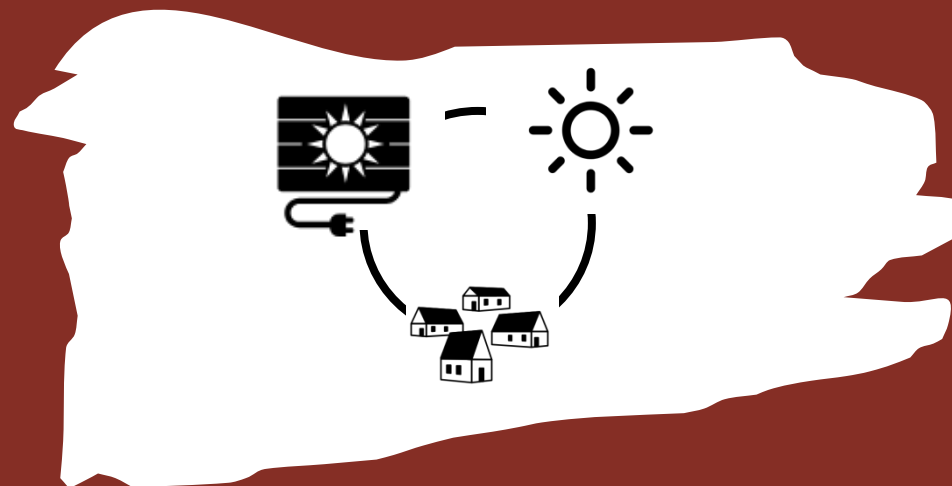


Last Mile Distribution Enterprises Replicator Workbook Preview



This workbook is supported by Hogan Lovells, the Government of Flanders and the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety

What's it all about?

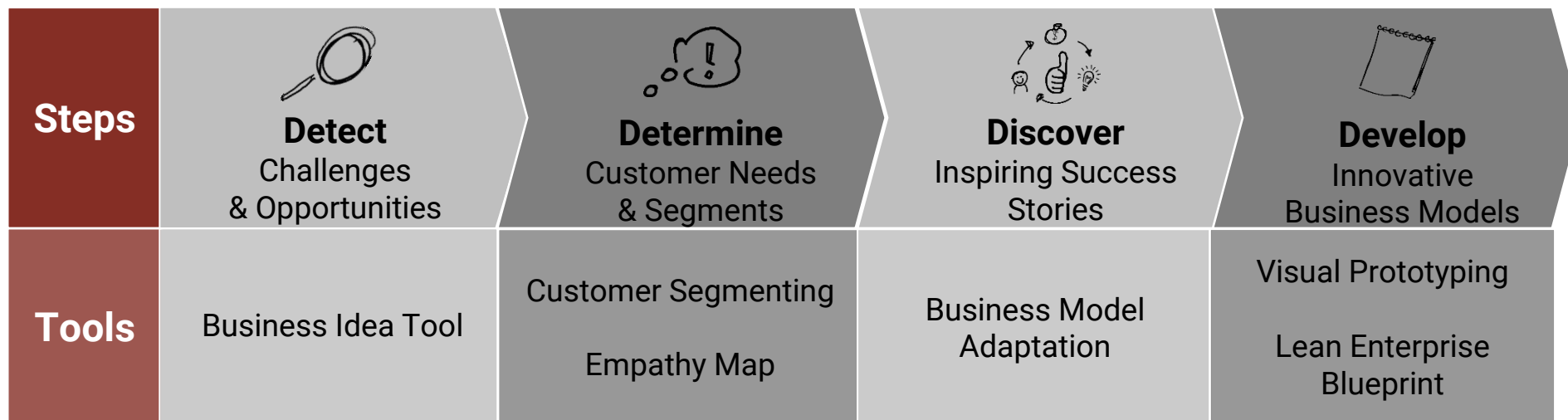


Do you want to learn from proven business models from eco-inclusive enterprises around the world to tackle some of the key challenges your country is facing?

Various entrepreneurs have already developed innovative business models that turned out to be successful and create relevant social, economic and environmental impacts. Replicating solutions that work can offer a fast and effective way to contribute to sustainable development and improve people's livelihoods.

The Replicator Workbook guides the process

We developed our SEED Replicator Workbooks to guide you through the process of transferring a business model to another geographic location. Our workbooks identify best practices and shed light on conditions under which eco-inclusive enterprises in your sector operate. They include exercises that will guide you to explore your market and adapt business models to your context.



How to use the Replicator Workbook?



In this workbook preview, click on **INSIGHTS** or **TOOLS** to discover more
Or simply scroll to the next page



Insights

into success stories & challenges of established eco-inclusive enterprises

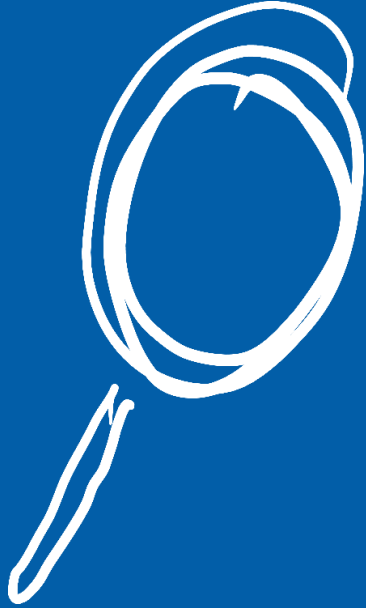
In our workbook, we include various **READINGS** on **proven models of eco-inclusive enterprises** around the globe, complemented by sets of best practices and explanations of conditions under which eco-inclusive enterprises operate. These readings are based on experiences of entrepreneurs active in the field of **Last Mile Distribution Enterprises**.



Tools

to guide you step-by-step as you develop your own eco-inclusive enterprise

Each **TOOL** provides step-by-step guidance to arrive at key outcomes. The first page of each tool offers a short overview of **when** to use the tool, **what** you do in the tool, **how** the tool is best used and which **key outcomes** are expected. The workbooks explains in detail what to do and which questions to ask yourself at each step while using worksheets for you to document your outputs.



Detect sustainability challenges in your country and brainstorm solutions to tackle them. Learn about the potential of last mile distribution enterprises and the social, environmental and economic impacts you could achieve.

The power of last mile distribution products



Converting market inaccessibility for consumers and suppliers in remote areas

As the need to shift to renewable energy is more widely acknowledged at the international level, solar power is being adopted at an increasing rate in many parts of the world. Efforts to address the energy challenge in rural areas tend to focus on off-grid and mini-grids distribution. However, the growth potential for such solutions is limited to certain markets and customer segments. The renewable energy sector faces major challenges in both demand in and supply to remote areas. In terms of demand, lack of consumer education on product use and awareness leads to lower rates of solar adoption. On the supply side, poor distribution channels, high sales prices, unsuitable products, and gaps in service provision (such as after sales services) reinforce distrust and prevent wider adoption of solar power by rural communities.

Rural Nepal faces the problem of inaccessible roads which isolates communities from markets and prolongs energy poverty in these communities. A key challenge in Uganda is the fear of business failure as suppliers tend to focus exclusively on easy-to-reach market segments. This increases operational costs and decreases profit margins. Thus, many Ugandans resort to costcutting tactics – including one-time customer interaction with no follow-up after product purchase, employment of low paid and untrained sales people, etc. – these tactics inhibit the grassroots market penetration of solar and create negative customer experiences. Rural households and the agricultural sector in India still lacks access to solar powered technology that could enable them to increase productivity and sustainability of agricultural production. Despite the great market potential offered by last mile customers, penetration of solar power has remained low in remote rural areas.

... into spreading the benefits of solar power through last mile distribution

By understanding the needs of rural communities, a combination of different market approaches have been put in place by some innovative enterprises to make solar energy accessible to last mile customers. These enterprises offer:

Innovative energy products including

- Torches for farmers and solar lights with integrated low-cost MP3 players that fulfill basic needs and provide entertainment to rural households
- Equipment catering to specific needs of businesses such as customised solar installations and equipment maintenance services

Improving accessibility of solar goods and services by

- Allowing payments in installments through PayGo platforms or other mobile technology
- Partnering with local government institutions, schools, NGOs and cooperatives to better reach community members
- Providing on-site after sales services at fixed points to reduce travel time, costs, and burden on customers for equipment repair and maintenance
- Increasing consumer education on equipment use and maintenance via trained sales persons

Capacity building in rural areas by

- Extending opportunities to local communities, especially women and youth, to participate in the solar industry and spread knowledge among fellow community members
- Offering sales, technical services and business operations training that strengthens the solar value chain in rural areas
- Integrating technology at all stages of business operations from customer analysis, data collection, payment technology to customer feedback

The power of last mile distribution products



**Participate in an upcoming Replicator Workshop
to discover more about last mile distribution
enterprises!**



Discover proven business models and adapt them to your local market. Identify key business model features.



Frontier Markets Frontier Markets sells solar products like solar torches, solar TVs, etc. that are suited to the needs of rural areas and were formerly unavailable in the market. In order to ensure the compatibility of products and services to customer needs, Frontier Markets keeps data collection, market analysis, sales and servicing of renewable energy products at the core of its activities. The enterprise partners with local distributors and sale agents to make these products available at wholesale and franchise retail points in rural areas and utilises customer financing services to ensure affordability.

Value Proposition: Frontier Markets integrates local women and men by training and employing them in baseline survey data collection as well as sales and after sales services. It designs clean energy products in partnership with local manufacturers which allow rural communities basic, full time access to power. Thus, the company aids in poverty alleviation and skills development in the areas of operations. It also reduces carbon emissions from traditional fossil fuels and risks of chronic illnesses of children and women due to fumes from fuelwood.

Key facts:

Founded in: 2011

Country of headquarters: India

Operates in: Rural areas of Rajasthan, India

Employees (2018): 50

Website: <http://www.frontiermkts.com>

The Originators: Kalpavriksha & Empower Generation

Successful examples of eco-inclusive enterprises



Empower Generation is a US-based non-profit organisation that works with its implementing partner – **Kalpavriksha**, a for-profit company in Nepal. The joint enterprise works to improve energy access in rural areas of Nepal through a local distribution network comprising of local women. It gives extensive business training and mentorship support to women who live in the heart of rural Nepal and employs them in the marketing and sales of solar products. The non-profit partner in the US works as a capacity builder for women entrepreneurs and provides financial support to its ground partner in Nepal that is responsible for managing field logistics, including recruiting female distributors, understanding local demand and managing supply. Kalpavriksha imports solar products and sells them at wholesale prices to its entrepreneurial retail network or sells it in local areas through sales agents for profit which the company shares with the agents.

Value Proposition: Empower Generation and its local partner Kalpavriksha give rural women a chance to become entrepreneurs in the renewable energy sector and earn income and respect by providing their communities with much-needed energy solutions. By doing so, it reaches those community members who were formerly absent from the solar market value chain. It also contributes to reducing carbon emissions from traditional fossil fuels and risks of chronic illnesses among children and women due to air pollution from fuelwood.

Key facts:

Founded in: 2011

Country of headquarters: USA and Nepal

Operates in: Rural areas in Nepal

Employees (2018): 9

Website: www.empowergeneration.org, www.kalpavriksha.com.np

Insights

The Originators

Successful examples of eco-inclusive enterprises



Participate in an upcoming Replicator Workshop
to discover **more exemplary eco-inclusive enterprises!**



Determine your target customer and the benefits you want to create for your stakeholders. Map out why your solution is unique and why your customers will love it!

Your Customer Tool



When?

To refine your business idea, you need to identify your potential customers. Therefore, this tool is best applied in the elaboration process of your business idea.

What?

Customers stand in the centre of any business. Even the best idea is worthless if no one buys the product. Most enterprises serve different groups of customers (customer segments) that share certain characteristics. Identifying the different segments in the first step helps you to learn more about each of them. Once you have stepped into your customers' shoes, you can target your product and marketing activities better.

How?

Sit down to think about which customer groups you would like to serve. Once you have identified the customer segments, it's time to go out and speak with your potential customers to gain a better understanding of their needs.

Steps?

Step 1 → Identify Customer Segments

Step 2 → Understand Your Customers



Key outcomes

- Get to know potential customer segments for your product
- Set the basis to build a customer-centric business model

Your Customer Tool



Step 1

Identify Customer Segments

The first step is to divide the large pool of potential customers into customer segments. Customer segments are groups of customers who share certain characteristics or behave in a similar way.

- What will influence the preferences of potential customers towards your product or service?
- Will individual buyers have different expectations and needs from small stores? What about government institutions, NGOs or businesses?
- Will grandchildren have different expectations and needs than their grandparents for example? What about men and women, people with different religions, incomes, education levels or professions?
- Will people in rural areas have different expectations and needs from urban citizens? What about people in City X and City Y?
- Will people who have different knowledge about your product or service have different purchasing and usage patterns? Buy it more or less often, use it more or less often or use it in different ways?

Complete the information you gathered in the *Your Customer Segments* WORKSHEET on the following page. We have left space for up to five customer segments; you should identify at least two.

Step 2

Understand Your Customers

- Out of the customer segments you identified in Step 1, select the ones that appear most important for you, for example because of their size, because they are most likely to buy your product or because they are the easiest ones for you to reach.
- For each of your key customer segments complete the WORKSHEET *Your Empathy Map*.
- The *Empathy Maps* ask you to step into your customers' shoes: What does he/she think, say, see, do, feel, and hear? You can answer the questions in discussions with your team, through internet research, interviewing or observing potential customers etc.
- It's easier to answer the questions if you imagine one representative person of each segment, and add their name and age in the middle of the *Empathy Map*, in addition to the title of the customer segment.

You will find relevant key questions for your EMPATHY MAP on the next page!

Your Customer



→ **What does she/he think?**

- What matters most to her/him? What moves her/him? What are her/his dreams? Which may be her/his worries?

→ **What does she/he say?**

- What does she/he tell others? What is his/her attitude? Does she/he influence others?

→ **What does she/he see?**

- What kind of products/services does your customer see in the market? What attempt is being made to influence her/him?

→ **What does she/he do?**

- What is she/he constantly trying to improve? What activities does she/he cherish doing? How does she/he spend their time?

→ **How does she/he feel?**

- What does she/he experience in relation to your product or service domain? This experience can be negative or positive.

→ **What does she/he hear?**

- What do friends say? What do her/his influencers say? What media channels influence her/his opinions on products and services?

- Keeping the following questions in mind will prove useful during the refinement process of your business idea:
 - How can you fulfill the needs of your customers, and provide them with more benefits?
 - Should the product or service be targeted towards different market segments?
 - Is there anything else you still want to learn about your customers?

Your Customer



WORKSHEET Your Customer Segments

Step 1

Customer Segments				
Title	Rural communities	Households	Rural schools, institutions	
Description	Face water & other resource shortage	Face electricity & resource shortage	Providing services to local rural people	

Your Customer



WORKSHEET Empathy Map

Step 2

<p>What does she/he think?</p> <p>Hopes to find an affordable solution</p>	<p>What does she/he say?</p> <p>I need reliable energy resources for daily activities</p> <p>I lack consistent resources</p>	<p>What does she/he see?</p> <p>Low productivity at home after dark</p> <p>Children unable to study at night</p>
<p>What does she/he hear?</p> <p>Similar concerns from other families</p> <p>Concerns about increasing cost of living</p>	<p>Who is he/she?</p> <p>Rural household decision-makers</p>	<p>What does she/he do?</p> <p>Runs a small local farm</p> <p>Takes care of 4 children</p>
<p>What does she/he feel?</p> <p>Frustrated</p> <p>Concerned</p>		
<p>How did you learn about your customer?</p> <p>Asking family members, friends, relatives and interviewing other locals.</p>		

SEED Replicator Tools

A light gray world map with small flag icons placed on various continents. Thin white lines connect these flags, creating a global network pattern. A large, light green diagonal banner is overlaid on the map.

Participate in an upcoming Replicator Workshop
to discover **more business planning tools!**



Let's replicate the success of **eco-inclusive enterprises** together!

Learn more about the SEED Replicator and how to apply to an upcoming workshop near you:

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🐦 [@seed_sustdev](https://twitter.com/seed_sustdev)

