



Social Entrepreneurship

Taking Incubation To The Village level

John Dada

Fantsuam Foundation, Nigeria

3rd Global Forum on Business
Incubation, Florianopolis, Brazil.

29th Oct, 2009

Incubation through a step development of integrated services

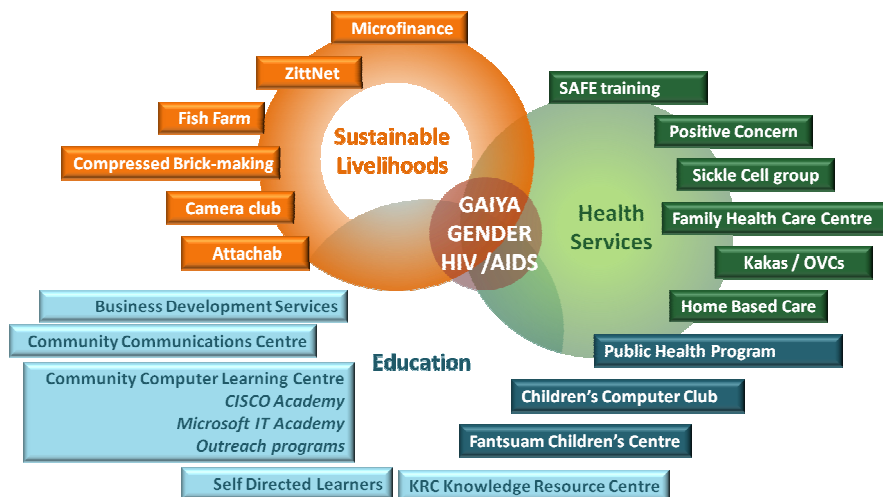


- Fantsuam Foundation is a holistic, multi-sectoral NGO operating in Kaduna State in the northern part of Nigeria that works with local communities to fight poverty and disadvantage through integrated development programs
- This presentation is about doing 'incubation' through a step development of integrated services rather than having to make a big initial investment to provide the support services usually associated with 'incubation'.

Our definition

- Incubation is a process to help grow businesses, to add value and create impact for local communities
- Rather than specializing in specific areas of industries, we are broad-based and integrated, making us flexible to access new opportunities and markets for our clients

Integrated Services for Poverty Reduction



Challenging business environment



Challenges faced by local Businesses

- Very poor and unreliable infrastructure (power, water, transport)
- Inefficient business operation leading to very low profitability, reinvestment and business growth
- Predominance of a subsistence culture: low innovation and diversity in product
- Lack of business skills and product knowledge – much business simply copies what went before, or what is Observed
- Thinking creatively to create businesses for the poor

Poor infrastructure, lack of human and financial resources



- with poor infrastructure
- Low levels of communication and rural transport hamper community mobilisation and ownership of initiatives

Agriculture is the mainstay of the local economy

- **Very few opportunities for employment – high reliance on agriculture, both for subsistence and economic activity**
- **No facilities for preservation or storage: predominance of micro-scale Businesses**
- **Local markets are key to economic activity but profit is hampered by poor communications for information and Transport**

Dry season corn farming facilitated by Fantsuam



Sustainability is as important for the delivering NGO as for local businesses

- **Our growth has been organic with new initiatives building on success of former initiatives**
- **Establishment of revenue generating ‘businesses’ from the start to reduce reliance on donors and organizational vulnerability**
- **Focus on operational effectiveness in Organizational Development and ICT**



Rural women farmers as Strategic Partners

Potentials of the female population not yet integrated into global wealth creation



- Community Communications Centre: using ISP services to build local ICT-based businesses
- Provide support for Agricultural Network Centres
- Community grains banks
- Jatropha
- Sickle Cell Support
- Public Health Services
- MS ITA schools outreach programme

Our Style

- Taking incubation to rural village poverty is an unusual model in incubation
- We provide Business development services, Mentoring, loan utilization checks, post loan impact assessment,
- Start-up loans (not grants) Microloans: no free lunches. Start with what little you have, then you can build on it with our loans
- **Establishing relationships, Advocacy on behalf of the clients:** Government, wholesalers, middlemen

Rural Virtual Business Incubation

- **FF Incubator does not rely on Government Funding**
- **It is a model of virtual incubator that goes out into the field to make its clients to succeed**
- **Our clients have common needs, e.g. organic fertilizer. We make joint purchases, negotiate discounts, and keep part of the profit while our clients also get timely supply at competitive price**

Investing in our Clients

- **Education: Relevant support services: For example, in response to the poor grid power, a course in basic solar installations has been started.**
- **Health: In response to poor access to healthcare for children and adults who have Sickle Cell Disease, an awareness raising service is under way with emphasis on prevention.**

The Challenges?

- **Difficult business environment with poor infrastructure**
- **Thinking creatively to create businesses for the poor**
- **We are proactive**, traveling out to see our clients on regular basis, reviewing their businesses, advising them and trying to be proactive in providing them support
- But it **costs more**, more time consuming

The Future

- Remote Areas: Use of mobile phones ICT for reaching out to remote areas
- Mobile phones space for information in agriculture
- As rural ISP, growing our bandwidth to level where our clients can have VOIP services
- Tertiary Education for rural students: Cisco Academy, looking to grow this into a private university, where no students will be denied admission on grounds of her/his inability to afford the costs: Social entrepreneurship
- Partnership with Government
- Partnership with academia, HKS - Harvard Kennedy Business School, pro bono service to study our niche why does our model work?

Government as enabler

- Government recognition and attention at last!
- Officials visit to Fantsuam by the National Board for Technical Incubation, Technology Incubation Program
- The Nigerian Communications Commission, NCC, has approved ISP license for our rural network, and provided some funds for its expansion
- Collocation of our internet radios on the communication masts of the national Telco to facilitate reaching out to more rural and remote communities in the Last Mile
- These internal networks will be in place by the time the submarine cable networks comes inland, looking for customers: our communities will primed to

We are not making a lot of money yet, but with a team like this, we know we are worth a lot of money



THANK YOU