

Valuation of a Micro-Hydroponic Franchise in South Africa

WHAT IS IN IT FOR IMPACT INVESTORS? PAULA LILLI JANE GIESE

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Abstract

Pervasive world challenges such as the millions of people living below the poverty threshold were demanding a new type of investment that has been grown over recent years. Impact Investments are made with the intention to solve severe societal issues in a financially sustainable manner.

Foodpods aims to become one of such investments projects that is capable of improving the life of such less fortunate people. This is why this paper concentrates on proving that with their unique business concept of Micro-Hydroponic Franchises, impressive financial returns and profound impacts will potentially be realized in the future.

Working with people from the bottom of the pyramid, certainly entails considerable risk. With high risk the act of finding investors becomes extra challenging, whereas the social projects behind usually are dependent on their funding resources to cover the capital expenses as well as the operational expenses which are crucial in order to guarantee sufficient business development and advisory support. As challenging as the fundraising process might be, as important it is to devote effort to the performance evaluation of such investment projects. Only with thorough analysis and reporting of the performance, Impact Investors can be convinced to get on board.

Financial return is usually not to be expected in the social space and makes Foodpods therefore a unique investment opportunity. With a balanced blend of common metrics of the Impact Reporting and Investment Standards (IRIS) as well as with the calculation of a Social Return on Investment (SROI), it will be demonstrated that this investment opportunity actually is mutually beneficial and lucrative. The result of the SROI analysis will demonstrate that the invested money will double in social value terms. In fact, it has been found out that every R1 is creating R2 in benefit for society of disadvantaged communities or promoting Social Franchise throughout South Africa.

Future ideas suggest another ground-breaking way of financing the project that promotes scale and replicability. Foodpods plans on granting Impact Investors the novel opportunity to hold and trade an equity based investment. These so called Franchise Licenses give the investor a contractual right to receive a share of the revenue that has been generated by the Franchisee.

The results of this thesis prospect that if Foodpods is successfully combining the value-creating capacity of entrepreneurship with the humanitarian mind-set of philanthropy it will certainly drive significant social change in financially sustainable ways and hopefully achieve its goal in becoming South Africa's largest agricultural incubator.

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1. Introduction

1.1 Preamble

This paper conducts an overall assessment of a Social Franchise Business in South Africa. New enterprises sprout up everyday world wide, of which many are claiming to solve severe, societal issues. Evidently, many of them fail and millions of Dollars are swallowed up by Non-Profit Organizations due to miscalculations and under-spending in overhead. Those do and will further scare off investors if no mutually beneficial, sustainable and replicable business models evolve that are capable of returning financial compensation. Impact Investing seems to be a highly promising solution. However, the idea of investing in businesses that offer financial as well as social returns sounds almost too idealistic – too good to be true.

This paper aims to illuminate such a venture and will hopefully prove that social impact and financial return is actually compatible. Even if, obstacles and challenges seem to be infinite, the outcome could be exceedingly rewarding. Giving back hope and confidence to an industry, which is struggling so badly for the attention it deserves, therefore is the high-level goal of this paper.

Concretely, the overarching purpose of the venture is to establish market-based solutions to the most pressing social and environmental challenges facing local communities, townships, in South Africa. *Foodpods*, the underlying venture, pursues with producing and distributing Kale Chips globally to develop a unique business model which seems commercially viable, scalable and replicable. The primary objective of the venture is to lift people out of poverty through entrepreneurship in the agricultural sector. The preferred approach to achieving scale and replication is through Social Franchising. A pioneering tiered investment structure that provides Impact Investors with an opportunity to be high volume buyers of Franchise Licenses, which are flipped to second tier investors for a profit in the short to medium term. This ground breaking financial instrument creates a new capital structure for social enterprises to accelerate the expansion of their operations, whilst delivering blended value returns for investors who seek to impact directly on the lives of people at the bottom of the pyramid.

Foodpods Kale Chips project is not yet into life but a business concept and most of the infrastructure is awaiting further action. The venture has been fathered by a joint between a Non-Profit Organisa-

tion, *Heart Capital*, a manufacturing company, *Biodelta* and a farming specialist and provider, *Haygrove*. These parties have set themself the goal to establish South Africa's largest agricultural incubator, teaching people from under-resourced communities how to earn a sustainable livelihood by running micro-agri-businesses.

1.2 Problem Statement & Research Question

Ever since, South Africa has been facing severe economic, social and agricultural problems, which left many social organizations and supporting individuals despaired. The complexity of injustice seems huge and statistical failure rates of hope-carrying projects are scaring off grant-makers.

The apartheid left an already dualistic society terminally damaged. A lack of food security, a high unemployment rate and deficits in the level of education are only a few of the consequences that have been identified as disastrous for the country. Particularly long-term unemployment may have led to the negative experience of social exclusion and life in poverty. (Walk, Greenspan, Crossley, & Handy, 2015)

Moreover, as one of the key economic sectors in South Africa, agriculture faces droughts and unpredictable climate changes, which determine life or death throughout low incomes and minorities. The interplay of all these issues might be the biggest challenge yet. Aid projects too often fail in addressing the integrated net of problems by instead only tackling them isolated.

Many organizations have been providing the infrastructure to people from the bottom of the pyramid believing that it would offer micro-entrepreneurs a legitimate shot at success. However, without technical assistance and business development support there is a very high probability of failure. Success depends entirely on the knowledge, skill and experience of the individual grower, which makes effortless replication impossible. Failed tunnels disappoint grant-makers, which makes it harder, almost impossible, to raise funds in the future. Worst of all, the mission to provide food security fails and that ruins the reputations of those individuals and companies that attempted to provide the solution. The question this paper aims to answer therefore is:

Can a micro-hydroponic farming Franchise be a lucrative investment opportunity and at the same time lift people out of poverty when funds and advisory support is provided adequately?

An integrated assessment approach, considering the view of all stakeholders, will hopefully shed light on whether Impact Investment can be the ultimate solution it claims to be.

1.3 Approach and Limitations

It is of high importance to design a business model that addresses the aforementioned problems and creates a performance measurement framework that is understandable to all stakeholders. It is also important to prove this in financial as well as in social terms. Certainly, the scope of the paper is limited and assumptions may constrain the validity of the results. Transparent limitations may, however, deepen the understanding for its complexity.

As the research question already indicated, *Foodpods'* vision is not only to be a lucrative investment opportunity but also to lift people sustainably out of poverty running micro agri-businesses.

Thus, *Foodpods* pursues to create a Social Franchise that offers Incubation service to people from disadvantaged communities. It will create micro-businesses for those less fortunate, low-skilled people and transform them into farmers that work as Franchisees in the project. Concretely, they will be trained to successfully grow kale which will be purchased monthly by the Franchisor in the form of an offtake agreement. After the Franchisor added value (drying, packaging, distribution) to the leafy greens, they are sold as Kale Chips with high profit margins to the UK and US. Kale Chips are gaining more and more attention as new health orientated movements encourage consumers to buy more natural food containing high nutrition and few calories.

First, the project starts with a recruitment process, in which basically every applicant independent from its previous education and background receives the chance to start as a farmer in the position of a Franchisee. Certainly, *Foodpods* aims to address the poorest of the poor. However, the recruitment process will try to find out about the ambition of the people. Working with those disadvantaged people is what *Heart Capital* has been doing for more than a decade and one of their key challenges was to distinguish those people that really wanted to be helped from those who were barely

reliable. The projects' goal to help people from the very bottom of the pyramid is therefore limited by their willingness to be helped as much as the project's success is dependent on the reliability of its Franchisees.

The Franchise structure will offer a decent balance of guidance and autonomy for the very lowskilled farmers. Franchises can range from very flexible and loosely controlled to the more restrictive and tightly controlled business formats. The Franchisor teaches the Franchisee the entire business, and provides among support, training and communications, the farming infrastructure to the Franchisee for the duration of their business relationship. In return for these services, the Franchisee pays an ongoing fee to the Franchisor. (Temple, 2011)

Foodpods, the Franchisor, becomes the wholesaler in this scenario. Given that the farmers will be Franchisees, they are not going to receive a fixed salary, but an offtake agreement will guarantee them a secure income stream. However, the amount of money will be reduced by a service Fee towards the Franchisor to compensate him for the administrative work, as well as the provision and maintenance of the infrastructure. The idea is that the Franchisee is carrying his part of the overhead to restore dignity and build long term independence. (Pries, 2012)

Hence, main objective is to demonstrate that the Incubator can be a self-sustaining, scalable business that provides "Incubation Services" to Franchisees.

The approach of this paper will be on the one side to calculate social and financial metrics that are extracted from the Impact Reporting and Investment Standards (IRIS) that express Financial Performance as well as Operational and Product Impact. Limitations towards these metrics are that they usually refer to the scale of only one tunnel. The comparability to other organization will admittedly suffer from this limitation. However, for the evaluation of *Foodpods* it seems to express the metrics with highest significance. Particularly, the idea that one tunnel could even be self-sustaining and serve within a local community, emphasizes the importance of its isolated assessment.

On the other side the analysis tries to express social value in monetary terms with the calculation of a Social Return on Investment (SROI). In addition, the more conventional Return on Investment (ROI) will contribute to the understanding of this dualistic approach. As relevant as the financial performance is, the capital structure has not been decided yet. That is why mainly the simplest scenario will be assumed throughout the paper. Such scenario considers the invested capital to be issued as loans. However, the pioneering tiered investment structure, if into force, can accelerate the expansion of operations for social enterprises, whilst delivering blended value returns for investors who seek to impact directly people who live at the bottom of the pyramid.

When the performance of the project is recorded accurately investors can be encouraged to get on board. Expressing the value of the venture in financial as well as in social terms is inevitable to create a cycle of investing incentives and poverty evasion.

2. Methodology

2.1 Research Approach

The research approach that was chosen for this paper has been mostly to be classified as a qualitative one. It seemed to be the more appropriate one, compared to the quantitative approach, because scope and timeframe are yet limited and similar projects hardly exists which could have been served as statistical evidence. The lack of knowledge and experience in the field of profitable investments within the social space made a quantitative approach that would have involved collecting quantitative data impossible.

2.2 Research Paradigm

The underlying project is subject to experiences gathered by *Heart Capital*. Even the financial model that pursues a more quantitative perspective is mainly based on assumptions and estimations of the organization. Operating in the social space always goes with high uncertainty and neither solid theories nor consensus on performance measurement and reporting standardization are available. This is why the research can be classified as rather qualitative and subjective.

2.3 Primary Source

The primary source of this investigation is the previous experience of *Heart Capital* with Franchising within the social space. The financial model has been created in cooperation with *Heart Capital* CEO and founder Peter Shrimpton, who is specialist in the field of social performance measurement and financial evaluation. He managed his own asset management company in Johannesburg for more than 10 years, where he was mostly trading private equity portfolios for high net worth individuals. After his time as investment manager he decided to work in the social space in order to reinvent traditional business approaches and making a social difference. With his deep experience within the financial as well as the social space, his advices and opinions offer meaningful insights of the yet quite unexplored impact investing industry. Moreover, he designed in cooperation with me the financial model (see Annex 10.3) of *Foodpods*, which served as the foundation of the calculations in chapter 6.

2.4 Secondary Source

In addition to the primary source, the secondary source offers a rather theoretical framework. Some previous work aimed at better describing the opportunities and threats the impact investing industries entails. Moreover, several organizations are constantly working on creating a universal and standardized social performance measurement framework that is constantly adjusted and amended such as IRIS. The research within this sector lives from the research of every single project. This is why *Heart Capital's* work and especially its analysis is important in order to contribute knowledge in this field.

Besides the social performance measurement frameworks, books, journals, articles, reports and websites have been used to clarify the content.

2.5 Interview

The interview has been conducted by an intern of the organization, but prepared in cooperation with me and other students. It was rather semi-structured to avoid steering the conversation. It is important to keep the conversation open in order to obtain valuable insights.

The interviewee was Peter Shrimpton, CEO and founder of *Heart Capital*. His credibility has already been highlighted in the previous sections but is again important here to avoid wrong expectations about the objectivity of the results.

2.6 Validity and Reliability of Fieldwork

It is always difficult to evaluate the accuracy of a measurement approach of a specific context. Impact investing is complex and representatives of leading organizations are yet the most meaningful source of information. Unfortunately, it is impossible to adequately foresee all consequences and obstacles. This is why the research has to be assessed as of low validity. When talking about the reliability of a fieldwork it is more the extent to which the examination is based on experiments or statistical tests. Even though the work with Social Franchise business formats has been contributing much to the risk aversion of the *Foodpods* project, no real statistical tests have been conducted. This is why also the reliability of the project is subject to low reliability. Another variable that influences the performance of the project is the currency. All figures will be stated in South African Rand (ZAR). To facilitate the understanding of the reader, it can be assumed that at the time of the evaluation (17.01.2016) the exchange rate US Dollar (USD) to (ZAR) was \$ 1 to R 18.9. It should be noted that the South African currency is currently comparably weak and due to the overall situation of the country subject to high fluctuation. At the same time the project is now more than ever an interesting investing opportunity for foreign investors. One year ago (17.01.2015), as a comparison, \$ 1 was only exchangeable with R 11.6. (Exchange Rates UK, 2016)

3. Literature Review

Investing in emerging markets seems profitable given the latest published forecasts. The International Monetary Fund (IMF) predicts growth rates to be around 6%, compared to only -1% to 1% in developed countries. (Pries, 2012)

Figure 1 demonstrates that emerging markets started to outperform already from 1994 and indicate that they will continue doing so. Yet, within developed crisis countries prove a similarly high volatility, what, given the significantly lower growth prospective, makes them less attractive for investors.





Figure 1: GDP Growth Rates have diverged (Worlbank (2011) in Pries, 2012)

However, it is not only the outlook for high profits that are making emerging markets become such an interesting place for investments. The attitude and general awareness towards the socioeconomic instability reflected in the global gap between the resource rich but socially poor and the western economies is continuously increasing. Additionally, social contribution is more and more societally expected from influencing and wealthy institutions.

It is true, that poverty and food security are some of the most common problems in South Africa, which led over the years to tremendous charity and donation activities. That these have not yet shown substantial results or led to a major social change is evident. By contrast, they foster dependencies, distort markets and misalign incentives. (Pries, 2012) However, new theories claim profit orientation to be necessary to stop the mismatch of incentives and finally achieve future orientated and sustainable social change. Ideally approaching both sides together and not separately to create a framework in which both, financial and social incentives, encourage the other. Figure 2 shows that

the combinational value refers to the term blended value. What is defined an Impact Investment lies somewhere around a Social Purpose Business, but clear delimitations are difficult to make.



Figure 2: Spectrum of Organizational Models (CAF Venturesome, 2010)

However, this paper will not endlessly and aimlessly try to differentiate between all different types of organizations. Since many theorists argue about clear definitions of Social Enterprises, Non-Profit Organizations and Social Corporate Responsibility.

This thesis only shows the spectrum of approaches ranging from purely operational charity to purely commercial enterprises. Nevertheless, one term will be flowing throughout the paper: Impact Investment. We take the definition provided by Keith Allman:

"An impact investment (...) can be deployed into an entity making good or providing a service that offers positive social impact, while also generating some level of financial return." (Allman & Nogales, 2015)

Some might argue that commercially oriented companies that give some profits to charity are considered impact investing companies. That is why our definition will be extended to the requirement of having a social purpose. To consider a business an impact investment, it has to engrain social impact "in the business operations, product, or service." (Allman & Nogales, 2015, p. 4) Thus, if social return is a lucky side product or if a percentage of the profit of a business gets donated, the business cannot be categorized an impact investing company. The business lacks social purpose.

To better understand where Impact Investing is positioned in today's economy, the next chapters serve definitions of the most used business formats and why they often fail to perform sustainable long lasting impact.

3.1 Non-Profit Organizations

Ever since, non-profit organizations claimed to be the pioneers in the field of social change and philanthropic orientation. It has become evident that many non-profit organizations do not spend enough money in overhead. The importance of skills training, studies in information technology systems, financial systems and fundraising processes have on the other hand been inevitable for sustainable success. In fear of budgeting too much money for their projects, many project managers refuse to improve infrastructure and augmenting their management capacity. (Gregory & Howard, 2009) The effects of such deficits are obvious: "nonfunctioning computers cannot track program outcomes and show what is working and what is not; poorly trained staff cannot deliver quality services to beneficiaries." (Gregory & Howard, 2009)

There is an obvious explanation for the fatale tendency of managers to underestimate and shortage the financial expenditure of a project. Figure 3 shows that the starting point of the cycle is as aforementioned the unrealistic expectations of funders about non-profit organizations. Consequently, non-profits feel pressured to meet these expectations and give respond with low, wrong cost estimations. Finally, they are underspending and underreporting. "Over time, funders expect grantees to do more and more with less and less - a cycle that slowly starves non-profits." (Gregory & Howard, 2009)



Figure 3: The Cycle that Starves Nonprofits (Gregory & Howard, 2009)

The only way out of this cycle is therefore to coordinate communication sector-wide, to make sure that a general message clarifies the importance of spending in business development. Non-profits need to speak truth to power and communicate an understanding for the necessity of advisory support spending and that capacity building is critical to the health of an organization. (Gregory & Howard, 2009) Many argue that organizations lose their social focus as soon as profit oriented investors get involved. However, the theory of impact investing claims that particularly the profit orientation provides the project with the drive it needs to become long term successful and ultimately selfsustainable.

The article written by Gregory and Howard in 2009, predicted already that the urgency and importance of social orientated organization will need to reach an unbearable extent, that finally government and public society turn their head toward the issue. As soon as the sector would receive the attention and financial care it needs, organizations may record healthy, functioning and above all financially sustainable growth and performance.

3.2 Impact Investing

Impact Investing is quite new. Definitions therefore are changing continuously. However, every definition aims to express that such investments create social impact as well as financial return, both intendedly. The biggest issue still seems to be to decide where Impact Investing starts, how strongly an investor should be profit maximizing and how large the role of the social orientation needs to be.

One common characteristic of Impact Investments is that impact needs to be measurable. Certainly, financial indicators are easier to compare and way more common in project valuations.

Impact Investing strictly prohibits donations, since its financial stream should only be generated by the income of the project. This way, financial sustainability and independence of the project can be achieved. Nevertheless, every Impact Investment has to aim for social return. By means of that, social return has to be explicitly part of the investment strategies and not occur as a side product. Naturally, the organization also needs to aim for financial profit to satisfy the investors. The span ranges from paying back only the principal of the invested capital up until common market yields. (Agnew, 2012, p. 10 ff)

Some theorists claim that Impact Investments are also subject to another criterion. This criterion expresses the positive correlation between financial returns and social impact. Thus, each factor needs to encourage the other.

The last criterion leads us back to the negative consequences of charity and donations. Within the Impact Investing industry, giver-receiver relationships often are imbalanced. That is why voices of the developed countries have called for slowing the flow of financial aid. Impact investment, by contrast, aims to create a business investment relationship, where each party is benefiting from the activities of the other. Financial aid should be provided in crisis circumstances, but investment capital should be provided among equals in order to restore dignity to the receivers and build long term independence. (Pries, 2012)

Other representatives claim that an equally balanced business will never exist. They state that investors always prioritize one factor over the other. Hence, they differentiate between Impact-First and Financial-First investment strategies (see Figure 4). Financial-First investors seek to optimize financial returns mainly. This group usually contains commercial investors that pursue investments with market-rate returns with some social orientation. The social impact, however, has low status for the investor and might just be important to meet its stakeholders demands. (Godeke & Pomares, 2009, p. 11 ff)

The Impact-First investor, by contrast, seeks to optimize positive difference to communities and the environment. The primary priority for such an investor is to achieve social change and accept a financial return which is between principal and market-rate. Additionally, he is usually willing to accept higher risk projects. (Godeke & Pomares, 2009, p. 11 ff)



Figure 4: The Social Investment Market (CAF Venturesome, 2010)

It is crucial to keep this distinction in mind to understand the different intentions, incentives and goals of the target investor segment. However, Impact Investing seeks to satisfy both types of investors and includes financial and non-financial factors when evaluating an investment opportunity.

Finally, it can be said that Impact Investors differ from traditional investors in "return expectations, investment holding periods, and investment motivation." (Allman & Nogales, 2015) Additionally, measurement and reporting is necessary to classify a project as impact investment. Investments need to build data and provide social and development performance Figures, proving the "positive societal impact on the targeted population". (Allman & Nogales, 2015) This is, what this paper aims to assess.

The importance of Impact Investing and therefore the evaluation of such projects is that a functioning impact investing industry can potentially complement government and philanthropy by unlocking significant resources to address the world's most pressing problems and to improve the lives of the people from the bottom of the pyramid. (Jackson, 2012)

To only provide one successful example, Aavishkaar India Micro Venture Capital Fund can be considered an Impact Investment that received almost \$15 million to operate in its impact area. They are aiming at fostering economic and entrepreneurial activities in rural India by providing risk capital and advisory support to low skilled people. With an internal rate of return (IRR) of 20%, it certainly has proven its capability to satisfy investors whilst creating local livelihood for India's low-income populations. (Brett, 2016)

It is true, that Impact investing still is a highly controversial industry, where many opponents cast doubt about the reliability of those underlying projects. This is mainly due the fact that the industry is still quite young and therefore lacks proven results and transparency in its operations. Furthermore, many impact promising projects failed in the past and left investors behind without any return. Thus, risk and uncertainty are the main fears of investors when they are asked to invest in emerging markets, whereas high profit projections with low investment costs have meanwhile been broadly accused to be unrealistic. (see Figure 3: The Cycle that Starves Nonprofits (Gregory & Howard, 2009)) Due to all of these criticisms the importance of well-wrought business concepts as well as decent reporting tools and performance measurement approaches became immense.

The Global Social Venture Competition created the Social Impact Assessment, which will be the framework for the analysis. Over the years they gained slowly but surely acceptance and confidence within the Impact Investing industry.

3.3 Social Impact Assessment

The "Social Impact Assessment is a framework for catalyzing transformational change by empowering entrants to re-think how their business model can address root causes of systemic social problems." (GSVC, 2016) The framework has been chosen to be suitable, since the Global Social Venture Competition is using the newest standards and measurement approaches to assess and compare impactful projects. Founded by MBA students at UC Berkeley's Haas School of Business in 1999, it is now supported by 13 other premier business schools and programs worldwide.

Even though impact investments and particularly the process of measuring and reporting their value is quite new, several theorists attempted to create a universal model. The Social Impact Assessment is one of those. The huge advantage of this framework compared to others is the integration of financial metrics in the social valuation and the attempt to express social impact in monetary terms. The framework includes three steps illustrated in Figure 5 to demonstrate social value creation in financial terms.



Figure 5: Social Impact Assessment based on (GSVC, 2016)

In a first step the Social Value Proposition will be defined, asking for the relevant input and activities that are necessary. The second phase is concerned with how the Social Return can be quantified. In the last step the social value will be expressed in monetary terms.

Social impact describes the societal and environmental changes created by activities and investments. Societal impacts are considered as equality, livelihoods, health, nutrition, poverty, security, and justice. Environmental impacts include such issues as conservation, energy use, waste, environmental health, resource depletion, and climate change. The term Social Impacts is used throughout this paper to refer to both societal and environmental changes - positive and negative, intended and unintended - that result from investments.

Investments that create social impact can take a variety of forms, including time, expertise, material assets, network connections, reputation, and other valuable resources. These investments can be loaned or be equity based but definitely invested with the expectation of social and financial returns. (Epstein & Yuthas, 2014, p. 15)

3.3.1 Define

The assessment starts with defining the social value proposition. The Theory of Change (TOC) will help to find out on <u>why</u> the venture activities will lead to the social value proposition and the Impact Value Chain (IVC) will demonstrate <u>how</u> venture activities will lead to the social value proposition. The widely established TOC has often been used in thinkings from Michael Porter and Mark Kramer on Shared Value, and Jed Emerson on Blended Value. (Kramer & Porter, 2011) (Emerson, 2003) Those topics go beyond the traditional use of the TOC towards a more integrated view of financial, social and environmental values. This blended approach will be determining the design process of *Foodpods'* TOC in a later section of this paper.

3.3.1.1 Theory of Change

The Theory of Change (TOC) is essentially describing why desired changes are expected to happen. Via backwards mapping the TOC aims to explain step by step how the activities of a program lead to its desired goals.

One of the pioneers of the TOC is Carol Weiss. She argues that often projects are difficult to evaluate because they are poorly articulated. She emphasized mini-steps to be inevitable in order to attain and understand the likelihood of achieving long term outcomes. She also states that clarity is a main factor that helps to improve policies and keep all stakeholders informed. (Weiss, 1995)

It has always been a debate what actually leads to development and how that impacts an organization's actions. Cathy James (2011) emphasized, for example, the importance of using the TOC as ongoing process of reflection to explore change. Thus, the key purpose of the TOC still is to explore and represent change "that reflects a more complex and systemic understanding of development, rather than portraying a linear process." (James, 2011) Isabel Vogel identified in her review of the use of the TOC some very illuminating findings. She first claimed the TOC to be a product as well as a process of analysis and learning that produces powerful insights to impact assessments. She also emphasizes that the TOC is capable of making strategic thinking realistic and transparent. Nevertheless, it should be kept in mind that a useful TOC requires time and resources. Working with the TOC can be very challenging but as rewarding when a strong organizing framework has been created. (Vogel, 2012)

One criterion all theorists have in common, is the use of clear assumptions. There are, for example, assumptions that underlie many TOC's such as the necessity of causality of the conditions.

Usually one should be able to express every condition and its pre-conditions as an if-condition-thenoutcome relationship. That enables consistency and causality. By means of that, every goal has preconditions which need to be articulated and connected to its own preconditions. This is what we call a logic model or a result chain. A TOC can also describe assumptions, risks and mechanisms associated with each connector to make it become easier to understand. Also external factors may influence the results. The chapter is summed up with a very illuminating definition: "The Theory of Change requires a combination of both approaches. The mapping of the logical sequence is strengthened by critical thinking about the contextual conditions that influence the programme, the motivations and contributions of stakeholders and other actors, and the different interpretations (assumptions) about how and why that sequence of change might come about". (Stern, et al., 2012)

The Theory of Change is subject to continuous changes dependent on the industry to which it is applied. That is why it is predominantly a principal that helps to understand a business and its likelihood of achieving its determined objectives.

3.3.1.2 Impact Value Chain

The Impact Value Chain (IVC) will demonstrate how venture activities will lead to the desired outcome. The chain consists of 5 elements: Inputs, Activities, Outputs, Outcomes and Goal Alignment.



Figure 6: The Impact Value Chain (Clark, Clark, Long, & Olsen, 2004)

The Inputs are the resources (money, staff, time, physical assets, etc.) required to operate the organization. The primarly objective of the venture is to produce financial and social value. That can be realized through different activities such as grant-making, programs, information sharing and investing activities.

The differentiation between Outcome and Output is of high importance to understand the Impact Value Chain. Outputs are indicators from an organization's operations that the management can directly measure. Outcomes are defined as the change to the social system. These changes can be "in attitudes, behaviours, knowledge, skills, status, or level of functioning that result from enterprise activities, such as finding a job, avoiding getting sick, or reducing emissions by a certain amount." The difference between the ventures' outcome and what would have anyway occurred without it, is defined as impact. (Clark, Clark, Long, & Olsen, 2004)

"The goal alignment process is the management process of evaluating whether outcomes or impacts met desired goals and determining what can be done to improve operations." (Clark, Clark, Long, & Olsen, 2004)

3.3.2 Quantify

The Define-part has been clarifying the the steps on <u>how</u> and <u>why</u> the business is meeting its objectives. This chapter aims to show how change can be quantified. Numeric reflection of the social value will become particularly important for the process of getting investors on boards and for future recording of the performance of the project.

A tool called the Impact Reporting and Investment Standards (IRIS) provides a common reporting language to quantify social value and makes it therefore more tangible for stakeholder. "The Global Impact Investing Network (GIIN), a nonprofit organization that helps investors overcome barriers to successful impact investing, recognizes that there are real challenges to establishing an effective impact measurement program which have led to a state of impact measurement inertia among many investors today." (Gelfand, 2012) . These metrics or Key Performance Indicators (KPI's) are selected from a collection of indicators published by IRIS. IRIS was called into life in 2008 through the collaborative efforts of several internationally-recognized organizations such as Acumen Fund, Rockefeller Foundation, B Lab and Deloittes.

IRIS can be easily integrated into custom impact measurement systems such as *Foodpods'* and other investments across the field. IRIS has sought to provide a standardized taxonomy and a set of consistent definitions for social, environmental and financial performance. (Jackson, 2012) It also offers a high level of flexibility for the user. These users are typically investors that can choose which IRIS metrics are most relevant to their social, environmental, and financial goals. (Gelfand, 2012)

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Complementary to IRIS is the Global Impact Investing Rating System (GIIRS). GIIRS conducts thirdparty assessments of the social and environmental impact of organisations. This examination is costly and not many projects, particularly those who have not got funding in the early stage, can afford such a one.

With IRIS healthy communication between philanthropists and investors can be enabled by easy calculations. Impact Investors know about the importance measuring and monitoring their impact but are simply stumped of how to do so. IRIS is designed to increase credibility in Impact Investing. According to a survey published by GIIN and J.P. Morgan, already "65 percent of responding pioneering impact investors use IRIS to track their social, environmental, and financial performance." (Gelfand, 2012) Individual investors as well as the investment industry as a whole values standardized metrics and the importance of impact measurement. "As a result, IRIS is a meaningful and useful reference point for investors and investees implementing or upgrading their impact measurement practices." (Gelfand, 2012)

Thusly, using IRIS KPI's allows the social enterprise to be compared to other similar ventures internationally. IRIS latest update to 4.0 includes a total of 559 metrics. From this range of metrics investors or organizations can choose a subset of metrics according to what performance data matters most to inform their investment goals. Naturally, it should not only be filtered by the investment priorities but also by the corresponding focus areas. The main factors that determined the choice of *Foodpods* have been the following considerations:

- Working with previously excluded, low-skilled workers
- The agricultural sector
- Financial performance

IRIS classifies its metrics also in broader categories. The metrics that has been chosen by *Foodspods* are within the Operational Impact, Product Impact and Financial Performance section. For a metrics overview please look at Figure 7.

Respectively, the metrics will address Impact Investors that are keen on both: Financial return for their investment as well as achieving social impact. The following indicators are expected to ade-

quately determine the impact of the underlying case. Moreover, they help to understand the foundation of the Social Return on Investment (SROI) analysis later.

The chosen parameters are presented in the following sub-sections:

3.3.2.1 Permanent Employee Wages: Minorities/Previously Excluded (OI1084)

The metric Permanent Employee Wages measures the "value of wages (including bonuses, excluding benefits) paid to all full-time and part-time employees of the organization who belong to minority or previously excluded groups during the reporting period." (Global Impact Investing Network, 2016)

With this metric is can be demonstrated the money that is actually payed to people previously in need and can therefore be described as social money or cash flow. This metric is relevant as it tells of how much income a Franchisee will be receiving at the end of each month and find out if it is enough to earn a sustainable livelihood.

The underlying assumptions that has to be made to apply this metric to *Foodpods* is that the farmers are no employees and don't receive wages. They are Franchisees and are granted the purchase price for their yield every month.

3.3.2.2 Payments to Supplier Individuals: Minorities/Previously Excluded (PI7814)

The metric Payment to Supplier Individuals is quite similar to the one describes before. It describes "the value of payments made by the organization to individuals belonging to minority or previously excluded groups who sold goods or services to the organization during the reporting period." (Global Impact Investing Network, 2016)

The metric emphasizes, compared to Permanent Employee Wages, on the entire income of the Franchisee, before the Franchise service fee reduction.

3.3.2.3 Average Client Agricultural Yield: Total (PI3468)

The Average Agricultural Yield metric demonstrate the yield "per hectare, of clients (who were farmers) of the organization during the reporting period." (Global Impact Investing Network, 2016)

$$x = \frac{\text{Yield}^{\text{Client 1}} + \text{Yield}^{\text{Client 2}} + \text{Yield}^{\text{Client 3}}}{n}$$
(1)

"This metric is intended to capture the average output per hectare per farmer among an organization's clients. This metric could be valuable for organizations that sell inputs or for organizations like co-ops that support farmers." (Global Impact Investing Network, 2016)

The assumptions for this metric also have to be adjusted. It is not the yield per hectare that is interesting for the stakeholders of *Foodpods*. It is what can be achieved per tunnel.

Particularly, given the idea that a tunnel could even be self-sustaining and serve a local community, emphasizes the importance of its isolated assessment.

3.3.2.4 Producer Price Premium (PI1568)

The metric Producer Price Premium shows how much the producer of goods obtains, by selling to the organization and belongs therefore to the Product Impact section of IRIS. This is relative to the average price that would otherwise be obtained in the local area for a similar good during the reporting period. For the calculation we will take percentages to improve the comparability. (Global Impact Investing Network, 2016)

$$x = \frac{\text{Sales revenue of the producer - Potential sales revenue in the local market}}{\text{Potential sales revenue in the local market}}$$
(2)

3.3.2.5 New Businesses Created: Low Income Areas (PI6414)

"Number of new business created in low income areas as a result of investments made during the reporting period." (Global Impact Investing Network, 2016)

This metric is relevant because it really counts the number of people that are not only lifted out of poverty, but are able to sustain their own micro business.

Section (ID)	Metric Name	Sector	Definition
Operational Impact (OI1084)	Permanent Employee Wages: Minorities/Previously Excluded	Cross-Sector	Value of wages (including bonuses, excluding benefits) paid to all full-time and part-time employees of the organization who belong to minority or previously excluded groups during the reporting period.
Product Impact (PI7814)	Payments to Supplier Individuals: Minorities/Previously Excluded	Cross-Sector	Value of payments made by the organization to individuals belonging to minority or previously excluded groups who sold goods or services to the organization during the reporting period.
Product Impact (PI3468)	Average Client Agricultural Yield: Total	Agriculture	Average agricultural yield per hectare of clients (who were farmers) of the organization during the reporting period.
Product Impact (PI1568)	Producer Price Premium	Agriculture	Price premium percentage that the producer (supplier) selling to the organization obtains from the organization for its goods or services during the reporting period.
Product Impact (PI6414)	New Businesses Created: Low Income Areas	Financial Services	Number of new businesses created in low income areas as a result of investments made during the reporting period.

Figure 7: IRIS Impact Metrics Overview

3.3.3 Monetize

This sub-chapter aims to explain financial impact metrics. Calculated are three financial metrics. One that shows the funds that will be raised, another that describes the grow margins of the product and a third one that depicts the revenue growth over the first year. Afterwards, a closer look will be thrown on a Social Return on Investment (SROI) analysis, which pursues to express the social value in monetary terms.

3.3.3.1 New Investment Capital (FP8293)

The metric New Investment Capital belongs to the IRIS section of Financial Performance. It can be applied cross-sectoral and is therefore not restricted to specific business areas. Simply put, "it reflects capital received by the organization from investors in the form of a loan or cash for stock during the reporting period." (Global Impact Investing Network, 2016) The invested capital can also serve as basis for social impact metrics, for instance, how much capital needs to be invested in order to impact one person of the underlying project.

3.3.3.2 Gross Margin (FP4761)

The metrics Gross Margin also belongs to the Financial Performance section and is applicable crosssectoral. It is described as the "percentage of revenue that the organization retains after incurring the direct costs associated with production/delivery of its products/services for the reporting period." (Global Impact Investing Network, 2016)

$$x = \frac{\text{Total Revenue} - \text{Cost of Goods Sold}}{\text{Total Revenue}}$$
(3)

3.3.3.3 Revenue Growth (FP4761)

The Financial Performance metric Revenue Growth represents the "growth in value of the organization's revenue from one reporting period to another." (Global Impact Investing Network, 2016) It is important to not observe the revenue growth isolated, but that the growth actually is positively correlated with the amount of impacted people. "An increase in revenue generated without a correlated increase in number of lives touched would also be an indication of mission-drift, showing portfolio companies heading up-market or raising prices on existing customers." (Unitus Seed Fund, 2015)

$$x = \frac{\text{Total Revenue}^{n} - \text{Total Revenue}^{n-1}}{\text{Total Revenue}^{n-1}}$$
(4)

An overview of the Financial Performance metrics is shown in Figure 8.

Section (ID)	Metric Name	Sector Cross-Sector	Definition		
Financial Performance (FP8293)	New Investment Capital		Value of funds invested in the organization (both loans and investments) during the reporting period.		
Deveryon Counth and a set of the					
Financial Performance (FP4761)	Kevende Growth	Cross-sector	from one reporting period to another.		
Financial Performance (FP4373)	Gross Margin	Cross-Sector	Percentage of revenue that the organization retains after incurring the direct costs associated with production/delivery of its products/services for the reporting period.		

Figure 8: IRIS Financial Performance Metrics Overview

3.3.3.4 Social Return on Investment (SROI)

The indicator Social return on investment (SROI) is capable of measuring social value. "It seeks to reduce inequality and environmental degradation and improve wellbeing by incorporating social, environmental and economic costs and benefits." (Nicholls, Lawlor, Neitzert, & Goodspeed, 2012) "It tells the story of how change is being created by measuring social, environmental and economic outcomes and uses monetary values to represent them or it shows the social impact that results from their financial investment." (Boyle & Simms, 2009) The calculations vary in details across different theorists. However, the model calculates, under determined assumptions, the ratio between social values expressed in monetary terms discounted to the presence divided by the initial financial investment.

Since SROI analysis vary from case to case, objectives have to be set and adjusted to the industry and business model of the corresponding project. For example, the SROI calculation would look considerably different when evaluating a new technology that decreases CO2 emission compared to a project that applies business development in the agricultural sector. This is mainly because the output indicators vary. In the first example we could argue that the costs per ton CO2 multiplied with the tons of CO2 reduction is the social value that should be monetized. The latter example rather takes the income towards people from the bottom of the pyramid into consideration for the SROI analysis. Dividing the monetized social value with the financial investment, enables a ratio of benefits to costs to be calculated e.g. a ratio of 3:1 indicates that an investment of ≤ 1 delivers ≤ 3 of social value. (Hehenberge, Harling, & Scholten, 2015) This indicator is often used by non-profit organizations, becoming yet transformative with systematically use of the private sector. (Boyle & Simms, 2009)

Since the SROI analysis does not provide an ultimate formula, but only a customized, principal based metric that aims to express the social impact in financial terms, inter organizational comparability might be limited. Nonetheless, the 5 step guide provided by Olsen and Lingane in 2004 has been applied as it seems to display the calculation process illuminating. The 5 steps are as follows:

1. Quantify non-financial impact of operations per unit

2. Translate into money terms per unit to achieve a Social Cash Flow (SCF)

- 3. Sum all SCFs for the horizon in question
- 4. Discount SCFs to present value
- 5. Divide the discounted SCFs by investment to date to calculate the SROI

(Olsen & Lingane, 2004)

The SROI analyses basically aims at capture social value that is not reflected in conventional financial accounts. Obviously, the SROI is derived from the more conventional Return on Investment (ROI) and is consequently based on the same idea: A cost-benefit analysis that ultimately facilitates decision making processes for the project and other stakeholder. The SROI goes, however, way further than the more famous ROI. It aims at creating a holistic view when it assigns monetary values to social or environmental returns.

The focus of this paper is to apply the theories to the case of *Foodpods*, the organization that aims to create social and financial returns. First, it will be described how the socioeconomic and the agricultural situation in South Africa led to the necessity of the project. Second, the organization will be presented in detail including information about Social Franchising, Hydroponics and the Kale Chips. After the reader has been well introduced to the complexity of problems as well as to the case, a detailed Social Impact Assessment based on the findings of the literature review will follow. (Walk, Greenspan, Crossley, & Handy, 2015)

	Define	Quantify	Monetize
Purpose	 Definition of the Social Value Proposition (SVP) 	 How to track the Social Value 	 Monetizing the intended Social Value
	 Why and how will the activities lead to the SVP 	 Translate the output of the business' operations into economic equivalents 	 Substract what would have happened anyway
ТооІ	Theory of Change	 Indicator and metrics 	 Social Return on Investment
	 Impact Value Chain 		

Figure 9: Social Impact Assessment Summary Table based on (GSVC, 2016)

4. The Situation in South Africa

It was quite obvious that the global gap between the resource rich but socially poor and the western economies, will further widen. Following predictions of Prahalad & Hammond in 2002 the economic trend was foreseeable already 15 years ago. However, they also emphasize on the possibility of stabilizing developing regions whilst countries like South Africa can actually become new engines of global economic growth. The likelihood of such a positive scenario is not only but mainly dependent on the "willingness of big, Multinational companies to enter and invest in the world's poorest markets" and this preferably out of self-interest and not only for charitable purposes. And that is where *Foodpods* becomes an organization in South Africa that offers a solution Prahalad & Hammond where longing for already in 2002 – "building businesses aimed at the bottom of the pyramid to provide important competitive advantages as the twenty-first century unfolds." (Prahalad & Hammond, 2002)

The situation in South Africa will need to be explained in further detail to really understand the need and the depth of its problems. Mainly, the complexity of problems can be split into two main categories: Socioeconomic and agricultural problems. In the socioeconomic section it will emphasized how the apartheid led to the current situation and how government actions still didn't manage to re-integrate the dualistic society. The other section will deepen the readers understanding about the ecological and climate impact on the agricultural sector.

4.1 Socioeconomic

Everyone remembers or at least has been told about the monumental day in April 1994, when the first free multiracial election was held in South Africa. When the African National Congress (ANC) received the most votes, Nelson Mandela was elected president by the parliament and the apartheid was officially over.

The history and policy not only of apartheid and it's large and persistent impact on society but also of "the colonial settlement and mineral discoveries, laid the basis for a highly dualistic economy". (Berg, 2011)

Racial discrimination under first British colonial rule and then apartheid distributed the gains of economic growth along racial lines. In 1948, the National Party came to power in South Africa. Promoted Afrikaner, or Dutch South African, nationalism and instituted a strict racial segregation policy. The government of South Africa was controlled by the white and they created laws to keep land and wealth in hands of whites. (Worden, 2011, p. 71 ff)

Even though, 1994 is perceived as of a clear cut for racism and segregation in South Africa, consequences hold on to affect generations of colored South Africans, exposed to unequal distributed resources, income and chances throughout the country. The poorest 20% of households live on less than R1000 a month. In contrast, the richest 10% of households are getting over R15 000 a month. Almost half the population lives below the poverty line, and about 40 percent of men and women of working age are unemployed, while the majority of unemployed are youth. Another "reality is that unemployment among black South Africans stands at 39% compared to 8.3% among whites." (The World Bank, 2010)

South Africa today is one of the most unequal societies in the world. Markets reinforce, and do not overcome, inequality. The unequal distribution of education, culture and opportunity has crucially impacted political, economic and social conditions in the South African society. (Madalitso Zililo Phiri, 2016) Starved of resources, the social infrastructure of reading in many townships has been under severe stress and in most cases even virtually collapsed. This need for a change is also reflected by the current realities of the South African labor market. South Africa needs to grow faster and counteract the unemployment. "Without significant structural changes in the economy a high proportion of these will be skilled and semi-skilled jobs and not low skilled, where the main need is." (Keeton, 2014)

To fill these positions the unemployed require the necessary skills, which is difficult given the poorly functioning education system of South Africa. A recent study by Statistics South Africa shows that 76% of the 6.2 million jobs created in South Africa between 1994 and 2004 were skilled or semi-skilled. 2 million skilled jobs were created over this period compared with just 1.4 million low-skilled jobs. Fixing South Africa's education system is an obvious solution approach, but since the education

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is mainly steered by the government, changes are difficult to conduct. (Keeton, 2014) (Statistics South Africa, 2015)

To overcome the inequality of the South African society, another, controversial program has been implemented with the Black Environment Empowerment (BEE). The BEE thrives to overcome the remaining economic, political and social legacy of post-apartheid, incentivizing organizations to share an equity stake with black empowerment groups. The main purpose for organizations to contribute to the BEE movement is to raise their social reputation. Basically, BEE appears to represent Corporate Social Responsibility (CSR) in South Africa "to broaden participation in the economy, especially by those perceived to have been previously excluded or denied access" (Krüger, 2011) with a special focus on blacks as a particularly disadvantaged part of the population. The main problem of the BEE is that companies are forced to employ a specific amount of black people in order to be allowed to operate. Particularly, large Supermarket chains are exposed to their societal reputation. The big disadvantages are that white applicants feel discriminated on the one hand, what leads to further tensions within the society. On the other hand only a little part of the black population, the best educated part, will be able to receive a job, whilst the real bottom of the pyramid remains left-behind in the townships. (Todd M. Alessandri, 2011)

Working within the borders of those disadvantaged communities turned out to be challenging because crime and plunder are there daily fare.

However, as cruel and hopeless the situation seems at the Bottom of the Pyramid, the potential remains immense. If the concept is set right, it might enable firms to serve profitably while they can simultaneously help to eradicate poverty. This is what *Foodpods*, the underlying venture is going to prove. Before the project will be described into more detail in chapter 5, the problems of the agricultural sector in South Africa will be presented next.

4.2 Agricultural

As a labor-intensive and rural industry, agriculture plays an important role in South Africa. Besides the tremendous potential of job creation and poverty alleviation, it can help to solve the major issue of food security. The unused potential yet shows high inefficiency in terms of work and food allocation.

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Food security is a major problem in sub-Saharan Africa. Millions of people who live in disadvantaged communities don't have easy and affordable access to fresh vegetables on an ongoing basis and subsequently suffer from poor nutrition. Thousands of schools, NGOs and community-based projects try to establish food gardens, but most fail to realize financial sustainability in the medium to long term. Ghost tunnels are littered throughout the country-side, standing as landmarks of desiccated grant capital and failed dreams. Hence, improving the farming industry is of immense importance to the overall wealth of the country.

Implementing a minimum wage for farmers as well as implementing a system of farmers rights was intended to enhance the lot of agricultural workers, but did not show the expected success. The Department of Agriculture's Medium Term Strategic Framework still emphasizes the importance of the agricultural sector as a focus area for job creation. To achieve this goal, labor-intensive sustainable production systems should be encouraged. (WWF-SA, 2012)

Two main issues have been identified as limitations of the agricultures performance: The competition of the global food market on the one side and the ecologically and climatically uncertainty on the other side.

4.2.1 Industrial Competition

Food security, the consistent access to proper nutrition is by no means for some disadvantaged communities in South Africa self-evident. Currently they buy most of their vegetables from commercial supermarkets, and are therefore exposed to escalating food prices and substantial travel costs relative to what they are able to spend. The ideal scenario would be these disadvantaged communities grow their own food to consume and sell. "Unfortunately, the quality of soil in many disadvantaged areas is not very good and the skill of subsistence farming has been lost over time as a result of rapid urbanization." (Heart Capital, 2016)

The South African agriculture industry is dominated by large farms. Traditional farming methods require large fields in order to drive economies of scale that enable maximum profit. The major costs of farming are land, equipment, raw materials and labor. Farmers resist any increase in labor as seen by last year's disruptive strikes in the farming sector. Small, independent farmers have no

chance to cope with the increasing input costs. Rising prices for commodities like water, fuel, feel, synthetic fertilizers, pesticides and herbicides, make farmers vulnerable to international price fluctuations.

"Woolworths for example, a big supermarket chain in South Africa, buys their produce from a few large contract packers. These packers grow their own produce as well as buy in a significant quantity of produce from contract growers. The supply chain is therefore fairly long with markups shared between the parties. For a lettuce selling at R 12 the retailer takes R 3, the packer takes R 6 (including packaging and delivery costs of approximately R 3) and the farmer receives R 3 (including costs of seeds, pesticides, fertilizer, labor and high cost of capital). The farmer takes most of the risk and shares the least of the reward. This ratio is similar in most other vegetables where retailers and their packaging suppliers of choice dictate the supply chain." (Shrimpton, 2016)

The retail food sector is growing at a rapid pace in South Africa. This has been facilitated by the increasing migration of people from rural areas into cities in order to seek economic opportunities. Restaurants and Supermarket Chains have taken advantage of the increase in concentration of people in urban areas by opening new stores at a rapid pace. The growth of food courts at petrol stations and convenience stores carrying fresh produce has added to the demand.

Heart Capital aims to disrupt the supply chain by empowering people to grow enough produce for themselves, their family and their community with the balance of produce aimed directly at end users, for example, Restaurants, Caterers, Hotels, Independent retailers. (Shrimpton, 2016)

The quintessence is that traditional farming seems in the small scale not to be profitable for the grower anymore. International wholesaler offer food for low prices, local farmers cannot compete with. By contrast, even growers which are working for global companies are usually getting only a little percentage of the retail price.

4.2.2 Ecological dependency

Dry seasons and unpredictable climate changes cost the farmer millions of Dollars every year, because their crop is particularly vulnerable to the weather conditions in South Africa. Also, given that the main South African population relies on agriculture, the consequences of the climate change are of major concern. Some quantitative studies go even so far that they predict that the changes for the agricultural sector will in future endanger food security more than ever. (Blanc & Strobl, 2012) Thus, traditional farming is not contemporary anymore as it will prospectively not overcome the challenges of the near future.

The problem is not only a result of the climate change. Another influencing variable in the agricultural sector is the expected price increase for resources like soil and nutrients that make it difficult for farmers to maintain their plans. (Goldsher, 2012)

Even if South Africa encountered severe challenges within the agriculture sector, counterseasonality to Europe as well as competitive input costs, let the country remain an interesting trading partner, a viable investment destination and a major player on the worlds market. New farming technologies that are soilless and considerably more time and space efficient than traditional farming might enable economies of scale that will promote local farmers. Additionally, beneficial trade agreement such as the Africa Growth and Opportunity Act (AGOA) for the US market and a free trade agreement with the European Union, offer tremendous advantages, if a way would be find to extend durability of the harvest and make it more feasible export sales.

5. The Case of Foodpods

Foodpods, the Social Franchise project, is launched by three different parties that operate in relevant industries. These organisations are called *Heart Capital* (1), *Biodelta* (2) and *Haygrove* (3). The initiator is *Heart Capital* (1), an organisation that has been pioneering social entrepreneurship, with micro agri-businesses in South Africa for over a decade now.

How the Social Franchise business works in detail is depicted in Figure 10. To understand the processes better, numbers (1-13) and letters (A+B) help to follow the explanation in the following paragraphs. The different stakeholders of the project and their roles will then be further examined.

The source of the problem has been determined in the previous sections and refers back to the people from the Bottom of the Pyramid (4) and the projects' readiness to support and promote their development.

Foodpods pursues to lift people out of poverty, experiencing the potential but also the difficulties of working with such previously excluded people form the Bottom of the Pyramid (4) in becoming grassroots enterpreneurs, Franchisees. (5)

With regards to the last chapters, *Heart Capital* (1) differentiates itself from non-profit organizations in the classic sense. While many non-profit organizations receive donations and survive through charity, *Heart Capital* always seeks to guarantee social as well as financial sustainability. Finding a healthy balance between givers and receivers of their business, is a crucial element of their strategy.

Heart Capital (1) also considers itself an incubator specialist, having access to high net worth individuals, foundations and corporations with an interest in impact investing, Impact Investors (6). It also has proven its ability to raise significant grant capital for projects and has demonstrated the replicable micro-Franchise route side steps and enables quick traction and scale up. Lastly, *Heart Capital* is in cooperation with Universities that are sending students (7) that are willing to volunteer and contribute the latest academic knowledge and motivation to work in the social space in the context of an internship.

Biodelta (2) possesses large property, a huge piece of land and provides therefore the optimal breeding-ground to start up the project. Moreover, experimenting with the University of Stellen-

bosch on *Biodeltas* land, the company gained a lot experience in Hydroponic farming (8), a novel and soilless farming technique that optimizes efficiency compared to traditional farming.

Biodelta (2) also has the ability to secure off-take agreements with retailers and can accelerate the success of entrepreneurs in venture and capital phase but only with *Heart Capital* as a jockey to drive the incubator, a sustainable business concept can be guaranteed.

Lastly, *Haygrove* (3) provides micro-industrial polytunnels that are capable of protecting the farms from extreme external influences. Those tunnels are steel framed structures, portable and quick to build. *Haygrove* states itself that it is keen on harnessing their horticultural experience and technologies to help the less fortunate. (Haygrove, 2016)

The business project *Foodpods* (A+B) can be perceived as the execution and optimization of the collaboration of those three parties. This joint venture will be built as a Social Franchise model which expedites and simplifies the process of setting up a new business, enabling inexperienced, unqualified people to become grassroots entrepreneurs (5). *Foodpods* will in the following refer to the Franchisor (1-3) and with all its tangible assets such as the polytunnels (9), the hydroponic technique (8) and the production halls as the Franchisor Infrastructure is meant. (A) When referring to the Franchisee Infrastructure (B), the goodwill of the organization including intangible value created by building up the setting and structure of the organization is described. The Franchisor and the Franchisee infrastructure are the two main parts of the project.

Through Social Franchising, *Foodpods* (1-3) is able to expand its operations and impact without establishing traditional hierarchical management structures that create distance from the frontline. This approach promotes local ownership at the Bottom of the Pyramid (4), whilst offering fundamentally new sources of growth for multinational companies and high net worth individuals (6).

During and particularly after the business development of the people from the Bottom of the Pyramid (4) is accomplished, their crop (10) will be dried and exported to the United States (11) or other lucrative markets. Kale Chips (12) is the product that promises profit margins that do not only lift the Franchisee out of poverty but also satisfies the Impact Investors' (6) demands.



Figure 10: Foodpod's Business Model

5.1 From the Bottom of the Pyramid to Grassroots Entrepreneurship

The poorest of the poor are defined as the people from the Bottom of the Pyramid (4) presented in the bottom left of Figure 10. In South Africa those are mainly black people that have due to the apartheid been excluded from the society and suffer after more than two decades still from the consequences. By means of that they are living in townships with insufficient supply of utilities, on the fringe of society.

Many disadvantaged communities (4) lack consistent access to proper nutrition in South Africa. Their biggest challenge seems to be to become self-sustainable. The escalating prices of commercial supermarkets are disproportional to the tight budget. Furthermore, freezing and shipping in produce from large commercial farmers to the major retailers compromises the freshness and nutritional value of the produce and degrades the environment. Any money earned by people living in the townships that is spent outside their community leaves the community for good, contributing negatively to the multiplier effect. The ideal scenario would be for those people to grow their own food. Unfortunately, the quality of soil is not very good and the skill of subsistence farming has been lost over time. An effective way to tackle this challenge is to establish grassroots entrepreneurs who are trained to start and run small scale agri-businesses that will supply townships with fresh produce. This at the same time will tackle the problem of high unemployment in South Africa.

There are already charity-based, micro vegetable gardens in the community, but the growers lack the resources and capacity to scale up their crop production in order to create sustainable livelihoods. Lack of expansion capital, infrastructure and access to commercial markets are the stumbling blocks. It is therefore critical to support people of the Bottom of the Pyramid (4) to earn a sustainable livelihood.

5.2 Business Development and Advisory Support

Providing the technical infrastructure does not give the micro-grower (5) a legitimate shot of success. Without organisational assistance and business development support there is a very high probability of failure. "Success depends entirely on the knowledge, skill and experience of the individual grower, which makes replication challenging. Many projects that expected a replicable busi-

ness model with providing infrastructure without business development. Failed tunnels disappointed grant-makers, which makes it harder (if not impossible) to raise funds in the future. Worst of all, the mission to provide food security fails and this ruins the reputations of those individuals and companies that attempted to provide the solution." (Shrimpton, 2016)

Foodpods will therefore after the recruitment of people from the Bottom of the Pyramid (4) offer training and education in the context of workshops and thoroughly created Standard Operation Procedures (SOP) (See Annex 10.2) to ensure adequate business development and high quality farming. SOP's have been created by *Heart Capital* (1) and its interns (7) over the years. They represent a guideline for the Franchisees (5) to make sure they get familiar with the daily tasks. The SOP suggests daily time schedules to optimize the growing result. After a long period of establishing Social Franchises the SOP has been continuously amended and improved. For *Foodpods* they will be of high value, benefiting from years of *Heart Capital*'s experience.

The South African society is facing pervasive challenges. Social enterprises that can achieve widespread impact need a system that enables scale and replication. *Heart Capital* has for this reason designed a Standard Operation Procedure that greatly supports the Franchisee with his or her daily duties. The SOPs encourage the Franchisee to track their business operations and follow the structured schedule. With the SOP the Franchisees will need less physical guidance and supervision and that will in fact make him or her feel more autonomous. For more information about the SOP, please see Annex 10.2.

Thus, Social Franchises' low hierarchical structures may create a level playing field. How beneficiary the advantages of Social Franchises are and how it also can help to facilitate the early stage financing will be explained in 5.3. The importance of Impact investors (6) and their opportunity to invest into the social space whilst holding actual tradable assets that guarantee them financial returns will be described with the concept of Franchise licenses (13) thereafter.

5.3 Social Franchising

Social Franchising is promising for the goal of achieving scale and replication at the bottom of the pyramid (4). In its simplest definition, social Franchising is the application of commercial Franchising

methods for social benefit. Through social Franchising, portfolio ventures are able to expand their operations and impact without establishing traditional hierarchical management structures that create distance from the frontline and unbearably high overheads. This approach promotes local ownership and creates genuine partnerships for mutual benefit under a common identity. (Temple, 2011)

The next sections elaborate on the advantages of social Franchising.

5.3.1 The Advantage of Social Franchising

Social Franchising offers a number of advantages to both Franchisors (1-3) and Franchisees (5).

A Franchisor is able to increase its number of outlets and gain additional income with very little capital or labor because the Franchisee provides both, thereby allowing companies to expand quickly without incurring debt or selling equity.

Franchising simplifies and expedites the process of setting up new businesses. Franchisees have access to proven organizational models, business systems, policies, procedures, products, brand, marketing, training and management assistance, which makes operating a Franchise much easier than starting a business from scratch.

All these activities make it possible for people with limited entrepreneurial capacity to earn a sustainable livelihood. On top of this, Franchisees (5) enjoy the benefits of a large organization through the economies of scale created by the Franchisor (1-3), such as joint purchasing, bidding, advocacy and effective communications. These aspects have allowed many inexperienced, unqualified people to start businesses who might never have done so otherwise. (Temple, 2011)

The Franchise business is particularly beneficial for the Franchisees (5) of this project. The prospective Franchisees are mostly part of the previously excluded black population in South Africa. Due to a lack of agricultural skills and financial savings, the people are not able to buy infrastructure, seedlings etc. thereselves. *Foodpods* offers access to the training and management assistance as well as to the physical farming equipment. Every new Franchisee will take on responsibility of 3000 kale plants. Within the first month, the farmer naturally has to wait for his or her first income and to bridge this time financially he or she will be offered a stipend to cover the personal expenses during the first month. The stipend will be payed back in instalment rates over the rest of the year, subtracted from his monthly income. From the first yield in month 2, the Franchisor (1-3) promises to purchase the crop (10) for a predetermined amount, which will be reduced by the Franchisees, directly incurred operational costs. These costs will be accounted as Franchise service fee towards the Franchisor.

5.3.2 Financing Early Stage Social Franchises

The Franchisor will generate income through the sale of Franchises via an upfront fee (which is used to cover set-up, installation, training, trademark, legal and recruitment costs) and/or through an ongoing management fee (which is often a percentage of the Franchisee's turnover). Early stage Franchisors with inadequate funding are forced to load the set up cost of their Franchises with a contribution margin in order to cover their operating costs until they can be sustained through ongoing management fees. This has two major implications:

- i.) Franchises are much more expensive
- ii.) Franchise financiers must wait much longer to get their money back

This is particularly problematic when the Franchise operates at the bottom of the pyramid since the set up cost of the Franchise is usually low compared to financial needs of the more sophisticated Franchisor, and Impact Investors (6) want their funds to support the poorest of the poor, not those that help them. Only when Franchisors achieve the critical mass of Franchises required to sustain their operations through ongoing management fees they can consider reducing the Franchise sales price to the actual set up cost. Cheaper Franchises mean quicker, easier sales, faster roll out and, of course, speedier investor payback and reinvestment.

Consequently, investors are not asked to provide uncontrolled money. They will receive licenses (13) which each cover the set-up costs for one Franchisee.

5.3.3 Franchise Licenses

The concept of funding *Foodpods* through Franchise Licenses, yet only is hypothetical.

The prospective idea is that in the early stages of development, a Franchisor sells Franchises one at a time because investors are disinclined to purchase multiple Franchise licenses (13) until they have proof of concept. The problem with one at a time sales is twofold:

- i.) Franchisors survive hand-to-mouth on sluggish, single sales from quarter-to-quarter.
- ii.) Franchisors spend their capital contribution each quarter and cannot scale up to support the growing base of Franchises, causing eventual collapse.

Delivering proof of concept can take several years when investors depend on the underlying performance of the Franchise to recoup their investment through revenue shares, loan repayments or dividends. *Foodpods* plans on offering investors a much quicker turn around on their money through a tiered investment structure.

Foodpods has created two tiers of investment to accelerate the scale up and roll out of its Franchisebased portfolio ventures.

First tier investors are Impact Investors (6) who acquire large volumes of Franchise licenses (13) from the Franchisor (1-3). Through a single sale of bulk licenses the Franchisor raises the capital required to establish the Franchises in the market place. Hand-picked individuals are given the rare chance to earn a sustainable livelihood by operating the Franchises. They are provided with all the infrastructure, training and support they need to run the Franchise successfully. Rather than attempting to profit in the medium to long term from revenue shares, Impact Investors invest with the objective of achieving profits in the short to medium term through the sale of the Franchise license at a premium to second tier Impact Investors. The favorable price movement is due to the diminished risk of investing into a going concern with evidence of cash flow. First tier license sellers are invited to recycle their capital through the acquisition of another Franchise.

Second tier Impact Investors are typically grant-makers who wish to lift deserving families out of poverty through entrepreneurship at the grassroots level. By acquiring the Franchise license, second tier investors take ownership of the assets and receive the revenue share on their operator's sales to generate a return on investment. Having received their investment back plus a negotiated return, the second tier investors will be encouraged to cede the Franchise or Distributor License to the

operator, thus giving them true ownership of the asset and all revenue shares. Many second tier investors opt to handover the Franchise license to the operator immediately and have no desire for blended value returns.

The risk to first tier Impact Investors is greatly reduced when the Franchisor can demonstrate its ability to sell Franchises, has a proven track record of delivering a good product, has steady growth and devotes sufficient funds to support its Franchise system. The risk to second tier Impact Investors is significantly less since the operators have been recruited and trained, the physical assets have been installed and the ventures are cash flow positive.

Furthermore, *Heart Capital* exclusively brokers the investment transaction between first tier investors and the Franchisor, as well as between first and second tier investors. The portfolio ventures effectively outsource their Franchise sales to *Foodpods* in an effort to reduce overheads through a centralized sales function. The financial instrument is a Franchise license. A license Certificate is issued to the investor by the Franchisor company as evidence of ownership of the asset. As the license holder, the investor owns the physical assets of the Franchise and has a contractual right to receive a share of the revenue generated by the operator, whilst the investment is a tradable asset.

Lastly, the Social Franchises bind the social goals of a conventional charity with the commercial rigour of a successful profit-making firm. By generating income, these social enterprises are able to overcome the limited sources of capital that exists when relying on donations, therefore allowing them to access investment capital through traditional financial markets. Furthermore, the investors are able to receive a financial return in the form of loan repayments, revenue shares or dividends. The capital structure has, however, not yet been decided on because the implementation of the Franchise license concept may be deferred to the start of the actual business.

Regardless of if the project will in the end be financed with debt or with equity, the question remains of how the Franchisee (5) will be able to pay the service fee towards the Franchisor (1-3) and how he will create real financial value. With efficient and novel farming techniques (8) as well as the produce and special processing of leafy greens, high profit margins (12) are realizable.

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5.4 Hydroponics

"The term hydroponics (8) is derived from two Greek words: 'hydro' – meaning water, and 'ponos' – meaning labor. A modern definition of hydroponics describes a system where plants are grown in growth media other than natural soil. All the nutrients are dissolved in the irrigation water and are supplied at a regular basis to plants." (Stuart, 2011, p. 342)

Hydroponics has several benefits over traditional farming and can broadly be classified by its high time and space efficiency. The following sub-chapters will describe the agricultural and the economic advantages of the soilless farming technique.

5.4.1 Agricultural Benefits

The main advantage of hydroponic production is that soil preparation and weeding is reduced or eliminated and plants are irrigated automatically, with no water stress. Consequently, soil borne diseases can be eliminated. While field production often runs in danger of adding too much or too little nutrients to the soil, hydroponic fertilizer formulations contain a balanced nutrient content. (Goldsher, 2012)

Moreover, hydroponically grown vegetables can be of high quality, need little washing and it is possible to produce a big amount of it at a confined space because an optimal environment for plant growth is created. "Soilless hydroponic growing offers savvy greenhouse growers the opportunity to increase the sales per square foot of their facilities by five or more times." (Goldsher, 2012) In fact, in those 120x25 meter polytunnels (9), an estimate of 36000 holes can be used to plant greens. One polytunnel can host 12 Franchisees that can in total produce 600kg dried kale in one month. The profitability of these tunnels is obvious.

Admittedly, hydroponic production requires a high level of expertise and daily attention. Specially formulated, soluble nutrients must always be used. Also, pests and diseases are still possible.

Despite some remaining risk factors, the advantages do still clearly exceed the disadvantages. However, to be able to produce vegetables successfully year after year, one needs to be familiar with the basics of hydroponics: the plant, growth medium, water & nutrients.

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Hydroponic vegetable production needs to be protected by external weather influences. That is why, the hydroponic system is housed in micro-industrial polytunnels (9) that protect the crops from extreme weather conditions, accelerate growth, reduce water consumption, improve produce quality, minimize risk of failure, and make it much easier for growers to maintain their crops. (Haygrove, 2016)

Altogether, Hydroponics is becoming a very important way to produce vegetables in South Africa because of the production potential, optimum concentrations of nutrient and the high quality of the produce.

5.4.2 Economic Benefits

A big market has emerged during recent years that demands sustainably and locally grown food. Many farmers have realized that greens, grown year round in greenhouses, are a good investment. Particularly, because transportation costs are sky rocking and food security is on an all-time high.

Also, given that water is a scarce good in sub-Saharan countries, the efficient water usage, makes hydroponic an especially interesting investment. According to the research that has been done in that field, changing to hydroponics might be a financially intense investment but enables farming on a highly efficient basis that the change to hydroponics pays off quickly. (Goldsher, 2012)

In fact, they seem not only to be more efficient but also more reliable than traditional field growing. Labor costs and crop input costs are lower, and even the quality is much higher.

But if hydroponics seems to be such a disruptive technology, why hasn't it been implemented everywhere in the world? The answer is that a first-time grower must make a substantial investment that contains purchasing all elements elements for Hydroponic farming (pumps, pipes...) and that in addition to the conventional farming equipment such as nutrients. Moreover, there are electricity and water costs occurring. Operating costs can be insanely high because all those utilities that normally are offered freely by nature have to be artificially provided. The last mentioned challenge that holds back farmer to change to soilless framing is the immense intricated knowledge of chemistry, botany, plumbing and farming that is necessary to understand and successfully grow hydroponically. (Siegel, 2013)

It has to be generally accepted that "world's population is going to demand more food in the near future (the planet's population was estimated at 7 billion in 2012 and is expected to hit 9.7 billion by 2050) and that current practices won't be able to meet that kind of demand, only logical that a big investment opportunity is ready and waiting." (United Nations, 2015)

Such an investment opportunity *Foodpods* is about to establish with Kale Chips (12). How to process the leafy greens (10) grown by the Franchisee (5) into a lucrative market demanded product like Kale Chips will be examined in the next chapter.

5.5 Kale Chips

Even though hydroponic farming (8) eliminates already a lot of issues in the agricultural sector, obstacles like the durability of fresh leafy greens and the need for their immediate sell remain for South African farmers.

Foodpods tries to tackle the issue of the short durability of leafy greens with drying them. In fact, they identified a market for dried leafy greens (10) and vegetables. Kale Chips (12) can be sold with high profit margins as a healthy alternative to potato chips. Fortunately, leafy greens are well suited to biofortification as they can be grown hydroponically in a closed system.

The next sections will highlight on the high nutrition as well as on the high market value Kale Chips (12) entail.

5.5.1 Nutrients

It is true, that the starting point of *Foodpods'* business project isn't destined for providing food to the local community from the offset. In the beginning the Franchisees (5) will be trained to become farmers and during that time the profit that results from the Kale Chips sale will cover the initial investment costs or rather satisfy the investors that have been offering such capital. However, future directions expect an outsourcing of the different Franchisees to institutions such as Hotels, Restaurants and Schools in order to provide first hand local food. That's why this section emphasizes on the strong need for proper nutrition in South Africa and how leafy greens like kale can outbalance the lack of nutritious food. Kale belongs to the Brassica family. An inverse relationship has been identified between the consumption of Brassica foods in general and cancer risk. In fact, it shows specific cancer-protective phytonutrients in this family of foods. (Chinrasri, Chantiratikul, Maneetong, Chookhampaeng, & Chantiratikul, 2013)

Kale ranks as one of the best green super foods with a broad selection of essential micronutrients, especially those lacking in today's diets such as Selenium. Selenium supplementation enhances immune competence and resistance to viral infections, including HIV. Epidemiological studies show an inverse association between selenium status and the risk of colorectal, prostate, lung, bladder, skin, esophageal and gastric cancer. People with the highest blood selenium levels have a 30% reduced cancer risk and a 45% reduced risk of dying from cancer when compared to those in the group with the lowest selenium levels. (Chinrasri, Chantiratikul, Maneetong, Chookhampaeng, & Chantiratikul, 2013) Not all plants take up selenium efficiently – members of the Brassica family do and so kale can be used to raise selenium status in humans.

Even in so-called, well-nourished societies, such as the UK, vitamin and mineral deficiencies are common and the consumption of vegetables and fruits is well below recommended levels. Iron deficiency is one of the most common nutritional deficiencies in the world. Other micronutrient deficiencies common between developed and developing nations include vitamin A, various B vitamins, folate, magnesium, zinc and selenium. Fortunately, kale is an excellent source of vitamin C and B6 and supplies more than 70 percent of the RDI for vitamin C, with only 20 calories. (Murray, Pizzorno, Pizzorno, & Pizzorno, 2005) Relating to South Africa's nutritional status the following facts have been identified:

- Amongst others, vitamin A, calcium, iron and zinc are consumed at less than 70% of the recommended levels.
- Two out of three children and one out of four women have a poor vitamin A status.
- Nearly half (45.3%) of all children have an inadequate zinc status and over 20% are anaemic.
 Anaemic means an increase in red blood cells what seriously threatens their physical health.
- 94% of grains grown in South Africa are deficient in selenium from a human nutritional perspective. (Chinrasri, Chantiratikul, Maneetong, Chookhampaeng, & Chantiratikul, 2013)

Kale Chips are therefore not only considered low calorie food that is attractive for the diet orientated target population, but also as capable of providing important nutrition's and counteracting diseases which are strongly threatening South Africa's society.

5.5.2 Market Value

The market for Kale Chips (12) is immense, especially in developed countries. The high level of good nutrients definitely contributed to its consideration as a super product, but it also is a societal trend to buy gluten free, vegan and no genetically modified food. Consequently, producers of these Kale Chips sprout out everywhere in the world aiming at meeting the global demand and creating profitable businesses.

It does not take rocket science to see the immense market potential for Kale Chips and looking at the kilo retail prices of some famous brands gives already a very concrete idea of its financial value. Around \$80 per kilogram Kale Chips is the price that can be achieved on the US (11) as well as on the UK market. One of the most famous brands is called Brad's raw Chips and recorded already \$10mio sales revenue in the second year. The American market is particularly large for Kale Chips. 2014 Brand Gruno, founder and CEO of Brad's raw Chips, stated that he is using almost 20000 kg kale per week. (Brad's Raw Food, 2016)

Leafy greens have become insanely popular and that not in the produce section where everyone expects it. It found its way into the healthy snack food market and is offered there for proud \$5,99 for only 30g. (Brad's Raw Food, 2016) In response to the high demand, "farmers and distributors have had to keep up with the exponential demand, devoting more land than ever to grow this fash-ionable foliage." (Rovell & Frost, 2014)

However, the prices are reflecting the profit of well-established and highly reputable brands in the US (11). *Foodpods* has used a way more conservative expected price per kilo for its calculations to ensure profitability when operating in the local market. Particularly, now where the South African currency (ZAR) has been depreciating against the US Dollar, the idea of exporting the product makes its financial return prospect even more attractive to Impact Investors (6). As long, though, as the target market is not certainly selected and in this context the underlying currency determined, the

price for one kg dried kale has been conservatively estimated with R 350 which equals an approximate of \$ 20.

Concretely, the Kale Chips (12) business aims to create financial sustainability with space for 36000 micro hydroponic holes in one 120x25 or 3000m2 meter polytunnel (9). Every hole within this hydroponic system (8) accounts for one kale plant. To keep the entrepreneurial challenge reasonable, every Franchisee (5) takes on responsibility for 3000 holes. If he or she thoroughly maintains and follows the Standard Operation Procedure (SOP), the kale plant (10) can be cropped after approximately one month. Within this month, the Franchisee takes all risk and responsibility of the plants. Thereafter, the Franchisor (1-3), promises to purchase the crop (10) for a pre-determined amount, which will be reduced by the Franchisees directly, incurred operational costs. These costs will be accounted as Franchise service fee towards the Franchisor. The sales revenue that can be achieved is easy to determine. With 36000 plants that can be cropped after each month, 600 kilogram dried kale can be obtained. With R 350 per Kilogram we know the following equation is true:

$$R 350 \times 600 = R 210.000 \tag{5}$$

One tunnel can generate R 210.000 revenue in only one month.

5.6 Case Summary

Summing up the findings, the agricultural and economic situation is South Africa is subject to substantial deficits. With the implementation of a Social Franchise incubator and with the efficient, innovative farming technologies Hydroponics (8), challenges can be addressed and an overall beneficial ground created in which responsibility and support are appropriately balanced.

It is not only the Franchisee that takes advantage form this business model. With the concept for tiered Franchise licenses (13), many Impact Investor groups (6) can be targeted and with the possibility to receive a contractual right to receive a share of the revenue generated by the operator, whilst holding an equity based investment, a tradable asset, is novel in the social space. Moreover, guaranteed off-take agreements at fair prices ensure financial viability of the operation and a sustainable livelihood of the Franchisees (5).

6. Social Impact Assessment

The Social Impact Assessment framework has been introduced as a tool that facilitates the process of addressing root causes of systemic social problems. The 3 main phases that describe the process of the assessment are as a reminder: Define, Quantify and Monetize.

Since over-claiming is a typical trap within the social space, the following calculations adopt very conservative assumptions in order to avoid disappointments.

6.1 Define

The assessment starts with defining the social value proposition of *Foodpods*. The Theory of Change (TOC) will help to find out on <u>why</u> the venture activities will help people from under-resourced communities to earn a sustainable livelihood. The Impact Value Chain (IVC) will demonstrate <u>how</u> venture activities will lead to the desired outcome.



6.1.1 Theory of Change

Figure 11: Theory of Change (TOC) for Foodpods

The Theory of Change (TOC) has been used to clarify <u>why</u> different actions are necessary to achieve the ultimate goal. The ultimate goal is as already stated: Helping people from under-resourced communities to earn a sustainable livelihood.

Basically, there are two processes which are necessary in order to get the business concept right. The Social Value has to be created and Financial Return generated.

For all following descriptions we note that overhead refers to all kind of costs occurring with the preparation of the Franchisee: Training, Standard Operation Procedure, infrastructure and other organizational structures necessary for the project to operate successfully.

The Theory of Change (TOC) aims to depict if-then relationships: A causal chain of occurrences can therefore be derived. In this case it can for example be said that:

- If Standard Operation Procedures are designed by students with first hand academic knowledge, low-skilled people form the bottom of the pyramid receive adequate advisory support to become Micro-Entrepreneurs.
- If people from under resourced communities may earn a sustainable livelihood, an organizational structure has to be created that enables replication, scalability and financial sustainability for the Franchisee, the Franchisor and the Impact Investors.
- If an organizational structure will be created that enables replication, scalability and financial sustainability, Standard Operational Procedures and advisory support has to be provided as well as Impact Investors attracted.

To only mention some examples of how to read the TOC. The if-then relationships can be further followed in Figure 11 where the Theory of Change has been applied to the *Foodpods* case.

With help of the backwards mapping it is easy to show what early- and intermediate-term changes in a given community have to be conducted, in order to achieve long term goals. In Figure 11 we also identified two different chains that we mapped backwards: The Social Value Creation and the Financial Return Generation.

The yellow block depicts the process of Financial Return Generation. Naturally, every business needs a lucrative product or service to offer. In the case of *Foodpods*, Kale Chips have been identified to be

not only profitable but also suitable for hydroponic farming. In order to receive fundings from investor, KPI's are a useful tool to present the positive outlook of the project. Since Impact Investors are the target investors, it is not only financial return what matters. The investors will need to have evidence of the social impact that can be achieved through an investment in *Foodpods*.

With regards to the importance of the overhead, we refer to Figure 3: The Cycle that Starves Nonprofits (Gregory & Howard, 2009) in 3.1 Non-Profit Organizations. The funding that will be demanded from the Impact Investors might look immense in the first place, that is why presenting the tremendous social achievements as imposing as possible.

Summing up, the Theory of Change clarified <u>why</u> specific activities will lead to the ultimate goal and it provides an opportunity for stakeholders what impact they can achieve and, given time and resources, how realistic it is that they reach their desired business outcome.

6.1.2 Impact Value Chain

The Impact Value Chain will answer the question of <u>how</u> the desired goals will be achieved. Based on the Impact Value Chain by Clark, Clark, Long, & Olsen (2004), the following process shows how *Foodpods* achieves its ultimate goal.

WHAT WE INVEST	WHT WE DO	WHAT WE ACHIEVE	WHAT WE CHANGE	IF THE GOALS AL
MONEY	OVERHEAD	MONEY	IMPACTED PEOPLE	SEEN
~ R 1.278.235	 Recruiting 	- R 1.278.235	 12 people lifted 	
	 Workshops 	invested Capital	out of poverty	
TIME	 Standard 	- R 2.947.365 Total		
~ 1 year	Operation	Revenue from	AWARENESS	
	Procedure (SOP)	2017 (49% Gross	- Social Franchising	
OTHER	 Volunteering 	Margin)	- Investment	
 Polytunnels 		 Every invested R1 	opportunities	
 Hydroponics 	VALUE ADDING	can be turned into	within Social Space	
 General Manager 	SERVICE	R2 Social Value		
 General Labourer 	 Drying 	(see 6.3.4)		
 HR 	 Packaging 			
 Asset Insurance 	 Distributing 			
 (see more Annex 				
financial model)				

Figure 12: Impact Value Chain for Foodpods - Based on (Clark, Clark, Long, & Olsen, 2004)

Figure 12 illustrates the different levels of measurement that are defined to understand how the ultimate goal is going to be achieved. That South Africa has been gone through tough times and still suffers from the consequences has been demonstrated in section 4.1 Socioeconomic. Altogether, the country might have resources but lacks money for business development to turn them into value. Particularly, the dilemma of millions of unskilled people shows the unused potential of the society. Another important factor is the inefficiency of traditional farming. Fluctuating climate conditions leave a lot of farmers frustrated and several hungry tummies unsatisfied. To counteract all these issues, Input factors have to be provided from the beginning. Those input starts with a considerable amount of money for infrastructure and business organization. That is why we calculated the costs that will be needed in the first year to get the project up and running. The invested funds of R 1.278.235 will serve to cover such costs. Here it is important to not be scared off by the high sum, but to understand that the amount is necessary to make the project become successful. And only if the project becomes successful the financial return can be achieved. As soon as this money has been generated, polytunnels and hydroponics as well as other equipment has to be bought. Surely, every business model needs time. Time to build up the infrastructure and time to set up organizational structures.

The next section describes the activities that the venture carries out. Already indicated in the last paragraph, the input has to be used appropriately in order to create value. The money will therefore concretely be used to recruit grower, organize the training phase, continuously improve Standard Operation Procedures (SOP), encourage volunteers, commercialize, dry, pack and distribute the Kale Chips.

The Output presents indicators that are possible to measure directly, such as the Revenue or the Social Value. Those will be calculated later in chapter 6.

The Outcome section shows what really has been changed. On the one side 12 people are lifted out of poverty. Assuming that those would otherwise have been unemployed, *Foodpods* can claim that it creating the full impact. In the case that *Foodpods* becomes that impactful as we predict, it can claim to be one of very few functioning investment opportunities in the social space. And with functioning it is meant that they can be considered Impact Investments.

It is true, that several challenges remain such as raising big amounts of fundings. However, to lower the financial demand in the first year, a scaled up approach has been used to ask investors only every quarter for a part of this sum instead of all at once. This way, the investor can see the progress every quarter and supervise the use of his or her money.



1 Franchisee Infrastrucure: The Franchisors Infrastructure is basically the goodwill of the organization. Intangible value created by building up the setting and structure of the organization. 2 Frachisor Infrastructure: The Franchisees Infrastructure is all tangible material necessary to build the tunnel and the hydroponic technique. 3 Cash: The Cash referst to the money needed to keep some liquiddy within FoodPods

Figure 13: Required funds in 2016 (ZAR) shows us that the biggest part of the money will still be needed in quarter 1. However, the request for the other R 729.319 can be postponed. This way investors will feel saver to provide their money and a relationship built on trust can be achieved.

The money will mainly be needed to create the infrastructure. We are differentiating between the Franchisee Infrastructure that includes all kind of intangible goods such as the structure of the organization. The second main part of the costs is defined as the Franchisor Infrastructure and includes mostly the tangible assets. In addition to the the Hydroponic technique, polytunnels need to be bought to protect the crop against undesired weather changes. (Haygrove, 2016) Naturally, the organization also needs to hold some cash to cover unexpected expenses and stay liquid.

Figure 13: Required funds in 2016 (ZAR)

6.2 Quantify

Foodpods employs a systematic approach towards the monitoring and evaluation of its venture. Each venture is evaluated in several different areas, including but not limited to: sustainability, accountability, operations and social impact. The evaluation process begins with the identified KPI's presented in 3.3.2 Quantify, against which the project will be evaluated. One underlying assumption to the following calculations is that calculations are referring to one 120x25 meter tunnel and therefore create 12 micro-entrepreneurs. This might in relation to the 26 million living below the poverty threshold in South Africa only be a small drop in the ocean. Hence, *Foodpods* strives not only to make one tunnel become self-sustainable and profitable, but actually assumes that with proven success of one tunnel its capacity to be scalable and replicable will drive the economies of scale.

The selected KPI's that represent Operational and Product Impact are presented next.

6.2.1 Permanent Employee Wages: Minorities/Previously Excluded (OI1084)

"The permanent employee wages metric shows the value of wages paid to all full-time and parttime employees of the organization who belong to minority or previously excluded groups during the reporting period." (Global Impact Investing Network, 2016)

In the case of *Foodpods*, the farmers are not payed a fixed salary but an income for their yield. That surely differentiates them from employers. The metric has therefore been adjusted to the circumstances of our projects, whilst still proving a similar point. A secure income for a group of previously excluded people that would otherwise have been unemployed.

The growers or potential Franchisees *Foodpods* is looking for will mainly be those which have been formerly excluded from the society. After the transition of Apartheid, the government decided to launch the Black Economic Empowerment which was only empowering a few previously disadvantaged individuals (Black African, Colored or Indians). However, the Broad Based Black Economic Empowerment, a revision of the BEE, will target a broader spectrum. It is very important for *Foodpods* to address the real Bottom of the Pyramid, people that don't find back into the society without them. Thus, due to the people's modest skillset, they will not yet be independent entrepreneurs, but Franchisees. That offers them an appropriate balance between responsibility and guidance. The support comes with a price of a Franchise service fee and a rent for the usage of the infrastructure as well as the price for additional farming equipment. Also, since the farmer will only receive his first payment after the first month, he will be granted a stipend to cover his basic needs during that time. Certainly, he will have to pay pack this stipend in instalments during the first year.

Figure 14 shows that the positive net income only can be guaranteed with a stipend of R 5.200 which covers not only the fees towards the Franchisor but also allows the Franchisee to cover the personal costs.



Figure 14: Franchisee Income Composition (month 1)

For the next 10 month the Franchisee will have to pay back 10% of the stipend per month. That is why the income composition looks like depicted in Figure 15.



Figure 15: Franchisee Income Composition (example months 2-12)

From 2017 onwards the income of the grower will remain at its maximum because he has no stipend debt against the Franchisor anymore. Figure 16 shows that the Franchisee has a net income of R 4.727 per month from 2017.



Franchisees income composition (2017-2020)

Figure 16: Franchisee Income Composition (2017-2020)

The payment towards the Franchisee is at itself not ultimately illuminating. This is why we will take a closer look at the expected yields and how much a Franchisee can actually earn compared to salary-based farmers in the South African market space. See later in 6.2.4 Producer Price Premium (PI1568).

6.2.2 Payments to Supplier Individuals: Minorities/Previously Excluded (PI7814)

The metric Payment to Supplier Individuals is valuable to give an idea of how much invested money actually ends up on the account of a person from the Bottom of the Pyramid or individuals which have been previously excluded.

In total, payments toward the Franchisees account to R 1.080.000, per year from year 2. Based on the financial model, it is assumed that a tunnel consists of 36000 plants. What is more, estimations suggest that 60 wet plants are needed to obtain 1 kg Kale Chips, which respectively brings a farmer R 150. To calculate the yearly income of all 12 Franchisees, the income is multiplied by 12 and retrieves the aforementioned yearly income.

$$R \ 1.080.000 = \frac{36000 \ holes}{60 \ holes \ needed \ per \ dried \ kg} \times R \ 150 \ x \ 12 \ months$$
(6)

For some considerations, it can nevertheless be interesting to know the payment towards all impacted individuals per month. Easily, we can determine the payment of the Franchisees per month with the following division:

$$R 90.000 = \frac{R \ 1.080.000}{12} \tag{7}$$

Presenting the income per each Franchisee per month the payment towards all Franchisees has to be divided by the number of Franchisees working at the hub:

$$R\ 7.500 = \frac{R\ 90.000}{12} \tag{8}$$

It should be noted that this is not the net income of the Franchisee. The amount must still be reduced by the Franchise service fee. The farmer has to understand that the usage of tunnel and hydroponic technique is not for free but has to be payed back to the investor that financed the project. However, the next section shows how much yield one Franchisee can generate when using Hydroponics.

6.2.3 Average Client Agricultural Yield: Total (PI3468)

"The Client Crop Yield tells about the average agricultural yield per hectare, of clients (who were farmers) of the organization during the reporting period." (Global Impact Investing Network, 2016) Here it will not be shown how high the yield of the reporting period is, but of one farming cycle, which is supposed to be one month. We will not use hectare as our parameter but the size of one tunnel to keep this metric comparable to the others that have been used. The size of one tunnel and therefore its arable areas accounts to 3000m².

$$x = \frac{\text{Yield}^{\text{Client 1}} + \text{Yield}^{\text{Client 2}} + \text{Yield}^{\text{Client 3}}}{n}$$
(9)

$$x = \frac{\frac{600kg^1}{12} + \frac{600kg^2}{12} + \frac{600kg^n}{12}}{n}$$
(10)

One fully operational tunnel is capable of generating 600kg dried kale per month and needs 12 Franchisees to get the work done properly. This tells us the yield per farmer.

$$x = \frac{50kg^1 + 50kg^2 + 50kg^n}{n} \tag{11}$$

$$x = 50kg \tag{12}$$

Since every farmer will expectedly produce the same amount of kale, the Client Crop Yield expresses that every farmer will produce 50kg of dried kale per month. This metric shows us that every Franchisee is able to generate

$$50 kg x R 350 = R 17.500 \tag{13}$$

for the Franchisor and therefore immensely contribute to the projects financial stability.

Knowing that 1 kg dried kale will be purchased by the Franchisor for R 150, every farmer will be able to generate R 7.500 (see 6.2.2). This is a lot on South African standards. However, it is difficult to compare the wage of typical South African farmer compared to the income of our Franchisees because payment always depends on employment relationship and contracts. To overcome distortions of the comparability we will only compare the income of *Foodpods* Franchisees with the official minimum salary that is payed to farmers on a monthly basis. In March 2013, the Labour Minister of South Africa announced an increase of the minimum wage for farmers from R 2.420 to R 2.606. Even after reducing the Franchisees income of 7.500 by the Franchise service fee, the farmer will still receive an average income of R 4.207 in the first year. This salary will be raised to even R 4.727 from the second year if the farmer performed in his duties. Moreover, the farmer will be able to take on responsibility for addition 3000 plants, which enables him to double his income. His actual income in addition to his promotional possibilities offer the Franchisees therefore a way more attractive work-ing environment than an average South African farmer can expect.

Another way to express the advantages for the farmer when working for the project compared to usual salary-based jobs in South Africa will be shown in the next paragraph 6.2.4 Producer Price Premium.

6.2.4 Producer Price Premium (PI1568)

The metric Producer Price Premium shows how much of the price the actual producer of a good obtains, by selling to the organization. This is relative to the average price that would otherwise be obtained in the local area for a similar good during the reporting period. For the calculation we will take percentages to improve the comparability.

$$x = \frac{Sales revenue of the producer - Potential sales revenue in the local market}{Potential sales revenue in the local market}$$
(14)

Data has been provided by Fairtrade International. They published a list that states the minimum prices for different certified products. Admittedly, the table does neither provide prices for wet nor for dried kale. We, however, decided that the producer prices for spinach and cabbage should de-

pict similar conditions. The table shows that in the South African region, farmers have the right to receive a minimum of 15% of the retail price. It should be taken into account that this is only the Fairtrade requirements not a general rule. Even if, there is no official local market rate for the producer price, we will derive the local market rate conservatively from the Fairtrade data set. This way we can demonstrate that the project would still be impactful when all farmers in South Africa would work under Fairtrade standards. (Fairtrade, 2013)

The expected revenue per kg dried kale is R 350, whilst the producer's revenue will be R 150.

$$\mathbf{x} = \frac{\frac{R\ 150}{R\ 350} - 0.15}{0.15} \tag{15}$$

$$\mathbf{x} = \frac{0,43 - 0,15}{0,15} \tag{16}$$

Hence, the farmer receives approximately 43% of the retail price by *Foodpods* and would only obtain 15% for selling a similar product in the local market. This leads to a Producer Price Premium of 1,86 (186%).

$$x = 1,86$$
 (17)

6.2.5 New Businesses Created: Low Income Areas (PI6414)

Another, very simple but interesting metric tells us how many businesses can be created in the targeted low income area. Counting Franchisees as small businesses, the project will be able to create 12 businesses per tunnel investment. Usually, this metric measures the businesses per reporting period. However, the amount of businesses is not only dependent on the time, but dependent on the funding size. The financial valuation shows that every R 1.278.235 invested creates one tunnel and therefore impact 12 people. Or in other words R 106.519 is the price to lift one deserving individual out of poverty with offering him the possibility to manage his own micro business.

That is good news. The project shows its scalability and indefinite growth opportunity. Admittedly, the project carries still the risk that some farmers fail and don't take their work seriously and there-

fore don't supply the expected yield. However, the overhead is budgeted very conservatively to ensure the best guidance and training that is possible to counteract a potential failure rate.

Section (ID)	Metric Name	Result	Interpretation
Operational Impact (OI1084)	Permanent Employee Wages: Minorities/Previously Excluded	R 4.727	R 4.727 is the permanent wage (excluding service fees) paid to all Franchisees per month.
Product Impact (PI7814)	Payments to Supplier Individuals: Minorities/Previously Excluded	R 1.080.000	R 1.080.000 are payed by the organization to 12 Franchisees in a 1 tunnel scenario who sold kale plants to the organization during 1 year.
Product Impact (PI3468)	Average Client Agricultural Yield: Total	50kg	50 kg kale per tunnel is generated by a Franchisee per year.
Product Impact (PI1568)	Producer Price Premium	186%	186% is what the Franchisee is receiving for his yield by selling to the organization.
Product Impact (PI6414)	New Businesses Created: Low Income Areas	12	12 Micro-businesses or Franchises are created in low income areas as a result of investments in Foodpods.

Figure 17 summarizes all mentioned Impact metrics.



6.3 Monetize

This sub-chapter aims to apply Financial Performance Metrics to *Foodpods*. It will be started with three financial metrics. One that shows the necessary funding, one that calculates the potential gross margins and another that depicts the revenue growth over the first year. Afterwards a closer look will be taken on a Social Return on Investment (SROI) analysis, which pursues to express the social value in monetary terms.

6.3.1 New Investment Capital (FP8293)

The metric New Investment capital "reflects all capital received by the organization from investors in the form of a loan or cash for stock during the reporting period." (Global Impact Investing Network, 2016)



1 Franchisee Infrastrucure: The Franchisors Infrastructure is basically the goodwill of the organization. Intangible value created by building up the setting and structure of the organization 2 Frachisor Infrastructure: The Franchisees Infrastructure is all tangible material necessary to build the tunnel and the hydroponic technique. 3 Cash: The Cash refers to the money needed to keep some liquidaty within FoodPods

Figure 18: Required funds in 2016 (ZAR)

Referring back to the graph that forecasts the scaled-up approach of the fund development, we can prove that the financial burden of the investors is spread. The total investment per tunnel and therefore per 12 Franchisees is R 1.278.235 in the first year. It should be noted, that we are only evaluating the pilot year. As mentioned before, the project aims to become a large agriculture incubator. Dependent on the success of the project in the first year, more investors will be tempted and possibly several tunnels at the same time created. The multiplication effect allows infinite investment opportunities and growth. The goal of this analysis, however, is to show that even one year with only one tunnel can be profitable.

6.3.2 Gross Margin (FP4761)

The metric Gross Margin describes "the percentage of revenue that the organization retains after incurring the direct costs associated with production/delivery of its products/services for the report-ing period." (Global Impact Investing Network, 2016)

$$x = \frac{\text{Total Revenue} - \text{Cost of Goods Sold}}{\text{Total Revenue}}$$
(18)

The metric is in this case calculated on a yearly basis. The Cost of Goods sold is determined with the payment towards the Franchisee as well as any other value adding costs that refer to the production (drying, packaging, distributing) of the kale. Basically, what is calculated can be called the net profit or gross margin. For the first year of a tunnel the following grow margins can be realized:

$$0,54 = \frac{R \ 1.746.637 - 808.600}{R \ 1.746.637} \tag{19}$$

For every following year:

$$0,49 = \frac{R \ 2.947.365 - 1.492.800}{R \ 2.947.365} \tag{20}$$

The profit margin will potentially range around 50%.

6.3.3 Revenue Growth (FP4761)

Also the metric Revenue Growth belongs to the IRIS section Financial Performance. It describes the growth in value of the organization's revenue from one reporting period to another. Using this metric enables tracking of sustainability among businesses with in-built social impact in both the short and long term. A positive revenue growth without a correlated increase in number of lives touched would also be an indication of mission-drift, showing portfolio companies heading up-market or raising prices on existing customers. (Unitus Seed Fund, 2015) Negative numbers can be interpreted as the percent decrease in revenue growth between periods. (Global Impact Investing Network, 2016)

$$x = \frac{\text{Total Revenue}^{n} - \text{Total Revenue}^{n-1}}{\text{Total Revenue}^{n-1}}$$
(21)

With formula (21) the Figure 19 has been created, showing a positive growth in revenue over the entire year of each potential tunnel.



Figure 19: Sales revenue and Net Income in 2016 (ZAR)

The revenue obviously is increasing over the first year. Business development needs time and patience. This is why a new recruitment process for the growers will be activated every quarter to ensure a decent task familiarization for each small group of 3 growers. This also explains why the revenue records a scaled upward trend.

From 2017 the tunnel will continue generating revenue of approximately R 2.947.365 per year.

$$R736.841 = \frac{R2.947.365}{4}$$
(22)

Respectively, the generated revenue per quarter accounts to R 736.841 and will remain constant over its lifetime. See Figure 20 Sales Revenue and Net Income in 2017/2018 (ZAR).

Sales Revenue and Net Income development in 2017/2018 (ZAR)



Figure 20: Sales Revenue and Net Income in 2017/2018 (ZAR)

However, the trend for the first year of each tunnel looks somewhat different. With every new tunnel that can be financed, a revenue growth of the structure depicted in Figure 19 will be generated.

Applying the Revenue Growth formula the following growth rates can be calculated for the different quarters 1-4 presented in Figure 21.

	Q1	Q2	Q3	Q4
Revenue growth	71.815	371.151	558.286	745.421
Growth rates (%)	-	417	50	34

Figure 21: Growth rates (%) of the 1st year

The highest increase in growth is obviously to see from the first to the second quarter. This can be explained by the delay caused by the growing time. In the first months seedlings have to be planted and growers familiarized with their duties. The growth rate in quarter 1 is not existent as the project does not have revenue before quarter 1. However, after quarter 1 every sequence of the year has a positive growth.

Figure 22 summarizes the Financial Performance Metrics.

Section (ID)	Metric Name	Result	Interpretation
Financial Performance (FP8293)	New Investment Capital	R 1.278.235	R 1.278.235 is the value of funds invested in Foodpods per tunnel. This total amount has to be payed in the first year only.
Financial Performance (FP4761)	Revenue Growth	Q2 417% Q3 50% Q4 34%	Growth in value of the organization's revenue from one quarter to quarter.
Financial Performance (FP4373)	Gross Margin	49%	50% of the revenue that the organization retains after incurring the costs associated with the Kale Chips product from year 2 of the business operations.

Figure 22: IRIS Financial Performance Metrics Overview – Results

6.3.4 Social Return on Investment (SROI)

Social Return on Investment "tells the story of how change is being created by measuring social, environmental and economic outcomes and uses monetary values to represent them or it shows the social impact that results from their financial investment." (Hehenberge, Harling, & Scholten, 2015)

SROI is a customized metric that aims to express the social impact in financial terms, the calculation varies therefore dependent on the social goals of a project. Nonetheless, a 5 step guide provided by Olsen and Lingane in 2004 seems to display a meaningful framework. The framework has already been explained in 3.3.3.4 Social Return on Investment (SROI) and will now be applied on the *Foodpods* project.

1. Quantify non-financial impact of operations per unit

In a first step we are defining the actual impact *Foodpods* is able to realize per unit. Per unit means in our context per Franchisee. Every applicant for the Franchise business that obtains the chance to work with *Foodpods* and becomes a Franchisee would otherwise have remained unemployed. Even if all calculations are done on the assumption that only 1 tunnel exists – the scalability and possibility for replication is expected to attract more and more investors over time and enables great potential for poverty alleviation on a big scale.
However, with the assumption of only 1 tunnel, it can be said that 12 people are lifted out of poverty per tunnel investment.

2. Translate into dollar terms per unit to achieve "Social cash flows"

To express the impact in monetary terms, all the money that is issued to previously excluded people or people with tremendously limited opportunities will be summed up. Certainly, as we already learned from Figure 6: The Impact Value Chain (Clark, Clark, Long, & Olsen, 2004), impact is a collection of all outcomes intended or unintended minus what would have happened anyway.

It is assumed that the people *Foodpods* is offering this opportunity to, otherwise would have stayed unemployed. Thus, the entire income per Franchisee can be used to express the social value in money terms. We calculated the income per Franchisee with R 4.727. (see Figure 16)

3. Sum all SCF's for the horizon in question

Olsen & Lingane (2004) suggest in their Social Return on Investment assessment that the cashflows for the next 5 years should be used as the basis for the calculation. It should be kept in mind that *Foodpods'* Social Value extend is positively correlated with the funding size and would prospectively generate an infinite amount of social value. We want to prove that every tunnel at itself can make a considerable impact and becomes self-sustainable. That is why we are looking only at one tunnel for the next 5 years.

The Social Value Creation is calculated based on the net income of the Franchisee. This net income fluctuates in the first year because of the non existend yield in the first month. However, the lack of income is outweighted by a stipend to enable the Franchisee to cover not only his or her personal expenses but also the Franchise Service Fee towards the Franchisor forcovering the overhead. Hence, the first year is determined by an irregular income stream. For more detailed information of the Franchisee income composition please see 6.2.1 Permanent Employee Wages: Minorities/Previously Excluded (OI1084).

Referring to the financial model (see Annex 10.3), the following social income can be created for the next 5 years:

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Year 1	Year 2	rear 3	Year 4	rear 5	1 otal
49.220	50.720	50.720	50.720	50.720	170.179

Figure 23: Social Value Creation per Franchisee over 5 years (ZAR)

Figure 23 shows the social value in monetary terms. In year one the income is calculated as follows:

$$R 49.226 = R 2.427 + (10 * R 4.207) + R 4.727$$
(22)

The formula that looks from the offset confusing only shows the different net incomes of the Franchisee in the first year.

The yearly income of the Franchisees from 2017 simply is:

$$R 56.729 = 12 * R 4.727$$
(23)

Looking at Figure 24, the yearly amount has been multiplied with the number of Franchisees (12) to show the social value that can be generated per tunnel in every year of the reporting period.

Year 1	Year 2	Year 3	Year 4	Year 5	Total
590.715	680.715	680.715	680.715	680.715	3.313.575

Figure 24: Social Value Creation per tunnel / 12 Franchisees (ZAR)

4. Discount SCFs to present value

Olsen & Lingane (2004) also take into account what the expected social income stream is worth in present day money. We assume in this case that money can be lent for 9% risk free. Certainly, theory suggests to calculate an adequat discount rate with the Weighted Costs of Capital (WACC) formula that is based on the business' composition of equity and debt. Yet, the variables, particularly the capital structure, are subject to substantial changes. This is due to the uncertainty of if Franchise licenses will be issues from the beginning or if the project works with loans first. With an acknowledgement of this limitation, it has to be decided that the 10 year bond yield for South Africa works as an appropriate rate that reflects the very minimum of what an investor could obtain with another invesment. The interest for such bonds accounts to 9%. (South African Reserve Bank, 2016)

Yearly Discount rate =
$$(1 + \text{annual rate})^{1-5} - 1$$
 (24)

Yearly discounting therefore provides us with the following discounted Social Cashflow expectation:

Year 1	Year 2	Year 3	Year 4	Year 5	Total
541.940	572.944	525.637	482.236	442.418	2.565.175

Figure 25: Discounted Social Value Creation per tunnel / 12 Franchisees (ZAR)

The present social value generalizable with one tunnel, built up by *Foodpods*, accounts R 2.565.175 over 5 years. Nevertheless, this number needs to set into relation to the actual, initial investment. This way we can prove that the social value actually exceeds the initial financial investment.

5. Divide the discounted SCFs by investment to date to calculate the SROI

In a 5th step the discounted social cashflow will be set relative to the initial investment:

$$SROI = \frac{Discouted Social Cashflow}{Investment today} \times 100 = \frac{R \ 2.565.175}{R \ 1.278.235} \times 100 = 200\%$$
(25)

The Social Return on investment is 200 %. This result has of course to be interpreted with caution. For example, one is generally advised to not compare isolated SROI's between different projects. At least not without taking a closer look into the underlying assumptions. It is clearly not possible to compare SROI's as isolated numbers. Moreover, the value of a social project always is subjective to the preferences of an investor.

A good way of interpreting such a number therefore is to emphasize on the desired outcome that has been sought to achieve. In Figure 26 the full calculation of the Social Return on Investment can be seen. Respectively we can say that for every R1 invested, R2 is created in benefit for society or promoting Social Franchise throughout South Africa.

	Total NPV	year 1	year 2	year 3	year 4	year 5	Total
Number of new Franchisees		12	0	0	0	0	12
SVC per Franchisee		49.226	56.726	56.726	56.726	56.726	170.179
SVC all 12 Franchisees		590.715	680.715	680.715	680.715	680.715	3.313.575
Discounted SVC's (9%)	2.565.175	541.940	572.944	525.637	482.236	442.418	2.565.175
Invested Capital	1.278.235	-	-	-	-	-	-

SROI	200%
Figure 26: Social Value C	Creation Full Table (ZAR)

The SROI is clearly derived from the more conventional Return on Investment (ROI). As a comparison the ROI is:

$$ROI = \frac{\text{Net profit}}{\text{Investment today}} \times 100 = \frac{\text{R } 2.366.165}{\text{R } 1.278.235} \times 100 = 185\%$$
(27)

The formula (27) shows the net profits of all 5 years divided by the initial invested capital. It is especially interesting for the Impact Investor to find their invested capital generating financial as well as social returns on investment, to an almost similar extend, which can be demonstrated with a SROI of 200% and and a ROI of 185%.

	Total NPV	year 1	year 2	year 3	year 4	year 5	Total
EBITDA		495.873	1.009.965	981.885	981.885	981.885	4.451.493
EBIT		872.406	844.326	844.326	844.326	844.326	3.805.068
Profit Before Taxes		770.487	742.407	742.407	742.407	742.407	3.328.296
Net Income	2.366.165	207.815	554.751	534.533	534.533	534.533	2.366.165
Invested Capital	1.278.235	-	-	-	-	-	-

ROI 185%

Figure 27: Financial Return Table (ZAR)

7. Discussion

The paper conducted an overall assessment of the business model of *Foodpods* and tried with appropriate evaluation methods to prove its prospective performance.

Evaluation of social investments is a quite new topic and compared to financial evaluation less generalized. As lose as the theoretical frameworks are, as exciting are the results. New enterprises with different social goals set the bar every time new and show that businesses can aim for more than financial success. That is why it is particularly important to illuminate the theory behind some analysis to judge their significance. There are actually two widespread theories that have been applied in this paper. Those are the IRIS metrics and the Social Return on Investment (SROI) analysis. The IRIS metrics are a leading tool that enables investors to examine their investments as it conducts sectorspecific, data-driven evaluation. It is true, that users can decide theirself which metric serves best reflecting the social or environmental value of their organization. The performance, however, of such metrics often does suffer with flexibility. Benchmarking with other organization becomes difficult when each chooses different metrics and also interprets them incompatibly. Certainly, projects in the social space follow different social goals which are often simply incomparable with each other. Nonetheless, this also explains the difficulty of assessing their validity. This should not scare off institutions to work with those IRIS metrics. Standards require collective action to gain broad acceptance. The growth of impact investing has already influenced the industry across investment decisions and encourages those to apply social metrics to activities like due diligence and investment management.

It is important and urgent for everyone in the field to incorporate IRIS into their social and environmental performance measurement. Not only will it ensure comparable data and credible aggregation and analysis across the growing impact investing industry, it will also help investors and mission-driven businesses better track, manage, and communicate their own impact." (Gelfand, 2012)

Foodpods was facing some issues during the assessment process with IRIS metrics. The scale of the project is dependent on the size of the funds which are prior to the fundraising naturally indefinable. However, it has been decided to treat one tunnel as one social investment to keep a consistent reference across *Foodpods'* used metrics.

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Another issue could be that *Foodpods'* financial statement analysis (Annex 10.3) only is based on assumptions and not on historical data which would have made the result definitely more reliable. Even so, calculation have been tried to conduct realistically, the risk remains that the KPI's will be changing.

The other popular but controversial framework that has been applied, is the Social Return on Investment (SROI) analysis. It is derived from the well-known Return on Investment (ROI) and "cannot and should not be used as the sole indicator of social performance, in the same way that ROI is not used as a sole indicator of financial performance" (Olsen & Lingane, 2004) By contrast, it should be interpreted against other metrics and embedded in the underlying methodology.

Surely, the SROI provides a good idea of how much invested money will actually be turned into social value. However, the analysis with SROI does not provide unlimited comparability between different social investments. Only if goals of existent organizations are similar, a comparison of SROI can be useful. In fact, different scale and environments can give highly misleading comparisons. As a comparison, even purely financial oriented investors don't always go for the highest Return on Investment (ROI). Their investment preferences vary with time horizon, industry and risk.

Some claim that standardization comes with objectivity. The SROI lives, however, from the discretionary judgement of responsible analysts. This is mainly because direct indicators for measuring impact are not available. Analysts have to select proxies from several potential constructs and data sources and will be subject to their judgement. (Maier, Schober, Simsa, & Millner, 2014)

Lastly, even if the SROI claims to monetize social value, it has to be admitted that social value cannot always be expressed in financial terms. The depth and scope of the impact scope cannot always be determined. *Foodpods* Franchisee could unlikely but possibly found a job somewhere else. On the other hand, he could have become a drug addict due to the despair of his destiny as an unemployed individual. The spectrum of what would have happened without the *Foodpods* is wide and makes it difficult to estimate the actual value of a project.

8. Conclusion and Future Direction

The main idea of the paper was to conduct an overall assessment of the organization *Foodpods*. In the beginning the question has been raised of if a micro-hydroponic farming Franchise can be a lucrative investment opportunity and at the same time lift people out of poverty when funds are adequately provided and advisory support is offered.

With different approaches the performance of the project has been illuminated. Some metrics have been used of the Impact Reporting and Investment Standards (IRIS), one of the leading institutions that quantifies social value.

The impact of a venture has been defined as the difference between it's outcome and what would have occurred anyway. The Producer Price Premium metric, for instance, demonstrated that farmers working with *Foodpods* earn considerably more compared to what an average farmer in South Africa earns. Hence, summing up the income of all 12 Micro-entrepreneurs or Franchisees is also what we consider the Social Value. This Social Cash Flow serves the foundation for the Social Return on Investment (SROI) analyses.

This type of analyses has been developed by Olsen and Lingane in 2004. With its usage, it could be calculated that for every invested R1, R2 could be turned into social value. Or to emphasize on the desired outcome, every R1 is creating R2 in benefit for society of disadvantaged communities or promoting Social Franchise throughout South Africa. In fact, the calculation showed the income that a person which otherwise would have been unemployed can earn only due to the creation of the *Foodpods* project. The invested money has doubled in social value terms and is therewith the crucial factor that might make an Impact Investor consider the project a success. Also the Return on Investment (ROI) has been calculated to show investors that they are able to receive a financial return almost as high as a social return.

Multinational companies and high net worth individuals are under mounting pressure from the public to do good with their profit. Particularly, South African companies are expected to empower the previously excluded, colored part of the population. This may explain the substantial expected growth and potential of the market size for Impact Investments.

Heart Capital has been working in the agricultural industry with those previously excluded people for more than a decade and even though the organization gained considerable experience within

business development, yet, the organization has only been partly successful in lifting people sustainably out of poverty. The main factors that limited the success were:

- Working in townships: Crime, culture and specific recruitment regulations impaired the working environment and the sustainability.
- Traditional farming technologies: Traditional farming technologies are not contemporary because they are inefficient and subject to soil quality and climate changes.
- Mismatch of the supply and demand: Whenever the leafy greens have been ready to sell or to eat, the products would have needed to be sold immediately. This is due to imperfections of the market in local South African communities not always possible. Thus, a certain percentage of the harvest got rotten.

Foodpods aims at addressing all these obstacles in its Franchise business plan. The new hub will be outside the townships on the land of *Biodelta*. Fortunately, the land and partly the infrastructure are already available and await further actions. The infrastructure consists of polytunnels to cover and protect the plants and the hydroponics. The soilless farming technology claims to make farming more efficient and predictable, which is in South Africa of considerably high value.

What is more, the take-off agreement between the Franchisee and the Franchisor, guarantees a save income for the Franchisee. The Franchisee therefore only takes risk and responsibility until the crop can be yielded. The Franchisor, on the other side, won't have to be concerned about selling the leafy greens immediately. With drying machines the wet kale will be processed to Kale Chips that can then be lucratively sold to the US and the UK.

Along these lines, a level playing field with a healthy balance of autonomy and support will promote a business investment relationship, where each party is benefiting from the activities of the other. Future directions let us reconcile with the idea of turning Micro-franchises into equity based tradable assets. The Franchise Licenses are designed to lift deserving individuals out of poverty permanently by purchasing a Micro-Hydroponic Franchise license from *Foodpods* and at the same time serve a disadvantaged local South African community with fresh nutrition-rich food. *Foodpods* will recruit and train an operator, the Franchisee, to run the Franchise for an investor, earning him a fixed monthly revenue share. After some time the Franchise License can be flipped at a premium to a 2nd tier grant-maker once the Franchise is up and running. Thus, giving the investor the money back, plus a return on the Impact Investment. The grant-maker will most likely donate the license to the operator once he or she meets the required performance standards and therefore creating a self-sustaining entrepreneur who impacts on food security.

From a big picture perspective, such sustainable economic development opportunities are rare, unique and above all necessary given the unproportioned distribution of food, water and other necessities in today's world. The socioeconomic instability reflected in the global gap between the resource rich but socially poor and the western economies, should be taken as an opportunity for a disruptive system in which capital would be provided among equals in order to restore dignity to the receivers and build long term independence.

Altogether, if *Foodpods* is successfully combining the value-creating capacity of entrepreneurship with the humanitarian mind-set of philanthropy it will certainly drive significant social change in financially sustainable ways and hopefully realizes its goal in becoming South Africa's largest agricultural incubator.

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10.1 Appendix - Interview – KC Transcripts

Interview – KC Transcripts

Where we turn your audios

Into written words

Certificate of veracity

We hereby certify that, in as far as it is audible the afore going is a true and correct transcript of the recording provided by you in the matter:

(NAME OF AUDIO: TILL STASCHIK INTERVIEWING PETER SHRIMPTON)

Transcriber: Genieva Nair [from 20:30 to 47:32]

Date completed: 2 April 2016

Till: It's Till Staschik interviewing Peter Shrimpton. CEO of Hart Capital. First part; first question. When was Hart Capital founded?

Peter: Hart Capital was founded 3 years ago. So in 2012, it was registered in 2012, but we started planning what the company was going to look like, in about, 2011 we spent 2 years thinking into it putting all systems into place, and creating the fund structures, and finding the investors, and getting the deal ready. But, which was a turkey project. Normally if you register a business, you then start trying to put it together, but by the time we registered the business was shovel ready it was everything, we got the money we started trading immediately because we were 100% ready to trade. So 3 years

Till: What inspired you to found Hart Capital?

Peter: When I worked in the social space and the primary way to finance social development is through grants and donations and what I could see was that giving grants and donations to social projects wasn't creating sustainable solutions. The projects were dependent on those grants and donations for their survival and if they stopped coming, for any reason, the project failed because it had no way of sustaining itself. And I knew that, when we only want to create financially sustainable solutions, the projects were needing to run commercially and that if they ran commercially, most likely they would be disqualified from the charitable space because they weren't NGO's or non-profit [2:00] ventures, they were commercial companies and so that created the opportunity for a fund firm that would raise capital for the social space, but raise it in a commercial context.

In other words, offering investors their money back, and at the time lift people out of poverty in South Africa, was a promising concept. There are very few people doing this, there wasn't a financial services company that was marketing impact investments to the private sector. All the big financial servicing companies, and small ones market commercial investment products when they sit in front of investors. And I saw that there was potential to approach people who would normally give their money to charity and persuade them that instead of giving their money to charity, they should try impact investing because then they would have the potential of getting their money back. And when they get their money back, they could just reinvest it which would give them more money to invest down the line. So that was the motivation, it was to create a company first of its kind that would create a new capital structure for social entrepreneurship in South Africa.

Till: Did you know you wanted to found an impacting investing company from the very beginning and what's the goal of *Heart Capital* that fits with the explanation of what is special about the new structure?

Peter: When I entered the space 12 years ago, 13 years ago [4:00] I came from a financial services background and my first idea was to create a funds firm, my first idea was, "hey we should build an investments company that can finance social projects." So I knew I wanted to do it right from the very beginning, however, there were no social projects for people to invest into, social enterprises.

So it was very difficult to have a stock broking company if you had no stocks to sell. So even though the original concept started with the idea of a fund firm, because that's all I knew we first had to build a portfolio of projects that people could invest into or more importantly that we felt that people could invest into. I've seen lots and lots of projects in 12 years, but, I don't

pick up the telephone and phone private investors and say, "hey you should put your money into this investment opportunity because the risk is so high, probably you won't get your money back." So we couldn't just invest into any projects, we had to create projects that we believe we can sell with integrity.

Till: So, that's then you started doing own projects?

Peter: We started doing our own projects, we needed, and we started with an incubator. We knew as a funds firm, that we would need a portfolio and the only way to have a portfolio would be to set up an incubator. And an incubator could then hatch multiple social enterprises at the same time, so we did that.

We spent years and years functioning as an incubator, we incubated hundreds of projects, hundreds of projects with different NGO's, different campaigns that we ran and we implemented them, we didn't just conceptualise the idea, we actually carried them through and then as an incubator, we spent a lot of time helping people who would quit after a few years and a lot of our good workmanship was lost. So then we decided that we would, instead of just incubating any project that we would focus all of our attention onto companies that we owned and that we controlled 100%, so that because we knew that the projects we were involved in, wouldn't stop unless we stopped. And so then we became to function more like a venture capital company. In that we stopped saying yes to everybody who needed our help, and we could just focused on how we could help our beneficiaries. Makes sense?

Till: Yeah, it makes sense. So apart from the incubator, how many of the projects did *Heart Capital* have had so far?

Peter: I mean, to incubate with *Heart Capital*. *Heart Capital* only got about 5 ventures, if you will, they go in various stages of development. Some of them are really in concept phase, some of them have already been replicated. The footprint that we've created in the townships are the biggest in the country. You can't go into townships and find projects like our projects. They are genuinely, like oasis's in the desert.

Inequality and unfair working policies are dominant in South Africa. That is why all our projects aim at creating fair working conditions. Woolworths for example, a big supermarket chain in South Africa, buys their produce from a few large contract packers. These packers grow their own produce as well as buy in a significant quantity of produce from contract growers. The supply chain is therefore fairly long with markups shared between the parties. For a lettuce selling at R 12 the retailer takes R 3, the packer takes R 6 (including packaging and delivery costs of approximately R 3) and the farmer receives R 3 (including costs of seeds, pesticides, fertilizer, labor and high cost of capital). The farmer takes most of the risk and shares the least of the reward. This ratio is similar in most other vegetables where retailers and their packaging suppliers of choice dictate the supply chain.

Heart Capital tries to shorten the supply chain, since we believe that the mark ups are not always justified and that the business model can be built in a way that farmers can obtain a sustainable livelihood. We aim to disrupt the supply chain by empowering people to grow enough produce for themselves, their family and their community with the balance of produce.

Till: Yes.

Peter: So, [8:00] we actually created quite a complex constellation of businesses to facilitate what we've created. *Heart Capital*, it's not like just a company that invests into random investments.

We needed to create the entire supply chain. You know, there's a gap in the market and a market in the gap and a gap in the market is where there's an existing market and you find something that you could do within it but if the market in the gap is that in the social space with impact investing, there was no market place. There was no market place. The market place didn't exist. It was like, before cell phones, there was no industry for social investment or impact investment. So it wasn't like you were able to say, "Oh well, in this market I'm just going to do this job. I'm going to be an impactor or a consultant or an incubator or a project manager, or whatever. There was no other service providers. So we had to look into developing over time, the whole supply chain.

From the fund firm that acts like a venture capital company, to conceptualise the projects, over financing the projects, understanding an incubator and how to work with interns through an incubating environment to develop multiple projects was a complex plan. And we are still doing that with limited resources. It is a significant undertaking to oversee all of that. And we have to have that capital structure, you've got to have a way to get people to invest into your project. So and we needed to put the whole environment, an enabling environment into place [10:00] first to build what we trying to build. But, we are not finished yet, we are not even close to being finished. We have got very limited resources, so we are doing everything we can with the resources that we have available.

Till: So what would you say is the main goal of *Heart Capital*? And how do you plan on fulfilling the goals you have set yourself?

Peter: You know I'm very proud to say that I honestly have made more mistakes than anybody else that I know, because all of the stuff that we've done, nobody else had ever done before. If you want to start a pizza business then it's easy you just go to 10 different pizza restaurants and you get good ideas about how they've done it and you go back and you copy exactly what they've done

But for the projects that we've done, there were no models that we can go and look at and study, select from and choose from. We had to go invent all of the models that we have right now. And we tried so many things that haven't worked, so many things, of like the hundreds of projects, look, they all had an impact while we were doing them. But, many of them weren't even designed to be financially sustainable. A lot of the projects we did as, the incubator we knew that weren't going to be financially sustainable, but, we knew that they would help a lot of people. If at random social [12:00] entrepreneur contacted me and said, "Hey we got a really good idea for a project, would you invest into our business?" We wouldn't do that. That's not what I want to do. So, in terms of, has *Heart Capital* achieved its goal? The answer is No. We are not at that life stage yet, where we expect to achieve our goal. I look at it like a 10 year plan to. In our 10 year plan we hardly even got threw it but, just like we created projects in townships that didn't exist in markets. I also have to believe that there's an investment product that doesn't currently exist that is a trade asset, that when our product is ready we can create a way to raise funds for the social space in a way that's never been done before. Do you want me to elaborate on that?

Till: Is that the social Franchising concept?

Peter: Exactly. If you want to invest into the bottom of the pyramid, you can't provide loans, you can't go into a township and loan someone 3 million rand like the project we have done because the people we work with, the credit risk is that you don't want to loan them R300 if they wanted anything, so loans are impossible and you don't want to take equity because the projects are all cash alone, they're township businesses and they'll never be audited and you'll never get your dividends and as an investor you are not going to go into the township and say, "I helped you here where's the dividends of my investment," it's not going to happen. So even if people want to invest into townships, there's no way that they can invest but the Franchise license is a Social Franchise concept, and the Franchise licence is something that somebody can purchase and own and it gives them rights. Their Franchise license [4:00] is tradeable asset.

So if you own a McDonalds Franchise and you don't want it anymore, you can sell it to somebody else, I'll come and take over that Franchise, and run that Mc Donald's. And there's a market selling those Franchise licenses. There's a market that it's truthful, the one day, I imagine a room with 15-20 brokers, that are sitting on the telephone all day and they just phoning up private clients and saying to them we've got a fantastic impact investment opportunity for you. We were raising R45000 to activate the small micro tree industry with 10000 trees, the assets will be worth a million in a year's time, you can get 20% return on your money. You can lift 10 people out of poverty, create jobs for all of them. Do you want it? You will get your money back in 2 years. And I believe people say yes. I do.

Till: Yeah it makes sense.

Peter: Selling a Franchise licence is all tax evading and an investment instrument, you are not selling equity or shares or something, the business acquiring Franchise. So it's unregulated with the financial services board. Which means you can sell it at any commission you want.

Till: Yeah.

Peter: So when there's money in the set up for this, then there's evidence that the Franchise works. Selling the Franchise is not too difficult, so at the moment because we are so small, we can't really see it, but, when we talk about [16:00] if *Heart Capitals* has achieved its goals, the answer is no. In 5 years' time I believe, we will have created a new capital structure for impact investors, we will have created a mechanism that will enable investors to invest into the social space. Get their money back in a way that's never been done before in history. And if it works, then we can chat into more money that's available for commercial investors. Into the bottom of the proof setting that had a potential to be massive beyond wildest beliefs.

When I was a young man, I helped to develop structured products in the investment world. In the early days, [inaudible] [16:55] in the early it was Ludacris to think that if you raised money from a client that you would should pay, we think that the market is going to go in this direction you putting all your money in these shares for these reasons it was Ludacris to go to your client, and say to your client, we going to take 90% of your money 80% of your money and we going to put it into this area of market because that's the were the markets going to go. But, in case it's not, we going to take the other 20% of your money and we'll invest it into the future's market where it geared 10 times and we'll bet the market in the opposite way. So that means that if the market goes up, 80% of your money really makes money, which is wonderful, but, if there's a calamity and it goes wrong because of gearing, you'd be able to make so much money that it balanced out your portfolio, almost a guaranteed fund. When we developed this idea 20 years ago, and we went out and we went out to financial [18:00] services companies they all

said to us as, a young investment company, that we were mad. You don't go to the race saying this one's going to win but, I mean if it doesn't, but once one or two private banks tried it, they found that their clients loved the product. And today, that product is a commercial product that's available in every single big, private bank in South Africa. And it's a billion rand industry on its own. And I think that selling, flipping Franchise licenses has got the potential to be that big, predominantly because of the commission system.

Till: Is is because you believe the bottom of the pyramid is not only size-wise a huge market, but also has so much unused potential?

Peter: Exactly, exactly. The bottom of the pyramid is so massive, but, when I was in the financial services company, I wanted to win a prize, I'd have to sit in front that client and I had to compete against every other financial services company in South Africa and there's hundreds of them, and the only thing that I could compete with was performance because that's all that the client was interested in. How much money he was going to get back, so returns were very important to the investor. Very competitive, right. But still, we traded hundreds of millions. So when I'm in this impact space now, although it's so small, when I go and sit in front of the client, I don't have any competition because I'm the first person that ever sat in front of him and offered him an impact investment before. And he can't go compare what I do with anybody else because there's no one else doing what I do.

Next thing, the money that he gives me, is the money he was going to give to charity, so he's not even expecting to get his money back. In his whole life, he's never got any money back from any charity [20:00]. So if I come back to him and say to him, sheesh it was a tough year, there's half your money back. He's going to be thrilled because he didn't expect to get any of it back. So as a financial services man, I see that as the killing field, it's a totally untapped market, there's no competition.

If the product [20:30] is there and the product is legit it's going to be shooting ducks in a barrel and I've convinced it. So it is possible to create something really small get it working and then tap into the financial services industry and unlock a billion rand in the next ten years, entirely possible, it's entirely possible.

See the fund structures, you understand how the funds move in financial services company, financial services company's go out to private investors and they basically collect their money in whatever way, insurance, private equity portfolios, unit trusts, retirement policies, retirement unities, whatever all the financials they get the cash.

And then they have to invest that money into different portfolios, property portfolios, banking portfolios, and mining portfolios whatever and how that money goes is done in very specific structures. You have to have the right funds in place, they've got to be accounted and transfer to them, there got to be legal contracts between the accounts, there's got to be service level agreements, the fund structure really needs to be there, all the tax benefits through the fund structures need to be there so the investor can say ok well, [22:00] "I put my money in that fund how does that fund make money, how does it get liquidated, how does that profits come back to me, how does that differ to the tax man, what's the role of the?"

There needs to be in place and they're very well structured inside financial services company and very sophisticated and that's all done for governance reasons. So in social space the moneys then wants to flow in but the fund structures are not there. They not just going to invest randomly millions of millions of Dollars.

It's never going to happen. But when the fund structures are there, when the architecture is there, when the suit is there and the funds start pouring then they understand and invest.

And I set all of this up, so if you want to do charitable investments I have a charitable trust, you want to make a loan I have got an impact fund if you want to do equity I have got a whole income.

All of those fund structures are set up so we have created the architecture for large quantities of capital, we haven't created the architecture for small amounts. We only get small amounts, and we like literally just scraping for our own survival. But the product that will do is becoming more and more robust.

So is it possible to create a new fund structure? Is it possible to replicate what we are doing all across the country? Is it possible to still drive that entire organisation using interns? I absolutely believe it is.

[24:00] You have to have vision as an entrepreneur and I believe it's entirely possible to have twelve beautiful hunts, Transkei, Zambezi, Cape Town all of it and to bring 10 interns every single year into each one of those locations where they can get picked up at the airport they get take to a village where they stay. All of their excursions are arranged for them it's like proper work and proper play.

I'll do marketing to financial service companies and talking to brokers and saying, "have you been a broker for 10/15 years stuck, have you been in an office, have you been focusing your name and money all day, do you feel like you haven't made a difference, would you like a chance to use your skills to do something really wholesome and good and by the way make some money? Here's our challenge come down to *Heart Capital* work in our boiler room for 3 months as an intern, we will pay you 10% commission on whatever you raise, we will give you a client base of like 100 investors for you to contact and all you do is, to phone up those people and say, hey listen great news we have got another Franchise licence available, all you need is xx money and trade that through."

Remember they will after 3 months say, 'I was on your floor for 3 months and I raised you guys 1,2million beat that." I feel that it's a product because I have already had people, many people, that have worked in financial services companies, from Goldman Sachs to JP Morgan, to come down in my organisation work with me for 3 months [26:00] and told me that what we are working on one day is what brokers will throw themselves at.

So it's a huge opportunity and I see it so clearly.

Tim: So would you tell a little bit about Heartland, how Heartland could be an alternative to internship intermediaries like projects abroad? What's the idea behind that?

Peter: There is a multimillion dollar industry placing interns into projects around the world. So placement industries know that the interns don't really have a clue about the country they going to, and money of them got the budget to rather just pay 2000 euros 3000 euro's and have the company host them and facilitate them and so what they do.

It's a massive market place. And these intern companies take a very big placement fee, thousands and thousands of rand's for placing interns. But they provide accommodation to the interns because if you provide accommodation you control the intern, because the intern is living with you.

You picking them up you taking them home. Having their accommodation is the key. So for us when we bring in interns the accommodation money that they are currently spending, renting places with other people are not building our business in anyway, they not contributing towards the sustainability of our project.

And on top of that interns are scattered all over the country so for us to build a village were, like the glorified back pack it's really, I mean 20 houses, a central bar, an entertainment area you know [28:00]. We really can create an amazing space.

And then as part of our package go to interns and say, "you are more than welcome to come down and intern in one of *Heart Capitals* portfolio ventures but it's a business, you give us your budgets, we tell you how we can accommodate you, you pay us one lump sum and we take care of everything for you, everything, your transportation, your excursions everything."

That's the business and the money that we can generate just from the accommodation is enough to make our projects on the ground sustainable. This is the key. If you build hubs anywhere and put ten interns the money that accommodation provides keeps that hub sustained.

So all the vegetables they produce, all the yield that they produce, everything that they do, all their expenses are already paid so it's just money that they can generate for themselves. That's an incredible shot in the arm.

Tim: Because all the money stays in your ..?

Peter: Because all the money stays in the organisation for sure. And that means that there is a sustainability model for rolling out hubs. There's tremendous risk, you going into a township you working with unskilled, uneducated, unqualified, inexperienced people and you got to teach them how to try and feed themselves in a way that's financially sustainable.

No one's ever done it and if those people don't succeed you lose your investment, so the risk is very high. But if you can go to the market and say, 'we have created a product that is so charismatic and so unique that [30:00] ten interns every single month will pay to come and work on that project through the accommodation and just having them there working on the project will make the entire project sustainable.

Then there's reason to replicate that project into very cool locations. Imagine if you could do an internship with *Heart Capital* for 4 months and the first month you spent in Cape Town working in one of the project hubs and then you go up into the Transkei and you do it right on the coast in a rural community and then you go up to Zambia. And everywhere you go it is exactly the same experience, it's the same project, it's the same environment it's just a different locations for you.

What an extraordinary experience for anybody. Nobody can offer that. There isn't a company that you can go to and say sign me up.

And I think because I'm an entrepreneur what if there was, what if that company actually did exist, how many people would find it attractive? And my bet tells me, when I compare projects abroad and I'm not stating the competitors when I consider how the game is played in the industry to recruit an intern and to stick them in Grassy Park, which is one of the poorest, most

horrible areas to stay in and like make them catch trains in most cases to get to their projects and back.

And when I compare that to what we can offer there is no competition with where. What we could bring to this market place is a realm of business that doesn't exist at the moment. And I think that it would smash the competition to pieces. Because word of mouth is very powerful in the internship space [32:00].

And if you had one person who said I just paid R45000 for two and a half months to go and live in Grassy Park or I paid R30000 and I go to stay in an intern village that was catered to my needs, you know what I mean like, it's the no brainer.

Tim: Yeah, I agree and especially your offers for car rentals and organizing excursions makes the program very attractive.

Peter: Exactly, full service. So and it's interesting because we never got into the incubator or *Heart Capital* to run an intern placement business. But interns have been crucial to the development of what we have done since day one.

We have created a very unique business because interns drive everything forward and that was just an innovation. Because the cost of competent people is very high and in a market that didn't exist we didn't have the budget to recruit the man power that we would have needed to have done all the things that we have done. Nobody would have given us the money to do that.

So learning to do what we do through interns seems strong enough to actually become a symbiotic relationship that will bring the sustainability [34:00] to the model.

Three years ago I made a conscious decision that within three years we would be a professional intern service provider. We really did. We were sitting on amounts of very carefully thought through work on what we do now. We spent years developing it and understanding it. And we even operated Pro world for two years which we ran as a professional intern placement agency for an American agency.

And we did that very well, so well in fact that we lost the business in the end because the headquarters in America were losing their clients. They were sending their clients to us and they were never going back to the Americans. They wanted to do it straight through us.

So we have a product which is unique and rare and exclusive. And I'm talking about the internships, we can place them. But talking from *Heart Capitals* perspective, rare and unique and exclusive those are the bells that ring sweetly in the ears of any investor.

I have been dealing with investors for 30 years and I know what it feels to, not every investor, but the kind of investor that's got money that they were prepared to, wanting to give away to charity. That's the client that you are after. Rare, unique and exclusive. And if those investment opportunities are there then it's a smash.

That is matching [36:00] I'm going to do it right now, I'm in the process of trying to organise it. I have a large very well established restaurant in Paarl. It's owned by a big corporation that owns Protea hotels, which are all around the country. It's a wine farm actually [36:15] it's not a restaurant it's a wine estate but on it is a restaurant.

And they bought one of our Franchises, one of our hydroponic Franchises. We'd only get the money at the end of April. Which means it first got to become end of financial year and then the budgets get allocated and then we get paid.

When we get the money then we can start trying to find the entrepreneur and you know build the infrastructure and get going. But I know that deals come. So today I can go to a wealthy man that I know in Stellenbosch and say to him, 'listen I don't want to lose the next 3 months because I want to hit the ground, here's the deal buy this Franchise licence for me today and in three months' time when they release their money I will give that money straight to you and you will actually make a premium of 5% in 3 months, but if you say yes I get all the money that I need today'.

So today I can buy the tunnel I can put it up. I can have it built within the next 3 weeks, I can go out and find entrepreneurs and say, 'hey listen I have got a real job for you and in 3 months' time when the corporates money is released then I don't need it because they just buy that licence from my first turn investor.'

There's always a massive transaction gestation period in the social space it takes a long time for people to give you your money. It's not like sipping a cappuccino. So this mechanism that I have developed gives me the opportunity of letting the second tier right maker provide this [38:00] security, the letter of intent the coupon if you will.

And then to leverage the private capital to escalate it so that when [38:13] the second tier investor is not going to say no to that. I would much rather invest my money into something that is of great concern. So they not going to say no to this.

All we have to do is to build the commission to the first tier investor into the Franchise price which I have done. So now I just have to sit in front of the investor and say if you trust Laborie to give you your money in three months give me the money now, sold.

So what do you think is going to happen when I go back after 3 months to my first tier investor and say, 'there's your money, there's your 5% thanks for doing business with Laborie this wonderful wine estate, there's the entrepreneur that you have lifted out of poverty, come and check his flowers are already growing.'

Rare, unique, exclusive

Tim: He wants to do it again?

Peter: He wants to do it again [crosstalk] [39:12] and that type of growth, it will grow veraciously. In asset management if you look the bell curve of an asset Management Company and I know because I built on. When you see an investor for the first time, if he's got 10million to invest he won't give it to you, he will give you maybe R50000 because he got his 10million with other people.

And then he will work with you and if you give him good returns then maybe next year he will give you R75000. And then after 3 years if they became greedy they will come to you and say you know what, 'you have done well with me, I tell you I'm not going to give 75000 this year I'm actually going to give you half a million.

That's how the game is played, so if you are good at what you do, your investor that you get for the first one you don't care if it's [40:00] R45000 transaction or a R450000 transaction. I am

offering the richest people in Stellenbosch a R45000 investment product, you know what I mean that is a joke for them.

But the moment they start buying they become my customers, use a mirror to catch a whale. And as long as the money keeps coming back to them and they feel comfortable and they see the impact that R45000 is going to create and a half million in the next 10 years, maybe more. And eventually you will have more money than what you will know what to do with.

Then I think it will become the other question where when you have the investors lined up the first tier investors say, 'look every time capital comes back again'. We going to use the second tier market and we say to the second tier market, 'listen guys we can invest R40million straight in the social space, we can go and establish another 8 hubs in 8 different locations. The money is already there to do it but will only shift if you commit the second tier fund, if you commit the second tier fund then we can start a year in advance, two years in advance.'

These guys don't even mind they will put their money into that. So then you will have the second tier investor saying, 'ok well we can commit this money in two years' time to you, and in two years we will make sure that we just got the budget, we now know that when we do commit our money in two years' time we buying a project that has been up and running for two years.'

Everybody benefits, and that way what I will start to do is buy the future spending of the social space, do you understand that. So stabilised growth rate you start small, small, small [42:00] but once we start eating this monster we going to eat it very quickly.

Tim: I really like your concept of scalability and replication.

Peter: it's a massive market, it's a massive market. The key is that the roll out has to be sustainable so I have to ask myself which communities in sub Saharan Africa are so freaking amazing that the young person from Germany who wants to intern for 6 weeks or 3 months would think to himself, 'I want to go and intern in Malawi because those pictures of what those people do'.

As long as there's an attraction for an intern to go and work there, there is sustainability model to set up a hub. And when you set up a hub all the produce that you supply in that local communities, all goods will benefit the community.

So how many of those locations are there I don't know. Maybe you can put one in every country in the world, maybe you can put 15 in every country in the world. I don't know how big this could be. I really don't but I'm going to see. I'm going to try and find out.

But if you look at the structure, when it does start to scale up it will escalate so quickly it will. I honestly believe we will be rolling out 4 hubs a year. And if you look at how we did it, every one of the roll outs that we done. It has been meticulously blue printed by the interns. Because interns work by the succession plan. I got like unbelievable blue prints. If I had to go and build a hub tomorrow [44:00] I can open up project planning metricise, supply networks, project models, infrastructure, timing periods, what resources we require.

Because we have done it before. So we are sitting like on a gold mine of replicabilities. [Inaudible][44:18]. When I was in a social space I saw a lot, and I was involved in a lot of amazing projects that worked in a micro context in a community context. Success depends entirely on the knowledge, skill and experience of the individual grower, which makes replication challenging. Many projects that expected a replicable business model with providing infrastructure without business development. Failed tunnels disappointed grant-makers, which makes it harder (if not impossible) to raise funds in the future. Worst of all, the mission to provide food security fails and this ruins the reputations of those individuals and companies that attempted to provide the solution.

That is why we to bring *Heart Capital* in as a fund firm we said as a fund firm. A frim that only invests into projects that are scalable and applicable.

Because if you can find it and it works then you need to make it bigger. Not every business model is designed for scale and replication. They are not. But they social innovation hub model, was the Horton heart land model with the food pots Franchise model, all of these models are totally scalable, it is replicable.

When we built the first hub, people said it's not possible you will never do it, everybody. And then we went in and we did it. And then people would come and go, oh well you might have done it once and you can't do it and you know who's to say that you can do it again.

And so then we went out and we did it again and bigger and now what's starting to happen is when people come into our world, they go to the first one they see it with their own eyes they go to the second one they see it with their own eyes. It's much easier for them accept the probability that we going to do a third one [46:00].

And the more you do the easier it is for people to want to invest into it because they can see what you do, so the investment curve is a bell curve. The roll out is exponentials, I believe in stabilised growth rate, I really do. I'm not on the telephone whole day screaming I'm investing, "I want to go and open up in Transkei right now, and I need 5million."

I'm not doing that at all because my product still needs to be developed. We understand that, the hubs are got to work. You can't go to the hubs and get there and the people are all like sad and disrespected because there has been a labour dispute. You can't do that. You have to be able to create a sustainable environment.

The gratitude and the bond and the sense of appreciation of a like, that customer is going to be very strong. Much stronger than what it is at the moment. Interns on the site they don't feel like there's a customer you know. They feel like satellites flouting around the organisation. That's just the truth.

So we need to fix that [inaudible] [47:50]

Till: Ok could you maybe tell me something about the investors? Is it likely that they find you or you have to find them? How does it work?

Peter: I make no effort to find investors. I honestly don't, I make no effort to find investors. I've done a lot of campaigning in 12 years for charitable projects. I sat on the telephone and phoned through to donors and spoken to them about NGO'S or community projects or campaigns that have needed money or raised money like that. But in terms of picking up the telephone and phoning investors. Well, I've never done that, we've never done that.

We have found our investors because they found us and we haven't really been looking for investors because the product needs to be, it needs to be ready you know, we need to be able

to sell something with integrity, not something that we haven't really tried through properly and ironed out all the wrinkles and aware of what the challenges are. I think you can ruin yourself if you go to investors too soon and then the investors have to go through the pain and the blood and the tears of some of the start-up challenges. So we haven't really looked for investors, but it's starting to change.

It's starting to change. More and more people are interested in what we do and we starting to produce investable products. (02:00) A year ago I couldn't go to high net individuals and get them to buy an allotment of 10000 trees in advance for R45000 because I didn't have a tree nursery with 40000 trees in it to show them that we could actually make it happen, I was selling vapour ware. Now, someone can come at me and I can show them where we'll put the 10000 trees that they purchase and actually seeing the facility they'll be assured that this is not some hokus pokus idea. So it helps to move the money.

Till: So you sais you are afraid of getting too much money too fast because you couldn't handle it or probably couldn't stabilize it?

Peter: Exactly, I wouldn't even take it. I wouldn't even take it. You know to take investors' money right now and start throwing into doing the spectrum which we can do. We still don't have the interns coming in to manage that project.

So it's a big undertaking to them to coordinate something like that and the materials and oversee it and make sure it happens. Certainly to keep an investor happy, you can't just take R45000 and give it to some guys in a township and tell them to make some trees for you. Do you understand? It's ludicrous to think that.

It's like going to somebody you know has never driven a motorcar in their lives and giving them the keys to your car and saying hey there you go, go and drive around and see what it feels like.(04:00) It's not going to happen.

Till: So how did you find your first interns? How did you have the idea to work with interns?

Peter: I saw a lot of very sick children in the community, thousands of them and I knew that they hadn't been tested medically for HIV or anything and I heard about a hospital in America Beth Israel hospital. I read about it, they were interested similar projects. I got a hold of them and said like hey listen I've got this community, it is a crisis. Those kids would not have died if the would have been checked earlier. That's not even a joke.

And so that immediately turned into large groups of interns coming down to South Africa to work on projects very diligently, without us having to pay for it. It evolved over the years where initially interns would just come in and do this like really critical things for us but over the years we've learned when interns are here (06:00) they like to go up the Garden Route. Like you know Thomas just paid R2500 to go up the Garden Route from Friday to Sunday. So when you got like 20 interns here you say hey guys who wants to go? It's R2500, 4 days up there.

You can generate like honestly R20000 in a weekend just by driving a whole bunch of guys to go surfing in Jeffery's Bay. That's fantastic money.

Till: I would like to get back to the starting phase of your work in the social space. What was your drop before you got ill and then what made you tell the story again? What made you think that you had to help underdeveloped communities? And your way from building Aids orphanages to the helps you doing now?

Peter: That's a long story.

Till: It is?

Peter: I've only been an entrepreneur, (08:00) I haven't ever worked for anybody and as an entrepreneur you always just thinking about what you can do to generate income and sustain it. When I was very young, I started building small companies and then I realized that it was better to make money with money than to try and make money by running businesses. Running, actually running businesses is hard work, you got to work with people and products all the time but if you playing in investments, your investments really do most of the work.

So I was very drawn to the financial services industry and I was very lucky to be able to get into it successfully young and I spent a lot of time in the financial services industry. Also as an entrepreneur basically raising millions of rands and putting them into investments and then I got really sick and when I got sick and in pain. I thought I was going to die. I felt that I'd wasted my life, it was a terrible feeling. I thought about who I was as a person and my personality and what I wanted to achieve and I always wanted to achieve greatness and success, I was very ambitious.

I wanted to be liked and to be popular and to be the good guy, the white and shining armour. My whole life I strived for what I thought was best for me and when I thought I was going to die all of that seemed futile. I don't know why exactly. I don't know why but I woke up every day feeling guilty. Like I'm going to die and I'm going to be accountable for the fact that I've never helped anybody on the planet. I know that there are people out there that need help and I know that the planet needs help and I know that things are actually really bad and probably going to get worse and I didn't do anything about it. It was awful. It drove me crazy almost.

I was asking myself, what I would have done differently in my life. And one of the things that I absolutely knew that I would spend the rest of my life trying to make my life matter for the world. Regardless of what that means for me like if I suddenly felt I had to go live in a poor swatter camp in India, whatever it was, I no longer desired the money and the power and the fame and the luxury and the success.

I felt totally cooled to do something meaningful and there's a lot of poverty in South Africa, so if you want to make a difference it's not like you don't know where to look you know. It's like you know where to look. And when I first (12:00) started going into townships and experiencing poverty. People don't really experience it, we know most people in South Africa, white people, and privileged people don't even go into townships, ever. And if they do drive into a township for whatever reason they don't really experience it, they look but they disengage, they don't look with observing eyes, they look disengaged, you can see it in them.

And when you actually go into a township and you experience poverty and the sickness that goes with it and the suffering that goes with, the anxiety of being poor and desperate and not having money and having sick children and everybody in your community is in the same way and it's like hard to find joy when you suffer so much and yet people do, they still laugh.

TILL: So what would be the solutions to overcome the problems that haven't changed since apartheid and people still work in the same conditions that they did before?

PETER: So the solutions would be that there needs to be more accountability in terms

that giving your money away shouldn't be what you measured against. What you should be measured against should be the output of the money that you gave, that you have a responsibility for the money that you gave away, not just the fact that you gave it away. That would changes a lot and the money should be paid on outputs, not just on measurable outputs, not just on the fact that the project is there and existed, that is how the mechanism should be.

It is problematic to work with people who can't handle money. The quick money is what the people are interested in. That is what makes it so hard to achieve long-term goals. When I realized that *Heart Capital* has not the capabilities of training and working with people from the lowest bottom of the pyramid, I knew that a selective recruitment process will be necessary in order to make the project work sustainable. Unfortunately, townships have their own community rules, which make working within their borders particularly challenging. The township selects and recruits the workforce for any organization within the township. People therefore do not necessarily value the chance of getting a job. It is also not broadly understood that a bad performance at work can lead to a loss of the current position. A mismatch of incentives and difficult work attitudes have often been the result. Consequently, I had to admit that a lot of obstacles can be avoided by working outside the townships.

The system is not going to change, it is too corrupt. You can't even begin to change it slowly, the only way you can change it is if you had to completely change the top structure, because the system is corrupt from the top structure. The money just gets more and more and the only way you going to change the system at the bottom is if you change it at the top, so you talking about reinventing the whole political structure of the country and that is not going to happen. Even if you have an honest broker to come in and be a new leader the corruptors would just have that person removed, there is just too much money being made. You can't change the whole system, you can only change yourself within it. So from my perspective, from Heart Capital perspective, we know how to operate legitimately [02:00]. We know the accountability that is required and we have struggled, very hard, to get to where we are because we have had to play without this corrupt system, but what we hope is going to happen, is that because we are able to give an audit trail and because we believe that there is good money out there. People that actually would rather invest with honest broker and when they do business with us and they get the results that they would like to see, the impact on the ground, the proper financial management, the bank for buck, that they would want to continue investing with us.

TILL: Would elaborate further on the importance and potential of Impact Investing?

PETER: In my opinion, the charge of impact investing is being led by the private investor at the moment. If you go into South Africas markets 95% of the big financial companies don't offer impact investing to their clients. They don't even have a fund for impact investors. So a donor or in the financial perspective, a customer or client of a financial services company, the financial services company don't care what they do with the money they want to give to charity, they really couldn't care because they don't make any money from it [04:00], so why would they be interested in the first place? Secondly if the customer wants to give his money away, then let him give his money away, but what will happen is that there is an emerging asset class globally that is beginning to form in this impact investing arena and it is critically driven at this stage by private investors, that private individuals are having someone to come sit in front of you, like me and say, it is a struggle, it is a real struggle.

I will give you an example, right now, I am trying to engage with three very wealthy people in Stellenbosch to try meet with them because I have some impact investments there. They are not interested in those impact investments from a commercial point of view because they are too small. So if they had to do it, they would do it out of the money there for the capital of the money they were going to give away, but because they are so wealthy, their problem is giving it away to charity, they don't want to have to give it away and get it back in a months' time, no they have so much they just want to give it away to charity. So when I sit in front of them and say don't give your money away to charity, it doesn't create sustainable solutions. I mean validating all of the charitable giving that they have done forever, it is like me saying now, you have done it wrong. They don't like that number one, then I have got to say to them, take that money and don't give it to charity but invest into this because you could get your money back, but they say, well we don't really want our money back. So it is hard to find a person, but you can, because we have succeeded sitting in front of someone who has donated and been giving money away to charity for a long time, he doesn't really see an impact on results and when we sit in front of him and say look, you are a business man. Invest into these projects you going to have the same amount of impact, except it is going to be run like a business. You can actually see your money coming back and when your money comes back, you could re-invest it (06:00) into 2/3 years' time when you get it back so you have more money to give. There is a spark that is happening inside of certain individuals, who think, hey that sounds like a better deal than just lose my money away to charity.

So those if you look globally, the first movers of the impact investment arena are private investors. Like what has happened a few fund firms have popped up, people that have said, hey we recognize that there needs to be money invested into social enterprises. There isn't, you can't go to a financial services advisory company and get funds from them because they don't have them, let us set up a foundation, like acumen, as an example, and what they do is they go to the private investors and say, hey private investors, we can offer you something unique and we invested into social enterprises and that is happening more and more and if you go onto the internet now you will see fund investments popping up all over the show and at the same time, big financial services companies are looking at this and saying, hold on a second, it looks to us like there is a whole new asset class which is emerging because suddenly their clients are coming back to them and saying, hey listen I was talking to my friend on the golf course and he will also give R100 000 away every single month or every year to charity, except what he has just done is he didn't give it to a charity, he invested into a social return and he is getting reports like it is a business and he is getting his money back, can you offer him something like that?

So the financial services company, even around the world, if you look at LGT Bank and I mean all of the big ones, JP Morgan, all of them, they are all creating impact funds. So now they can go to their clients and say hey, yes if you would like to invest we can offer

you an impact investment and so the amount of capital that is going to be available for impact investing is going to grow substantially in the next 5 to 10 years, they say it's going to be a \$500 billion [08:00] industry. So what is happening as an example, LGT Bank, a very famous bank in Europe created an impact investment arm, LGT philanthropy, went to their private clients and say, don't give your money away to charity, put it into impact investing, we will create a fund. You give it to us and we will go invest it to the global market. When it comes to South Africa, there is no qualified institution offering impact investments. Investors can't find the product to invest into because all the projects are too low scale or now scale as there is no capital to fund them. So you have entrepreneurs, social entrepreneurs, trying to demonstrate that they have got a business for social change, but without the capital as they haven't been able to get money from a bank, they haven't been able to get money from a financial service. They haven't been able to get it from grant makers because grant makers cannot give their money to fore profit makers, they have to give it to charities, so a social entrepreneur like me, has a very difficult time trying to launch businesses where there is no capital structure, but the money is there, the private investors have got it, the banks have got it and the moment the rest come together, then it is going to start and it has begun to spark around the world. There are impact investments happening all around the world and it will happen more and more. But at the moment it is frustrating as a social entrepreneur because the guys will say, we will invest into you when you meet our investment criteria, but in the early stages where the risks are so high, social entrepreneurs cannot go back and say well here is 3 years' worth of audited financials and financial history that I am making 20% return per annum, he cannot do that, because he is busy living. So the money says, ok when you can meet our investment criteria, we will give you all the money you want, which is a typical banking response, we will give you money when you don't need it.

So in South Africa you have very few social entrepreneurs [10:00] who actually become investable because they are just too low scale / no scale and trying to grow their business organically. In an environment, which is a very bad environment to do business, like helping poor people is not a lucrative market. Selling alcohol, selling cigarettes, gaming fast consumer goods is lucrative. Helping poor people is not lucrative because poor people can't pay you. So where is the market, it is a very difficult thing.

TILL: So what would you say, how difficult is it for foreign investors to invest into your company? You already told me that it is hard in general to invest in South Africa because it is so low scale, but how is your relationship with the South African authorities and how are the laws about finance?

PETER: The Reserve Bank is very quick to let money into the country, getting money into the country is never a problem. Taking money out of the country is where it becomes more problematic. So for us we can go to a foreign investor and say, yes we accept a loan and the Reserve Bank will get is processed within 2 / 3 days. When you have to pay the loan back, with the interest, the question from the Reserve Bank is what will that interest cover as that is coming out of our economy. So it makes it harder for the investors to get their money out number one. Number two is because the risks are so high, the chances of the loans being defaulted is very high. So in the commercial con-

text an offshore person makes a commercial loan through the Reserve Bank, there is specific loan payments that must (12:00) get paid back, it is contractualised, but the moment you go back and say, ok we were supposed to make our first loan repayment after 3 months, but it has been 3 months and we haven't even gotten our project up and running yet as the gangsters won't let us start the project, then you in default with the investor and in default with the Reserve Bank and then the whole loan contract really becomes null and void. Now you have got a relationship between the investor whose contract is not being honored and yourselves trying to Figuree out how you are going to pay it back and it completely excludes the Reserve Bank because they have got to do, all they know is the money came in, but it hasn't gone out. So those things make it challenging if you were to attract foreign capital investors in South Africa.

What will most likely happen and I am just guessing, that you might find offshore people make donations into a charitable trust and they write it off and then the charitable trust can administer that locally, but yeah I don't know too many offshore investors that are investing into impact investments and getting their money out and it's all flowing nicely.

Which again is a problem for anyone else wanting to do it because there is no, there is nobody that can offer that. So again in our world, when we are able to stand up and say, we have an offshore investor who bought a Franchise license from us, R65000.00 came in, he sold his Franchise in South Africa for R72000.00 and the money got paid out and you disclosed that to the Reserve Bank. The moment you have an investor on the other side that can say, hey I put my money in and I took my money out, then I made a little bit of a return and I made impact that can catch on like wildfire. But I have not seen it happen [14:00]. I have not seen it happen. So you have got this crazy thing, commercial financial market which trades billions billions and billions and you have got this emerging asset class, but I can't sit in front of you and say to you that I know anybody that actually is making it work. It just doesn't exist.

TILL: So your plan for the future is to...

PETER: Make it exist.

TILL: Yeah to have one model which works and upscale it from there?

PETER: Just have one model that works and I am not saying that we are right, but I really think that flipping of the Franchise license is it, because the investors are not making an investment, they are acquiring a Franchise and if we just stick to that, I honestly think we can build an industry out of it. In the stock market you have a few companies listed on the stock exchange, if you want to buy their shares, you trade on the stock exchange that is how it works. Then you can something that is called the OTC market, the over the counter market, where you can buy and sell shares in a company that is not listed. The OTC market is unregulated. If you have watched Wolf of Wall street, they were selling shares on the stock exchange for like a very small percentage and still getting wealthy. When a guy saw these guys selling shares for companies that were off the stock exchange but they were taking 40 - 50 % commission doing the exact same

job and they built an empire from doing that, but there was already a market where he had people phoning up saying, hey I can offer you shares in an unlisted company and people would trade like that, that market exists.

There is no market place for second hand Franchise licenses, it does not exist. When that becomes an option, the market will be created and when it is created I think the market will flood there [16:00]. That is what I see happening, so you looking at creating a whole new structured product. A capital structure is where people access money that is what it is. For students your capital structure is the bank or a student loan or perhaps your parents or maybe you can work, those are your capital structures. For social entrepreneurs there is no capital structure. Granted donations go to NGO's and charities, commercial investments go to companies that qualify for credit, there isn't a capital structure, because there is no capital structure, entrepreneurs, social entrepreneurs, cant access money because there is no funds to access, but more importantly the investors can't put their money into a capital structure because there is no mechanism for them to facilitate it.

So on the one hand you have people that desperately need help, on the other hand you have people that come and say I want to help you, on the other hand you have people who have got all the money in the world to make it happen, but the structures are not put into place that the money can flow. The moment the structures are put into place, the money can flow, if the product isn't, it is not like the investor puts his money in or his Franchise fails and he never gets his money back, because he is never going to tell anybody that it was a successful investment. The moment you get that flow right, then the investments will start pulling in a bit more, a bit more and we have spoken about that bell curve of capital investments where it is tiny for year one, get a bit bigger for year two, by year three they will be sitting down to say, hey listen I actually have 20 million invested in another way that you can invest in another way. Makes sense to you? [18:00] Then you will start to get more fuss, so what I believe what will happen in South Africa, it is just a belief, is that we spent a lot of time in capital in getting the product right and we still haven't gotten it right to be honest. We have got it right in the sense that second tier investors will buy the product, but we haven't got it right yet that the product can actually become self-sustaining, like genuinely, like you know we struggle to make the beneficiary actually a success, but we know that we can sell it off anyway because in the market place no one really cares that the beneficiaries are a success.

Now I am thinking that in South Africa is that within the next five years, you going to have big financial services companies sitting around a table saying, guys, we need to create impact investment funds. It looks good, it shows we care about the planet, our investors have finding impact investments on their own, we are losing them. Every time they go to another firm to find impact investment, they don't do business with us. Let's create a fund. So suddenly you going to get a R50 million [20:00] fund for a big financial services company to create an R100million fund, it is like a 5 second board decision they managing trillions.

Suddenly, all this money is going to be available and I think that when it becomes avail-

able, the fund managers are going to say, so now we have a fund that looks good that we can offer our clients to put into, but what are we going to invest into and they going to struggle to find products. The moment you see, hey hold on a second, we could put R5million into a food security fund at *Heart Capital*, with R5million they could go activate 500 Franchises and the Franchises will all be self-sustaining. We could get our funds back because they could flip those licenses, I think in 5 years' time, I will be sitting with the World Bank and big financial services companies and they will allocating large portions, it won't like someone comes in and wants one Franchise license, they will say, we want to go to Mozambique, we want to buy 100 Franchise licenses in advance, you get the money, you set them up and when they up and running, flip them to donors in Mozambique, let them take up the 45's and 55's, we will get our money back much like Mohammed Eunice did with Garmin Bank, where they make micro loans, but now you have funds that make micro loans, so people put their money into the fund and the fund makes micro loans. In most cases now there is few intermediaries before the actual person [inaudible] 21:38 ok there is your R1000 loan. There is like 3 or 4 financial institutions that are all making money on that before it gets to the person at the bottom and then it is going to be very exciting, because then we really can scale up and make it work.

We know that the hubs are good, we know that they can be sustainable, we know [22:00] that the interns can make them sustainable. The hub is a Franchise, like we put up a Franchise in Transkei it will look exactly the same, but within that Franchise they have to be successful Franchises to make the whole thing really work, not that you considered how to survive on the money you get money from the interns for accommodation that is not the ideal objective. The objective is that the Franchisee must become self-sustaining, that is the end goal. We have got Franchisees that are selling themselves, but they earning very little money and it is because they don't have water, the irrigation, they are doing it with a hosepipe, besides the fact there are other sorts of complexities, they haven't really in my opinion fully been enabled to earn all the money that they need to. That is what we have to get right, when we get that right, it is going to be like shooting ducks in the barrel.

If you look at any successful Franchises or company, they start with one, then they did another one, they did another one, eventually you get one of our investors, I know him personally, he was one of the founding members of an organization called, Pep Stores, they have got 2300 branches in South Africa, so very very successful multi-billion rand company and they started with one, and then then it went to two, three, four and in the last few years of his, before he retired basically, it was ridiculous, they were rolling out like 200 Franchises or 200 stores a year, which is almost one every two days. How is that, like I was sitting in front of him, I was like how do you do that? How do you roll out that many and it is because of this expediential curve that I told you about, eventually they in the business of replicating because they had so many people that wanted to invest into the next one, [24:00] because they could show it was profitable, but it didn't seem like that, they ran the company for 6 years as a small hand to mouth clothing business. When they started out they didn't even have the money to do proper importing you know. They were just making money and selling, making money and selling, but it eventually stuck and I am pretty sure if you look at McDonalds or Burger King or any of them, they have all got the same judicatory. So when I look at the judicatory of how Franchises scale up and I compare that to the judicatory of how asset management companies accumulate their funds under management, they are exactly the same. So when you apply those two together, you are applying two market forces together. It is perfect.

So if you open an asset management company that trades in Franchise licenses and the bell curves match, scale should be a breeze within 2-5 years. In 6 years we should be sitting in front of the World Bank talking to them about taking 5000 Franchises, Franchise licenses, doing like a \$20million [inaudible] 25:29 fund, because that is the scale that it has the ability to get, it is very interesting, we think, we will see.

TILL: I think that was all the questions I had for you. Is there anything you think that is important which we should definitely write about in our paper? [26:00]

PETER: We have touched on all that, but the bottom line would be for me in a summary, is that the market place needs to be created because there is demand for the money, there is demand to place the money and the current structures are corrupt and they don't work for the investor and the investee and it is essential that capital structures that are capable of creating sustainable change are put into place. It is essential and they cannot be put into place with the current system, because the current system is corrupt, which means a new alternative mechanism needs to be put into place and once that is in place, it is a matter of time before the investors taste it, enjoy it and come back for more and come back for more. So you ask me, how do we create systemic change? I believe that the systemic change is that the money shifts and eventually when you have more and more people saying, well I am not going to put my money through this traditional route because I did it for 10 years and I never saw a difference, but I put through this route and I can actually measure it. There is my Franchise, there is my entrepreneur, there is my money back, it is going to scale up and it will scale up in a way which will get what you need. Governance, accountability, return on investments, you know, proper proper business. Then you can really move the needle, because other people will copy you for sure [28:00], for sure. I mean we invested structured products 25 years ago that everybody offers now. It is like the first companies that came out with unit trusts, you know, now everyone has got a unit trust. So that happened too and I think that it will be very exciting for the social space, I really do. Just being on the bleeding edge, is really difficult for us, because we have to be the front firm, we have to think like investment bankers, we have to be the incubator that creates the portfolio projects, we actually have got to be the portfolio projects and we have got to work with the beneficiary on the ground.

So we have to manage that entire supply chain to demonstrate our model works. That is like taking one person and making them the managing director and operations director and sales director and marketing director and human resource director of 6 organizations that are all inter-connected vertically and showing that this entire industry works, but it really is not an industry, it is one person and 200 interns, it is a tall order, it's a tall order. I mean if I had to step into what I am doing now, objectively I would tell myself to run a thousand miles. I mean it would be ridiculous, it would be like seeing a
man walking, carrying a stack of 120 chairs, you know like trying to get it off the ground, saying oh if I just get a little bit further, I am going to be able to get the support that I need to make it happen. The fact that we have been going for 12 years is a miracle, it is a miracle. How do you operate in a market that doesn't exist for 12 years? It has sustained itself. I mean I can tell you massive cash injections from your own side, carry yourself financially [30:00], investing into your model and what you do to keep it propped up to eventually get to a point where it works and where we are at right now, is we are at a point where we can't carry ourselves anymore, because the weight of what we have carried is now too much work. We need to get that scale up funding to bring in the resources and we just at that cusp of not yet really being able to truthfully validate why it works on any in level.

The fund firm doesn't really make money, the incubator doesn't make money, the portfolio ventures don't make money, the beneficiaries are barely scraping by on the ground, so when anybody looks at our model from a financial prospective, they say, so you have got this incredible marketing picture, but the next result in all those line functions are not very attractive, but it is only not attractive because the money is not poured at the top, like out a pinball machine. If you pour the money in the top, the money flows where it needs to go, the whole model works, it is like a Ferrari, but if it doesn't have petrol, it doesn't go very far. So at the moment we built a Ferrari, but we can only travel 5km at a time, because we only get 5km's worth of petrol and we can't stand up and say, this is a high performance sports car because we are going 5km at a time.

So we just have to hope that some magic happens, that we build enough traction on the ground that when we meet somebody that actually have got the funds to say, hey let's put a million euros into this structure, lets fill it up that we actually then get given the chance to run it, that we could properly have guys sitting on the telephone and selling Franchise licenses and guys on the ground making sure and saying, hey that should be turquoise instead of blue, to really demonstrate that the model works and if we get that right, then we will be doing something that no-one else has really done in the world, that is the goal.

TILL: Ok cool.

PETER: Cool man.

TILL: And thank you for this interview Peter.

PETER: Pleasure. [32:30]

10.2 Appendix – Standard Operation Procedure

My Business Tracker



My business gives me all the money I need to provide for myself and my family. I am my own boss. I am building a brighter future for the ones I love. I look after my business because it looks after me.



Instruction: My Contract is your proof that you have been authorised to operate your franchise and that you accept the terms and conditions of the franchisor. Please sign your contract on the first Monday of each month.

I, _____

am the operator and owner of all the vegetables in tunnel_

- I hereby agree to the terms and conditions set out below:
- 1. I will look after the vegetables in my tunnel.
- 2. I am responsible for sweeping, weeding and cleaning my tunnel.
- 3. I will report any damage or problems in my tunnel to the Hub Manager.
- 4. I will keep my tunnel neat and tidy.
- 5. I will sell the vegetables myself, or pay someone to sell them for me.
- 6. I am entitled to take home the money I earn each day.
- 7. I will pay the Hub an agreed fee on all sales to help cover the hub's operational expenses.
- 8. I will help to maintain the communal areas of the hub.
- 9. I will fill out My Business Tracker each day.
- 10.! Will follow the prescribed daily schedule because it is designed to make me succeed in my business.

Signed:_



Instruction: My Business Tracker is designed to help you run your business efficiently and effectively. You must use it every day to record your activity, sales, savings and progress. Follow the guidelines set out below:

On the first Monday of each month:

- I must sign My Contract.
- · I must fill out the Price Table with the Hub Manager.
- I must do a Stock Take.
- I must work out my Savings Plan.

Each day:

- I must fill in the Sales Tracker.
- · I must complete Money In / Money Out.
- · I must update my Savings Plan.
- · I must write down my Orders.

Each week:

- I must do Quality Control.
- I must action my Replant Calculator.
- I must fill in the Weekly Money In / Money out.

On the last day of the month:

- I must work out my Total Money in / Money out.
- I must complete my Summary and present it to the Hub Manager.

			-												
	Value	per	crate/tray/bag	R54	R9	R18	R21	R24	R50	R10	R13				nd the value of your
	Price	per	bunch	R6	R3	R6	R7	R6	R10	R10	R6	R 60	50c		vegetables ar
	Bunches	per	crate/tray/bag	6	с	ę	ę	4	5	, -	2.25	200	~		e on the price of your vith the Hub Manager.
ck take!	Plants per	crate	0	6	15	12	ო	4	5	e	6				Vanager to agree st be confirmed w
is for the sto	Plants	Per	bunch	~	5	4	-	~	.	3	4				I Production I lation and mus
Use th	Product	per	plant	12	Ļ	-	-	12	4	10	-				lb Manager anc ly a recommend
ר Table	Product	per	bunch	12	5	4	-	12	4	30	4				leet with the Hu Bunch is mere
Productio	Vegetable	type		Spinach	Spring onion	Beetroot	Cabbage	Kale	Green pepper	Beans	Turnips	Seeding Trays	Seedling	Loosies	Instruction: Please rr crates. The Price Per



My Schedule

Instruction: My Schedule is a checklist of all the things you need to do each day and week. Try to complete each activity and task in time so that you keep to your schedule.

Weekly Activity				
Day	Task			
Monday	Stock Take & Replant			
Tuesday	Pampering			
Wednesday	Feeding			
Thursday	Cleaning & Weeding			
Friday	Spraying			
Saturday	Harvest & Sell			



Daily Activity	Recommende d time	Duration
Arrive at the hub & attend the Ignition Meeting.	8.00am	20 mins
Open your tunnel.	8.20am	10 mins
Sweep your lanes.	8.30am	15 mins
Water your vegetables.	8.45am	15 mins
Do your daily tasks for the Hub.	9.00am	1 hour
Do your daily tasks for your business.	10.00am	2 hours
Lunch	12.00am	30 mins
Check your order book	12.30pm	15 mins
Harvest veggies for orders and to sell.	12.45pm	45 mins
Fill out the Sales Tracker.	1.30pm	15 mins
Sell your veggies.	1.45pm	2 hours
Record your sales in the Sales Tracker.	3.45pm	15 mins
Pay your Seller and the Hub.	4.00pm	15 mins
Update your Business Tracker.	4.15pm	15 mins
Water your veggies.	4.30pm	15 mins
Close your tunnel door & go home.	4.45pm	

Price Table

Vagatable tupe	Solling price		Crowor's	Seller's	Hub'a
vegetable type	Sening price		Glowers	Seller S	Hub S
			share	Share	Share
Spinach	R	R		R	R
Spring onion	R	R		R	R
Beetroot	R	R		R	R
Cabbage	R	R		R	R
Kale	R	R		R	R
Green pepper	R	R		R	R
Beans	R	R		R	R
Turnips	R	R		R	R
Seeding Trays	R60	R50		R0	R10
Instruction: Meet wit	the Hub Manager and	d		Signed in agreemer	it:
Sellers to agree on the and their fees. You many	ne price of your vegetable oust sign this page as proc	s of	Grower :		
or your agreement.		!	Seller:		
			Hub Manager:		

Activity Chart

	Activity	Tools & Supplies	Frequency	Time each task should take you	Notes
	Watering	Hose	Twice a day	15 minutes	Do this in the early morning & late afternoon.
l o help your	Fooding	Bounce Back	Once a Month	1 hour	Giving your plants nutrients is
to grow	reeding	Worm Tea	Once a Week	1 hour	essential.
	Replanting	Veggie Seedlings	Once a Week	1 hour	You must replant weekly to ensure to stay in full production.
To make your veggies healthy	Spraying	Organic pesticide Organic fungicide	Every 2 Weeks	2 hours	You can spray pesticide and fungicide on the same day. Remove snails & pests. When you spray the plants, you can't touch them for the rest of the day.
-	Pampering	Clippers	Once a Week	1 hour	Remove yellow leaves, top up compost, clean crates, check quality.
To keep	Weeding	Gloves Garden weeder	Once a Week	1 hour	Make this job easier by removing weeds whenever you see them, no matter how small.
your business	Sweeping	Broom	Every day	15 minutes	Sweeping keeps your lanes mud free.
clean	Cleaning	Cloth, soap, bucket Dustbin bag	Once a Week	30 minutes	Site cleaning involves rubbish removal, washing your tunnel, and keeping your tunnel and the surrounding area neat and tidy.



Vegetable Type	Bunches	Seller	rs Price	Total	Money
	Harvested	Cour	t per Bunci	n Rand Value	Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money	Yes:	No:		Signed on sup	ply & receipt of vegetable
Discrepancy:				Grower	
Explanation (if applicable):				Seller:	
				Hub Manager	:
Orders taken:	Yes:	No:		Signed on rec	eipt & payment of monie
				Grower	
How was your o	lay's sales?	8 T	8	Seller:	
					

-

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Never leave your Business Tracker in your tunnel. Always know where it is at all times.

<u>.</u>

Put your Business Tracker away safely after you have taken stock.







Activity Tracker

Monday

Week 1 Day 1

Daily Activity	Time	Actual Time	Duration	Actual Duration
Attend the Ignition Meeting.	8.00am		20 mins	
Open my tunnel & do my inspection	8.20am		10 mins	
Sweep the lanes.	8.30am		15 mins	
Water my vegetables.	8.45am		15 mins	
Do my daily tasks for the Hub.	9.00am		1 hour	
Do my daily tasks for my business.	10.00a m		2 hours	
Lunch	12.00a m		30 mins	
Check my order book	12.30p m		15 mins	
Harvest veggies for orders and to sell.	12.45p m		45 mins	
Fill out my Sales Tracker.	1.30pm		15 mins	
Sell my veggies.	1.45pm		2 hours	
Record my sales in the Sales Tracker.	3.45pm		15 mins	
Pay my Seller and the Hub.	4.00pm		15 mins	
Update my Business Tracker.	4.15pm		15 mins	
Water my veggies.	4.30pm		15 mins	

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Dono
Hub Tasks for the Day	Done
	I
Business Tasks for the Day	Done

Business Tasks for the Day	Done
Do a Stock Take	
Work out my Replant	
Calculator	
Sign My Contract	
Complete the Price Table	
Do My Savings Plan	







Stock Take: Total Value

Rows	Total Rand Value
Row 1	R
Row 2	R
Row 3	R
Row 4	R
Row 5	R
Row 6	R
Row 7	R

My business is worth this much!

Total Rand Value of
Tunnel
R

If you look after your business your business will look after you!

Monday



Monday

Week 1

Day 1



Week 1: Replant Calculator

Vegetable Type:	
Number of seedlings needed:	
Can I buy a tray?	
Do I need a partner? Or should I buy loosies?	
How much will these seedlings cost?	R

Vegetable Type:	
Number of seedlings needed:	
Can I buy a tray?	
Do I need a partner? Or should I buy loosies?	
How much will these seedlings cost?	R

ator	R60 fc 50 cer	or tray of 200 nts for single seedling
Vegetable Type:		
Number of seedlings ne		
Can I buy a tray?		
Do I need a partner? Or should I buy loosies?		
How much will these se cost?	R	

Prices:

Week 1

Day 1

Vegetable Type:	
Number of seedlings needed:	
Can I buy a tray?	
Do I need a partner? Or should I buy loosies?	
How much will these seedlings cost?	R

R

Total Money I Need to Buy Seedlings is ...



Plants per crate	<u> </u> _	Plants per bunch		Bunches per crate			
					W	hen can vegetal	I sell my ples?
		~	₩		We U Re	eeks ntil eady	Number of Crates
	This i	s what		Number of crates			
\geq	wo	orth!					
4	<`	~	-				
Total Rand		Price per bunch	\sim	Total Stock			
value			~~				



Week 1 Tuesday

K	1		Day	y i	2	

NO

Ro	w 1	Rov	v 2	Ro	Row 3		Row 3		Row 4			Ro	w 5	
Is there a with your v	a problem vegetables?	Is there a with your	a problem vegetables?	Is there a with your	Is there a problem with your vegetables?		Is there a problem Is there a problem with your vegetables?		ables? Is there a problem with your vegetables?		m Is there a problem Is there with your vegetables?		Is there a with your v	problem egetables?
YES	NO	YES	NO	YES	NO	YE	S	NO	L F	YES	NO			
Are there snails or the	e insects, marks on em?	Are ther snails or the	e insects, marks on em?	Are then snails or the	Are there insects, snails or marks on them?		Are there insects, snails or marks on them?		there ils or the	e insects, marks on m?		Are there snails or the	e insects, marks on m?	
YES	NO	YES	NO	YES	NO	YE	S	NO		YES	NO			
Do they r spra	need to be yed?	Do they i spra	need to be ayed?	Do they r spra	Do they need to be sprayed?		Do they need to be sprayed?			Do they n spra	eed to be yed?			
YES	NO	YES	NO	YES	NO	YE	S	NO	L F	YES	NO			
Are they	/ yellow?	Are the	y yellow?	Are the	y yellow?	Are	Are they yellow?		Are they vellow?					
YES	NO	YES	NO	YES	NO	YE	s	NO	L F	YES	NO			
Does this week	row need ding?	Does this wee	s row need ding?	Does this wee	s row need ding?	w need Does this row n g? weeding?		row need ding?	Does this row need weeding?		row need			
YES	NO	YES	NO	YES	NO	YE	S	NO		YES	NO			
Are you mes	ur crates ssy?	Are you me	Are your crates messy? Are your crates messy?		your crates Are nessy?		Ar	e you mes	ir crates ssy?		Are you mes	r crates ssy?		
YES	NO	YES	NO	YES	NO	YE	S	NO		YES	NO			
Have you	told Frank?	Have you	told Frank?	Have you	told Frank?	Have	you 1	old Frank?		Have you t	old Frank?			
YES	NO	YES	NO	YES	NO	YE	S	NO		YES	NO			
Notes:														



Activity Tracker

Tuesday

Day 2 Week 1

					Morning
Daily Activity	Time	Actual	Duration	Actual	Any holes in
		Time		Duration	Any water
Attend the Ignition Meeting.	8.00am		20 mins		tur
Open my tunnel & do my inspection	8.20am		10 mins		Any doors ne
Sweep the lanes.	8.30am		15 mins		Any noticeab
Water my vegetables.	8.45am		15 mins		If so, what?
Do my daily tasks for the Hub.	9.00am		1 hour		
Do my daily tasks for my business.	10.00a m		2 hours		Hub Tasks
Lunch	12.00a m		30 mins		
Check my order book	12.30p m		15 mins		
Harvest veggies for orders and to sell.	12.45p m		45 mins		Business Ta
Fill out my Sales Tracker.	1.30pm		15 mins		Pampering
Sell my veggies.	1.45pm		2 hours		Remove yelle
Record my sales in the Sales Tracker.	3.45pm		15 mins		Top up comp
Pay my Seller and the Hub.	4.00pm		15 mins		Do Quanty o
Update my Business Tracker.	4.15pm		15 mins		
Water my veggies.	4.30pm		15 mins		

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done
Business Tasks for the Day	Done
Pampering	
Remove yellow leaves	
Clean crates	
Top up compost	



	G	Quality C	control		Tue	sday	Week	1 [Day 2								
Ro	w 6	Rov	N 7	Ro	w 8	R	ow 9	Rc	w 10								
Is there a with your v	a problem vegetables?	Is there with your	a problem vegetables?	Is there a with your	Is there a problem with your vegetables?		Is there a problem with your vegetables?		Is there a problem with your vegetables?		Is there a problem with your vegetables?		Is there a problem with your vegetables?		e a problem r vegetables?	Is there with your	a problem vegetables?
YES	NO	YES	NO	YES	NO	YES	NO	VES	NO								
Are there snails or	Are there insects, mails or marks on		Are there insects, snails or marks on		Are there insects, snails or marks on		ere insects, or marks on	Are the	re insects,								
the	em?	the	em?	the	em?	t	hem?	shalls of	om?								
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO								
Do they r spra	need to be iyed?	Do they spra	Do they need to be sprayed? Do they need to be sprayed?		Do they sp	need to be rayed?	Do they need to be										
YES	NO	YES	NO	YES	NO	YES	NO	VEC									
Are they	y yellow?	Are the	y yellow?	Are the	y yellow?	Are th	ey yellow?	Are the									
YES	NO	YES	NO	YES	NO	VES	NO	VES									
Does this wee	Does this row need weeding?		Does this row need weeding?		Does this row need weeding?		is row need eding?	Does this wee	s row need								
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO								
Are you me	ur crates ssy?	Are you me	Are your crates messy? Are your crates messy?		Are your crates Are your crates Are your crates messy? messy? messy?		our crates essy?	Are your crates messy?									
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO								
Have you	told Frank?	Have you	Have you told Frank?		told Frank?	Have yo	u told Frank?	Have you	told Frank?								
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO								

Sales Tracker

Week 1

Day 2

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money Discrepancy: Explanation	Yes:	No:	_	Signed on supply & Grower :	k receipt of vegetables:
(if applicable):			-	Seller:	
			-	Hub Manager:	
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies:
				Grower :	
How was your o	day's sales?			Seller:	
			•	Hub Manager:	

Tuesday

Notes:

7 Activity Tracker

Thursday

Week 1 Day 4

Daily Activity	Time	Actual Time	Duration	Actual Duration
Attend the Ignition Meeting.	8.00am		20 mins	
Open my tunnel & do my inspection	8.20am		10 mins	
Sweep the lanes.	8.30am		15 mins	
Water my vegetables.	8.45am		15 mins	
Do my daily tasks for the Hub.	9.00am		1 hour	
Do my daily tasks for my business.	10.00a m		2 hours	
Lunch	12.00a m		30 mins	
Check my order book	12.30p m		15 mins	
Harvest veggies for orders and to sell.	12.45p m		45 mins	
Fill out my Sales Tracker.	1.30pm		15 mins	
Sell my veggies.	1.45pm		2 hours	
Record my sales in the Sales Tracker.	3.45pm		15 mins	
Pay my Seller and the Hub.	4.00pm		15 mins	
Update my Business Tracker.	4.15pm		15 mins	
Water my veggies.	4.30pm		15 mins	

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done
Business Tasks for the Day	Done
Remove Rubbish	
Wash your tunnel	
Clean around your tunnel	

Day 4

A	A

ctivity Tracker

Wednesday

Week 1 Day 3

					Morning Inspec
Daily Activity	Time	Actual	Duration	Actual	Any holes in my tun
		Time		Duration	Any water in side
Attend the Ignition Meeting.	8.00am		20 mins		tunnel?
Open my tunnel & do my inspection	8.20am		10 mins		Any doors need fixin
Sweep the lanes.	8.30am		15 mins		Any noticeable prob
Water my vegetables.	8.45am		15 mins		If so, what?
Do my daily tasks for the Hub.	9.00am		1 hour		
Do my daily tasks for my business.	10.00a m		2 hours		Hub Tasks for the
Lunch	12.00a m		30 mins		
Check my order book	12.30p m		15 mins		
Harvest veggies for orders and to sell.	12.45p m		45 mins		Business Tasks for
Fill out my Sales Tracker.	1.30pm		15 mins		Make worm tea mix
Sell my veggies.	1.45pm		2 hours		Pour worm tea into o
Record my sales in the Sales Tracker.	3.45pm		15 mins		Pack worm tea away
Pay my Seller and the Hub.	4.00pm		15 mins		
Update my Business Tracker.	4.15pm		15 mins		
Water my veggies.	4.30pm		15 mins		

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done
Business Tasks for the Day	Done
Make worm tea mix	
Pour worm tea into crates	
Pack worm tea away	



Sales Tracker

Thursday Week 1

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money	Yes:	No:		Signed on supply a	& receipt of vegetables:
Discrepancy: Explanation			-	Grower :	
(if applicable):			-	Seller:	
			-	Hub Manager:	
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies:
		_		Grower :	
How was your	day's sales?		48	Seller:	
				Hub Manager:	

Sales Tracker 20

Wednesday

Day 3

Week 1

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money Discrepancy: Explanation	Yes:	No:	_	Signed on supply 8 Grower :	& receipt of vegetables:
(if applicable):			_	Seller:	
			-	Hub Manager:	
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies:
		_		Grower :	
How was your	day's sales?			Seller:	
			•	Hub Manager:	

	Write down any lessons learned from Week One
Time management?	
Crop Management?	
Sales Management?	
Money Management?	
Savings	
Management?	
Hub Management?	
Administration?	

WEEK 2

Instruction: Always start your Week by doing a quick Stock Take and the Replant Calculator. You don't need to fill out any paperwork, but you must check that the stock take that you did at the beginning of the month is still valid. Make any necessary changes, if necessarv



7	
	Activ

vity Tracker

Friday Week 1

Day 5

					Morning Ins
Daily Activity	Time	Actual	Duration	Actual	Any holes in my
		Time		Duration	Any water in s
Attend the Ignition Meeting.	8.00am		20 mins		tunnel
Open my tunnel & do my inspection	8.20am		10 mins		Any doors need
Sweep the lanes.	8.30am		15 mins		Any noticeable p
Water my vegetables.	8.45am		15 mins		If so, what?
Do my daily tasks for the Hub.	9.00am		1 hour		
Do my daily tasks for my business.	10.00a m		2 hours		Hub Tasks for
Lunch	12.00a m		30 mins		
Check my order book	12.30p m		15 mins		
Harvest veggies for orders and to sell.	12.45p m		45 mins		Business Tasks
Fill out my Sales Tracker.	1.30pm		15 mins		Spray with Fung
Sell my veggies.	1.45pm		2 hours		Spray with Pesti
Record my sales in the Sales	3.45pm		15 mins		Put spay equipm Do not touch
Day my Caller and the Link	4.00mm		4E mins		spr
Pay my Seller and the Hub.	4.00pm		io mins		
Update my Business Tracker.	4.15pm		15 mins		
Water my veggies.	4.30pm		15 mins		
				-	





Activity Tracker

Monday

Week 2 Day 6

Calculator Sign My Contract Complete the Price Table Do My Savings Plan

Daily Activity	Time	Actual Time	Duration	Actual Duration
Attend the Ignition Meeting.	8.00am		20 mins	
Open my tunnel & do my inspection	8.20am		10 mins	
Sweep the lanes.	8.30am		15 mins	
Water my vegetables.	8.45am		15 mins	
Do my daily tasks for the Hub.	9.00am		1 hour	
Do my daily tasks for my business.	10.00a m		2 hours	
Lunch	12.00a m		30 mins	
Check my order book	12.30p m		15 mins	
Harvest veggies for orders and to sell.	12.45p m		45 mins	
Fill out my Sales Tracker.	1.30pm		15 mins	
Sell my veggies.	1.45pm		2 hours	
Record my sales in the Sales Tracker.	3.45pm		15 mins	
Pay my Seller and the Hub.	4.00pm		15 mins	
Update my Business Tracker.	4.15pm		15 mins	
Water my veggies.	4.30pm		15 mins	

	N/ / NI
Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day Business Tasks for the Day	Done
Hub Tasks for the Day Business Tasks for the Day Do a Stock Take	Done

Spin
Beet
Bea

(5)		
	2	
	2	
)

Sales Tracker

Week 1

Day 5

					-		-
Vegetable Type	Bunch Harves	es ted	Selle Cou	ers Int	Price per Bunch	Total Rand Value	Money Received
Spinach:					R	R	R
Beetroot:					R	R	R
Beans					R	R	R
Green Pepper:					R	R	R
Spring Onion:					R	R	R
					R	R	R
					R	R	R
TOTALS:						R	R
Money Discrepancy:	Yes:		No:			Signed on supply	& receipt of vegetables:
Explanation						Grower .	
(if applicable):	-				-	Seller:	
					-	Hub Manager:	
Orders taken:	Yes:		No:			Signed on receipt	& payment of monies:
						Grower :	
How was your day's sales?					Seller:		
						Hub Manager:	

Friday



Tuesday

Week 2 Day 7

Time	Actual Time	Duration	Actual Duration
8.00am		20 mins	
8.20am		10 mins	
8.30am		15 mins	
8.45am		15 mins	
9.00am		1 hour	
10.00a m		2 hours	
12.00a m		30 mins	
12.30p m		15 mins	
12.45p m		45 mins	
1.30pm		15 mins	
1.45pm		2 hours	
3.45pm		15 mins	
4.00pm		15 mins	
4.15pm		15 mins	
4.30pm		15 mins	
	8.00am 8.20am 8.20am 8.30am 8.45am 9.00am 10.00a m 12.00a m 12.30p m 12.45p m 1.30pm 1.45pm 3.45pm 4.00pm 4.15pm	Time 8.00am 8.20am 8.30am 8.30am 8.45am 9.00am 10.00a m 12.00a m 12.30p m 12.45p m 1.30pm 1.45pm 3.45pm 4.00pm 4.30pm	Time Junction 8.00am 20 mins 8.20am 10 mins 8.30am 15 mins 8.45am 15 mins 9.00am 1 hour 10.00a 2 hours 110.00a 2 hours 12.00a 30 mins 12.30p 15 mins 12.45p 45 mins 1.30pm 15 mins 1.45pm 2 hours 3.45pm 15 mins 4.00pm 15 mins 4.30pm 15 mins

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day Hub Tasks for the Day Business Tasks for the Day Pampering	Done
Hub Tasks for the Day Business Tasks for the Day Pampering Remove yellow leaves	Done
Hub Tasks for the Day Business Tasks for the Day Pampering Remove yellow leaves Clean crates	Done

Day 7

0	
	Sale

s Tracker

Sales	s Tracker		Monda	y Week	2 Day 6	
Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received	
Spinach:			R	R	R	
Beetroot:			R	R	R	
Beans			R	R	R	
Green Pepper:			R	R	R	
Spring Onion:			R	R	R	
			R	R	R	
			R	R	R	
TOTALS:				R	R	
Money	Yes:	No:		Signed on supply &	& receipt of vegetables:	
Discrepancy: Explanation			-	Grower :		
(if applicable):			-	Seller:		
			_	Hub Manager:		
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies:	
				Grower :		
How was your day's sales?				Seller:		
				Hub Manager:		



Sales Tracker

Tuesday Week 2

Do Quality Control

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money Discrepancy: Explanation	Yes:	No:	_	Signed on supply 8 Grower :	& receipt of vegetables:
(if applicable):			_	Seller:	
			_	Hub Manager:	
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies:
				Grower :	
How was your o	day's sales?			Seller:	
			V	Hub Manager:	



Week 2: Replant Calculator

Vegetable Type:	
Number of seedlings needed:	
Can I buy a tray?	
Do I need a partner? Or should I buy loosies?	
How much will these seedlings cost?	R

Vegetable Type:	
Number of seedlings needed:	
Can I buy a tray?	
Do I need a partner? Or should I buy loosies?	
How much will these seedlings cost?	R

Vegetable Type:	
Number of seedlings needed:	
Can I buy a tray?	
Do I need a partner? Or should I buy loosies?	
How much will these seedlings cost?	R



Total Money I Need to Buy Seedlings is ... R

Monday Week 2 Day 6

> Prices: R60 for tray of 200 50 cents for single seedling



Wednesday

Week 2 Day 8

Daily Activity	Time	Actual Time	Duration	Actual Duration
Attend the Ignition Meeting.	8.00am		20 mins	
Open my tunnel & do my inspection	8.20am		10 mins	
Sweep the lanes.	8.30am		15 mins	
Water my vegetables.	8.45am		15 mins	
Do my daily tasks for the Hub.	9.00am		1 hour	
Do my daily tasks for my business.	10.00a m		2 hours	
Lunch	12.00a m		30 mins	
Check my order book	12.30p m		15 mins	
Harvest veggies for orders and to sell.	12.45p m		45 mins	
Fill out my Sales Tracker.	1.30pm		15 mins	
Sell my veggies.	1.45pm		2 hours	
Record my sales in the Sales Tracker.	3.45pm		15 mins	
Pay my Seller and the Hub.	4.00pm		15 mins	
Update my Business Tracker.	4.15pm		15 mins	
Water my veggies.	4.30pm		15 mins	
· · · · · · · · · · · · · · · · · · ·	1	1	1	1

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done
Business Tasks for the Day	Done
Business Tasks for the Day Make worm tea mix	Done
Business Tasks for the Day Make worm tea mix Pour worm tea into crates	Done

Day 8



Quality Control

Tuesday Week 2

Ro	w 1	Rov	v 2	Ro	w 3	Ro	w 4	Ro	w 5		
Is there a	problem	Is there a	Is there a problem		Is there a problem		Is there a problem		Is there a problem		
with your v	vegetables?	with your	vegetables?	with your v	with your vegetables?		with your vegetables?		with your vegetables?		
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO		
Are there	e insects,	Are there	Are there insects,		Are there insects,		Are there insects,		e insects		
snails or	marks on	snails or	marks on	snails or	marks on	snails or	marks on	Arctific	e maetra an		
the	em?	the	em?	the	them? them?		em?	shalls or	snalls or marks on		
YES	NO	YES	NO	YES	NO	YES	NO	U IR			
Do they r	need to be	Do they r	eed to be	Do they r	eed to be	Do they r	need to be	YES	NO		
enra	ved2	enra	ved2	enra	corrayod?		wed?	Do they need to be			
Зріа	yeu:	Spia	yeu:	Spia	yeu:	Spie	Sprayeu:		iyed?		
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO		
Are they	/ yellow?	Are they	yellow?	Are they yellow?		Are the	Are they yellow?		v vellow?		
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO		
Does this	row need	Does this	row need	Does this	row need	Does this	rowneed	Doos this	row pood		
weed	ding?	wee	ding?	weed	weeding?		ding?	wee	ding?		
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO		
Are you	ir crates	Are you	ir crates	Are you	Are your crates Are your cra		ur crates	Are you	ur crates		
mes	ssy?	me	ssy?	mes	messy?		messy?		ssy?	me	ssy?
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO		
Have you t	told Frank?	Have you	Have you told Frank?		Have you told Frank?		told Frank?	Have you	told Frank?		
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO		
Notes:											

Sales Tracker an

Wednesday Week 2

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money	Yes:	No:		Signed on supply 8	& receipt of vegetables:
Discrepancy:			_	Grower	
(if applicable):			-	Seller:	
			-	Hub Manager:	
Orders taken:	Yes:	No:	1	Signed on receipt	& payment of monies:
				Grower :	
How was your	day's sales?			Seller:	
				Hub Manager:	



Row 6

Quality Control

Row 7

Tuesday

Week 2

Day 7

NO

Day 7

Is there a	problem	Is there a	problem	
with your v	egetables?	with your v	regetables?	
YES	NO	YES NO		
Are there	e insects,	Are there	e insects,	
snails or	marks on	snails or	marks on	
the	m?	the	m?	
YES	NO	YES	NO	
Do they n	eed to be	Do they n	eed to be	
sprayed?		spra	yed?	
YES	NO	YES	NO	
Are they yellow?		Are they	yellow?	
YES	NO	YES	NO	
Does this	row need	Does this	row need	
weed	ding?	weeding?		
YES	NO	YES	NO	
Are you	r crates	Are you	r crates	
mes	ssy?	mes	ssy?	
YES	NO	YES	NO	
Have you told Frank?		Have you t	old Frank?	
YES	NO	YES	NO	

	Ro	w 8		Row 9			Ro	w 10		
	Is there a with your v	problem vegetables?		Is there a problem with your vegetables?			Is there a with your v	problem egetables?		
	YES	NO		YES	NO		VES	NO		
	Are there snails or the	e insects, marks on m?		Are there snails or the	Are there insects, snails or marks on them?		Are there insects, snails or marks on			
	YES	NO		YES	NO		YES	NO		
	Do they n spra	ieed to be yed?		Do they need to be sprayed?			Do they n	eed to be		
	YES	NO		YES	NO		VES	NO		
	Are they	yellow?		Are they yellow?		Are they yellow?			Are they	vellow?
_	YES	NO		YES	NO		YES	NO		
	Does this weed	row need ding?		Does this weed	row need ling?		Does this weed	row need ling?		
1	YES	NO		YES	NO		YES	NO		
	Are you mes	ir crates ssy?		Are your crates messy?			Are you mes	r crates sy?		
	YES	NO		YES	NO		YES	NO		
	Have you t	old Frank?		Have you t	old Frank?		Have you t	old Frank?		
1	YES	NO		YES	NO		YES	NO		

Notes:



Friday

Day 10 Week 2

Daily Activity	Time	Actual Time	Duration	Actual Duration
Attend the Ignition Meeting.	8.00am		20 mins	
Open my tunnel & do my inspection	8.20am		10 mins	
Sweep the lanes.	8.30am		15 mins	
Water my vegetables.	8.45am		15 mins	
Do my daily tasks for the Hub.	9.00am		1 hour	
Do my daily tasks for my business.	10.00a m		2 hours	
Lunch	12.00a m		30 mins	
Check my order book	12.30p m		15 mins	
Harvest veggies for orders and to sell.	12.45p m		45 mins	
Fill out my Sales Tracker.	1.30pm		15 mins	
Sell my veggies.	1.45pm		2 hours	
Record my sales in the Sales Tracker.	3.45pm		15 mins	
Pay my Seller and the Hub.	4.00pm		15 mins	
Update my Business Tracker.	4.15pm		15 mins	
Water my veggies.	4.30pm		15 mins	
	1	1	1	1

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done
Business Tasks for the Day	Done
Spray with Fungicides	
Spray with Pesticides	
Put spay equipment away	
Do not touch your veggie	s after
spraying.	



Activity Tracker

Thursday

Week 2 Day 9

					Morning Inspe
Daily Activity	Time	Actual	Duration	Actual	Any holes in my tu
		Time		Duration	Any water in sid
Attend the Ignition Meeting.	8.00am		20 mins		tunnel?
Open my tunnel & do my inspection	8.20am		10 mins		Any doors need fix
Sweep the lanes	8.30am		15 mins		Any rubbish to ren
	0.45		45 mins		If so what?
vvater my vegetables.	8.45am		15 mins		11 00, WHAT
Do my daily tasks for the Hub.	9.00am		1 hour		
Do my daily tasks for my business.	10.00a		2 hours		
	m				Hub Tasks for t
Lunch	12.00a		30 mins		
	m				
Check my order book	12.30p		15 mins		
	m				
Harvest veggies for orders and to	12.45p		45 mins		
sell.	m				Business Tasks fo
Fill out my Sales Tracker.	1.30pm		15 mins		Remove Rubbish
Sell my veggies.	1.45pm		2 hours		Wash your tunnel
Becard my calco in the Saloo	2.45nm		15 mino		Clean around you
Tracker.	3.45pm		15 111115		
Pay my Seller and the Hub.	4.00pm		15 mins		
Update my Business Tracker.	4.15pm		15 mins		
Water my veggies	4 30pm		15 mins		





Sales Tracker

Week 2 Day 10

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money Discrepancy:	Yes:	No:		Signed on supply a Grower :	& receipt of vegetables:
Explanation (if applicable):			_	Seller:	
			-	Hub Manager:	
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies:
				Grower :	
How was your	day's sales?			Seller:	
				Hub Manager:	

Friday

Sales Tracker 20

Thursday

Week 2 Day 9

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money Discrepancy: Explanation	Yes:	No:		Signed on supply a Grower :	& receipt of vegetable
(if applicable):			-	Seller:	
			-	Hub Manager:	
Orders taken:	Yes:	No:	=	Signed on receipt	& payment of monie
		_		Grower :	
How was your o	day's sales?			Seller:	
			•	Hub Manager:	

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money Discrepancy:	Yes:	No:		Signed on supply &	k receipt of vegetables
Explanation (if applicable):		• •		Seller:	
			_	Hub Manager:	
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies
				Grower :	
How was your o	day's sales?		<u> </u>	Seller:	
				Hub Manager:	

Write down any lessons learned from Week Two Time management? Crop Management? Sales Management? Money Management? Savings Management? Hub Management? Administration?



Monday

Actual

Duration

Duration



-

Week 3: Replant Calculator

Vegetable Type:	
Number of seedlings needed:	
Can I buy a tray?	
Do I need a partner? Or should I buy loosies?	
How much will these seedlings cost?	R

Vegetable Type:	
Number of seedlings needed:	
Can I buy a tray?	
Do I need a partner? Or should I buy loosies?	
How much will these seedlings cost?	R

ator	R60 fc 50 cer	or tray of 200 nts for single seedling
Vegetable Type:		
Number of seedlings needlings		
Can I buy a tray?		
Do I need a partner? Or should I buy loosies?		
How much will these seedlings cost?		R

Prices:

Week 3

Monday

Vegetable Type:	
Number of seedlings needed:	
Can I buy a tray?	
Do I need a partner? Or should I buy loosies?	
How much will these seedlings cost?	R

Total Money I Need to Buy Seedlings is ... $\mid R$

tray of 200	
s for single seedling	

single seedling	

Day 11

X

Daily Activity

Attend the Ignition Meeting.	8.00am	20 mins	
Open my tunnel & do my inspection	8.20am	10 mins	
Sweep the lanes.	8.30am	15 mins	
Water my vegetables.	8.45am	15 mins	
Do my daily tasks for the Hub.	9.00am	1 hour	
Do my daily tasks for my business.	10.00a m	2 hours	
Lunch	12.00a m	30 mins	
Check my order book	12.30p m	15 mins	
Harvest veggies for orders and to sell.	12.45p m	45 mins	
Fill out my Sales Tracker.	1.30pm	15 mins	
Sell my veggies.	1.45pm	2 hours	
Record my sales in the Sales Tracker.	3.45pm	15 mins	
Pay my Seller and the Hub.	4.00pm	15 mins	
Update my Business Tracker.	4.15pm	15 mins	
Water my veggies.	4.30pm	15 mins	

Time

Actual

Time

Activity Tracker

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done

Day 11

Week 3

Done



YES NO

Do they need to be

sprayed?

YES NO

Are they yellow?

Does this row need

weeding?

YES NO

Are your crates

messy?

Have you told Frank?

NO

NO

NO

YES

YES

YES

Notes:

Quality Control						Tue	s	lay	Week	3
Row 1 Row 2			Row 3			Row 4				
Is there a problem with your vegetables?			Is there a problem with your vegetables?		Is there a problem with your vegetables?		Is there a problem s? with your vegetables		problem egetables?	
YES	NO		YES	NO	YES	NO		YES	NO	
Are there	Are there insects,		Are there insects,		Are there insects,		I	Are there	e insects,	
snails or	marks on		snails or	marks on	snails or marks on		snails or marks on snails or mar		marks on	
the	m?		the	m?	the	m?		the	m?	

YES

YES

YES

YES

YES

YES

NO

NO

NO

NO

NO

NO

Do they need to be

sprayed?

Are they yellow?

Does this row need

weeding?

Are your crates

messy?

Have you told Frank?

Row 4			Ro	w 5	
Is there a problem			Is there a problem		
with your v	egetables?		with your v	egetables?	
YES	NO		VES	NO	
Are there	e insects,		Are there	insects	
snails or	marks on		Alethere		
the	m2		snalls or	marks on	
VEC			the	m?	
YES	NO		YES	NO	
Do they n	eed to be		Do they n	eed to be	
spra	yed?		spra	yed?	
YES	NO		YES NO		
Are they	yellow?		Are they yellow		
YES	NO		YES	NO	
Does this	row need		Does this	row need	
weed	ding?		weed	ling?	
YES	NO		YES	NO	
Are your crates			Are you	r crates	
mes	ssy?		mes	ssy?	
YES	NO		YES	NO	
Have you told Frank?			Have you t	old Frank?	
YES	NO		YES	NO	

Day 12



Activity Tracker

Tuesday

Week 3 Day 12

			-		Morning Inspection
Daily Activity	Time	Actual Time	Duration	Actual Duration	Any holes in my tunnel? Any water in side of m
Attend the Ignition Meeting.	8.00am		20 mins		tunnel?
Open my tunnel & do my inspection	8.20am		10 mins		Any doors need fixing?
Sweep the lanes.	8.30am		15 mins		Any noticeable problems
Water my vegetables.	8.45am		15 mins		If so, what?
Do my daily tasks for the Hub.	9.00am		1 hour		
Do my daily tasks for my business.	10.00a m		2 hours		Hub Tasks for the Da
Lunch	12.00a m		30 mins		
Check my order book	12.30p m		15 mins		
Harvest veggies for orders and to sell.	12.45p m		45 mins		Business Tasks for the
Fill out my Sales Tracker.	1.30pm		15 mins		Pampering
Sell my veggies.	1.45pm		2 hours		Remove yellow leaves
Record my sales in the Sales Tracker.	3.45pm		15 mins		Top up compost
Pay my Seller and the Hub.	4.00pm		15 mins		Do Quality Control
Update my Business Tracker.	4.15pm		15 mins		
Water my veggies.	4.30pm		15 mins		

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done
Business Tasks for the Day	Done
Pampering	
Remove yellow leaves	
Clean crates	
Top up compost	
Do Quality Control	



Quality	Control	

YES NO

Do they need to be

sprayed?

YES NO

Are they yellow?

YES NO

Does this row need

weeding?

YES NO

Are your crates

messy?

YES NO

Have you told Frank?

NO

YES

Tuesday

Day 12 Week 3

Ro	Row 6		Row 7		Row 8		Row 9		ow 10	
Is there a with your y	problem	Is there a with your y	problem regetables?	Is there with your	here a problem Is there a problem Is the vour vegetables? with your vegetables?		Is there a problem Is with your vegetables?		Is there a problem with your vegetables?	
VEC				NEC.		VEC				
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	
Are there	e insects,	Are there	e insects,	Are ther	e insects,	Are ther	e insects,	Are the	re insects.	
snails or	marks on	snails or	marks on	snails or	marks on	snails or	marks on	snails o	r marks on	
the	m?	the	m?	the	em?	the	em?	the strength of the strength o	em?	
YES	NO	YES	NO	YES	NO	YES	NO	VES	NO	
Do they n	eed to be	Do they n	eed to be	Do they i	need to be	Do they	need to be	Do thou	nood to bo	
spra	yed?	spra	yed?	spra	sprayed?		ayed?	so	aved?	
YES	NO	YES	NO	YES	NO	YES	NO	VES		
Are they	yellow?	Are they	yellow?	Are the	y yellow?	Are the	y yellow?	ellow?		
YES	NO	YES	NO	YES	NO	VES	NO	VEC	NO	
Does this	row need	Does this	row need	Does this	row need	Doos this		TE3	no no	
weed	ding?	ina? weedina?		weeding?		Dues this	ding2	Does in	s tow need	
			Ű			wee	uing ?	we	eaing?	
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	
Are you	r crates	Are you	r crates	Are you	ur crates	Are yo	ur crates	Are yo	our crates	
mes	ssy?	mes	ssy?	me	ssy?	me	ssy?	m	essy?	
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	
Have you t	old Frank?	Have you t	old Frank?	Have you	told Frank?	Have you	told Frank?	Have you	told Frank?	
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	
	·	-		•				-	•	

10

Sales Tracker

Tuesday

Day 12

Week 3

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money Discrepancy: Explanation	Yes:	No:	_	Signed on supply & Grower :	& receipt of vegetables:
(if applicable):			-	Seller:	
			_	Hub Manager:	
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies:
		_		Grower :	
How was your o	day's sales?			Seller:	
			•	Hub Manager:	

Notes:



Thursday

Day 14 Week 3

Daily Activity	Time	Actual Time	Duration	Actual Duration
Attend the Ignition Meeting.	8.00am		20 mins	
Open my tunnel & do my inspection	8.20am		10 mins	
Sweep the lanes.	8.30am		15 mins	
Water my vegetables.	8.45am		15 mins	
Do my daily tasks for the Hub.	9.00am		1 hour	
Do my daily tasks for my business.	10.00a m		2 hours	
Lunch	12.00a m		30 mins	
Check my order book	12.30p m		15 mins	
Harvest veggies for orders and to sell.	12.45p m		45 mins	
Fill out my Sales Tracker.	1.30pm		15 mins	
Sell my veggies.	1.45pm		2 hours	
Record my sales in the Sales Tracker.	3.45pm		15 mins	
Pay my Seller and the Hub.	4.00pm		15 mins	
Update my Business Tracker.	4.15pm		15 mins	
Water my veggies.	4.30pm		15 mins	

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done
Business Tasks for the Day	Done
Business Tasks for the Day Remove Rubbish	Done
Business Tasks for the Day Remove Rubbish Wash your tunnel	Done
Business Tasks for the Day Remove Rubbish Wash your tunnel Clean around your tunnel	Done

-	
8	
	Α

Activity Tracker

Wednesday

Week 3 Day 13

Y / N

					Morning Inspection	Y/N
Daily Activity	Time	Actual	Duration	Actual	Any holes in my tunnel?	
		Time		Duration	Any water in side of my	
Attend the Ignition Meeting.	8.00am		20 mins		tunnel?	
Open my tunnel & do my inspection	8 20am		10 mins		Any doors need fixing?	
	0.200111		10 111110		Any rubbish to remove?	
Sweep the lanes.	8.30am		15 mins		Any noticeable problems?	
Water my vegetables.	8.45am		15 mins		If so, what?	
Do my daily tasks for the Hub.	9.00am		1 hour			
Do my daily tasks for my business.	10.00a		2 hours			
	m				Hub Tasks for the Day	Done
Lunch	12.00a		30 mins			
	m					
Check my order book	12.30p		15 mins			
	m					
Harvest veggies for orders and to	12.45p		45 mins			
sell.	m				Business Tasks for the Day	Done
Fill out my Sales Tracker.	1.30pm		15 mins		Make worm tea mix	
Sell my veggies	1.45nm		2 hours		Pour worm tea into crates	
	1.40pm		2 110010		Pack worm tea away	
Tracker.	3.45pm		15 mins			
Pay my Seller and the Hub.	4.00pm		15 mins			
Update my Business Tracker.	4.15pm		15 mins			
Water my veggies.	4.30pm		15 mins			



Sales Tracker

Thursday Week 3 Day 14

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money Discrepancy: Explanation	Yes:	No:	_	Signed on supply 8 Grower :	& receipt of vegetables:
(if applicable):			-	Seller:	
			-	Hub Manager:	
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies:
		_		Grower :	
How was your o	day's sales?			Seller:	
				Hub Manager:	



Sales Tracker

Wednesday

Week 3

Day	13
Manau	

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money Discrepancy: Explanation	Yes:	No:		Signed on supply & Grower :	& receipt of vegetables
(if applicable):			_	Seller:	
			-	Hub Manager:	
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies:
		_		Grower :	
How was your o	day's sales?		4,8	Seller:	
				Hub Manager:	

	Write down any lessons learned from Week Three
Time management?	
Crop Management?	
Sales Management?	
Money Management?	
Savings	
Management?	
Hub Management?	
Administration?	

WEEK 4 0 0 Push your sales! necessary

Instruction: Always start your Week by doing a quick Stock Take and the Replant Calculator. You don't need to fill out any paperwork, but you must check that the stock take that you did at the beginning of the month is still valid. Make any necessary changes, if

X	Act
and the second	ACI

tivity Tracker

Week 3 Friday

Day 15

					Morning Ins
Daily Activity	Time	Actual Time	Duration	Actual Duration	Any holes in my
Attend the Ignition Meeting.	8.00am		20 mins		tunnel
Open my tunnel & do my inspection	8.20am		10 mins		Any doors need
Sweep the lanes.	8.30am		15 mins		Any rubbish to re
Water my vegetables.	8.45am		15 mins		If so, what?
Do my daily tasks for the Hub.	9.00am		1 hour		
Do my daily tasks for my business.	10.00a m		2 hours		Hub Tasks for
Lunch	12.00a m		30 mins		
Check my order book	12.30p m		15 mins		
Harvest veggies for orders and to sell.	12.45p m		45 mins		Business Tasks
Fill out my Sales Tracker.	1.30pm		15 mins		Spray with Fung
Sell my veggies.	1.45pm		2 hours		Spray with Pestic
Record my sales in the Sales Tracker.	3.45pm		15 mins		Do not touch
Pay my Seller and the Hub.	4.00pm		15 mins		spr
Update my Business Tracker.	4.15pm		15 mins		
Water my veggies.	4.30pm		15 mins		





Activity Tracker

Monday

Week 4 **Day 16**

Daily Activity	Time	Actual Time	Duration	Actual Duration
Attend the Ignition Meeting.	8.00am		20 mins	
Open my tunnel & do my inspection	8.20am		10 mins	
Sweep the lanes.	8.30am		15 mins	
Water my vegetables.	8.45am		15 mins	
Do my daily tasks for the Hub.	9.00am		1 hour	
Do my daily tasks for my business.	10.00a m		2 hours	
Lunch	12.00a m		30 mins	
Check my order book	12.30p m		15 mins	
Harvest veggies for orders and to sell.	12.45p m		45 mins	
Fill out my Sales Tracker.	1.30pm		15 mins	
Sell my veggies.	1.45pm		2 hours	
Record my sales in the Sales Tracker.	3.45pm		15 mins	
Pay my Seller and the Hub.	4.00pm		15 mins	
Update my Business Tracker.	4.15pm		15 mins	
Water my veggies.	4.30pm		15 mins	

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day Business Tasks for the Day	Done
Hub Tasks for the Day Business Tasks for the Day Do a Stock Take	Done
Hub Tasks for the Day Hub Tasks for the Day Business Tasks for the Day Do a Stock Take Work out my Replant	Done

Sign My Contract

Do My Savings Plan

Complete the Price Table

20

Sales Tracker

Week 3 **Day 15**

Sellers Vegetable Type Bunches Price Total Money Count per Bunch Rand Value Harvested Received Spinach: R R R Beetroot: R R R Beans R R R R Green Pepper: R R Spring Onion: R R R R R R R R R TOTALS: R R Money Yes: No: Signed on supply & receipt of vegetables: Discrepancy: Grower Explanation (if applicable): Seller: Hub Manager: Orders taken: Yes: No: Signed on receipt & payment of monies: Grower How was your day's sales? ∃) e Seller: Hub Manager:

Friday



Tuesday

Week 4 Day 17

Daily Activity	Time	Actual Time	Duration	Actual Duration
Attend the Ignition Meeting.	8.00am		20 mins	
Open my tunnel & do my inspection	8.20am		10 mins	
Sweep the lanes.	8.30am		15 mins	
Water my vegetables.	8.45am		15 mins	
Do my daily tasks for the Hub.	9.00am		1 hour	
Do my daily tasks for my business.	10.00a m		2 hours	
Lunch	12.00a m		30 mins	
Check my order book	12.30p m		15 mins	
Harvest veggies for orders and to sell.	12.45p m		45 mins	
Fill out my Sales Tracker.	1.30pm		15 mins	
Sell my veggies.	1.45pm		2 hours	
Record my sales in the Sales Tracker.	3.45pm		15 mins	
Pay my Seller and the Hub.	4.00pm		15 mins	
Update my Business Tracker.	4.15pm		15 mins	
Water my veggies.	4.30pm		15 mins	

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done
Business Tasks for the Day	Done
Business Tasks for the Day Pampering	Done
Business Tasks for the Day Pampering Remove yellow leaves	Done
Business Tasks for the Day Pampering Remove yellow leaves Clean crates	Done

Day 17

(3)	
	Sa

les Tracker

Sales	s Tracker	,	Monda	y Week	4 Day 16
Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money	Yes:	No:		Signed on supply &	k receipt of vegetables:
Discrepancy:			_	Grower :	
Explanation (if applicable):			_	Seller:	
,			_	Hub Manager:	
Orders taken:	Yes:	No:	1	Signed on receipt	& payment of monies:
		-		Grower :	
How was your o	tay's sales?		48	Seller:	
				Hub Manager:	



Sales Tracker

Tuesday Week 4

Do Quality Control

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money Discrepancy: Explanation	Yes:	No:	_	Signed on supply & Grower :	& receipt of vegetables:
(if applicable):			-	Seller:	
			-	Hub Manager:	
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies:
		_		Grower :	
How was your o	day's sales?			Seller:	
			•	Hub Manager:	



Week 3: Replant Calculator

Vegetable Type:	
Number of seedlings needed:	
Can I buy a tray?	
Do I need a partner? Or should I buy loosies?	
How much will these seedlings cost?	R

50 66	into for single securing
Vegetable Type:	
Number of conditions readed	
Number of seedings needed:	
Can I buy a tray?	
Do I need a partner? Or should I buy loosies?	
How much will these seedlings cost?	R

Vegetable Type:	
Number of seedlings needed:	
Can I buy a tray?	
Do I need a partner? Or should I buy loosies?	
How much will these seedlings cost?	R



Total Money I Need to Buy Seedlings is ... R

Monday Week 4

Day 16

Prices: R60 for tray of 200 50 cents for single seedling



Wednesday

Day 18 Week 4

Daily Activity	Time	Actual Time	Duration	Actual Duration
Attend the Ignition Meeting.	8.00am		20 mins	
Open my tunnel & do my inspection	8.20am		10 mins	
Sweep the lanes.	8.30am		15 mins	
Water my vegetables.	8.45am		15 mins	
Do my daily tasks for the Hub.	9.00am		1 hour	
Do my daily tasks for my business.	10.00a m		2 hours	
Lunch	12.00a m		30 mins	
Check my order book	12.30p m		15 mins	
Harvest veggies for orders and to sell.	12.45p m		45 mins	
Fill out my Sales Tracker.	1.30pm		15 mins	
Sell my veggies.	1.45pm		2 hours	
Record my sales in the Sales Tracker.	3.45pm		15 mins	
Pay my Seller and the Hub.	4.00pm		15 mins	
Update my Business Tracker.	4.15pm		15 mins	
Water my veggies.	4.30pm		15 mins	

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done
Business Tasks for the Day	Done
Make worm tea mix	
Pour worm tea into crates	

T	Qua

ality Control

Tuesday Week 4

Day 17

Ro	w 1	Rov	v 2	Ro	Row 3		Row 4		w 5		
Is there a with your v	Is there a problem with your vegetables?		Is there a problem with your vegetables?		Is there a problem with your vegetables?		Is there a problem Is there a problem with your vegetables?		problem vegetables?	Is there a with your v	a problem vegetables?
YES	NO	YES	NO	YES	NO	YES	NO	VES	NO		
Are there snails or	e insects, marks on	Are there snails or	Are there insects, snails or marks on snails there?		Are there insects, snails or marks on		Are there insects, snails or marks on		Are there insects, snails or marks on		
YES	NO	YES	NO	YES	NO	YES	NO	the	em?		
Do they r spra	need to be lyed?	Do they r spra	Do they need to be sprayed? spr		need to be ayed?	Do they need to be sprayed?		Do they need to be			
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO		
Are they	yellow?	Are they	Are they yellow?		Are they yellow?		Are they yellow?		Are they yellow?		
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO		
Does this week	row need ding?	Does this week	row need ding?	Does this wee	Does this row need weeding?		row need ding?	Does this week	row need ding?		
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO		
Are you mes	ur crates ssy?	crates Are your crates messy?		Are you me	Are your crates messy?		Are your crates messy?		Are your crates messy?		
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO		
Have you	told Frank?	Have you	Have you told Frank?		told Frank?	Have you t	told Frank?	Have you	told Frank?		
YES	NO	YES	NO	YES	NO	YES	NO	YES	NO		
Notes:		b							•		



Sales Tracker

Wednesday Week 4 Day 18

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money Discrepancy:	Yes:	No:		Signed on supply &	k receipt of vegetables:
Explanation (if applicable):		· · ·	_	Seller:	
			_	Hub Manager:	
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies:
			_	Grower :	
How was your	day's sales?			Seller:	
				Hub Manager:	



Quality Control

Tuesday

Week 4

Day 17

Row	/ 6		Rov	v 7
Is there a p	roblem retables?		Is there a with your y	problem
YES	NO		YES	NO
Are there i	nsects,		Are there	e insects,
snails or m	arks on		snails or	marks on
them	1?		the	m?
YES	NO		YES	NO
Do they nee spraye	Do they need to be sprayed?		Do they need to be sprayed?	
YES	NO		YES	NO
Are they y	ellow?		Are they	yellow?
YES	NO		YES	NO
Does this ro weedir	ow need ng?		Does this row need weeding?	
YES	NO		YES	NO
Are your crates messy?			Are you mes	r crates ssy?
YES	NO		YES	NO
Have you tol		Have you t	old Frank?	
YES	NO		YES	NO

		Row 8		Ro	w 9		Row 10	
		Is there a	problem	Is there a	problem		Is there a	problem
?		with your v	egetables?	with your v	regetables?		with your v	egetables?
		YES	NO	YES	NO		YES	NO
		Are there snails or the	e insects, marks on m?	Are there insects, snails or marks on them?			Are there insects, snails or marks on	
		YES	NO	YES	NO		YES	NO
		Do they need to be sprayed?		Do they need to be sprayed?			Do they need to be spraved?	
		YES	NO	YES	NO		VES	NO
		Are they yellow?		Are they yellow?			Are they	vellow?
		YES	NO	YES	NO		VES	NO
		Does this row need weeding?		Does this row need weeding?			Does this weed	row need
	1	YES	NO	YES	NO	1	YES	NO
		Are your crates messy?		Are your crates messy?			Are you mes	r crates sy?
		YES	NO	YES	NO		YES	NO
•		Have you told Frank?		Have you told Frank?			Have you t	old Frank?
		YES	NO	YES	NO		YES	NO

Notes:



Friday

Week 4 Day 20

Delle Astron	T	A . f 1	Durther	A . 4 1
Daily Activity	Time	Actual Time	Duration	Actual Duration
Attend the Ignition Meeting.	8.00am		20 mins	
Open my tunnel & do my inspection	8.20am		10 mins	
Sweep the lanes.	8.30am		15 mins	
Water my vegetables.	8.45am		15 mins	
Do my daily tasks for the Hub.	9.00am		1 hour	
Do my daily tasks for my business.	10.00a m		2 hours	
Lunch	12.00a m		30 mins	
Check my order book	12.30p m		15 mins	
Harvest veggies for orders and to sell.	12.45p m		45 mins	
Fill out my Sales Tracker.	1.30pm		15 mins	
Sell my veggies.	1.45pm		2 hours	
Record my sales in the Sales Tracker.	3.45pm		15 mins	
Pay my Seller and the Hub.	4.00pm		15 mins	
Update my Business Tracker.	4.15pm		15 mins	
Water my veggies.	4.30pm		15 mins	
	1	1	1	1

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done
Business Tasks for the Day	Done
Spray with Fungicides	
Spray with Pesticides	
Put spay equipment away	
Do not touch your veggie spraying.	s after

_	
25	
	AC

ctivity Tracker

Thursday

Day 19 Week 4

Y / N

					Morning Inspection	Y/N
Daily Activity	Time	Actual	Duration	Actual	Any holes in my tunnel?	
		Time		Duration	Any water in side of my	
Attend the Ignition Meeting.	8.00am		20 mins		tunnel?	
Open my tunnel & do my inspection	8 20am		10 mins		Any doors need fixing?	
	0.00		45		Any rubbish to remove?	
Sweep the lanes.	8.30am		15 mins		Any noticeable problems?	
Water my vegetables.	8.45am		15 mins		If so, what?	
Do my daily tasks for the Hub.	9.00am		1 hour			
Do my daily tasks for my business.	10.00a		2 hours			
	m				Hub Tasks for the Day	Done
Lunch	12.00a		30 mins			
	m					
Check my order book	12.30p		15 mins			
	m					
Harvest veggies for orders and to	12.45p		45 mins			
sell.	m				Business Tasks for the Day	Done
Fill out my Sales Tracker.	1.30pm		15 mins		Remove Rubbish	
Sell my veggies.	1.45pm		2 hours		Wash your tunnel	
Becord my sales in the Sales	3.45nm		15 mine		Clean around your tunnel	
Tracker.	5.45pm		13 111115			
Pay my Seller and the Hub.	4.00pm		15 mins			
Lindato my Rusinoss Tracker	4.15pm		15 mine			
opuate my business fracker.	4.10pm		10 mins			
Water my veggies.	4.30pm		15 mins			



Sales Tracker

Week 4 Day 20

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money Discrepancy:	Yes:	No:		Signed on supply 8 Grower :	& receipt of vegetables:
Explanation (if applicable):			_	Seller:	
			_	Hub Manager:	
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies:
				Grower :	
How was your o	day's sales?		48	Seller:	
				Hub Manager:	

Friday

Sales Tracker 20

Thursday Week 4

Day 9

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money	Yes:	No:		Signed on supply	& receipt of vegetable
Discrepancy:			_	Grower :	
(if applicable):				Seller:	
			-	Hub Manager:	
Orders taken:	Yes:	No:	=	Signed on receipt	& payment of monies
				Grower:	
How was your o	day's sales?			Seller:	
				Hub Manager:	

egetable Type	Bunches	Sellers	Price	Total	Money
с <u>л</u>	Harvested	Count	per Bunch	Rand Value	Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money	Yes:	No:		Signed on supply 8	k receipt of vegetable
Explanation			_	Grower :	
(if applicable):			_	Seller:	
			_	Hub Manager:	
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies
				Grower :	
How was your o	day's sales?			Seller:	

Week	3:	Replant	Calculator

Vegetable Type:	
Number of seedlings needed:	
Can I buy a tray?	
Do I need a partner? Or should I buy loosies?	
How much will these seedlings cost?	R

-

Vegetable Type:	
Number of seedlings needed:	
Can I buy a tray?	
Do I need a partner? Or should I buy loosies?	
How much will these seedlings cost?	R

How much will these seedlings cost?	R
Vegetable Type:	
Number of seedlings needed:	
Can I buy a tray?	
Do I need a partner? Or should I buy loosies?	
How much will these seedlings cost?	R

Week 5

R60 for tray of 200 50 cents for single seedling

Prices:

Day 21

Monday

Vegetable Type: Number of seedlings needed:

Can I buy a tray? Do I need a partner? Or should I buy loosies?

Total Money I Need to Buy Seedlings is ... R

	Write down any lessons learned from Week Three
Time management?	
Crop Management?	
Sales Management?	
Money Management?	
Savings	
Management?	
Hub Management?	
Administration?	





Activity Tracker

Monday

Week 5 Day 21

Daily Activity	Time	Actual Time	Duration	Actual Duration
Attend the Ignition Meeting.	8.00am		20 mins	
Open my tunnel & do my inspection	8.20am		10 mins	
Sweep the lanes.	8.30am		15 mins	
Water my vegetables.	8.45am		15 mins	
Do my daily tasks for the Hub.	9.00am		1 hour	
Do my daily tasks for my business.	10.00a m		2 hours	
Lunch	12.00a m		30 mins	
Check my order book	12.30p m		15 mins	
Harvest veggies for orders and to sell.	12.45p m		45 mins	
Fill out my Sales Tracker.	1.30pm		15 mins	
Sell my veggies.	1.45pm		2 hours	
Record my sales in the Sales Tracker.	3.45pm		15 mins	
Pay my Seller and the Hub.	4.00pm		15 mins	
Update my Business Tracker.	4.15pm		15 mins	
Water my veggies.	4.30pm		15 mins	

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done

Business Tasks for the Day	Done
Do a Stock Take	
Work out my Replant	
Calculator	
Sign My Contract	
Complete the Price Table	
Do My Savings Plan	



Are there insects,

snails or marks on

them?

YES NO

Do they need to be

sprayed?

YES NO

Are they yellow?

YES NO

Does this row need

weeding?

YES NO

Are your crates

messy?

YES NO

Have you told Frank?

NO

1		ີຊຸມ	ality Control				Tue	sc	lay	W
Ro	w 1		Rov	v 2		Ro	w 3		Ro	w 4
Is there a with your v	problem egetables?		Is there a problem with your vegetables?			Is there a with your v	i problem vegetables?		Is there a with your v	probl regeta
YES	NO	1	YES	NO		YES	NO	1	YES	N

Are there insects,

snails or marks on

them?

YES NO

Do they need to be

sprayed?

YES NO

Are they yellow?

Does this row need

weeding?

YES NO

Are your crates

messy?

YES NO

Have you told Frank?

NO

YES

NO

YES

Are there insects,

snails or marks on

them?

YES NO

Do they need to be

sprayed?

YES NO

Are they yellow?

YES NO

Does this row need

weeding?

YES NO

Are your crates

messy?

YES NO

Have you told Frank?

NO

YES

Is there a problem with your vegetables? Is there a problem with your vegetables? YES NO Are there insects, snails or marks on them? YES NO YES NO Are there insects, snails or marks on them? Snails or marks on them? YES NO YES NO Do they need to be sprayed? Sprayed? Sprayed? YES NO YES NO Does this row need weeding? YES NO YES NO YES NO Are your crates messy? MO YES NO Have you told Frank? YES NO YES NO YES NO	Row 4			Row 5	w 4
VES NO YES NO Are there insects, snails or marks on them? YES NO YES NO Are there insects, snails or marks on them? NO YES NO Do they need to be sprayed? Sprayed? YES NO Are they yellow? YES NO Are they yellow? YES NO Are they yellow? YES NO Does this row need weeding? YES NO YES NO Are your crates messy? Are you cold Frank? Are you cold Frank? YES NO YES NO]	Is there a	problem	Is there a problem	problem
YES NO Are there insects, snails or marks on them? Are there insects, snails or marks on them? YES NO Do they need to be sprayed? NO YES NO Are they yellow? YES NO Are they yellow? YES NO Does this row need weeding? YES NO YES NO Are your crates messy? YES NO Have you told Frank? YES NO YES NO YES NO	1	with your v	regetables?	with your vegetables?	egetables?
Are there insects, snails or marks on them? Are there insects, snails or marks on them? YES NO Do they need to be sprayed? YES YES NO Are they yellow? YES YES NO Are they yellow? YES YES NO Does this row need weeding? YES YES NO Are your crates messy? Are you cold Frank? YES NO YES NO		YES	NO	YES NO	NO
snails or marks on them? snails or marks on them? YES NO Do they need to be sprayed? YES YES NO Are they yellow? YES YES NO Are they yellow? YES YES NO Does this row need weeding? Does this row need weeding? YES NO Are your crates messy? Are you crates messy? YES NO Have you told Frank? YES NO YES NO	Are there insects,			Are there insects.	
YES NO Do they need to be sprayed? YES NO Do they need to be sprayed? Do they need to be sprayed? YES NO Are they yellow? YES NO YES NO Does this row need weeding? YES NO YES NO YES NO Are your crates messy? YES NO YES NO YES NO Have you told Frank? Have you told Frank?		snails or marks on them?		snails or marks on	marks on m?
YES NO Do they need to be sprayed? YES NO Are they yellow? YES NO Are they yellow? YES NO Does this row need weeding? YES NO YES NO Does this row need weeding? Does this row need weeding? YES NO YES NO Are your crates messy? Are your crates messy? Are you crates messy? YES NO YES NO Have you told Frank? Have you told Frank?	1	YES	NO		NO
sprayed? Do they need to be sprayed? YES NO Are they yellow? YES YES NO Does this row need weeding? YES YES NO Are your crates messy? Are you cold Frank? Have you told Frank? YES YES NO	1	Do they n	eed to be	YES NO	eed to be
YES NO Are they yellow? YES NO YES NO YES NO Does this row need weeding? YES NO YES NO YES NO Are your crates messy? Are you cortates messy? NO YES NO YES NO Have you told Frank? YES NO YES NO YES NO		spra	ved?	Do they need to be	/ed?
YES NO Are they yellow? YES NO VES NO Does this row need weeding? Does this row need weeding? YES NO YES NO Are your crates messy? YES NO YES NO YES NO Have you told Frank? YES NO YES NO YES NO	1	VEC	NO	sprayed?	NO
Are they yellow? Are they yellow? YES NO Does this row need Weeding? Weeding? Weeding? YES NO Are your crates messy? Are your crates messy? YES NO Have you told Frank? Have you told Frank?	1	TES	NU	YES NO	NU
YES NO Does this row need weeding? Does this row need weeding? YES NO Are your crates messy? Are your crates messy? YES NO Have you told Frank? YES NO YES NO YES NO YES NO YES NO YES NO	-	Are they	yellow?	Are they yellow?	yellow?
Does this row need weeding? Does this row need weeding? YES NO Are your crates messy? Are your crates messy? YES NO Have you told Frank? YES NO YES NO YES NO	1	YES	NO	YES NO	NO
weeding? weeding? YES NO Are your crates messy? Are your crates messy? YES NO Have you told Frank? YES NO YES NO YES NO YES NO		Does this	row need	Does this row need	row need
YES NO Are your crates messy? Are your crates messy? YES NO Have you told Frank? Have you told Frank? YES NO YES NO		weed	ding?	weeding?	ling?
Are your crates messy? Are your crates messy? YES NO Have you told Frank? YES NO YES NO	1	YES	NO	YES NO	NO
messy? messy? YES NO Have you told Frank? Have you told Frank? YES NO YES NO	1	Are you	r crates	Are your crates	r crates
YES NO YES NO Have you told Frank? Have you told Frank? Have you told Frank? NO YES NO YES NO		mes	ssy?	messy?	sy?
Have you told Frank? Have you told Frank? YES NO YES NO	1	YES	NO	YES NO	NO
YES NO YES NO		Have you t	old Frank?	Have you told Frank?	old Frank?
		YES	NO	YES NO	NO

Week 5

Day 22

YES Notes:

-	G) ua	ality C	ontrol		Tue	esc	day	Week	5	D	ay 22		
Ro	w 6		Rov	v 7	F	low 8		Ro	w 9		Ro	w 10		
Is there a with your y	a problem vegetables?		Is there a with your v	problem vegetables?	Is ther with you	e a problem ur vegetables?		Is there a with your	a problem vegetables?		Is there a with your v	problem regetables?		
YES	NO		YES	NO	YES	NO		YES	NO		YES	NO		
Are there snails or the	e insects, marks on em?		Are there snails or the	e insects, marks on m?	Are th snails	ere insects, or marks on them?		Are there insects, snails or marks on		Are there insects, snails or marks on them?			Are there snails or	e insects, marks on
YES	NO		YES	NO	YES	NO	1	YES	NO		the	m?		
Do they r spra	need to be lyed?		Do they r spra	ieed to be yed?	Do the sp	y need to be prayed?		Do they r spra	need to be ayed?		Do they n	NO leed to be ved?		
YES	NO		YES	NO	YES	NO		YES	NO		VES	NO		
Are they	y yellow?		Are they	yellow?	Are th	ney yellow?		Are they yellow?			Are they	vellow?		
YES	NO		YES	NO	YES	NO		YES	NO		YES	NO		
Does this wee	row need ding?		Does this weed	row need ding?	Does t	his row need eeding?		Does this wee	s row need ding?		Does this weed	row need ding?		
YES	NO		YES	NO	YES	NO	1	YES	NO		YES	NO		
Are you me	ur crates ssy?		Are you mes	ir crates ssy?	Are y	our crates		Are you me	ur crates ssy?		Are you mes	r crates ssy?		
YES	NO		YES	NO	YES	NO		YES	NO		YES	NO		
Have you	told Frank?		Have you 1	told Frank?	Have yo	ou told Frank?		Have you	told Frank?		Have you t	old Frank?		
YES	NO		YES	NO	YES	NO		YES	NO		YES	NO		
Notes:														

8

Activity Tracker

Tuesday

Week 5 Day 22

					Morning Ir
Daily Activity	Time	Actual	Duration	Actual	Any holes in m
		Time		Duration	Any water in
Attend the Ignition Meeting.	8.00am		20 mins		tunn
Open my tunnel & do my inspection	8.20am		10 mins		Any doors nee
Sweep the lanes.	8.30am		15 mins		Any noticeable
Water my vegetables.	8.45am		15 mins		If so, what?
Do my daily tasks for the Hub.	9.00am		1 hour		·
Do my daily tasks for my business.	10.00a m		2 hours		
Lunch	12.00a m		30 mins		HUD Tasks
Check my order book	12.30p m		15 mins		
Harvest veggies for orders and to sell.	12.45p m		45 mins		Business Task
Fill out my Sales Tracker.	1.30pm		15 mins		Pampering
Sell my veggies.	1.45pm		2 hours		Remove yellow
Record my sales in the Sales	3.45nm		15 mins		Clean crates
Tracker.	0.40pm				Top up compo
Pay my Seller and the Hub.	4.00pm		15 mins		Do Quality Col
Update my Business Tracker.	4.15pm		15 mins		
Water my veggies.	4.30pm		15 mins		

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done
	20110
	20110
Business Tasks for the Day	Done
Business Tasks for the Day Pampering	Done
Business Tasks for the Day Pampering Remove yellow leaves	Done
Business Tasks for the Day Pampering Remove yellow leaves Clean crates	Done
Business Tasks for the Day Pampering Remove yellow leaves Clean crates Top up compost	Done



Sales Tracker

Tuesday

Day 22

Week 5

/egetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money Discrepancy: Explanation	Yes:	No:	_	Signed on supply a Grower :	& receipt of vegetable
(if applicable):			_	Seller:	
				Hub Manager:	
Orders taken:	Yes:	No:	=	Signed on receipt	& payment of monies
				Grower :	
How was your o	day's sales?			Seller:	
			•	Hub Manager:	

notes.



Thursday

Week 5 Day 24

Daily Activity	Time	Actual Time	Duration	Actual Duration
Attend the Ignition Meeting.	8.00am		20 mins	
Open my tunnel & do my inspection	8.20am		10 mins	
Sweep the lanes.	8.30am		15 mins	
Water my vegetables.	8.45am		15 mins	
Do my daily tasks for the Hub.	9.00am		1 hour	
Do my daily tasks for my business.	10.00a m		2 hours	
Lunch	12.00a m		30 mins	
Check my order book	12.30p m		15 mins	
Harvest veggies for orders and to sell.	12.45p m		45 mins	
Fill out my Sales Tracker.	1.30pm		15 mins	
Sell my veggies.	1.45pm		2 hours	
Record my sales in the Sales Tracker.	3.45pm		15 mins	
Pay my Seller and the Hub.	4.00pm		15 mins	
Update my Business Tracker.	4.15pm		15 mins	
Water my veggies.	4.30pm		15 mins	

Morning Inspection	Y/N
Any holes in my tunnel?	
Any water in side of my	
tunnel?	
Any doors need fixing?	
Any rubbish to remove?	
Any noticeable problems?	
If so, what?	
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day	Done
Hub Tasks for the Day Business Tasks for the Day Remove Rubbish	Done
Hub Tasks for the Day Business Tasks for the Day Remove Rubbish Wash your tunnel	Done
Hub Tasks for the Day Business Tasks for the Day Remove Rubbish Wash your tunnel Clean around your tunnel	Done

5	
	A

ctivity Tracker

Wednesday

Week 5 Day 23

					Morning Inspection
Daily Activity	Time	Actual Time	Duration	Actual Duration	Any holes in my tunnel? Any water in side of m
Attend the Ignition Meeting.	8.00am		20 mins		tunnel?
Open my tunnel & do my inspection	8.20am		10 mins		Any doors need fixing? Any rubbish to remove?
Sweep the lanes.	8.30am		15 mins		Any noticeable problems
Water my vegetables.	8.45am		15 mins		If so, what?
Do my daily tasks for the Hub.	9.00am		1 hour		
Do my daily tasks for my business.	10.00a m		2 hours		Hub Tasks for the Day
Lunch	12.00a m		30 mins		
Check my order book	12.30p m		15 mins		
Harvest veggies for orders and to sell.	12.45p m		45 mins		Business Tasks for the I
Fill out my Sales Tracker.	1.30pm		15 mins		Make worm tea mix
Sell my veggies.	1.45pm		2 hours		Pour worm tea into crates
Record my sales in the Sales Tracker.	3.45pm		15 mins		
Pay my Seller and the Hub.	4.00pm		15 mins		
Update my Business Tracker.	4.15pm		15 mins		
Water my veggies.	4.30pm		15 mins		





Sales Tracker

Thursday Week 5 Day 24

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money Discrepancy:	Yes:	No:		Signed on supply a Grower :	& receipt of vegetables:
(if applicable):			_	Seller:	
			-	Hub Manager:	
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies:
				Grower :	
How was your	day's sales?			Seller:	
			•	Hub Manager:	

Sales Tracker 20

Wednesday Week 5 Day 23

Vegetable Type	Bunches Harvested	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:			R	R	R
Beetroot:			R	R	R
Beans			R	R	R
Green Pepper:			R	R	R
Spring Onion:			R	R	R
			R	R	R
			R	R	R
TOTALS:				R	R
Money Discrepancy: Explanation	Yes:	No:	_	Signed on supply & Grower :	k receipt of vegetables:
(if applicable):			_	Seller:	
			-	Hub Manager:	
Orders taken:	Yes:	No:		Signed on receipt	& payment of monies:
		_		Grower :	
How was your o	day's sales?			Seller:	
				Hub Manager:	



Activity Tracker

Friday Week 5

Day 25

					Morning Inspection	Y/
Daily Activity	Time	Actual	Duration	Actual	Any holes in my tunnel?	
		Time		Duration	Any water in side of my	
Attend the Ignition Meeting.	8.00am		20 mins		tunnel?	
Open my tunnel & do my inspection	8 20am		10 mins		Any doors need fixing?	
open my tanner & do my inspection	0.20411		10 111113	<u> </u>	Any rubbish to remove?	
Sweep the lanes.	8.30am		15 mins		Any noticeable problems?	
Water my vegetables.	8.45am		15 mins		If so, what?	
Do my daily tasks for the Hub.	9.00am		1 hour			
Do my daily tasks for my business	10.00a		2 hours			-
	m		2.110010		Hub Tasks for the Day	Don
Lunch	12.00a		30 mins			
	m					
Check my order book	12.30p		15 mins			
	m					
Harvest veggies for orders and to	12.45p		45 mins			
sell.	m				Business Tasks for the Day	Don
Fill out my Sales Tracker.	1.30pm		15 mins		Spray with Fungicides	Don
0-11	4.45		0.5	<u> </u>	Spray with Pesticides	
Sell my veggles.	1.45pm		2 nours		Put spay equipment away	
Record my sales in the Sales	3.45pm		15 mins		Do not touch your veggi	s afte
Гаскег.					spraying.	
Pay my Seller and the Hub.	4.00pm		15 mins			
Update my Business Tracker.	4.15pm		15 mins			
Water my veggies.	4.30pm		15 mins			



Instruction: Your customers will occasionally place orders for your vegetables. It is important to deliver your orders on time to keep your customers happy. Happy customers will order again and again, which keeps money flowing into your business and pocket. Follow the guidelines below to take orders and make deliveries.

- . ^ Always check to see if any orders were placed. Do this every
- day.
- Ņ Write orders down immediately, so that you don't forget them.
- ω Check your Order Book every day before harvesting.
- 4 Make sure you have stock to fill the order.
- ġ Harvest your orders first.
- <u>6</u> If you don't have stock, try to borrow from another Grower.
- 7 Be sure that you or your Seller knows where to find your
- customer.
- 9 œ Deliver your orders first before selling to other people.
- Make sure that a Delivery Note is signed. Give your customer a copy and make sure the Delivery Book comes back to you on the same day.
- 10. Always check to make sure the Delivery Book is filled out properly and signed



Week 1

Customer	Veggies	Quantity	Price	Total	Delivery Date	Deliver to:
Name	Ordered		per Bunch	Rand Value	-	
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		

Week 2

Customer	Veggies	Quantity	Price	Total	Delivery Date	Deliver to:
Name	Ordered		per Bunch	Rand Value		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		

S	
	Sales

-

S	Т	ra	C	ke	er

Fridav

Day 25

👗 Sales	s Trac	ker		Friday	Week 5	Day 25
Vegetable Type	Buncl Harves	nes sted	Sellers Count	Price per Bunch	Total Rand Value	Money Received
Spinach:				R	R	R
Beetroot:				R	R	R
Beans				R	R	R
Green Pepper:				R	R	R
Spring Onion:				R	R	R
				R	R	R
				R	R	R
TOTALS:					R	R
Money	Yes:		No:		Signed on supply	& receipt of vegetables:
Explanation					Grower :	
(if applicable):					Seller:	
					Hub Manager:	
Orders taken:	Yes:		No:		Signed on receipt	& payment of monies:
			-		Grower:	
How was your o	ay's sale	s?			Seller:	
				•	Hub Manager:	



Customer	Veggies	Quantity	Price	Total	Delivery Date	Deliver to:
Name	Ordered		per Bunch	Rand Value		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		

Week 4

Week 3

Customer	Veggies	Quantity	Price	Total	Delivery Date	Deliver to:
Name	Ordered		per Bunch	Rand Value		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		



Instruction: Probably the most important thing you can do is save a little bit of morey every day. Putting money aside each day allows you to pay for seeding when you need to replant your crates, and it can come in handy some time in the future. Follow the guidelines set out below to keep track of your savings:

- Saving money must become a habit.
- Ņ You must get into the habit of putting a little bit of money aside everyday, even if it is just R5 or R10.
- ω You should only take home the money you need, and save the
- rest
- Try to set a savings target. For example: Commit to saving R20 per day or R100 per week.
- Work out how many seedlings you need to fill your crates each
- month.
- Make sure you save enough money to buy new seedlings.
- If you don't have money to buy seedlings, your business will soon fail.
- You can "bank" your savings with the hub.
- Always keep a record of your savings in My Business Tracker.
- Record your savings everyday.



	Seedlings	My own savings
Per day	R15	
Per week	R75	
Per Month	R300	
Total Savings	R	
for the Month		

	W	eek	1

רג מ					
R					
`					
R					
r					
r					
achieve your savings					
target?					

Week 2

Date:	Total Money Saved
	R
	R
	R
	R
	R
TOTAL	R
Did you achieve	e your savings target?

Fill out this page to keep track of the money you save each week

Week 3 Total Money Saved Date: R R R R R TOTAL R Did you achieve your savings target?

	Week 4
Date:	Total Money Saved
	R
	R
	R
	R
	R
TOTAL	R
Did you achiev	e your savings target?

Week 5

Date:	Total Money Saved		
	R		
	R		
	R		
	R		
	R		
TOTAL	R		
Did you achieve your savings target?			



Orders

Week 5

Customer	Veggies	Quantity	Price	Total	Delivery Date	Deliver to:
Name	Ordered		per Bunch	Rand Value		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
			R	R		
1	1	1	1	1	1	







Week 4









Instructions: Money comes into yc out of your business as you buy s yourself. It's important to track t always have the money you need going out is good. More money guidelines set out below to keep tr Inity ovur business as you sell your vegetables and g L buy seedings, pay revenue shares to the hub and track these payments so that you can make sure + transmitted than coming in is bad. Follow the prack of your money as it comes in and goes out keep track of your money as it comes in and goes out goes d pay e you , than

2

Money in / Money out

- Fill out the Money In / Money Out section of My Business Tracker every time you spend or take money from your business
- When you spend money, make sure you get an invoice from your supplier (ie: the seedling nursery)
- Always get the Hub Manager to sign your Business Tracker when you give them the hub's share of your sales.
- Staple the invoices to the inside back cover of this book to keep them safe.
- Always pay the exact amount owed
- Record the money you make under Money In each day. Don't forget to do this every day, even if you make no sales!
- If you don't make sales on a day, write down zero. Don't leave blank spaces in My Business Tracker.

7. σ σ





Money in:

Date:	Daily Goal	Total	
	-	Money In	
		-	
	R	R	
	R	R	
	R	R	
	R	R	
	R	R	
TOTAL	R	R	

Money out:

R

R

R

R

R

to Seller

Contribution Contribution

R

R

R

R

R

R

to Hub

R

R

R

R

R

R







10.3 Appendix – Financial Model *Foodpods*

FoodPod/

Methodology

Description
The models goal is to prove the profitability of a dried kale business, which is teaching people from under-resourced communities how to earn a sustainable livelihood by running micro-agri-businesses.

Definition	
Accounts payable	Accounts payable will be assumed 0. In other words there is nothing owed towards third parties.
Accounts receivable	Accounts receivable will be assumed 0. In other words there is no outstanding claim for payment to any third parties.
Capital expenditure	The Capital expenditure can be distinguished into Franchisors Infrastructure and Franchisees Infrastructure.
Changes in stock	Everything will be assumed as immediately sold.
Costs of Sales	The Costs of Sales include all costs which incur to the Franchisor, from the purchase of the wet kale from the Franchisee until the delivery to the Business or End Consumer
Depreciation	The depreciation is 1/60 of the Franchisee Infrastructure a month, since the model assumes that the Franchisees Infrastructure has a 5 year life time
Finance Costs	The Costs of Finance refer to a specific interest payed to the investor to protect him against inflation
Franchisee	The franchisee refers to the grower or micro-entrepreneur
Franchisees Infrastructure	The Franchisees Infrastructure is all tangible material necessary to build the tunnel and the hydroponic technique.
Franchisor	The franchisor is Biodelta and refers also to what is called the incubator
Franchisors Infrastructure	The Franchisors Infrastructure is basically the goodwill of the organization. Intangible value created by building up the setting and structure of the organization.
Operational Expenditure of the Franchisee	The Opex of the Franchisee are the costs which are directly incurred by the Franchisee and are therefore to be covered by them. It refers to the Service Fee
Operational Expenditure of the Franchisor	The Opex sums up all costs incurred by the Franchisor, including the stipend which is granted to every new Franchisee for the first month
Sales Revenue of the Franchisee	The Sales Revenue refers to the revenue the Franchisee is offered for his entire crop every month. Certainly, these revenue is considered costs of sales from Franchisor perspective.
Sales Revenue of the Franchisor	The Sales Revenue of the Franchisor includes all revenue generated by selling the dried kale, the service fee charged to the Franchisee and the stipend which is going to be payed back by the Franchisee
Service Fee	The Service fee is what the Franchisor charges the franchisee in order to make him or her pay the directly incurred costs. Same as Opex of Franchisee

Assumptions

i) The 120x25 meter tunnel is expected to operate with 32000 holes which equals the amount of plants that can be seeded per growing cycle (1 month).

ii) It is assumed that the workload per Franchisee is reasonably set with 2000 holes, which leads to the conclusion that 16 grower are needed to bring the full tunnel in operation.

In every quarter of the 1st year, 4 new grower will be recruited until the max amount of 16 is reached. This process is necessary to make sure all growers are receiving a proper task familiarization.

Additionally the training process can be improved over time until it is smooth and easy replicable. According to that, the tunnel will be fully operational at the end of year 1.

iii) Since the growing cycle is expected to be 4 weeks, growers will be granted a stipend which covers the service fee to the franchisor and an additional 1000 R for the 1st month, to cover their personal expenses.

iv) To build up the tunnels infrastructure 2 people will need half a day to build 400 holes therefore each quarter of 8000 holes will take 2 people 10 days to build. As soon as the first 2000 holes are built, the first 2000 plants can be plated. The sencond 2000 holes will get built in time for the second weeks plan to be planted

The school and 2000 more swinger bank in the for the second weeks planted be planted

v) The stipend will be payed back over the next 10 month. After one year the Franchisee is free of any debt towards the Franchisor and therefore free to leave the place or enjoy a higher income (without debt reduction).

vi) A grower receives 150R per Kilo dried kale compared to the retail price of 350R which Biodelta may receive after processing and selling the kale.

Since 60 plants of wet kale equal 1 kg of dried kale, every Franchisee will be able to earn 2000/60 * 150R = 5.000R a month. Certainly, this amount will be reduced by the service fee towards the Franchisor

vii) Even though the directly incurred operational costs are going to be covered by the Franchisee, all the other costs will be covered by the Franchisors Sales Revenue.

iix) The inital funds needed to start the project will consist of the Capital expenditure, scaled up from quarter to quarter to lower the financial demand in the first months.

Instruction

i) The model should be steered only by the input page with the cells marked green and bold.

ii) The Summary sheet presents results from 3 different perspectives: The projects profitability from Franchisors perspective, the income of the Franchisee and the investor funds needed.

iii) All other sheets show calculations of Income Statement, Cashflow, Balance Sheet and CAPEX in more detail.



Summary

Income Statement of Franchisor										
		2016		2017		2018		2019		2020
Sales Revenue	R	1.746.673	R	2.947.365	R	2.919.285	R	2.919.285	R	2.919.285
- Costs of Sales	R	808.600	R	1.492.800	R	1.492.800	R	1.492.800	R	1.492.800
- Opex	R	442.200	R	444.600	R	444.600	R	444.600	R	444.600
Net Income	R	207.815	R	554.751	R	534.533	R	534.533	R	534.533

Income overview of the Franchisee						
	Month	1	Mont	h 2-12	Mor	nth 12+
Sales Revenue	R	-	R	7.500	R	7.500
- Franchise Service Fee	R	-1.200	R	-1.200	R	-1.200
- Infrastructure rent	R	-1.573	R	-1.573	R	-1.573
- Stipend	R	5.200	R	-520	R	-
Net Income	R	2.427	R	4.207	R	4.727

Quarterly needed Funds

												(
	Quar	ter 1	Quarter	2	Quarter	3	Quarter	4	Quarter 5+		ΤΟΤΑ	L
Funds needed	R	548.916	R	243.106	R	243.106	R	243.106	R	-	R	1.278.235

Key Ratios							
			2016	2017	2018	2019	2020
PROFITABILITY							
Franchisors Sales / Franchisee	R	R	122.500	210000	210000	210000	210000
Franchisors Sales / Total assets			0,99	1,23	0,98	0,81	0,69
Return on assets	(%)		20%	62%	70%	86%	110%

Social Impact			
Franchisees created	(people)		12
Jobs created	(people)		3
Total people impacted	(people)		15
Investor Funds / Franchisees	(rand)	R	106.519,58
Training costs / Franchisee	(rand)	R	5.000,00
Franchisee Revenue / Franchisors Revenue	(%)		0,4

Investor Loan repayment										
		2016		2017		2018		2019		2020
Return on investment (from retained earnings)	R	207.815	R	554.751	R	534.533	R	534.533	R	534.533
Payback to the investor	R	207.815	R	762.566	R	1.297.099	R	-	R	-



e:	Venture:	Resource:	Last Er
	Biodelta	Paula	06-02-2

Las	it Er	itry	Date	
	<u> </u>	044		

Model: Biodelta Incubato

Facts, Sales and Costs of Sales

Modelstart		
Year		2016
Month		1
Day		1
Facts		
Total number of holes in tunnel		36.000
Max Number of Growers		12
Quarterly new Grower in year 1		3
Holes per Grower		3.000
Holes needed per kg dried kale		60
Kg dried kale per tunnel		600
Cost to dry 1 kg kale	R	50,00
Stipend to cover opex	R	1.200,00
Stipend personal expenses	R	4.000,00
Total Stipend	R	5.200,00
Months with granted stipend		1
Monthly instalment rate to pay back stipend		10%
Minimum Cash on hand		50.000
Finance costs p.a.		9,00%
Finance costs monthly		0,75%
Total debt in year one	#REF!	
Investor repayment period (years)		5
Tax		28%

Sales Prices	Total		per hole	
Selling price per KG	R	350,00	R	5,83
Purchase price per KG	R	150,00	R	2,50
Costs of Sales	Total		per hole	
Drying	R	30.000,00	R	0,83
Packaging	R	1.200,00	R	0,03
item	R	-	R	-
Delivery/transport	R	3.200,00	R	0,09
item	R	-	R	-
item	R	-	R	-
item	R	-	R	-
Franchise liscence				
Cost of Franchise liscense			#REF!	
ROI for 1st tier Investor	10%		#REF!	
ROI for Franchisor	10%		#REF!	
IMS	10%		#REF!	
Actual Franchise liscense for 2	nd tier investor		#REF!	

Operational Expenditure

Franchisee Opex	per grower	per hole
Electricity	R 200,00	R 0,07
Nutrients	R 300,00	R 0,10
SOP Tracker	R 100,00	R 0,03
Pesticides	R 200,00	R 0,07
Training	R 400,00	R 0,13
item	R -	R -
item	R -	R -
item	R -	R -
item	R -	R -
Total Opex per Grower	R 1.200,00	R 0,40

Franchisor Oper	Tota	al
General Manager	R	10,000,00
General labourer	R	2,700,00
HR	R	4 000 00
	R	650.00
Rank charges	R	1 000 00
Catering	R	-
Campaign costs	R	-
Equipment hiring	R	
Flights	R	
Food & Entertainment	R	-
Fuel, parking, travel & car hire	R	1.000,00
Gifts & donations	R	-
Groceries	R	-
Materials	R	-
Maintenance /	Б	
Miscellaneous	ĸ	-
Office supplies	R	200,00
Petty cash	R	-
Postage & delivery	R	-
Printing & stationary	R	100,00
Promotion & advertising	R	-
Security	R	3.000,00
Staff incentives	R	-
Average stipend per month	R	5.200,00
Supplies	R	-
Team building &		
excursions	к	-
Training, conferences &	R	-
Vehicle maintenance	R	-
item	R	-

Growers Infrastructure		I.	1		1	1	1	
							Capex per	Units per
Item	Holes per unit	Price	Units per station	Units required	Capex total	Capex per hole	station	quarter
Grow pipe end	12,5	R 7,92	24	2640	R 20.916,72	R 0,58	R 190,15	66
Grow pipes	25	R 187,10	12	1320	R 246.975,30	R 6,86	R 2.245,23	33
Pipe nipple	25	R 0,40	12	1320	R 526,68	R 0,01	R 4,79	33
Chain 4mm (1mtr)	33	R 12,54	9	990	R 12.414,60	R 0,34	R 112,86	247,
Big irigation hose(black)(1mtr)	50	R 2,74	6	660	R 1.805,76	R 0,05	R 16,42	16
Chain hooks	12	R 1,71	25	2750	R 4.702,50	R 0,13	R 42,75	687,
Steel bar	60	R 34,20	5	550	R 18.810,00	R 0,52	R 171,00	137,
Airstone*	1500	R 228,00	0,2	22	R 5.016,00	R 0,14	R 45,60	5,
Pump for airstone*	0	R -	0	0	R -	R -	R -	0,
Tank connector system	26	R 35,00	11,5	1269,23	R 44.423,08	R 1,23	R 403,85	317,307692
Plastic elbow bend ("F-Flow" external)	500	R 9,12	0,6	66	R 601,92	R 0,02	R 5,47	16,
Plastic elbow bend (internal)	150	R 3,43	2	220	R 754,91	R 0,02	R 6,86	5
Small irigation hose (m)	50	R 2,06	6	660	R 1.361,84	R 0,04	R 12,38	16
Feeder pipe end stops	150	R 9,12	2	220	R 2.006,40	R 0,06	R 18,24	5
Cable ties	6000	R 143,64	0,05	5,5	R 790,02	R 0,02	R 7,18	1,37
Hose clamps	25	R 4,65	12	1320	R 6.139,58	R 0,17	R 55,81	33
Silicone (cones)	600	R 28,50	0,5	55	R 1.567,50	R 0,04	R 14,25	13,7
T splitter irigation hose (internal)	25	R 4,80	12	1320	R 6.335,21	R 0,18	R 57,59	33
T splitter irigation hose ("F-Flow" external)	150	R 13,11	2	220	R 2.884,20	R 0,08	R 26,22	5
Nutrient bin (60L)*	1500	R 228,00	0,2	22	R 5.016,00	R 0,14	R 45,60	5,
Pump	750	R 285,00	0,4	44	R 12.540,00	R 0,35	R 114,00	1
Tank(600L)	1500	R 799,14	0,2	22	R 17.581,08	R 0,49	R 159,83	5,
UV light*	1.500	R 228,00	0,2	22	R 5.016,00	R 0,14	R 45,60	5,
Construction cost	1.500	R 500,00	0,2	22	R 11.000,00	R 0,31	R 3.361,11	5,
Covering the tunnel (plastic and labor)					R 160.000,00	R 4,44	R 711.111,11	
Project management fee					R 57.240,00	R 1,59	R 91.011,60	
Item					R -		R -	
Sub- Total					R 646.425,30	R 17,96	R 809.148,71	0

Franchisor Infrastructure	Costs per Franchisee	Total costs
Investment Management Services	R 15.000,00	R 180.000,00
Branding, Promotional Material & Apparel	R 1.500,00	R 18.000,00
Franchisee Recruitment	R 4.000,00	R 48.000,00
Franchise Fee	R 15.000,00	R 180.000,00
Franchisee Training	R 5.000,00	R 60.000,00
item	R -	R -
item	R -	R -
item	R -	R -
Total	R 40.500,00	R 486.000,00



Balance Sheet

Balance Sheet	Yearly	Monthly																	
Date	2016	2016-01	2016-02	2016-03	2016-04	2016-05	2016-06	2016-07	2016-08	2016-09	2016-10	2016-11	2016-12	2017	2018		2019		2020
# Max Hole Capacity	R 36.000	R 36.000	R 36.000	R 36.000	R 36.000	R 36.000	R 36.000	R 36.000	R 36.000	R 36.000	R 36.000	R 36.000	R 36.000	R 36.000	R 36.000	R 36	.000	R	36.000
ACTIVA	R 1.486.049,78	R 448.413	R 443.719	R 441.031	R 709.318	R 723.339	R 738.483	R 1.023.765	R 1.054.780	R 1.086.918	R 1.389.099	R 1.437.013	R 1.486.050	R 2.040.801	R 2.575.333,90	R 3.109.86	109.867,16		3.644.400,42
Cash	R 449.812	R 50.000	R 50.000	R 52.005	R 84.013	R 104.861	R 126.832	R 178.086	R 218.180	R 259.397	R 329.934	R 389.311	R 449.812	R 1.142.122	R 1.814.215	R 2.486	.308	R	3.158.400
Franchisee infrastructure	R 550.238	R 276.913	R 272.219	R 267.526	R 382.305	R 375.479	R 368.652	R 481.179	R 472.100	R 463.021	R 573.164	R 561.701	R 550.238	R 412.678	R 275.119	R 137	.559	R	ι Ο
Franchisor infrastructure	R 486.000	R 121.500	R 121.500	R 121.500	R 243.000	R 243.000	R 243.000	R 364.500	R 364.500	R 364.500	R 486.000	R 486.000	R 486.000	R 486.000	R 486.000	R 486	.000	R	486.000
Total assets	R 1.486.050	R 448.413	R 443.719	R 441.031	R 709.318	R 723.339	R 738.483	R 1.023.765	R 1.054.780	R 1.086.918	1.086.918 R 1.389.099		R 1.486.050	R 2.040.801	R 2.575.334	R 3.109	.867	R	3.644.400
PASSIVA	R 1.486.049,78	R 448.413	R 443.719	R 441.031	R 709.318	R 723.339	R 738.483	R 1.023.765	R 1.054.780	R 1.086.918	R 1.389.099	R 1.437.013	R 1.486.050	R 2.040.801	R 2.575.333,90	R 3.109.86	7,16	R 3.644.400,42	
Current liabilities	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R	-	R	t -
Long-term working capital debt	R 145.810	R 90.155	R 145.810	R 145.810	R 145.810	R 145.810	R 145.810	R 145.810	R 145.810	R 145.810	R 145.810	R 145.810	R 145.810	R 145.810	R 145.810	R 145	.810	R	(145.810
Long-term debt	R 1.132.425	R 403.106	R 403.106	R 403.106	R 646.213	R 646.213	R 646.213	R 889.319	R 889.319	R 889.319	R 1.132.425	R 1.132.425	R 1.132.425	R 1.132.425	R 1.132.425	R 1.132	.425	R	(1.132.425
Total liabilities	R 1.278.235	R 493.261	R 548.916	R 548.916	R 792.022	R 792.022	R 792.022	R 1.035.129	R 1.035.129	R 1.035.129	R 1.278.235	R 1.278.235	R 1.278.235	R 1.278.235	R 1.278.235	R 1.278	.235	R	1.278.235
Capital	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R	-	R	t -
Retained earnings	R 207.815	R -44.848	R -105.197	R -107.885	R -82.704	R -68.683	R -53.539	R -11.364	R 19.651	R 51.789	R 110.863	R 158.778	R 207.815	R 762.566	R 1.297.099	R 1.831	.632	R	2.366.165
Total equity	R 207.815	R -44.848	R -105.197	R -107.885	R -82.704	R -68.683	R -53.539	R -11.364	R 19.651	R 51.789	R 110.863	R 158.778	R 207.815	R 762.566	R 1.297.099	R 1.831	.632	R	2.366.165



Income Statement

Income Statement		Yearly	Mor	nthly								1				1		11	
Date		2016	-	2016-01	2016-02	2016-03	2016-04	2016-05	2016-06	2016-07	2016-08	2016-09	2016-10	2016-11	2016-12	2017	2018	201	2020
# Grower # Hole Capacity		36.000		9000	9000	9000	18000	18000	18000	27000	27000	27000	36000	36000	36000	36000	36000	3600	36000
a note capacity		50.000		5000	5000	5000	10000	10000	10000	2,000	2,000	2,000	50000	50000	50000	50000	50000	5000	50000
Sub Total Sales Revenue		R 1.746.673	R	4.718	R 4.718	R 62.378	R 123.197	R 123.197	R 124.757	R 185.575	R 185.575	R 187.135	R 247.954	R 247.954	R 249.514	R 2.947.365	R 2.919.285	R 2.919.285	R 2.919.285
Sales		R 1.470.000	R	-	R -	R 52.500	R 105.000	R 105.000	R 105.000	R 157.500	R 157.500	R 157.500	R 210.000	R 210.000	R 210.000	R 2.520.000	R 2.520.000	R 2.520.000	R 2.520.000
Service fee		R 100.800	R	-	R -	R 3.600	R 7.200	R 7.200	R 7.200	R 10.800	R 10.800	R 10.800	R 14.400	R 14.400	R 14.400	R 172.800	R 172.800	R 172.800	R 172.800
Infrastructure rent		R 141.553	R	4.718	R 4.718	R 4.718	R 9.437	R 9.437	R 9.437	R 14.155	R 14.155	R 14.155	R 18.874	R 18.874	R 18.874	R 226.485	R 226.485	R 226.485	R 226.485
Stipend pay back		R 34.320	R	-	R -	R 1.560,00	R 1.560,00	R 1.560,00	R 3.120,00	R 3.120,00	R 3.120,00	R 4.680,00	R 4.680,00	R 4.680,00	R 6.240,00	R 28.080,00	R -	R -	R -
Sub-Total Costs of Sales		P 808 600	P	-	P 31 100	P 31 100	P 31 100	P 62 200	P 62 200	P 62 200	P 93 300	P 93 300	P 93 300	P 124.400	P 124.400	P 1/92 800	P 1 /92 800	P 1 /92 800	P 1 /92 800
Wet kale purchase		R 585.000	R		R 22 500	R 22,500	R 22,500	R 45,000	R 45.000	R 45.000	R 67 500	R 67 500	R 67 500	R 90.000	R 90.000	R 1.492.800	R 1.492.800	R 1.492.800	R 1.492.800
Drving		R 195.000	R	-	R 7.500	R 7.500	R 7.500	R 15.000	R 15.000	R 15.000	R 22.500	R 22.500	R 22.500	R 30.000	R 30.000	R 360.000	R 360.000	R 360.000	R 360.000
Packaging	ľ	R 7.800	R	-	R 300	R 300	R 300	R 600	R 600	R 600	R 900	R 900	R 900	R 1.200	R 1.200	R 14.400	R 14.400	R 14.400	R 14.400
item	[R -	R	-	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Delivery/transport		R 20.800	R	-	R 800	R 800	R 800	R 1.600	R 1.600	R 1.600	R 2.400	R 2.400	R 2.400	R 3.200	R 3.200	R 38.400	R 38.400	R 38.400	R 38.400
item		R -	R	-	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
item	-	R -	R	-	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
item		к -	к	-	R -	R -	к -	к -	к -	к -	к -	к -	к -	к -	к -	к -	к -	к -	K -
Gross Profit	-	R 938.073	R	4,718	R -26.382	R 31.278	R 92,097	R 60.997	B 62.557	R 123,375	R 92,275	R 93,835	R 154,654	R 123,554	R 125.114	R 1 454 565	R 1 426 485	R 1 426 485	R 1 426 495
Operation Expenditure					20.302	31.2/0	52.037		02.337	123.3/3	52.2/3	. 55.655		123.334	2.3.114	134.303	1.420.405	1.420.483	1.420.465
Sub-Total Franchisee Opex		R 108.000	R	3.600	R 3.600	R 3.600	R 7.200	R 7.200	R 7.200	R 10.800	R 10.800	R 10.800	R 14.400	R 14.400	R 14.400	R 172.800	R 172.800	R 172.800	R 172.800
Electricity		R 18.000	R	600	R 600	R 600	R 1.200	R 1.200	R 1.200	R 1.800	R 1.800	R 1.800	R 2.400	R 2.400	R 2.400	R 28.800	R 28.800	R 28.800	R 28.800
Nutrients	_	R 27.000	R	900	R 900	R 900	R 1.800	R 1.800	R 1.800	R 2.700	R 2.700	R 2.700	R 3.600	R 3.600	R 3.600	R 43.200	R 43.200	R 43.200	R 43.200
SOP Tracker]	R 9.000	R	300	R 300	R 300	R 600	R 600	R 600	R 900	R 900	R 900	R 1.200	R 1.200	R 1.200	R 14.400	R 14.400	R 14.400	R 14.400
Pesticides		R 18.000	R	600	R 600	R 600	R 1.200	R 1.200	R 1.200	R 1.800	R 1.800	R 1.800	R 2.400	R 2.400	R 2.400	R 28.800	R 28.800	R 28.800	R 28.800
Training		R 36.000	R	1.200	R 1.200	R 1.200	R 2.400	R 2.400	R 2.400	R 3.600	R 3.600	R 3.600	R 4.800	R 4.800	R 4.800	R 57.600	R 57.600	R 57.600	R 57.600
item		к -	к	-	R -	R -	к -	к -	к -	к -	к -	к -	к -	к -	к -	к -	к -	к -	R -
Sub-Total Franchisor Onex		R 334 200	R	38 250	R 22.650	R 22.650	R 38 250	R 22.650	R 22.650	R 38 250	R 22.650	B 22.650	R 38 250	R 22.650	R 22.650	B 271 800	R 271 800	R 271 800	R 271 800
General Manager		R 120.000	R	10.000	R 10.000	R 10.000	R 10.000	R 10.000	R 10.000	R 10.000	R 10.000	R 10.000	R 10.000	R 10.000	R 10.000	R 120.000	R 120.000	R 120.000	R 120.000
General labourer		R 32.400	R	2.700	R 2.700	R 2.700	R 2.700	R 2.700	R 2.700	R 2.700	R 2.700	R 2.700	R 2.700	R 2.700	R 2.700	R 32.400	R 32.400	R 32.400	R 32.400
HR		R 48.000	R	4.000	R 4.000	R 4.000	R 4.000	R 4.000	R 4.000	R 4.000	R 4.000	R 4.000	R 4.000	R 4.000	R 4.000	R 48.000	R 48.000	R 48.000	R 48.000
Asset Insurance		R 7.800	R	650	R 650	R 650	R 650	R 650	R 650	R 650	R 650	R 650	R 650	R 650	R 650	R 7.800	R 7.800	R 7.800	R 7.800
Bank charges		R 12.000	R	1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 12.000	R 12.000	R 12.000	R 12.000
Catering		R -	R	-	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Campaign costs		к - Р	R	-	R -	R -	к - В	к -	к - В	к - Р	к - Р	к -	к - В	к - Р	R -	к - в	к - Р	R -	R -
Flights		R -	R	-	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Food & Entertainment		R -	R	-	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Fuel, parking, travel & car hire		R 12.000	R	1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 1.000	R 12.000	R 12.000	R 12.000	R 12.000
Gifts & donations		R -	R	-	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Groceries		R -	R	-	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Materials		R -	R	-	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Maintenance / Miscellaneous		R -	R	-	к - Р 200	R -	R -	к - в 200	к - в 200	R -	к - в 200	R -	R -	к - в 200	R -	R -	R -	R -	R -
Petty cash		R -	R	- 200	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Postage & delivery		R -	R	-	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Printing & stationary		R 1.200	R	100	R 100	R 100	R 100	R 100	R 100	R 100	R 100	R 100	R 100	R 100	R 100	R 1.200	R 1.200	R 1.200	R 1.200
Promotion & advertising		R -	R	-	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Security		R 36.000	R	3.000	R 3.000	R 3.000	R 3.000	R 3.000	R 3.000	R 3.000	R 3.000	R 3.000	R 3.000	R 3.000	R 3.000	R 36.000	R 36.000	R 36.000	R 36.000
Staff incentives		R -	R	-	R -	K -	R -	R -	K -	R -	К -	R -	K -	K -	K -	R -	R -	R -	R -
Average stipend per month		к b2.400	R	15.600	R -	к - Р.	R 15.600	R -	R -	к 15.600 Р	к - Р	R -	R 15.600	R -	R -	R -	R -	R -	<u>к</u> -
Team building & excursions		R -	R	-	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Training, conferences & workshops		R -	R	-	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Vehicle maintenance		R -	R	-	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
item		R -	R	-	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
												<u> </u>				\square		11	
Sub-Total Expenses	[R 442.200	R	41.850	R 26.250	R 26.250	R 45.450	R 29.850	R 29.850	R 49.050	R 33.450	R 33.450	R 52.650	R 37.050	R 37.050	R 444.600	R 444.600	R 444.600	R 444.600
59/70 A		D 405 872		27 122	B 53 (33	D F 6220	D 46.617	D 21.1.7	D 33 767	D 74 005	D 50.005	D (0.207	D 102 CO.	D 00 F04	D 00.000	D 1 000 005	D 001 005	D 001 007	D 001 005
EBITDA		R 495.873	ĸ	-37.132	R -52.632	R 5.028	R 46.647	R 31.147	R 32./0/	R 74.325	R 58.825	R 60.385	R 102.004	R 86.504	R 88.064	R 1.009.965	R 981.885	R 981.885	R 981.885
Depreciation		10.10/	ň	4.093	4.093	1. 4.095	n 0.827	1. 0.827	n 0.827	·v 9.079	1. 9.0/9	n 9.0/9	11.405	11.405	11.403	1731.008	n 137.339	137.355	157.559
EBIT		R 399.686	R	-41.825	R -57.325	R 335	R 39.820	R 24.320	R 25,880	R 65,246	R 49,746	R 51,306	R 90.540	R 75.040	R 76.600	R 872.406	R 844,326	R 844.326	R 844.326
Finance costs		R 69.099	R	3.023	R 3.023	R 3.023	R 4.847	R 4.847	R 4.847	R 6.670	R 6.670	R 6.670	R 8.493	R 8.493	R 8.493	R 101.918	R 101.918	R 101.918	R 101.918
Profit before Taxes		R 330.587	R	-44.848	R -60.348	R -2.688	R 34.973	R 19.473	R 21.033	R 58.577	R 43.077	R 44.637	R 82.047	R 66.547	R 68.107	R 770.487	R 742.407	R 742.407	R 742.407
28% Taxes		R 122.772	R	-	R -	R -	R 9.793	R 5.453	R 5.889	R 16.401	R 12.061	R 12.498	R 22.973	R 18.633	R 19.070	R 215.736	R 207.874	R 207.874	R 207.874
			_																╡┟┢════╡
Net Income		R 207.814,76	R	-44.848,30	R -60.348,30	R -2.688,30	R 25.180,85	R 14.020,85	R 15.144,05	R 42.175,13	R 31.015,13	R 32.138,33	R 59.074,04	R 47.914,04	R 49.037,24	R 554.750,86	R 534.533,26	R 534.533,26	R 534.533,26



Indirect Cash flow Statement

Cashflow	Yearly		Monthly																									
Date	2016	5	20	016-01	2016-02	2016-03	2016-04	20	016-05	2016-06	201	16-07	2016-08	2016-09	2	2016-10	2016-1	.1	2016-12	201	7	201	.8	20	19		2020	5
# Max Hole Capacity	R	36.000	R	36.000	R 36.000	R 36.000	R 36	.000 R	36.000	R 36.000) R	36.000	R 36.00	D R 36.0	000	R 36.000	R 30	5.000	R 36.000	R	36.000	R	36.000	R	36.000		R	36.000
Net income	R	207.815	R	-44.848	R -60.348	R -2.688	R 25	.181 R	14.021	R 15.144	R	42.175	R 31.01	5 R 32.1	38	R 59.074	R 4	7.914	R 49.037	R	554.751	R	534.533	R	534.533		R	534.533
Add back depreciation	R	96.187	R	4.693	R 4.693	R 4.693	R 6	.827 R	6.827	R 6.827	R	9.079	R 9.07	9 R 9.0	179	R 11.463	R 1	1.463	R 11.463	R	137.559	R	137.559	R	137.559		R	137.559
Accounts receivable	R	-	R	-	R -	R -	R	- R	-	R -	R	-	R -	R	- 1	R -	R	-	R -	R	-	R	-	R	-		R	-
Accounts payable	R	-	R	-	R -	R -	R	- R	-	R -	R	-	R -	R	- 1	R -	R	-	R -	R	-	R	-	R	-		R	-
Changes is stock	R	-	R	-	R -	R -	R	- R	-	R -	R	-	R -	R	- 1	R -	R	-	R -	R	-	R	-	R	-		R	-
Sub-Total Cash flows from operating activities	R	304.002	R	-40.155	R -55.655	R 2.005	R 32	.008 R	20.848	R 21.971	. R	51.254	R 40.09	4 R 41.2	17	R 70.537	R 59	9.377	R 60.501	R	692.310	R	672.093	R	672.093		R	672.093
Amount paid for long-term assets	R	-1.132.425	R	-403.106	R -	R -	R -243	.106 R	-	R -	R	-243.106	R -	R	· 1	R -243.106	R	-	R -	R	-	R	-	R	-		R	-
Proceeds from long-term debt capex	R	1.132.425	R	403.106	R -	R -	R 243	.106 R	-	R -	R	243.106	R -	R	- 1	R 243.106	R	-	R -	R	-	R	-	R	-		R	-
Proceeds from long-term debt for working capital	R	145.810	R	90.155	R 55.655	R -	R	- R	-	R -	R	-	R -	R	- 1	R -	R	-	R -	R	-	R	-	R	-		R	-
Sub-Total Cash flows from investing activities	R	145.810	R	90.155	R 55.655	R -	R	- R	-	R -	R	-	R -	R	. 1	R -	R	-	R -	R	-	R	-	R	-		R	-
Repayment of debt	R	-	R	-	R -	R -	R	- R	-	R -	R	-	R -	R	- 1	R -	R	-	R -	R	-	R	-	R	-		R	-
Sub-Total Cash flow from financing activities	R		R	-	R -	R -	R	- R	-	R -	R	-	R -	R	. 1	R -	R	-	R -	R	-	R	-	R	-		R	-
Total Cash flow	R	304.002	R	-40.155	R -55.655	R 2.005	R 32	.008 R	20.848	R 21.971	R	51.254	R 40.09	4 R 41.2	17	R 70.537	R 5	9.377	R 60.501	R	692.310	R	672.093	R	672.093		R	672.093
Opening cash balance	R		R	-	R 50.000	R 50.000	R 52	.005 R	84.013	R 104.861	. R	126.832	R 178.08	6 R 218.1	.80	R 259.397	R 32	9.934	R 389.311	R	449.812	R	1.142.122	R	1.814.215		R 2	2.486.308
Closing cash balance (without proceeds from long-term debt for																												
working capital)	R	449.812	R	-40.155	R -5.655	R 52.005	R 84	.013 R	104.861	R 126.832	R	178.086	R 218.18	D R 259.3	97	R 329.934	R 38	9.311	R 449.812	R	1.142.122	R	1.814.215	R	2.486.308		R 3	3.158.400
Closing cash balance (with proceeds from long-term debt for																										ЛГ		
working capital)	R	449.812	R	50.000	R 50.000	R 52.005	R 84	.013 R	104.861	R 126.832	R	178.086	R 218.18	D R 259.3	97	R 329.934	R 38	9.311	R 449.812	R	1.142.122	R	1.814.215	R	2.486.308	. []	R 3	3.158.400


Capital Expenditure

Capex	Yearly		Monthly																		
Date	20	016	2016	01	2016-02	2016-03	2016-04	2016-05	2016	-06	2016-07	2016-08	2016-09	2016-10	2016-11	2016-12		2017	2018	2019	2020
#new Grower		20		3	0	0	3	C		0	3	0	() 3	C	0		0	0	0	0
			9.0	00	0	0	9.000	C		0	9.000	0	(9.000	C	0					
# Max Hole Capacity	36.0	000	36.0	00	36.000	36.000	36.000	36.000	36.0	000	36.000	36.000	36.000	36.000	36.000	36.000	1	36.000	36.000	36.000	36.000
Franchisee Infrastructure	R 646.4	25	R 281.6	06 F	R - R	-	R 121.606	R -	R -	R	121.606	R -	R -	R 121.606	R -	R -					
Grow pipe end	R 20.9	17	R 5.2	29 F	R - R	-	R 5.229	R -	R -	R	5.229	R -	R -	R 5.229	R -	R -	F	R -	R -	R -	R -
Grow pipes	R 246.9	75	R 61.7	44 F	R - R	-	R 61.744	R -	R -	R	61.744	R -	R -	R 61.744	R -	R -	F	R -	R -	R -	R -
Pipe nipple	R 5	27	R 1	32 F	R - R	-	R 132	R -	R -	R	132	R -	R -	R 132	R -	R -	F	R -	R -	R -	R -
Chain 4mm (1mtr)	R 12.4	15	R 3.1	04 F	R - R	-	R 3.104	R -	R -	R	3.104	R -	R -	R 3.104	R -	R -	F	R -	R -	R -	R -
Big irigation hose(black)(1mtr)	R 1.8	06	R 4	51 F	R - R	-	R 451	R -	R -	R	451	R -	R -	R 451	R -	R -	F	R -	R -	R -	R -
Chain hooks	R 4.7	03	R 1.1	76 F	R - R	-	R 1.176	R -	R -	R	1.176	R -	R -	R 1.176	R -	R -	F	R -	R -	R -	R -
Steel bar	R 18.8	10	R 4.7	03 F	R - R	-	R 4.703	R -	R -	R	4.703	R -	R -	R 4.703	R -	R -	F	R -	R -	R -	R -
Airstone*	R 5.0	16	R 1.2	54 F	R - R	-	R 1.254	R -	R -	R	1.254	R -	R -	R 1.254	R -	R -	F	R -	R -	R -	R -
Pump for airstone*	R -		R -	F	R - R	-	R -	R -	R -	R	-	R -	R -	R -	R -	R -	F	R -	R -	R -	R -
Tank connector system	R 44.4	23	R 11.1	D6 F	R - R	-	R 11.106	R -	R -	R	11.106	R -	R -	R 11.106	R -	R -	F	R -	R -	R -	R -
Plastic elbow bend ("F-Flow" external)	R 6	02	R 1	50 F	R - R	-	R 150	R -	R -	R	150	R -	R -	R 150	R -	R -	F	R -	R -	R -	R -
Plastic elbow bend (internal)	R 7	55	R 1	89 F	R - R	-	R 189	R -	R -	R	189	R -	R -	R 189	R -	R -	F	R -	R -	R -	R -
Small irigation hose (m)	R 1.3	62	R 3	40 F	R - R	-	R 340	R -	R -	R	340	R -	R -	R 340	R -	R -	F	R -	R -	R -	R -
Feeder pipe end stops	R 2.0	06	R 5	02 F	R - R	-	R 502	R -	R -	R	502	R -	R -	R 502	R -	R -	F	R -	R -	R -	R -
Cable ties	R 7	90	R 1	98 F	R - R	-	R 198	R -	R -	R	198	R -	R -	R 198	R -	R -	F	R -	R -	R -	R -
Hose clamps	R 6.1	40	R 1.5	35 F	R - R	-	R 1.535	R -	R -	R	1.535	R -	R -	R 1.535	R -	R -	F	R -	R -	R -	R -
Silicone (cones)	R 1.5	68	R 3	92 F	R - R	-	R 392	R -	R -	R	392	R -	R -	R 392	R -	R -	F	R -	R -	R -	R -
T splitter irigation hose (internal)	R 6.3	35	R 1.5	84 F	R - R	-	R 1.584	R -	R -	R	1.584	R -	R -	R 1.584	R -	R -	F	R -	R -	R -	R -
T splitter irigation hose ("F-Flow" external)	R 2.8	84	R 7	21 F	R - R	-	R 721	R -	R -	R	721	R -	R -	R 721	R -	R -	F	R -	R -	R -	R -
Nutrient bin (60L)*	R 5.0	16	R 1.2	54 F	R - R	-	R 1.254	R -	R -	R	1.254	R -	R -	R 1.254	R -	R -	F	R -	R -	R -	R -
Pump	R 12.5	40	R 3.1	35 F	R - R	-	R 3.135	R -	R -	R	3.135	R -	R -	R 3.135	R -	R -	F	R -	R -	R -	R -
Tank(600L)	R 17.5	81	R 4.3	95 F	R - R	-	R 4.395	R -	R -	R	4.395	R -	R -	R 4.395	R -	R -	F	R -	R -	R -	R -
UV light*	R 5.0	16	R 1.2	54 F	R - R	-	R 1.254	R -	R -	R	1.254	R -	R -	R 1.254	R -	R -	F	R -	R -	R -	R -
Construction cost	R 11.0	00	R 2.7	50 F	R - R	-	R 2.750	R -	R -	R	2.750	R -	R -	R 2.750	R -	R -	F	R -	R -	R -	R -
Covering the tunnel (plastic and labor)	R 160.0	00	R 160.0	00 F	R - R	-	R -	R -	R -	R	-	R -	R -	R -	R -	R -	F	R -	R -	R -	R -
Project management fee	R 57.2	40	R 14.3	10 F	R - R	-	R 14.310	R -	R -	R	14.310	R -	R -	R 14.310	R -	R -	F	R -	R -	R -	R -
Item	R -		R -	F	R - R	-	R -	R -	R -	R	-	R -	R -	R -	R -	R -	F	R -	R -	R -	R -
														1							
Franchisor Infrastructure	R 486.0	00	R 121.5	00 F	R - R	-	R 121.500	R -	R -	R	121.500	R -	R -	R 121.500	R -	R -	F	R -	R -	R -	R -
Investment Management Services	R 180.0	00	R 45.0	00 F	R - R	-	R 45.000	R -	R -	R	45.000	R -	R -	R 45.000	R -	R -	F	R -	R -	R -	R -
Branding, Promotional Material & Apparel	R 18.0	00	R 4.5	00 F	R - R	-	R 4.500	R -	R -	R	4.500	R -	R -	R 4.500	R -	R -	F	R -	R -	R -	R -
Franchisee Recruitment	R 48.0	00	R 12.0	00 F	R - R	-	R 12.000	R -	R -	R	12.000	R -	R -	R 12.000	R -	R -	F	R -	R -	R -	R -
Franchise Fee	R 180.0	00	R 45.0	00 F	R - R	-	R 45.000	R -	R -	R	45.000	R -	R -	R 45.000	R -	R -	F	R -	R -	R -	R -
Franchisee Training	R 60.0	00	R 15.0	00 F	R - R	-	R 15.000	R -	R -	R	15.000	R -	R -	R 15.000	R -	R -	F	R -	R -	R -	R -
item	R -		R -	F	R - R	-	R -	R -	R -	R	-	R -	R -	R -	R -	R -	F	R -	R -	R -	R -
item	R -		R -	F	R - R	-	R -	R -	R -	R	-	R -	R -	R -	R -	R -	F	R -	R -	R -	R -
item	R -		R -	F	R - R	-	R -	R -	R -	R	-	R -	R -	R -	R -	R -	F	R -	R -	R -	R -
TOTAL	R 1.132.4	25	R 403.10	06 F	R - R	-	R 243.106	R -	R	- R	243.106	R -	R -	R 243.106	R -	R -	F	R -	R -	R -	R -

Investor funds needed

	2016	01-01-201	5 01	-02-2016	01-03-2016	01	-04-2016	01-05-	2016	01-0	6-2016	01	-07-2016	01-0	8-2016	01-0	9-2016	01	1-10-2016	01-11-	2016	01-12	2-2016	20	17	2018	2019	2020
Fund for Franchisee Infrastructure	R 646.425	R 281.606	R	-	R -	R	121.606	R	-	R	-	R	121.606	R	-	R	-	R	121.606	R	-	R	-	R -		R -	R -	R -
Fund for Franchisor Infrastructure	R 486.000	R 121.500	R	-	R -	R	121.500	R	-	R	-	R	121.500	R	-	R	-	R	121.500	R	-	R	-	R -		R -	R -	R -
Cash needed	R 145.810	R 90.155	R	55.655	R -	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R -		R -	R -	R -
Total Funds needed	R 1.278.235	R 493.261	R	55.655	R -	R	243.106	R	-	R	-	R	243.106	R	-	R	-	R	243.106	R	-	R	-	R	-	R -	R -	R -

Q2 R 243.106





Q3 R 243.106



