

THE ENTREPRENEURIAL TESTIMONY OF YOGURT MAMAS

1.0 Introduction

On June 2005, Chake Chake University and Great Zone in Tanzania launched a project in the Great Zone intended to produce Yogurt enhanced with probiotics. According to the World Health Organization (WHO), probiotics is bacterial culture that is effective in both reducing the risk of diarrhoea and reducing the severity and duration of diarrhoea episodes. The project was considered an important intervention by the Tanzania National Institute of Medical Research (NIMR) as probiotic-enhanced yogurt improves the nutritional status of those who consume it and it was hoped that the probiotics would become an accepted intervention for people living with AIDS. As the project was initiated by the University in association with foreign volunteers, involvement of the local population at different capacities was imperative.

A group of Women operating an association named Inawezekana's Women Group (IWG) sense an opportunity of supplying raw milk that would be used to produce probiotic-enhance yogurt. When they strike a deal of supplying raw milk to the project, they already had five years' experience working together as a group. After impressive performance of supplying raw milk to the project, the Coordinator of the project was inspired by their work attitudes and he wanted to empower them so that they can venture into yogurt business (production and selling). One of the experienced project member was assigned the task of helping the IWG establish that venture. The focus was to guide them in business planning until the group attains the capacity to manage its operations and become independent. This is the genesis of the name "*Yogurt Mamas*" to the members of the IWG.

2.0 Stakeholders involvement

The path of IWG toward becoming respectable yogurt entrepreneurs was supported by various stakeholders. For sure, it could not have materialized if it was not the support of those patrons. The first was Dr. Mjuzi Wetu, the founder of the project and owner of the technology for integrating probiotics into yogurt.

However, neither the project nor the founder supplied the probiotics culture to the IWG. They just availed IWG with free access to the technology for producing probiotic-enhanced yogurt. Thus, IWG had to contact NIMR for producing the probiotic culture using the technology they are granted access by Mr. Mjuzi . Besides, members of IWG also enjoyed business skills training from Tunaweza Consulting, a local management and business consultancy firm.

The training was organized and sponsored by Tunauhakika Women's Rights Organization, which is an umbrella organization for all women oriented organizations/associations in the Great Zone. Also, IWG received fully furnished premises and other non-material support, especially logistical, procedural, and permit clearance from their host Local Government Authority.

3.0 Yogurt Making

Each morning the appointed suppliers deliver raw milk to the IWG premises. The yogurt mama currently had three reliable milk suppliers as they opted to outsource the milk supply function. The amount of milk received varied daily and seasonally, but on average between 40 and 50 liters of milk were delivered each day. Upon receipt, the quality of milk is tested using a thermometer-like device called *milk lactometer*. A reading of greater than 30 on the lactometer indicated that the milk was pure and did not contain an excess amount of water. The milk undergoes pasteurization, which involves double-boiling process at 180 Fahrenheit Degrees. The first boiling takes approximately 25 to 30 minutes in which the process become half-completed.

To complete the process, this temperature needs to be sustained for 30 additional minutes, with continued stirring. After the heating process, the milk is transferred to a cold-water bath to cool down. After the milk had cooled down, the probiotic culture is added. This culture is delivered from the NIMR lab once a week, pre-mixed in 2 liters of yogurt. To add the culture to the yogurt, a small sample of the culture yogurt is added to the cooled milk.

4.0 Customers

IWG currently serves the community around its premises and People Living with AIDS (PLWAs), as it has proven to be a highly nutritious food. The majority of the PLWAs walked into the IWG premises to buy yogurt had been referred by doctors from a nearby Health Centre, which is a hub of HIV/AIDS care in the community. Usually, more than 100 referred patients visit IWG premises to receive a free cup of yogurt (The health center pays). A growing customer group in this segment is lactating mothers who need access to safe milk to boost their breast-feeding. IWG reserves a portion of the milk it sterilized and sold it to this segment. Also, the product has a broader appeal for healthy members of the local community in the Great Zone where IWG operates. The nutrition benefits are less important for this group, which prefers the consistency and taste of the yogurt to competitors' fermented milk products.

5.0 Competition

There are no other probiotic yogurt products in the market in the whole of Great Zone area. However, being a first mover in this market segment IWG shoulder the responsibility for educational marketing to convey the health benefits of probiotics. The local competitors targeted the affluent market segments. Mazito yogurt and Matamu Dairy focused on expatriates and high-income citizens. The former catering more to western tastes and the latter better suited to local tastes. Mbugani milk targeted mid-income customers. Mazito is the most expensive local yogurt, commanding a price three times that of the next pricier option, from Matamu Dairy.

Variety and sophisticated packaging would likely continue to offer differentiation opportunities. Matamu yogurt is approximately two to three times as expensive as its next

competitor, Mbugani milk. But, Mbugani milk yogurt is broadly available at kiosks and convenience stores, and its strong fermentation aftertaste held strong appeal for the local consumer. Yogurt mamas priced their yogurt almost on par with Mbugani milk's yogurt, but they emphasize on the nutritional benefit contained in IWG yogurt. One critical concern, however, was packaging. Lack of proper packaging is impeding IWG's ability to make its product available to a larger customer base and to access established distribution networks.

6.0 Scaling Up

Production capacity is constrained by the current process, which in turn is limited by the facilities available in the premise. IWG has taken steps to relocate and expand the production premises. With the financial backing from donor grants, IWG has purchased a ten thousand plot not far away from its current location at a discounted price of Tsh 8.5 Million. The plot provided sufficient base to both keep cows and construct a much larger yogurt production facility. The area, nevertheless, is not connected to the public utility services such as electricity and water services, but the prospects are high that the area will be serviced soon. IWG has applied a grant from the Consortium of Private Enterprises to expand operations on this plot. The group has just received notice of funding (Tsh 50 million) to purchase ten cows and build a banda, pending approval from the Finance committee of the Consortium. Once the funding is approved the construction of band is expected to be done before the end of the year. However, the funding requirements are greater than the amount acquired so far. The group need to secure additional funding from alternative sources.

7.0 Funding Challenges

For the first two years IWG received Tsh 3 million annually from various stakeholders as start-up and operational expenses. These funds were often provided on an ad hoc basis and some were not in IWG plans. IWG had not kept detailed financial records on the uses of these funds, and there had been limited reporting to sponsors. Financial record-keeping skills would be one of the stepping-stones for growth, and Tunaweza Consulting was all prepared to design a simple but effective record-keeping system. Moving forward, IWG has to increase its profitability and reduce its reliance on external funds. A simple estimation shows that a 5 percent margin on each cup of yogurt, the Yogurt mamas would earn between 15 and 20 per cent more than what they are getting. Expanding the operations to a new location also has significant funding implications both in absolute and relative terms. Although the initiatives in place represent a significant step toward overcoming initial funding challenges, the sum obtained is just a fraction of the funding requirement to operationalize the business to higher levels. IWG still has an obligation to secure additional funding.

8.0 Conclusion

By undertaking the activities in this venture, the Yogurt mamas felt that they have acquired many skills and expertise over the years they have been in this business. They are proud of all that they have learned, and they are eager to share their knowledge with other women. More importantly, IWG believes that they have a noble responsibility of improving the health conditions of their community members via probiotic-enhanced yogurt. Cognitively, they consider a privilege and prestige to serve their fellow community members with a product that improves the health condition.