brand and marketing strategy. (Annexure B).

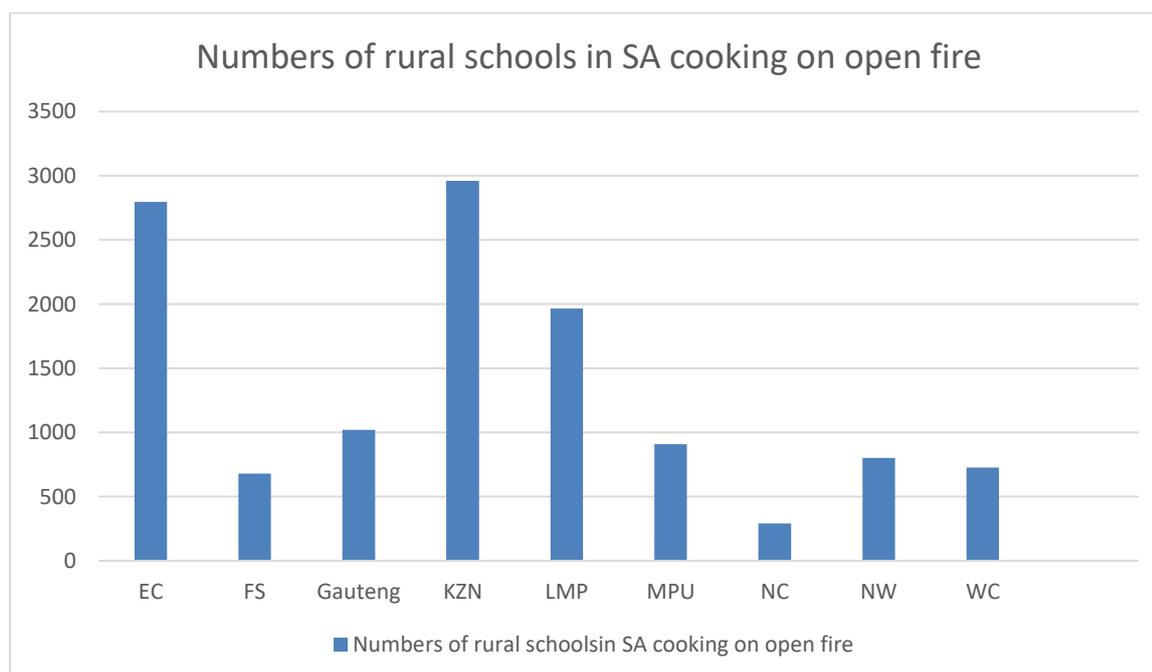
### Market Size

We contacted the National Department of Education to determine the numbers of schools in South Africa that prepare meals on open fires for learners as part of the National nutrition program.

The following research data has been used to determine the market sizes;

- Census at school 2009 report,
- Statistics South Africa
- An evaluation of the school feeding programme: A case study of Magogo primary school by Frederick Acheampong Dei, 2014
- Burning opportunity: clean household energy for health, sustainable development, and well-being of women and children.© World Health Organization 2016
- A survey of energy-related behavior and perceptions in South Africa – Residential sector 2012
- 2011 Annual school survey report
- Journal of Energy in Southern Africa • Vol 16 No 3 • August 2005
- Global Alliance for Clean Cookstoves South Africa Market Assessment *Sector Mapping, 2011*

Based on the above research we have identified that our Lower LSM market potential in South Africa is 12,146 schools for the Large catering range and 9 million adjacent households for the smaller cook stoves. Further market potential has been identified in the SADC region and urban middle class.



A school typically would need a minimum of 2 stoves as 2 dishes are generally served. This would mean a total addressable market (TAM) size of 24,292 large stoves, which is valued at R52 373 552. An estimated 9 Million household (TAM) small stoves is valued at R9,5 bn. We are aiming to capture 5 % of this market, with repeat sales every 4 years (Life cycle per unit).

The cost to schools to supply wood is estimated at R 109 314 000 per year and 109,314 tons of wood, which is often indigenous timber. These values are based on interviews with 10 schools in Mpumalanga that buy and use wood daily.

There are 2 units in the upper LSM range for lodges and households where we are competing with standard barbecues. In this market, the stoves are positioned as “clean energy” or a green stove

alternative in order to appeal to concerns about climate change. “One stove, many benefits” is our motto.

## Marketing Channels

Based on market research and 500 units sold, we have identified that rural schools, urban households and CSI projects are our customers. Mozambique is proving to be a country of interest as 15 units have been bought for mass cooking sites. We plan to reach our customers by targeting three channels viz: (i) Independent-owned retail outlets (ii) online & direct sales channel (iii) targeting a CSI model where companies buy the stoves for schools/communities in their geographic area. How we plan to target these channels is described below.

### Independent-owned retail outlets:

We are marketing our product to retail stores, making use of agents to sell the stoves for a commission.

A market scan was undertaken to identify suitable retail outlets. These include well-known branded stores such as Outdoor Warehouse, Makro, Africa Wholesale and Retail, Spar Garage chains and local butcher shops. Marketing to the larger stores entails securing contacts with the buying department and doing presentations to the same. This will be mainly achieved through cold calling and pitching the current brand of Mashsha. In a pilot with one of the target retail stores, it was evident that differentiating the products on cost is important and therefore how the product fits into a cost value chain would need to be included in the presentation and marketing materials. The pilot also demonstrated that follow-up marketing visits are important as well as linking the product to national cultural events, such as Heritage/Braai day or sporting events. The sales team would thus align with such market intelligence.

Our initial plan is to focus on the independently owned retail stores like Mica Hardware, of which there are 16 stores in Mpumalanga. Should we secure 50% of the stores as suppliers we are aiming to sell 80 units per month in store and the sales team will service the stores and conduct promotional activities.

### Online & direct sales channel

Rural schools are allocated a budget from the National Department of Education for the operation involved in cooking food for learners daily. Using a Mashsha stove will provide a 50% fuel saving which will result in the unit being paid off in under 12 months depending on the size of the school and how many learners are being cooked for. The financial savings will allow the school to redirect this money into further educational activities. Many urban households are small with limited space to make a fire, so the Mashsha is an ideal solution to use on their verandas and still enjoy the iconic flavors linked with wood cooking.

We plan to recruit social media and digital marketing expertise to position the company for online and direct sales channels. The company has already successfully used Facebook and the company website to raise awareness of the Mashsha brand. The website will continue to be optimized for search engine optimization to secure organic search leads and a member of the sales team will own the leads generated through this channel. Digital marketing is also being coupled with app usage and appropriate apps could be identified so as to link the brand to suitable apps. Other avenues could include Takealot.com or Amazon digital channels.

### CSI Marketing

Companies in South Africa are required to invest in CSI initiatives and fund black economic empowerment (BEE) initiatives through socio-economic development. By investing in clean cooking for communities by purchasing Mashsha stoves, companies can meet their CSI and BEE scorecard requirements. The advantage of the Mashsha stove is that it is inexpensive and small companies can also get involved. The added skills development through teaching beneficiaries to make a free supplementary fuel from their waste cardboard makes it an attractive SED opportunity. Any company or person that donates a stove to an underprivileged household or community will receive documentation which supports their BEE and CSI scorecard requirements as well as a Green Ambassador certificate which recognizes their valued contribution to meeting the SDG's.

We apply for corporate social investment (CSI) opportunities where companies support the initiative through buying Mashsha for their strategic community. We brand the stoves with their logo and

conduct beneficiary training in stove use and how to make a free supplementary fuel from waste cardboard.

The company has built a sound reputation doing CSI marketing, successfully securing SAPPI Forests, York timbers, White River Rotary, TRAC Road Agency and Earths Call Foundation as CSI partners. The CSI efforts were attained through word of mouth, media coverage and using current local networks. The company has created a Social Enterprise Training Programme for universities and NGOs, with the training being successfully evaluated by a university who commissioned the programme. Strategic alliances are possible with universities and NGOs who are currently exploring social enterprise models as additional income streams.

On-going marketing is envisaged for this channel by gathering market intelligence using the NGO Coalition networks and e-resources, and a market research company that specializes in marketing training programmes to universities' social enterprise centers. Marketing is done by running the training programme, presentations, use of multi-media, showcasing the product in social and popular media and offering samples of products as prizes or for pilot programmes. In addition, organizations that handle umbrella CSI Initiatives such as Tshikululu Social Investments are an important channel for CSI sales and they will be offered presentations and marketing materials.

Louise Williamson will focus on the CSI sales channel.

## Competitive Analysis

The competition may be conventional electric and gas stoves, yet the rural populations that the product mainly targets demonstrated that other 'traditional' cook stoves are the benchmark. Research data from Sub-Saharan Africa suggest that while users value fuel wood economy, it is not necessarily price or distribution channels that affect choice. Overall stove preference depends upon a combination: economy, cooking time, stove size and ease of use. The Mashsha delivers effectively on all four dimensions. The stove sizes are contextually appropriate for food quantities generally prepared by Africans. Our lived experience data show that the stove outperforms conventional stoves.

### Competitive advantage

The value proposition of the stove links to the above but is a distinctive niche based on the innovative design; the stoves solve a critical problem for cooks that do mass communal cooking on a daily basis. The only other company that makes large institutional stoves is in America and the stoves cost R13000 and are not versatile. Our price point for the catering range, ranges from R1900 & R3900 (Including VAT) for the four different large stoves that are versatile in all applications. We also differentiate against other cook stoves (for household use) on the market that are very small and often need a specialised fuel. The Mashsha is large enough to cook for 12 people and uses wood or any biomass and is linked to an entrepreneurial ecosystem. We provide a stove that is contextually suitable, still uses wood/biomass fuel, but uses half the amount and is nearly smoke free. Recorded user testimonies and the fact that we have won 5 National and 1 international award for social impact & innovation validates that the product is needed and has value.

Customers should associate our products with a social enterprise that tries to solve environmental and social issues within the SADC.

## Sales

### Historical sales

Corporate social investment sales include SAPPI Forests, York Timbers, White River Rotary, TRAC Road Agency, Earths Call Foundation and various philanthropists who have bought stoves for schools and households in SA. Recently a company called Mozambique developments bought 16 large units for northern Mozambique.

Over the last 6 months the company has sold 60 units through direct sales.

## Sales Forecasts

Based on our experience, on average we close 25% of leads that we receive. We expect our marketing efforts will deliver the following leads through the various marketing channels per quarter in year 1:

Channels	Leads Per Quarter	Sales Per Quarter
Retailers	960	240
Online & direct	864	216
CSI marketing	30 companies	169 Units
<b>Total</b>	<b>1854</b>	<b>625</b>

## Geographical Focus

Our initial focus is on the Mpumalanga Province where the business was started and most units have been sold to date. The MPU Province has a 4 million estimated population with an estimated 1,2 million households. The province consists of 4 districts with a total of 2252 schools of which 75% are no fee schools and use open fires for cooking.

The three-year financial projections included in the attached spreadsheet are calculated for the Mpumalanga Province and once we have achieved sales targets, we will look to expand into other regions viz KwaZulu Natal, Limpopo, Swaziland and Mozambique which would all benefit from the Mashsha.

Initially the sales team will focus on the Ehlanzeni District which has an estimated 450 schools cooking on open fires. We believe that we can conclude sales with more than 50% of these schools.

## Sales Team

The sales team will consist of a manager and a growing team of sales representatives.

The tasks of the sales manager will be as follows:

- Be accountable for setting and meeting individual sales targets. Overall targets will be determined by the annual sales budget.
- The sales manager will determine the sales strategy in collaboration with the GM.
- Lead weekly sales training events with the team based on topics that emerge during the previous and a pre-defined sales training schedule.
- Ensure that all leads and sales data is captured in the company's systems and that all leads are owned by a member of the team.
- Liaise directly with the National and Provincial Department of Education to secure a 20-minute slot for the sales representative to attend and demonstrate the stoves to schools at their monthly circuit cluster meetings.
- The sales manager will resolve sales queries that the sales team are unable to resolve on their own.

Responsibilities of the sales representatives:

- Take responsibility for personal quarterly targets.
- Each sales team member will take ownership of leads assigned to them. For example, the Sales rep responsible for direct selling to schools will be required to see 8 schools/ week which means 32 per month.
- With an estimated 25% success rate the agent would be able to sell 16 large stoves and 20 Small ones per month.

## Operations

The General Manager will review key data points related to the company's performance across all functions on a weekly basis.

## Marketing

- On-going publicity and success referrals create demand that we centrally fulfill through direct sales.
- We plan to create demand for the catering range by doing cooking demonstrations at school cluster meetings and promotional activities at the stores that sell the upper LSM range.
- Through social media and testimonials, we will continue to expand the successful CSI channels. Even a small company can support one school in their area and meet their BEE scorecard requirements.
- We will continue to look for additional distributors and assist them to develop context-appropriate selling channels and train them on how to demonstrate the product.

## Quality Control

Operations	How quality is achieved
Manufacturing	The manufacturer has well established processes to manage quality – see section below.
Sales	Standard reporting and regular training sessions
Marketing	Contracted online/advertising company (in line with the prepared Marketing and Brand Strategy- regular reporting
Human Resources	Ensure that all new hires follow a standard hiring process with thorough reference checks
Company data	All company data and systems are backed up regularly under the supervision of the administrator.

## Stove Manufacture

Initially, the Africa Entrepreneurship award allowed us to set up an assembly workshop on site. However, in order for management time to be more focused on sales, the company has recently outsourced the manufacturer process to a reputable engineering workshop in Nelspruit called Vyfster Profiling, that has been in operations since 2008. Through outsourcing the fabrication, we are able to increase the production capacity to meet the potential demand. The company has loaned the manufacturer key equipment and has signed a user and non-disclosure agreement. A 2-year manufactures agreement has been signed. The workshop is centrally located in Nelspruit which eases the distribution process. Stoves can also be bought directly from them.

Each stove is painted with high heat black paint, has a metal tag pop riveted onto it with a unique serial number. A user instruction and product tag with a barcode is placed inside the stove. The units are packaged using bubble wrap and thick plastic bags. Once we secure a retail outlet, we will package the units in a box if it is a stipulated requirement.

Supply costs are currently stable and it could fluctuate if the metal price increases.

## Inventory

There are 5 types of stoves in the product line. The manufactures keep 10 units of each type in stock and offer customers a 10-day lead-time on new orders for large orders that exceed stock quantities.

## Company Suppliers

- 5ster plasma cutters in Nelspruit (Mashesha stove fabrication)
- Marking Engineering (Pty) Ltd (metal tags with unique serial number)
- Globe flight
- Contact & Supply cc (custom bags for the Mashesha)
- White River printers (Marketing material)
- Multithene (Custom made boxes for the Mashesha)
- Bidvest (bubble wrap)
- Pathfind media (Website)
- Boomtown (Brand and Marketing strategy)

Stock shortage could occur if the plasma cutter has a breakdown and there is a delay in cutting the plates. This could be mitigated through securing additional engineering workshops to manufacture the stoves for us.

## Legal Environment

The Mashsha stove was registered for its functional design with the CIPC and the number is F2016/00975. We are in the application process to register the Mashsha Brand as a trademark.

## Personnel (Currently)

Number of employees (2 Full time)

1 x Director (Professional)

1 x General worker

2 x Sales agents (commission only)

2 Independent contractors for financial management and website control/design (professional)

With the proposed funding we will employ an experienced sales manager and sales representative with an initial limited duration contract under a probation period.

Salary structures to be reviewed after 6 months and will be assessed based on performance and targets set.

## Credit policies

We are trying to secure a bank to offer finance to customers who would like a finance option for the Mashsha

## Management and organization

The business will be initially managed by the founder, Louise Williamson until such stage as the company is able to afford a general manager to run the day to day operations.

The company board of directors will consist of Louise Williamson, Dr Charmaine Estment Williamson and a board representative from the investor.

## SWOT analysis

### Strengths

- Proven reputation as social enterprise verified through awards
- Unique and diversified product range
- Resilience, passionate and dedication
- Innovative and lean business
- Our innovation is continually suited to African style cooking

### Weakness

- Undercapitalized
- Low cashflow
- Insufficient resources to transition from start-up to scale-up

### Opportunities

- Partnership with CO2 balance in the UK, Mpumalanga Parks board, the African Conservation Trust and SP to start the VCS certification. The new carbon tax law is allowed for certified carbon offset projects to be used as a tax deduction and this opportunity will increase sales.
- Licensing model for SADC countries
- The Global "green drive" and gender equality/equity movement presents a great opportunity for Private and Civil sector to support the Mashsha stove innovative
- Corporate Social Investment channels remaining active in South Africa and opening up in new sectors such as university' social enterprise channels

### Threats

- Lack of financial stability
- Lack of significant market access
- Changing rural/existing mindsets toward sustainable energy solutions
- Political climate with respect to BEE

## Financial projections

Please see the attached Annexure A excel spreadsheet.

## Annexure B

Brand and Marketing Strategy

## Annexure C

Upper LSM product brochure  
Lower LSM product brochure

