Mozambican women apply new business practices to help them grow

Business Women Connect program

Through her trainings with TechnoServe's Business Women Connect program, Dona Olivia has been able to attract more clients through good customer service and good merchandizing.

TechnoServe has a powerful approach for helping women with small business in Mozambique increase their earnings. These “mini grocery stores”, known locally as “mercearias”, play a critical role in their communities, supplying roughly 80 percent of consumer goods. In partnership with the Exxonmobil Foundation in 2018, TechnoServe aimed to help 100 women with small business to boost their profits and develop business skills through the Business Women Connect program. The BWC approach includes in-store consulting as well as training on self-efficacy, business skills, merchandizing and display.

Olivia Massarula is 36-year-old woman, who owns and runs together with her son the “Gemeos Falsos” mini-grocery store located in Zona Verde, Maputo. Olivia joined the Business Women Connect program and was able to turn her 5-year-old business more profitable. Over the past few months, the store and the family’s earnings have been transformed.

Before joining the BWC program, Olivia faced numerous challenges that significantly affected her business. She regularly ran out of funds to improve the store,
as she often withdrew money from the store for personal use without keeping records. This habit prevented her from keeping the store well stocked, resulting in loss of clients. “I was running my shop with no guidance or particular expertise, and as a result, I always found myself without cash to purchase stock. This made me lose many customers to my competitors,” she said.

Olivia joined the BWC program with the hopes of gaining knowledge to improve her business. As a result of the training provided by TechnoServe, Olivia has been keeping business records and is now able to effectively manage her finances. “I am now able to separate personal and business money, and therefore I no longer use my store’s money for personal use. Records have also helped me know my business expenses, and I am able to minimize unnecessary expenses,” she says. With improved record keeping, Olivia is now able to measure the performance of her business and can set realistic business goals.

Since entering the BWC program, one of the most transformational aspects of the project for Olivia and other business women, was the training on Merchandizing. Applying practices they learned they improved store layout, organized product display and posted prices. Olivia is not just keeping the lessons she has learned through the business trainings to herself. In fact, Olivia’s son now assists in running her shop and is learning basic business skills from his mother.

With customer numbers rising again, Olivia is stocking her shelves with additional groceries that customers have expressed interest in purchasing. “I have decided to introduce groceries so that customers don’t have to go elsewhere for them, I have added beauty products and diversified the types of juice” she explains.

Olivia also shared that her newly acquired knowledge has helped her to build stronger relationships with her customers, many of whom are her neighbors. “I now relate better with customers and neighbors, and so I even feel safe to open the business late into the night. My neighbors are security to my business,” she explained.

She notes that the biggest change she feels in herself after participating in the program is her confidence, which she attributes to Lucinda’s support (her business counselor). “When a customer comes, I know how to handle them because of my coach. I ask him/her what he/she wants. I give the
price. If we need to bargain, I bargain. Before I did not bother, I did not even look at them or talk to them. Olivia also made an investment that will not bring her “cash profit” but will help her manage her customers and keep her records. “I bought a television and put in the direction the of point of sales, because customers always watch television, meanwhile it allows me to manage other customers and even record the sales”.

Olivia feels that her interactions with BWC staff, especially with her coach has helped her develop a new and more positive attitude towards her now has more confidence that through it she will be able to achieve her goals in life. “Now that I see my shop as a sustainable business and career path, I am dreaming big, I have plans to one day convert my business into a mini supermarket and to sell some items on wholesale”.

Photo 3: Using better customer service techniques, Olivia has improved her customer experience and is growing her customer basis
Mozambican women improve their businesses and increase access to savings in their community

Business Women Connect program

Sandra Chau, an owner of a small grocery shop in Inhambane province, Mozambique, has learned from the Business Women Connect training and through meeting other businesswomen, who face similar difficulties as the ones she faces in her business, that the success of a business does not depend solely on the volume of goods sold. Rather, she realized that success in business relies on good management, good planning – especially related to savings – and adoption of good practices.

“Before I was only saving for emergencies and for personal purposes without having in mind that I might need to invest in the business, for example to buy new equipment, painting, proper organization of the products,” she said, “Nowadays I already know the tools that help improve profit like saving for business purposes, record keeping, merchandising and providing good customer service. Now, all the profit coming from the business, apart from my salary and the salary of my employees, I save in order to invest and increase products.”

There are more than one million women entrepreneurs in Mozambique, many of whom have yet to reach their full potential. Due to a lack of working capital and knowledge of best business practices, many of these women entrepreneurs are stuck in low-margin businesses. Cultural norms that disadvantage women often allow any income earned to be predated by their next of kin. Business Women Connect (BWC), a program funded by ExxonMobil Foundation, was born out of research showing that accessible micro-savings products are one of the most impactful tools for women entrepreneurs. In a context where only 18% of adult women access formal mechanisms to save (banks and MNOs), mobile savings products offer women greater security, privacy and control over their incomes, so they can re-invest in their businesses and move to higher-margin activities.

Business Women Connect aims to economically empower women by increasing incomes through training businesswomen on business skills as well as promoting the effective use of formal savings products by also training these businesswomen in financial literacy so they may become better financial

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1 FSD Mozambique / FinScope 2014
2 FinScope Mozambique 2014 / Making Access Possible 2014
service providers. BWC partners with various Mozambican financial service providers and works with their women agents, who are all owners of their own businesses and provide financial services in their communities.

Sandra Jaime Chau, 35 years old and mother of three, is a teacher and owner of a grocery shop, Mercaria Dona Sandra, in the center of Morrumbene district, Inhambane province. Sandra opened her grocery store in 2010 attempting to increase her income and ensure better living conditions for her family. In February 2018, she became an agent with Letshego Bank’s product line LetsGo, which provides an accessible formal financial service suite that pays depositors up to 10% interest per annum. LetsGo, an innovative product that can be offered in communities by agents such as Sandra, is particularly compelling for women due to low documentation requirements, better security and high accessibility.

In early 2018 Sandra was identified to participate in the BWC course, which ran for two and a half weeks followed by one-on-one coaching sessions with the BWC business advisors. In the first half of the course, which focused on increasing financial literacy for the women agents, Sandra learned about the importance of savings and savings products.

“If I can save cash over a certain period,” she explains, “It will allow me to develop my business— which includes selling beverages and offering catering services—as well as cover basic needs like medical expenses and my children’s school fees. I still make monthly savings in the bank as I have been doing, but now also in my business account.”

She learned that the best way to save is to make a savings plan, and divide her goals into short, medium or long-term goals. “Once I have my goals in mind,” she explains, “I write them down and keep them in sight. Whether in front of a refrigerator, on walls, or whatever. I do that to feel motivated, set saving targets along with a timeline to make it easier to save.” Today, the amount she saves from her salary and business every month to reinvest in her business has doubled (from $79 to $158), and she intends to keep it that way or potentially increase it.

Learning about savings was important for Sandra’s own grocery business, but also as a financial service agent who is offering savings products in her community. Previously, she had many challenges in attracting and serving LetsGo clients because she did not know how to discuss benefits of savings and having a LetsGo account. “But after the training,” she said, “Many of these challenges have been solved. I feel more confident in explaining the benefits of having a LetsGo account. Most of all, I have more control over products, and I am paying more attention to the customers.”

Today, Sandra feels good about her role as an agent. “I have a leadership role in my community,” she says, “When people are concerned about something related to LetsGo service I am the one indicated by those who already know me. It has helped me build a strong network of women and I have improved communication dealing with clients who have constant complaints.”

The second half of the BWC course focused on good business skills for entrepreneurs, which, if applied, help the businesswomen grow their businesses. These skills included maintaining records, diversifying product offerings, separating business and personal money, calculating profit and loss, conducting market research, merchandizing, offering customer service and planning savings for investments.

After beginning the course, Sandra realized that her shop had a very limited product offerings, which led to meager sales averaging USD $42 daily. To boost the business, she developed a strategy that focused on increasing the product range, such as adding seafood, to attract new customers and rolling
out new revenue streams and that led her to increase her monthly savings. This strategy also spurred
the increase of her LetsGo commissions due to constant visits of new customers who opened LetsGo
accounts. Her daily average sales increased from an average of USD $42 to $60. “From now on I will
analyze everything: products, prices and my competitors before investing and I will always be attentive
to market trends. At the business level, I will keep investing and keeping my grocery store attractive to
all type of clients.”

Because of her adoption of good business practices, she feels that she has become a role model in her
group. Moreover, her grocery shop has shown constant growth with the implementation of
merchandising and providing good customer service. With the money she is reinvesting in her business,
she has been able to build an extension to her store, which she rents out for events in her neighborhood
and for which she does the catering, providing her with two additional streams of revenue.

Yet, ever the entrepreneur, Sandra still feels that she has more work to do on her business. She does
not feel that she has yet reached her potential and hopes to increase further the number of products
offered in the grocery shop, as well as provide catering services one day. Moreover, she intends to train
all her staff, “I intend to provide a similar training to the one I had to my staff, around customer service,
records keeping and mostly how to keep the shop cleaned.”

Since early 2018, BWC has trained over 100 businesswomen like Sandra on savings, financial literacy
and business skills in order to help them improve their own businesses as well as becoming more
effective service providers and ambassadors of formal savings to thousands of other women in
Mozambique. In 2019, the program will engage approximately 200 more businesswomen.

To learn more about the BWC program, please visit: www.businesswomenconnect.org