

**Accesserator**

**Magazine**

**2018**

‘Accesserator started  
with a dream.  
Now there is proof.  
So the future  
will be bright.’

part I

# maloto

## dream



**Name:** Godfrey Mfiti

**Company:** Nthaka Poultry Farm

**Location:** Lunzu, Malawi

‘My dream is that all Malawians enjoy the nutritious and tasty chicken products of the Malawian Nthaka Poultry Farm’





# Welcome to the Accesserator Magazine 2018

The magazine you're holding is the result of months of hard work and research. From all those involved; the founders and employees of Accesserator, the entrepreneurs in Malawi, the designers of Studio Lammert Jonkman and the researchers of EMMA. Together, we proudly present the Accesserator Magazine 2018: the annual report, with the insights of a research report that reads like a magazine, and looks accordingly.

We, Accesserator's founders Robert Slijk and Maarten Verboven, started Accesserator with a mission to create an investment model aimed at profit and impact in Malawi at the same time. In 2018, this model started working as we gained trust from both investors and Malawian entrepreneurs. To support our mission, we asked the consultants and researchers of EMMA to create a comprehensive overview of Accesserator: from the start in 2017 to the progress in 2018, and a look into 2019 and beyond. Many thanks to EMMA's Laura Sofie van der Reijden and Gijs Kist who researched Accesserator and wrote the magazine, consisting of three parts:

- 1. dream – maloto\*: the start of our dream in 2017 supporting the first two businesses;
- 2. proof – umboni\*: in 2018 the model raised capital to invest in 11 new businesses;
- 3. future – tsogolo\*: from 2019 a future of growth

\* Chichewa, the most commonly used language in Malawi

## Show the Accesserator-model

Our goal is to let you as a reader look differently at the social and environmental challenges and opportunities in Africa, and demonstrate our different approach than the conventional ways. We want to show why our equity model

of investing and venture building has become a success in a relatively short amount of time. Not just to capital investors, but to governments, NGOs and companies.

Furthermore, we want to elaborate on what it takes to set up and run a business in Africa: hard work, creativity, trust and dare. And that it's possible to set up a full-profit business that actually meets the social and environmental challenges, seizes the economic opportunities and profits to all parties involved: the local entrepreneurs, their communities and natural environment, Accesserator, and its investors. In line with our core values, the annual magazine is transparent and real.

## Spread the word

We have to work together with different stakeholders and third parties to reach our goals, as we cannot do this alone. There is more capital needed, more chances to be given and more chances to be taken. The Accesserator model has to be spread, for more people to use and show that it works. There are more great ideas and business plans in Malawi than we can possibly handle on our own. So, when more impact investors come to Africa, and especially to Malawi, we believe growth and prosperity will follow.

## Improve the system

We believe many people in Malawi and the rest of Africa will benefit from the Accesserator model: supporting the start and growth of local enterprises and finding solutions to local challenges together. It is not only the entrepreneurs that will benefit. For example, women won't breath in toxic smoke while cooking any longer, because entrepreneur Marumbo Kalua designed a smokeless briquette. And with the lessons about conserving nature and planting trees by beekeeper Lenford Msukwa, the youth will take care of their

natural environment. The Accesserator model enables those entrepreneurs to start their dream and help the country forward. People's lives will improve, and the world will be better off. The healthier women or educated kids can start a business of their own. This way, the Accesserator model is circular, in every sense of the word. We are looking forward to the day we are not needed anymore in Malawi, and we can hand it all over to the hands of local entrepreneurs, for them to continue the journey we started with the support of our investors.

With our complete focus on the growth of Accesserator and all of our participations, and with engagement and energy of all people working at Accesserator, we are looking forward to 2019 being another year of progress for our business.



Robert Slijk

Founder and CFO



Maarten Verboven

Founder and COO

# Why we do what we do

## The Accesserator start: think big and act small

**Accelerate the economy in Malawi and create new opportunities for Malawians, that is Accesserator's intrinsic motivation and starting point. And eventually make the world a bit better. Find out everything on why and how Accesserator came to be.**

### Let's start a business with impact

Some time ago, a civil engineer and a business developer met. The first – a hardworking, opportunistic man – worked at the Dutch Water Authorities and later as a consultant at engineering company LievenseCSO. That's where he met the business developer – straightforward and diligent – who was by then already seasoned in the civil engineering and construction sector. Once the men – Maarten Verboven and Robert Slijk, respectively – started talking, they immediately ventured to starting their own business. They appeared to have a lot of common interests and goals.

What business should they start? They wanted to do something that could possibly someday 'save the world'. Robert and Maarten bonded on the fact that they both didn't believe in classical development aid. Maarten had lived in Malawi for half a year, where he also met Patrick Namakhoma: 'who is now Accesserator's director of the Blantyre office'. Maarten and Robert figured: why not do something there? After some researching, they decided they wanted to contribute to economic growth by stimulating the Small Medium Entrepreneur-sector, or the 'missing middle'. And they wanted to do it their way, by setting up a for-profit company model, so both parties involved would have an advantage. The Accesserator way.

### Filling in the gap

Maarten and Robert's personalities and ambitions seamlessly connect. Maarten wants to make the world a bit friendlier and more considerate, and motivate people to make teams work. He is good at asking questions and in intelligent process design. Robert wishes to create businesses and establish "the impossible". Creating a holistic vision and seeing the strengths in others are his strong suits.

They figured their qualities could be of good use in Malawi, and especially the Malawian entrepreneurial scene. Traditional loans from banks are killing starting businesses there and long-term investing in businesses is not being done by many companies yet. Yes, microfinancing exists, but these loans are generally too small to start a business. And large investments start at USD 100.000. But what happens in between?

Robert and Maarten decided to fill that gap. Insert between USD 5.000 and 50.000 in startups and scaleups. This way they wanted to create chances for local entrepreneurs, instead of donations and grants that, according to them, do not serve this goal. 'Failure is not really expected to happen in classical development aid. This is a strange idea in Africa, since there's still a lot to be discovered there', Maarten says. 'We are very lucky that we're born here in the West, with all the chances we get. I believe we have to do our best to interact with each other in an equivalent way. And if we don't share our part, the less fortunate will come and get their part. We want to create a middle class in Malawi, that by even just existing helps the country forward.'

### Good business cases and good entrepreneurs

What is the Accesserator model to fill this gap? First, as shareholders, Robert and Maarten are equal partners in governing the partnerships with Malawian entrepreneurs. Next, Patrick Namakhoma is director of Accesserator's Blantyre office. As an agriculturalist by training and with 14 years of experience in land government organizations, Patrick is the perfect local contact for the entrepreneurs.

Patrick introduced Robert and Maarten to a lot of people in Malawi; future entrepreneurs, 'guru's' like Emma Katengeza who helped them with their own business idea, and other possible stakeholders. They tested the waters, so to speak. Starting in 2017, the first two cases for Accesserator came through Patrick's own local network. 'The problem is that many people in Malawi are not that pro-active', Patrick says. 'In the beginning, we really had to search for good business cases. And finding a good, trustworthy entrepreneur is equally important.' Patrick became in charge of doing both: selecting good business cases and doing background checks on the entrepreneurs.

### Big Hairy Audacious Goal (BHAG)

Once they have good business cases and good entrepreneurs, the Accesserator team aims at making as much impact as possible. They define impact first and foremost as the business value they create. Maarten: Sustainability for us is making profits first. We want to see the companies flourish for years after our partnerships ends. When the business flourishes, it radiates on the surroundings. When someone becomes a good entrepreneur, people around him or her will notice. They might want to start a business of their own. This has so much impact for the 'ordinary Malawian'.

What would they say is their biggest goal, then? Or, as they themselves call it, their 'Big Hairy Audacious Goal'? 'We want to make Accesserator the impact investor of Malawi, with a praised investing model in the Netherlands, and be known in neighbouring countries like Zambia and Tanzania', Robert says. 'We are a partner for startups and scaleups in Malawi, by providing knowledge, cash and network needed for SME's to have a sustainable growth. If we can make entrepreneurship possible for more Malawians and elevate the standard of living, that makes me in return very happy.' Maarten agrees: 'This is best job I've ever had. Because we're really achieving something together with Malawians, in a tangible way. There are concrete results, something literally gets build up, that's 40% ours. That's pretty cool.'

**'When someone becomes a good entrepreneur, people around him or her will notice'**



**Patrick Namakhoma**

Accesserator's director Blantyre office



# Entrepreneurship in Africa

## From development aid to entrepreneurship

In order to discuss the future of Africa – in itself a wildly big venture – we need to look back. Look back at some of the most critical points in history that shaped the continent to what it is today, to eventually be able to answer the question: *is investing in entrepreneurship the future of Africa?*

### ‘Catching up’ with foreign aid

In the grand scheme of things, the history of foreign aid is not a long one. Over the past 100 years or so, foreign aid to Africa started out from the European colonial ties and transformed into an economic, political and humanitarian movement. Colonial powers first began providing aid to their colonies in Africa, mostly to build infrastructure and develop the land. There was a general idea that countries had to ‘catch up’ with ‘developed’ places such as North America, Europe and Australia.

After the colonies became independent, the focus of aid was mostly still on this economic development. During the Cold War, inter-country relations got a more political taste and allegiances emerged. We then split the planet into a first, second and third world, a distribution we still use today. Countries that did not have any (former) colonies to provide aid to, and a wider spreading of the idea of humanitarian aid, lead to many countries agreeing on the 0.7% target: ‘The best-known target in international aid proposes to raise official development assistance (ODA) to 0.7% of donors’ national income’.<sup>1</sup> In 1970, this ODA target was first agreed upon.

In 2017, five donors met the 0.7% ODA/GNI target, down from six in 2016.<sup>2</sup> Giving aid from one country to another – bilaterally – is just one of many forms of aid. Millions of

dollars get donated or loaned multilaterally through NGOs such as the World Bank, WHO and others, and also privately through subsidies and loans. Over the years, the roles of the countries concerned shifted as well, making way for new connections such as between China and Africa, a development cooperation on the basis of mutual self-interest. This, one could argue, is a more horizontal relationship than the link between the former colonial powers and their former colonies.

### A new development paradigm?

Despite receiving more than 600 billion USD in the context of foreign aid since the 1960s, a large part of Africa has still remained underdeveloped and in extreme poverty.<sup>3</sup> The continent’s aid dependency continues, and it is not expected to be reduced in the near future. Because of this, the effectiveness of foreign aid has been highly debated for decades. How to measure, then, the impact aid has on the development of the continent? The impacts of aid are numerous; they can be micro- or macroeconomic, and can involve all levels of human activity – economic, political, social, cultural.<sup>4</sup> When the focal point is solely one of these, money tends to go only in that direction.

<sup>1</sup> “The 0.7% ODA/GNI target - a history”, OECD, accessed March 29th 2019, <http://www.oecd.org/dac/stats/the07odagtarget-ahistory.htm>

<sup>2</sup> “Preliminary ODA data for 2017”, Development Initiatives, accessed March 29th 2019, <https://reliefweb.int/sites/reliefweb.int/files/resources/Preliminary-ODA-data-for-2017-1.pdf>

<sup>3</sup> Farah, Ali, Onder, Murat and, Ayhan, Emrah, “How Foreign Aid Affect Developing Countries: The Case of Ethiopia” 7-39, [https://www.researchgate.net/publication/324808703\\_How\\_Foreign\\_Aid\\_Affect\\_Developing\\_Countries\\_The\\_Case\\_of\\_Ethiopia](https://www.researchgate.net/publication/324808703_How_Foreign_Aid_Affect_Developing_Countries_The_Case_of_Ethiopia)

<sup>4</sup> Alice N. Sindzingre, “Aid and Economic Development”, <http://www.oxfordbibliographies.com/view/document/obo-9780199846733/obo-9780199846733-0014.xml>

If development is primarily understood as economic growth, for example, most of the money will go to supporting the growth of markets and infrastructure to support those markets. But when the greater human wellbeing comes into focus, donors spend more money on supporting civil society, gender equality, education and health.<sup>5</sup> Measuring these types of development and progress are far more difficult, and there is no standard in doing so.

Since the turn of the century, things have begun to change further. A new narrative of African development started to emerge. Newspapers featured articles about “Africa rising” and “the fastest growing continent”. Moreover, Africa’s earlier mentioned economic relations with non-traditional partners such as China point at Africa becoming a prime trade and investment partner. Four key factors play a role in this:

1. The growth resurgence recorded since the turn of the century;
2. The deepening of economic reforms and liberalization in Africa, which has opened up investment opportunities for private operators;
3. The improvement in political stability in the majority of African counties;
4. Africa’s endowment in natural resources, including agricultural land.<sup>6</sup>

Many scholars and experts therefore argue that foreign aid can and has boosted the economy of African countries, by creating a space for a foreign direct investment, reducing corruption, and promoting democracy.<sup>7</sup>

**The impact of investing**

Foreign investment thus is highlighted as a relatively new way forward for Africa. A couple of decades ago, investments coming from the private sector first started as microfinance projects. This idea of investing in a project with not only an economic, but additionally a social outcome, emerged at the end of the 1900s. ‘The practice of making small loans to the world’s poorest people has proved

a powerful tool in the battle to eradicate poverty.’<sup>8</sup> Over the years, these small loans grew to million-dollar investments in some cases, thereby creating a new field of investing called *social impact investing*.

According to the Organisation for Economic Co-operation and Development (OECD) ‘social impact investors seek social and environmental impact from their investments, in addition to financial returns’.<sup>9</sup> They not only direct new capital flows to developing economies, but also bring ‘greater effectiveness, innovation, accountability and scale to investments, increasing their economic and social benefits for the world’s poor’. In some cases, it works alongside of or together with official development assistance (ODA) projects, to develop new business models that can compete with existing ones.

Moreover, ‘social impact investment can provide new ways of efficiently and effectively using public and private capital to address social and economic challenges at the global, national and local levels.’ It provides a vehicle for bringing innovation to existing delivery mechanisms, offers important market-based approaches that can have an impact where it is most needed, and creates incentives for more rigorous measurement of development outcomes.

<sup>5</sup> “The 0.7% ODA/GNI target - a history”, OECD, accessed March 29th 2019, <http://www.oecd.org/dac/stats/the07odagtarget-ahistory.htm>

<sup>6</sup> “Preliminary ODA data for 2017”, Development Initiatives, accessed March 29th 2019, <https://reliefweb.int/sites/reliefweb.int/files/resources/Preliminary-ODA-data-for-2017-1.pdf>

<sup>7</sup> Farah, Ali, Onder, Murat and, Ayhan, Emrah, “How Foreign Aid Affect Developing Countries: The Case of Ethiopia” 7-39, [https://www.researchgate.net/publication/324808703\\_How\\_Foreign\\_Aid\\_Affect\\_Developing\\_Countries\\_The\\_Case\\_of\\_Ethiopia](https://www.researchgate.net/publication/324808703_How_Foreign_Aid_Affect_Developing_Countries_The_Case_of_Ethiopia)

<sup>8</sup> Alice N. Sindzingre, “Aid and Economic Development”, <http://www.oxfordbibliographies.com/view/document/obo-9780199846733/obo-9780199846733-0014.xml>

<sup>9</sup> Alice N. Sindzingre, “Aid and Economic Development”, <http://www.oxfordbibliographies.com/view/document/obo-9780199846733/obo-9780199846733-0014.xml>

**A different perspective**

**Nico Blaauw, Marketing and Communications Director of Goodwell Investments, on their impact investing practices:**

**‘We have impacted on almost 30 million households in 15 years’, says Nico Blaauw from Goodwell Investments, one of the oldest impact investment companies in the Netherlands.’**

**‘We invest in local entrepreneurs, so that people who are ‘under served’ can improve their livelihoods. In this way, we are a bridge between money here and entrepreneurs there.’**

**‘Tech helps us to strive for solutions that are not limited to geography. Eventually, the population will transform from a pyramid into a diamond: the group of poorest people at the bottom will become smaller and more people will enter the middle class.’**



# Investing in Malawian entrepreneurs

‘Accesserator came to Malawi at the right time, entrepreneurship is booming’, says Emma Katengeza, founder of the Lilongwe Pitch Night, a monthly event for innovators pitching business concepts and ideas to local investors. Emma is ‘an enabler of synergies’ and one of the Malawian advisors to Robert and Maarten about Accesserator.

## What is the situation in Malawi?

Malawi is often referred to as the ‘Warm Heart of Africa’, mostly because of the friendliness of its population, something every visitor will notice. Furthermore, it is one of the safest countries of Africa. It is politically stable since independence in 1964, without any major international or local, ethnical or religious strives. After three decades of one-party rule under president Hastings Banda, Malawi will hold its 6th multiparty elections on May 21, 2019. Current president Peter Mutharika will stand for re-election, with the United Transformation Movement of current Vice President Saulos Chilima as one of his contestants.<sup>1</sup>

The estimated 19,8 million (July 2018) Malawians live on 118 sq. km, three times the size of the Netherlands. Malawi is a narrow-elongated plateau with hills and some mountains, rolling next to the country’s most prominent and breath-taking physical feature: the 580 km long Lake Malawi, or Lake Nyasa. It contains more fish species than any other lake on earth. The different beaches and the islands in the lake offer spectacular views and opportunities to hike, swim and snorkel. Malawi has always lacked natural resources, besides some coal and bauxite. Recently however, evidence of uranium, natural gas and oil have been uncovered.<sup>2</sup>

Malawi has been able to make important economic and structural reforms, and sustain its economic growth rates over the last decade. Even so, the social, economic and environmental challenges remain pressing. Widespread poverty and rooted inequalities, rapid population growth and high population density, high percentages of HIV and malaria infections, deforestation and land degradation, to name the most significant.

## So, why invest in entrepreneurship in Malawi?

The simple answer: because it is necessary. Malawi needs small and medium sized enterprises to fill up the so-called *missing middle*: the absence of middle-sized enterprises between a sizeable group of larger firms and a vast number of household and micro-enterprises.<sup>3</sup> SME’s are the backbone of any economy, boosting public revenue, provision of goods, services and poverty alleviation through creation of employment. Why? Mainly because access to financing is a huge challenge for entrepreneurs, coupled with a persistently high cost of borrowing.<sup>4</sup> Therefore, businesses need to embrace equity as an alternative source of financing to debt. That’s exactly where Accesserator comes in.

Ray Misomali, Malawian and owner of a small equity investor company Kweza, sees ‘a lot of talent and great ideas’ in Malawi. There are ‘so many small businesses that need help, capital and capacity training. Accesserator and Kweza are both very much needed’. After his studies in the US, he returned to his home country with well-off connections willing to support him and Malawi. Kweza just started in 2018 and already supports a medical laboratory, horticulture farm and a manufacturer of brick-machines.


<sup>1</sup> World Bank. “The World Bank In Malawi”. Malawi Overview. <http://www.worldbank.org/en/country/malawi/overview#1> (accessed April 2019)

<sup>2</sup> Central Intelligence Agency. “Malawi”. The World Factbook. <https://www.cia.gov/library/publications/the-world-factbook/geos/mi.html> (accessed April 2019)

<sup>3</sup> World Bank. Malawi Economic Monitor October 2016 – Emerging Stronger (2016): 23

<sup>4</sup> Zidana, Richard. “Exploring alternative sources of financing small and mediumEnterprises (SMEs) in Malawi: lessons from elsewhere”. Afro Asian Journal of Social Sciences Volume VI, No 4 (2015):





‘There are so many small businesses that need help, capital and capacity training in Malawi’

One has to be honest: large investments with high profits are not going to be reached supporting SME-enterprises in Malawi. Sander Donker, the former Dutch honorary consul for Malawi, has been an entrepreneur in Malawi for over 15 years: ‘Big impact is possible though, by supporting smaller projects. Investments up to 100.000 EUR are the most valuable and promising. In agriculture, manufacturing, commodities and tourism the opportunities are huge.’ Investors should be at least partial idealists to invest for the impact they can make with Accesserator on Malawian development. The 3% interest is a bonus – albeit, a bigger bonus than the current interest rate at a Dutch bank.

Moreover, Malawi needs more local entrepreneurs – a crucial part of the Accesserator philosophy. Director of the Blantyre office Patrick Namakhoma: ‘Historically, Malawians were trained and mentored to be workers. Malawi provided labour for Zimbabwe, Zambia and South-Africa. Today in school, when you ask the kids what they want to be, very few will say they want their own business.’ Hence, the impact is simply bigger when five businesses of 20.000 EUR start, compared to the start of 1 business of 100.000 EUR. It works both ways: the investment and the risks are spread out, and the five entrepreneurs are more likely to be an inspiration to new entrepreneurs. It will snowball! No kidding, in Malawi? No kidding.

‘Accesserator came to Malawi at the right time, entrepreneurship is booming’



# The first year: 2017

## The first two partnerships: the lessons learned

Two businesses started in 2017, the first year of Accesserator: Lelembwe Dairy Farm and Nthaka Poultry Farm. The poultry succeeded, the dairy did not. What went wrong? And what did Robert, Maarten and Patrick learn from both cases? And moreover, what can other investors learn from these mistakes?

### Lelembwe Dairy Farm

When asked what went wrong with Lelembwe Dairy Farm, Robert and Maarten's firm answer is: 'Almost everything, in all stages of the development.' See below the challenges and lessons learned from this case.

#### The business plan

'We mostly looked at the normal revenue and costs, but didn't take the growth path into account. The risks in the cashflow were underexposed: wrong assumptions, overestimating income, underestimating expenses. This led to problems with liquidity on a short-term. In the long run, the profits were too low for the business to grow.'

*'We now discuss with our partners the assumptions, cash flow at start up and overview of growth for all the years. And we take more time to work out the business plan, especially on the financial and sales part.'*

#### The entrepreneur

'The local partner had a full-time job, in addition to starting the company. The latter wasn't his priority. Daily management was his responsibility, but his employees had to arrange everything by themselves. He only dropped by the farm once every 2 weeks.'

*'The entrepreneur must also be risk-bearing and financially depend on the business. So, no job next to the business and he or she has preferably to contribute assets of value themselves.'*

#### Due diligence

'The partner brought in land as an asset, from which we until this day don't know if it's really his and what its value is. This land appeared not even the location of the farm after construction of animal houses, which were set up in the backyard of his mother's house.'

*'Our local employees now perform a background check on the partner regarding debts, property rights and reputation.'*

#### Local circumstances

'The farm was connected to the entrepreneur's family and only people from his family worked there. This is not a problem directly, but it did mean that his mother (and with that other women in the community) had too much to say in the company. The shareholders' decisions had to be approved by the community, before the partner could share them with Accesserator.'

*'Involvement of local community and authority as stakeholders is a must. And preferably no, or only well arranged, (family) relationships within the organization and business location not on private property.'*

#### Monitoring

'We didn't have a plan or format to monitor the incomes and expenses yet. In the beginning, we received receipts in Chichewa [local language, red.] for monitoring purposes. This made it impossible to examine the business operations, and therewith adjust the organization in time.'

*'Different formats to keep track of finances and to look ahead, all done in Excel by the local partner.'*



# Nthaka Poultry Farm

**Learning by doing. In short, that is the partnership between Nthaka Poultry and Accesserator. For both parties, it was a new experience.**

For Robert and Maarten, Godfrey was only the second Malawian entrepreneur they started working with. And Godfrey, an environmental activist, just started in the poultry business. Godfrey and Accesserator had to be innovative and flexible to meet all different challenges they faced: in the partnership, on the ground and with competition. Others would have quit, but Godfrey and Accesserator persisted.

Why did Godfrey start Nthaka Poultry? ‘I love farming, but most importantly, I saw a business opportunity’. Chickens and their eggs are frequently consumed in Malawi, and exported as well. Even so, there is only one large poultry in Malawi, run by non-Malawians. So, when Godfrey got introduced to Accesserator, he drafted his business plan to produce chicken eggs.

The first challenge: the production of eggs is only profitable after months, while Accesserator at the time had limited funds and was not able to take the risk. A compromise had to be reached: firstly, focus on the production of chickens for meat, eventually investments in parent stock which produce fertilized eggs. Following, different aspects of the partnership were not clear to both Godfrey and Accesserator.

Next challenge: disappointing production and sales due to diseases, low temperatures and volatile prices of poultry feed. On top of that, the drilling of the borehole was unsuccessful. And most importantly: the stiff competition. Godfrey: ‘because we do not add chemicals to the food, our chicks are tastier and more nutritious, but need double the time to grow than Central Poultry chicks need. How can we compete without compromising to the taste and the life of the animal?’ The answer and main goal for 2019: lower costs by making your own organic feed. Growing soya beans and tomatoes is the first step of Nthaka Poultry in this direction.

Maarten is self-critical: ‘Looking back, I would have done things differently. In new partnerships, we need good understanding of each other’s intentions and the existing market. My approach to Godfrey is different now, as is that of the local office. We visit the farm frequently and understand the situation on the ground better. We have open conversations and we both feel as equal partners.’

Godfrey is a seasoned chicken farmer after this first year. He knows the effect of weather patterns, the proper vaccinations, pattern of consumption of the chickens, and when to buy the feed. As well, he feels the respect of Accesserator and understands what the partnership is all about. Together with Accesserator, Nthaka Poultry will become a nationwide poultry, run by a Malawian, which produces organically chicken eggs, live chickens and portions. Godfrey: ‘I will be serving Malawians healthy, nutritious and tasty products, create new jobs, grow the local economy and inspire other Malawians to farm organically.’

## General information

**Sector:** Poultry, production of chicken meat and eggs  
**Phase:** Start up  
**Location:** Lunzu (Blantyre district)  
**Entrepreneur:** Godfrey Mfiti  
**Partnership with Accesserator:** from November 2017  
**Investment by Accesserator:** €16.470 = 40% shares  
**Direct employees:** 3  
**Indirect employees:** 6



# Why does EMMA support Accesserator?

‘The introduction to Accesserator was a coincidence. A convergence of love for Malawi, unrest over ‘dead aid’, the NGO industry, and the limited effectiveness of traditional development aid.



EMMA became partner of Accesserator because of their business to business approach to supporting entrepreneurship. EMMA invests in Accesserator with this annual review so it contributes in kind to Accesserator’s hopeful work in Malawi. We produced the Accesserator Magazine 2018 because this is what we are good at: researching, reporting, and communicating. And because Accesserator reached the point of no return where it’s become unavoidable to showcase what they’re doing, moreover what they’ve achieved up till now.

We wish Accesserator a lot of success. May they build up a rigorous track-record of successful companies in Malawi, and in other regions in southern Africa. Companies that help sustainable and green growth of the standard of living and happiness of ever growing communities of people.’

**Hans Moors**

Partner at EMMA Experts in media and society

‘Involvement  
of the local  
community is  
crucial’

part 2

**umboni**  
proof





‘My dream is to be a role model for young girls in Malawi. A successful woman that uses investment in the right way and succeeds’



**Name:** Peggy Ngwira

**Company:** Likuni Green Farming

**Location:** Likuni, Malawi

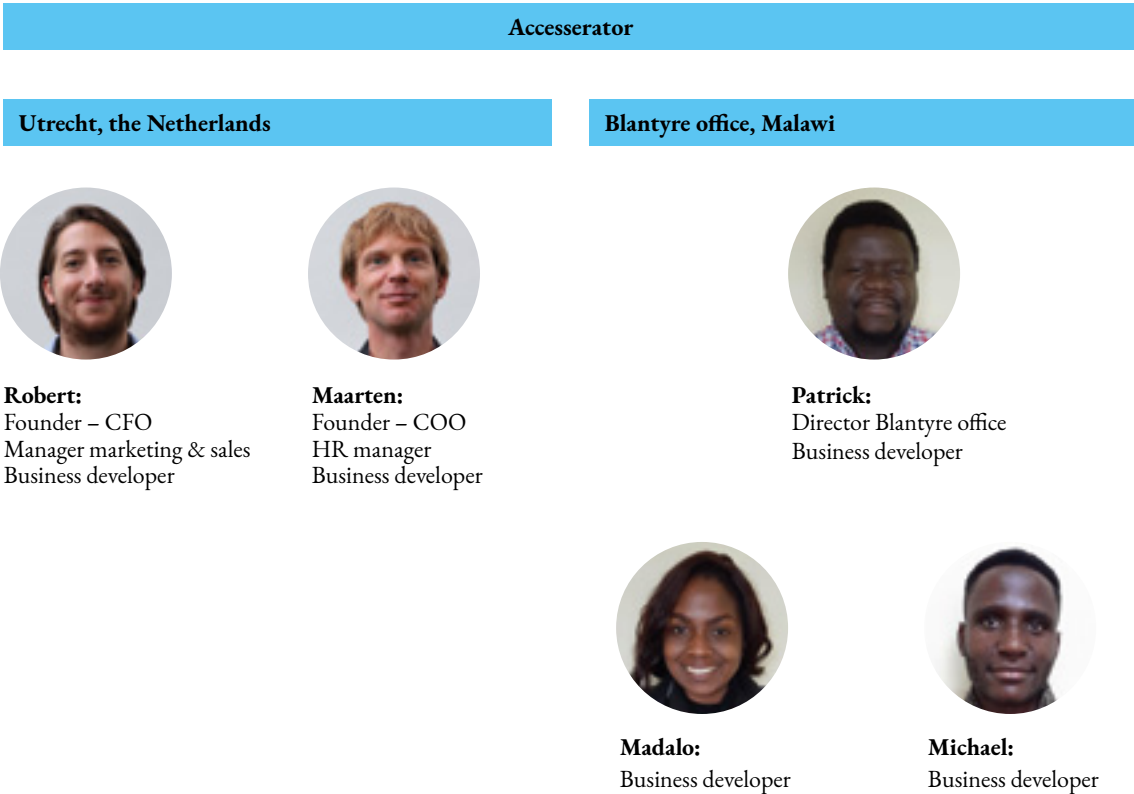
# The Accesserator model and results

The Accesserator model is based on a combination of knowledge and belief. Knowledge of and experience in finance and business, combined with understanding of the Malawian context. Belief in economic growth by investing in SME's for-profit, so both parties contribute to and have an interest in the success of the business. On the next pages Accesserator's business model, organisational structure, support of entrepreneurs and results so far.

## Positions and responsibilities: the organisational structure

Accesserator is started and owned by Robert Slijk and Maarten Verboven. Robert is the financial guru and responsible for the name and fame of Accesserator amongst investors, while Maarten is in charge of the selection of cases and operations in Malawi.

The local eyes and ears are set in the Blantyre office, with director Patrick Namakhoma and business developers Michael Wasi and Madalo Mzunzu. They screen, monitor, train and advise the entrepreneurs over the phone, by email or WhatsApp or during visits.



# Investing for impact and profit: the business model

The Accesserator business model is built on possibilities for economic growth in Malawi. By investing in new or growing SME’s they want to fill up the so-called ‘missing middle’.

## Partnership as minority shareholder for 5 years

Accesserator partners with a Malawian SME for a maximum of five years. Accesserator buys a minority share in the local business or SME with investments between 1.000 and 50.000 EUR. The local entrepreneur contributes assets of value into the partnership as well and remains majority shareholder. The business turns into a limited company with a supervising board.

## External capital

In the first years, Accesserator raises capital at external investors, with a fixed return of investment of 12,5% over a period of five years. Accesserator uses 85% of this capital to buy shares of local businesses. The other 15% is used for Accesserator overhead.

## Training

The entrepreneur is weekly trained and guided by Accesserator in setting up the business, introduction to and support on financial and bookkeeping instruments and strategic and financial planning. For these trainings, the entrepreneur pays a monthly advisory fee. This advisory fee is used to run the offices in Malawi.

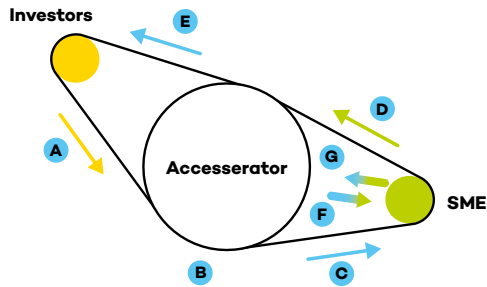
## Shares back to entrepreneur in 5 years

During the partnership, Accesserator is shareholder and receives dividend pay-out. Over five years, the local entrepreneur buys back the shares of Accesserator. This is done in parts, each year, starting at the end of year two of the partnership, due to the SME’s expected year on year growth is 50%. The value of the shares is based on a set calculation method known to the entrepreneur. After five years, the entrepreneur is full owner of his business again.

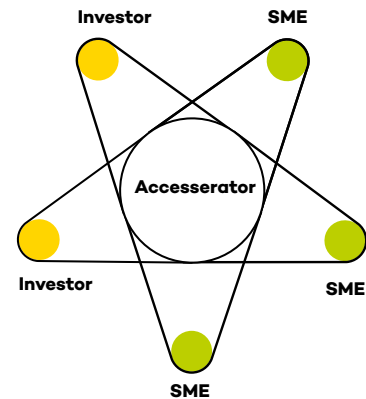
## The flywheel

Accesserator pays off the investors with the revenue of reselling the shares. The expected growth of SME’s enables Accesserator to invest in new SME’s: Accesserator becomes a flywheel as pictured on the next page. For 2025, the aim is to create a revolving financial system. This way, Accesserator is independent from external capital. This development is pictured on the next page by the two lower flywheels: on the left (2018-2019) with investors and SME’s, on the right (2025) just the SME’s and without investors.

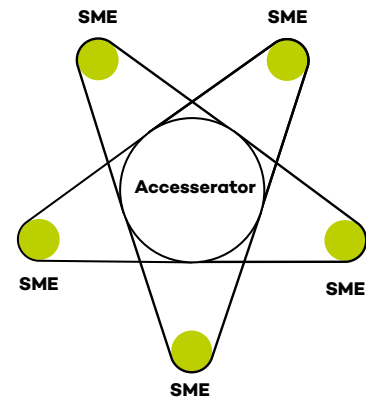
## Added market value to businesses



## The Accesserator flywheel 2018-2019



## The Accesserator flywheel 2025



- Investors = individuals or companies investing capital in Accesserator
- SME = Small and Medium sized Enterprise = the local business
- A = capital from investors to Accesserator = 100%
- B = 15% of capital from investors used for Accesserator overhead
- C = Accesserator buys minority share from SME.
- D = SME buys shares back from Accesserator
- E = Return of Investment for investors = 112,5%
- F = D - E = profit made after repaying investors invested into new SME's
- G = monthly advisory fee and dividend pay-outs from entrepreneur to Accesserator



## Selection process

### 1 First approval

#### A Business idea:

- does it match the Accesserator portfolio?
- Sector: 50% agriculture, 20% service, 20% production, 10% energy
- Impact: socially, economically or environmentally by creating jobs or adding value or quality to product, service or supply chain
- No to: financial products, illegal activities, trading or speculating.

#### B Entrepreneur

- Skills: English, Excel, entrepreneurship, basic business finances
- Knowledge of the sector or the product
- Eagerness: motivation to make an impact, high work ethic, love for the business
- Background: trustworthy, ownership of resources, stable life situation

#### C Profitability

- Market assessment
- Breakdown of business model assumptions
- Gross margin
- Scalability

### 2 Second approval

#### A Business plan

- Customer analysis and sales activities
- Production and needed staff

#### B Profitability

- Check on all assumptions
- Profit in worst case scenario

#### C Opportunities for growth

- Right scale to start
- Growth path for 5 years

### 3 Final approval

- Quotations and contracts
- Shareholders' agreement and articles of association
- Signing of the partnership

Month 1

Month 2

Month 3

Month 4

## Growth process

### 1 Business plan development

- Develop and improve investment plan, payment schedule, marketing plan and the sales activities.
- Training: planning and finances
- Partnership signed

## Start of partnership

# From idea to scale up: the support of entrepreneurs

In 2018, Accesserator received 175 business ideas, and signed 13 new 5-year partnerships. The selection process is run by a case manager and knows three steps, with selection criteria of the idea, the entrepreneur and the profitability of the business. After the first approval of the selection process, the process of business growth starts as well. This process contains five phases, from business development until the scale up phase, when Accesserator leaves a sustainable business.

Year 1

Year 2

Year 3

Year 4

Year 5

### 2 Start phase

- Capital injections for investments in logistics and infrastructure: in parts, by milestones Agreed upon in the investment plan and payment schedule
- Administration: official registration as a limited company with the formation of a board
- Training: marketing, sales, pricing, contracting

### 3 Run phase

- Capital injection for operating costs: purchase of raw materials, livestock and seeds.
- First production and sales
- Training: KPI's, leadership and operations
- Accesserator sells first shares back to entrepreneur.

### 4 Scale phase

- Growth of the business and entrepreneur: stop loss making activities, focus on profits, start new activities, new outlets and markets
- Trainings: HRM, use of data, optimizations and scaling
- Accesserator sells final shares back to entrepreneur.

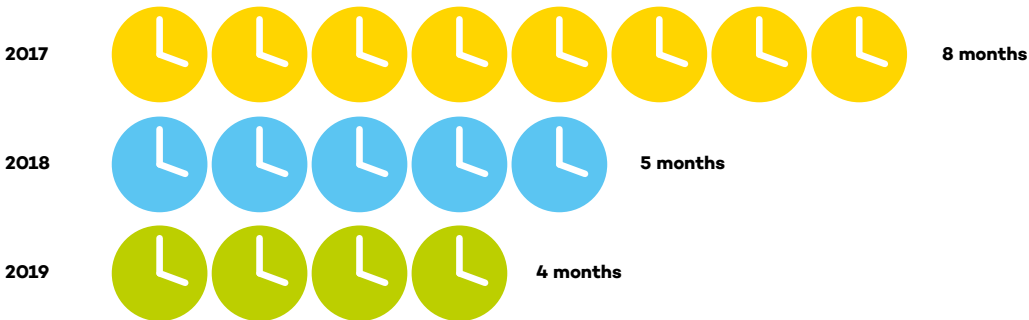
# Number of applications received



67  
2017

175  
2018

# Average time from application to partnership

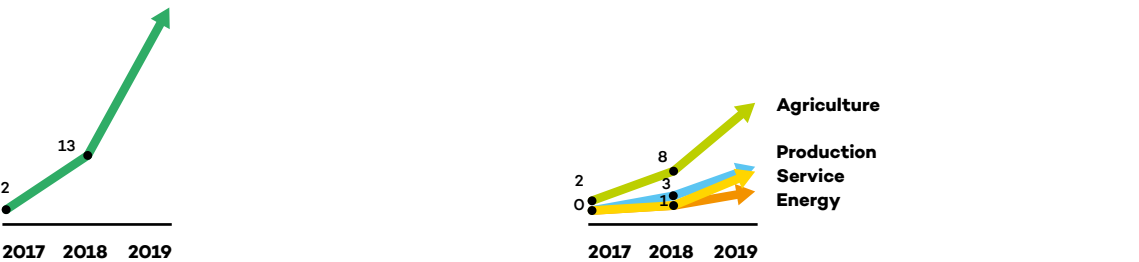


2017  
8 months

2018  
5 months

2019  
4 months

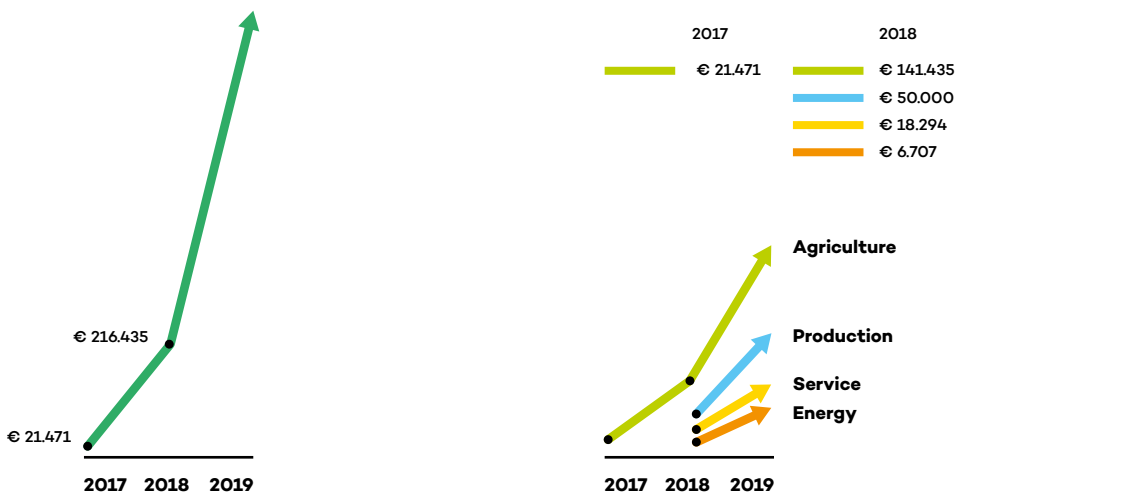
# Number of businesses by sector



Total number of businesses

Number of businesses by sector

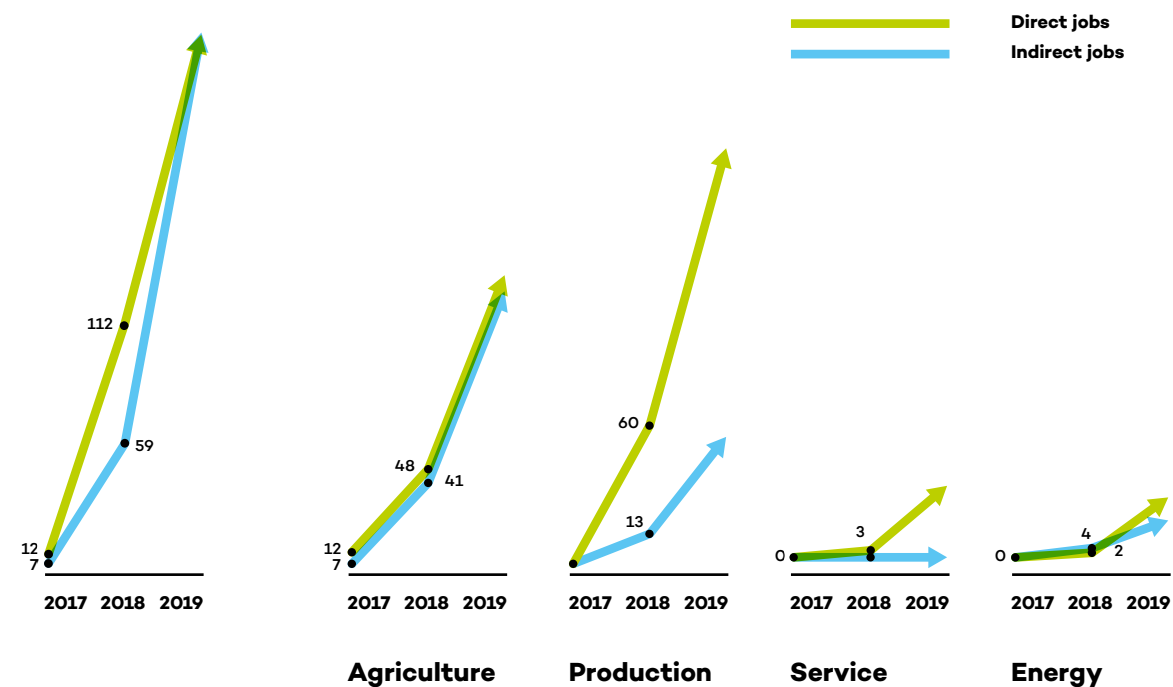
# Investments by Accesserator in SME's



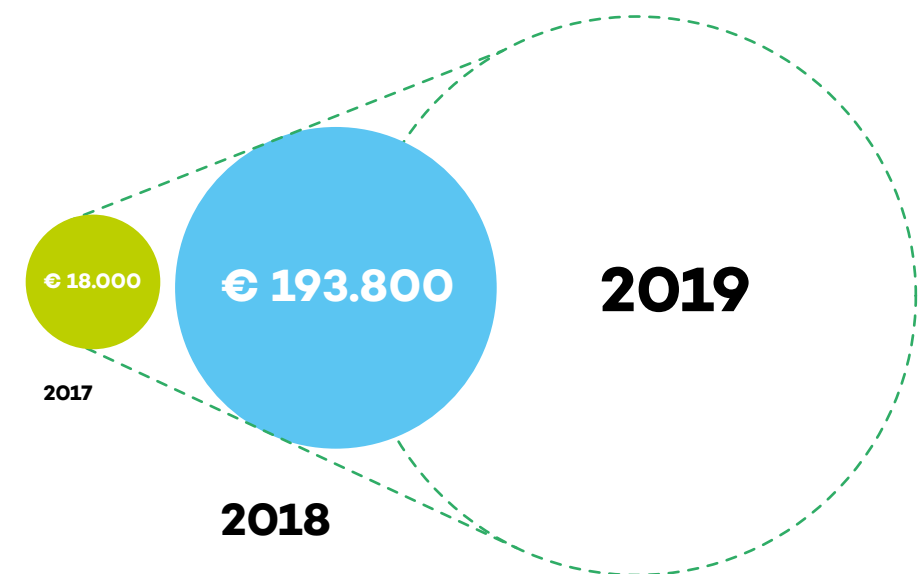
Total investments in 2018 of all sectors

Total investments in 2018 per sector

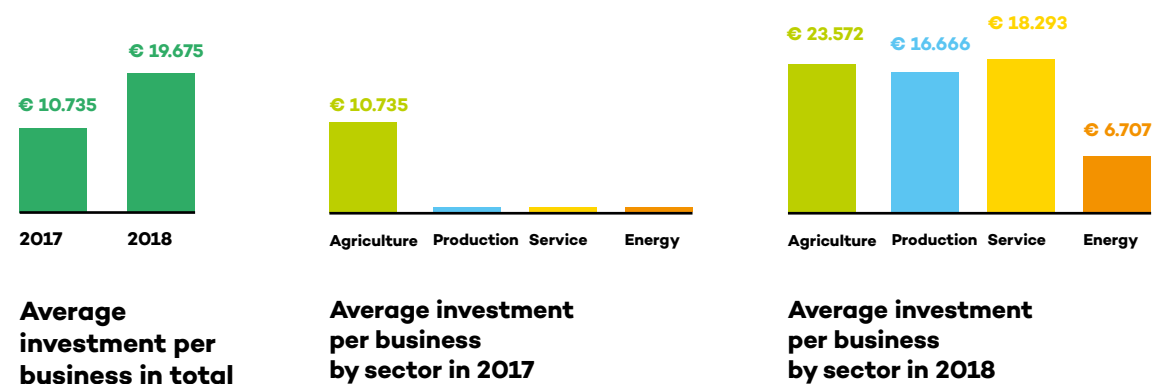
## Number of jobs created



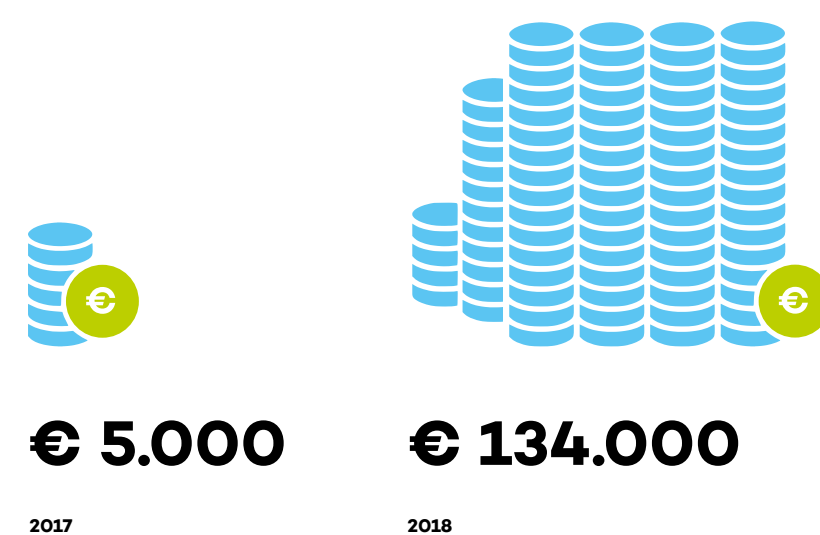
## Capital raised



## Average investment per business



## Increased market value of businesses





# The second year: 2018

## Overview of businesses

Time for some geography. In 2017, Accesserator signed 2 partnerships. In 2018, Accesserator signed partnerships with 11 companies. In 2019, they signed 1 business already. In total, they now partner with 14 businesses in Malawi.

Some of the businesses Accesserator signs, run their business operations within a couple of weeks. Others have to get a completely new infrastructure, so they start running later. Beneath you find an overview of when the businesses actually started or will start

### Started in 2017:

- Lelembwe Dairy Farm – Thyolo
- Nthaka Poultry Farm – Lunzu

### Started in 2018:

- Health Life Bee Farm – Nkhata Bay region
- Serenity Acres Farm – Salima
- Mchilika Horticultural Farm – Mchinji
- Likuni Green Farming – Likuni
- CASDE Finance – Blantyre
- Mzuzu Dairy – Mzuzu

### Started or will start in 2019:

- CourteCand Investments – Ntchisi
- Infinity Energy Solutions – Lilongwe
- Wijays Enterprises – Lilongwe
- Honey Products Industries – Lilongwe
- Truss Group – Blantyre
- Synergy – Lilongwe

## The 2018 business pages

Out of the 11 businesses Accesserator partnered with in 2018, 6 started actually started running in 2018. On the next pages, there's background information about these up and running cases. What have they learned already? And what makes their stories special enough to invest in?



# Health Life Bee Farm

**The idea came while watching an American tv show. Malawian bee keepers were being trained by Americans, and Lenford thought to himself: that's what I want.**

He bought an e-book on beekeeping and educated himself through YouTube videos. All this, while he still worked his job at the Ministry of Culture. And doing an accounting class on the side.

He ended up working as an accountant for a bee-project for 2 years. But Lenford always wanted to work with and in the outdoors. And especially with bees, his biggest passion. So, he quit his job and asked a local carpenter to make beehives. He showed him a YouTube-clip on how to make hives and the carpenter made 4 really good hives. 'He's a natural talent. Once he sees something, he can make it', Lenford says.

That was in 2018. When Lenford first found out about Accesserator – through an ad in the local paper – he had to make some final touches to his business plan. Culturally, honey has multiple functions in Malawi. It is used for sour spots on the skin, and cosmetically to remove dark spots. People also consume it; mixing honey, ginger and cinnamon into a drink that is believed to lower one's blood pressure. Hence the name Health Life Bee Farm.

But is the market not already saturated? And how will he succeed in attracting bees to his hives? Currently, honey cannot be exported to a lot of countries, because Malawian

beekeepers don't use standard equipment following international rules. They use smoke to get the bees out of the hives, which affects the taste. So, part of Lenford's business plan is that he doesn't use smoke to get the bees out. And his bee farm is located in such a rural area, that the honey doesn't get contaminated with chemicals used by other farmers.

By doing this, Health Life Bee Farm will produce organic, clean, Malawian honey, which can – once approved by The Malawi Bureau of Standards – be exported. Mainly to Asia, which is where Lenford has found a big market. Until then, he sells to supermarkets, school and local stores, who are already contracted. He currently has 80 Langstroth hives, that can produce up to 60 kilograms of honey a year.

With his goat meat, Brian wants to supply the bigger markets such as NGOs and hospitals. Eventually, he wants to have 1000 goats over the next 5 years. And expand the farm, get more land and produce biofriendly fertilizers. 'The farmers around us can buy it for a lower cost. I want to work in harmony with the surrounding community and take care of them as well.'



## General information

**Sector:** Honey production

**Phase:** Startup

**Location:** Between Nkhata Bay and Mzuzu

**Entrepreneur:** Lenford Msukwa

**Partnership with Accesserator:** from February 2018

**Investment by Accesserator:** €10.300 = 40% shares

**Direct employees:** 1

**Indirect employees:** 6

**Lenford's biggest dream:** 'Grow to 1.000 hives and train the youth about the importance of bees'





# Serenity Acres Farm

**Brian Kashisa has an impressive and international past. He has a master's degree in sustainable agriculture from Dublin and worked in the international NGO sector for 2,5 years.**

That's where he met Accesserator's Patrick Namakhoma and soon after signed with Accesserator in February 2018. 'The idea is to set up an integrated goats and sweet potato farm; the goats can eat the potatoes and their manure can be used as fertilizer. It's a circle.'

But not everything worked out like this straight away. To start, his business plan was a bit different: he initially wanted to start a piggery. 'But there was not enough food for pigs in 2017, there was no maize. And there was an African swine flu at the time.' So, this plan came to a halt. 'Goats just graze, so that's cheaper,' Brian says. He adapted his business plan to a goat farm, together with Maarten and Robert. He got local goats with a hybrid mix, thinking that he could breed them and get goats that produce good milk.

This didn't go as planned either. Crossing the local goats with the hybrid ones is cheaper, but they're not good enough for milk production. Like a real entrepreneur, he then made do with what he had. Now Brian's selling what he has: live goats. 'This year, I want to make our own slaughterhouse as well, or at least rent it. Goat meat will make more profit than live goats.' He also planted maize and ground nuts on his 1-hectare land; the latter to feed the goats, and in the future try to export it to South Africa.

Up until now, Brian's farm doesn't produce milk yet. He still wants to buy goats for milk, but less than before. 'I want to buy around 20 of them. But now we're mainly focussing on meat and the production of year-round crops. And getting an irrigation system in place. Then we can start producing organically, which will bring good revenues.' Both partners agreed it will be a big investment, but worth it. 'Because once the rains are gone, nothing will grow anymore. So, continuous production is needed.'

How Brian sees the future of his company? Once the irrigation system is in place, sweet potatoes and ground nuts can be harvested all year. Then he doesn't need to buy seeds (which are expensive) anymore, thereby lowering the costs and maybe sell his seeds to other farmers. The sweet potatoes are also a good substitute for bread. 'Bread is pricy, so people eat sweet potato for breakfast with tea'.

With his goat meat, Brian wants to supply the bigger markets such as NGOs and hospitals. They publish calls for demand in the newspapers, which Brian scans. Eventually, he wants to have as many goats as possible, up until 1000 over the next 5 years. And expand the farm, get more land. Brian focusses on a very bright future, not only for him. 'We also have our community around us.'

## General information

**Sector:** Goat farm, sweet potato and ground nut production

**Phase:** Startup

**Location:** Salima

**Entrepreneur:** Brian Kashisa

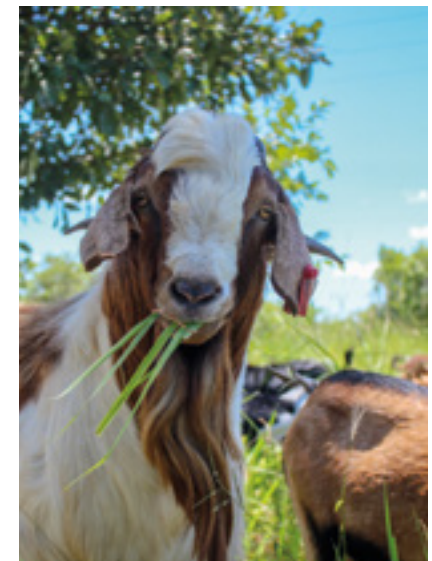
**Partnership with Accesserator:** from February 2018

**Investment by Accesserator:** €22.360 = 40% shares

**Direct employees:** 7

**Indirect employees:** 6

**Brian's biggest dream:** 'Get up to 1.000 goats in the coming 5 years and let the community profit from it.'





# Mchilika Horticultural Farm

**Christopher Beya is not the most talkative guy you'll ever meet. But he does know what he wants, and he goes for it.**

He knew from a young age he wanted to be a farmer and went to agricultural college. While working a job at the Association of Tobacco, he was a self-proclaimed 'weekend farmer'. He started with a couple of fruits and vegetables, growing them on his farm Mchilika.

After signing the partnership with Accesserator in 2017, he finally became a fulltime-farmer. Christopher is a straightforward person. 'I don't expect everything will just be right; you have to work for it. That's how I was brought up.' So, he started working, hard. His company now produces not just some fruits and vegetables, but many: bell pepper, tomato, cabbage, lettuce, butternut, zucchini, watermelon, eggplant, onion, pepper, chili, okra, banana and pawpaw.

Through his career, Christopher learned that things don't always come easy. 'I learned from the ups, as well as the downs. When you fail, you just have to move on and try something new instead.' He likes exploring new things, which is why he has so many different crops on his farm. When he signed with Accesserator, his production – mainly of bananas and field crops – was going well already. His problem was with the market.

What could he do to start making profits? After some researching, he found out about the group Hortmark; a group of horticultural farmers. He learned from them how to identify a suitable market, find good deals and work together to build a customer base. This way, costumers can get a variety of products. Now, he sells his crops to supermarkets, hotels and schools.

With the capital injection of Accesserator, Christopher built a tunnel with shade nets for his vegetables, set up an irrigation system and hired workers. Through his long farming experience, he knows how to maintain big amounts of crops, and through his research he now knows what the market is looking for and how to reach it.

With this taken care of, he now wants to give back to the community. 'I want to train farmers in high valued crops and contribute on the roads for the locals.' He also wants to teach people in his neighbourhood the importance of tree planting. And do more research on bio pesticides and improve his distribution with a refrigerated van. He's sure that he will reap the benefits of all this hard work. 'I'm very certain it will come. When I set up a journey, I have to finish that journey.'



## General information

**Sector:** Irrigated, horticultural farming of fruits and vegetables

**Phase:** Scaleup

**Location:** Mchinji

**Entrepreneur:** Christopher Beya

**Partnership with Accesserator:** from May 2018

**Investment by Accesserator:** €23.170 = 40% shares

**Direct employees:** 8

**Indirect employees:** 6

**Christopher's biggest dream:** 'Have lots of all the fruits and veggies that I want to grow, and live on the farm.'



# Likuni Green Farming

**Dressed as Malawian royalty, you would not immediately place Peggy with her boots in the mud at a piggery. But this is her daily life, and has been for the last 6 years.**

Peggy started her own piggery in 2012, while still working for different employers such as the World Bank, MASAB and a local development fund. She bought land for a piggery from her salary, after meeting entrepreneurs in the business that earned good money with it. ‘I want this as well’, was her first thought. As she soon found out, starting your own business comes with risks. In 2012, she started with 4 female and 1 male pig. When she had around 40 pigs in 2015, she lost them all due to swine flu. All her hard work vanished in a couple of days’ time. She already grew some vegetables on a small scale, but the piggery made her the most money.

When she heard about Accesserator at a local entrepreneurship pitch-night in 2018, she immediately knew this was her chance. She already had her business plan lined up: have a piggery, keep hybrid chickens, produce manure, grow veggies with an irrigation system and have some fish. With her history in piggery, she already knew how to supply meat to the local supermarket chain Shoprite. And Likuni Green Farming supplies meat to Mother’s Choice, a local shop that Peggy also owns.

She signed with Accesserator in 2018 and now has 4 people working at her farm. ‘They are from the local community and live on the farm. And I also coach people in doing business.’

Peggy is a real ‘people’s person’. While her two biological children live in Blantyre and the United States, she had 5 ‘god given’ daughters and 3 sons. They live in their own houses, and Peggy supports them to go to school and own business for themselves. She wants all of them to get good chances in life.

What Peggy learned from Maarten and Robert? ‘Planning your business, definitely. They taught me how to plan your year, so you know what to expect. I didn’t do that in the past; it’s a cultural difference.’ It was difficult at first, all the direct questions and them wanting nothing but straight answers. But now, she says, she learned ‘how to think as a Dutch person’.

Accesserator recently asked Peggy give them input for future piggery’s they might collaborate with. What she wants for the future? Expand the piggery to 200, have 4500 chickens, place green houses for year-round harvesting, grow organically, use bio gas energy from manure, start making money with the fish and own her own slaughterhouse. As soon as possible she wants to build her house on the farm grounds, to be here all the time. And by doing all this, be a role model for young girls in Malawi. A successful woman that uses investment in the right way and succeeds.



## General information

**Sector:** Pig farm and combined farm activities  
**Phase:** Scaleup  
**Location:** Likuni (Lilongwe)  
**Entrepreneur:** Peggy Ngwira  
**Partnership with Accesserator:** from June 2018  
**Investment by Accesserator:** €37.810 = 40% shares  
**Direct employees:** 7  
**Indirect employees:** 6  
**Peggy’s biggest dream:** ‘I want to be a role model for young girls in Malawi. A successful woman that uses investment in the right way and succeeds.’



# CASDE Finance

**CASDE Finance, Centre for Advancement of Sustainable Development, has a special position in Accesserator's portfolio. As a microfinance institution it is, so far, the only financial service company supported by Accesserator.**

Next, CASDE Finance is owned by Patrick Namakhoma, Accesserators Blantyre office director. Unlike with the other businesses, Accesserator has no exit strategy of five years. The partnership with CASDE Finance is there to stay, because CASDE Finance is the financial partner of Accesserator in Malawi. Meaning: the regular, in the partnership agreed capital injections are done by Accesserator; the irregular loans for unexpected situations, entrepreneurs are being handled by CASDE Finance. Therefore, Accesserator invested 15 million Kwacha into CASDE Finance and owns three-quarters of the shares. An extra measure built in the Accesserator model to comply to Malawian economic regulations.

CASDE Finance was not brought to life just to be the Accesserator partner. In 2015 Patrick started CASDE Finance for loan programs to support Malawian women with their small businesses. Whereas Accesserator runs small and medium sized enterprises, CASDE Finance runs household and micro sized enterprises, *malonda* in Malawian. This nationwide phenomenon provides women with the opportunity to make extra cash while simultaneously taking care of the household and children. Close to their homes, women sell for example second hand clothes, vegetables, accessories or charcoal.<sup>1</sup> The women can make the necessary investments with the small financial support of CASDE Finance. Support they will never get at the bank.

When you say CASDE Finance, you say Goodwell - approaching the world with a lot of energy and positivity. His boss Patrick in the office next door leaves the majority of the work to Goodwell. Understandably, because Goodwell seems to have it all under control. He knows every detail of the company and of every client, and follows developments in the Malawian economy and politics closely. Goodwell screens and visits the mostly illiterate clients to help them with administration. To see his clients thrive, thanks to the financial support of CASDE Finance, makes Goodwell happy. 'I dream of CASDE Finance offices in every big city in Malawi, making a big impact on people's lives and Malawian economy.'

## General information

**Sector:** Microfinance  
**Phase:** Scale up  
**Location:** Blantyre  
**Entrepreneur:** Goodwell Logeya  
**Partnership with Accesserator:** from August 2018  
**Investment by Accesserator:** € 18.300 = 50% shares  
**Direct employees:** 3  
**Indirect employees:** 0  
**Goodwell's biggest dream:** 'I dream of CASDE Finance offices in every big city in Malawi, making a big impact on people's lives and Malawian economy.'



# Mzuzu Dairy

**You can see Denis’ smile from a mile away. If his energy and optimism is a portent of what is to come, Mzuzu Dairy will be the greatest dairy in Africa.**

One or two setbacks will not break Denis’ passion for the cows and the local farmers. This ‘entrepreneur by birth’ has had his ambitions to run a dairy for more than 10 years. In 2014 he needed to cancel operations of his first dairy after only months in business. Five years later, in March 2019, he is close to his second attempt. ‘Will I succeed? Of course, with the help of Accesserator. People ask me on the streets: when will you start selling the products?’

In 2009 Denis met a farmer in Mzuzu district, who was about to lose his home. The dairy of Northern Malawi had closed, so the farmer had lost his biggest sales point and was forced to reduce the number of cattle. Denis just quit his job as an accountant and went back to school to study animal science. When he met the farmer he realised he found his purpose in life: ‘starting a dairy and improve the lives of so many farmers’. He followed a course in about dairy production and learned the everything about the production of milk products.

His first attempt to start a dairy in 2014 gave him, oddly enough, the courage to persist. He gained experience of what was needed to actually start a dairy. There are more than 3000 farmers in the area, organised in so called ‘bulking groups’ of 200 – 500 farmers, waiting to start production. Moreover, he was assured the people were longing for yoghurt, and most of all chambiko – a typical Malawian sour milk, especially popular in the north. So when Peggy Ngwira told Denis about Accesserator in 2017, he immediately send his business plan.

Denis is ambitious and had to be slowed down by Accesserator. – Better than the other way around, right? – So, Mzuzu Dairy will start with three bulking groups and 1200 farmers, to establish trust and organise the supply chain. Fresh milk, yoghurts and chambiko are the first products to be sold. Later will follow the more expensive products like ice cream. Small supermarkets will be the first outlets, as they demand lesser amounts and pay on delivery. This cash goes straight to the farmers, to grow their confidence in Mzuzu Dairy.

Denis is ready for take-off. He hired personnel for marketing, sales, administration and production. He has a truck with the company logo, and attends meetings in Mzuzu Dairy shirts. One day, he will feed all Malawians their needed nutritious, healthy milk products. Even far away villages without electricity will be able to buy his UHT pasturized products. And eventually, Denis will start exporting to Tanzania, Zambia and Zimbabwe. Do the markets need his products? Stupid question! ‘Yes, of course, there are a lot of people waiting for it.

## General information

**Sector:** Dairy

**Phase:** Startup

**Location:** Mzuzu

**Entrepreneur:** Denis Chitowe

**Partnership with Accesserator:** from September 2018

**Investment by Accesserator:** €35.365 = 40% shares

**Direct employees:** 5

**Indirect employees:** 20

**Denis’ biggest dream:** ‘Feed nutritious milk products to all Malawians.’





# Financial proof

## Profit & Loss Statement

Operational overview	2018	2017
	EUR	EUR
Revenue consultancy	6.939	37
Operating expenses		
Staff	5.030	0
Housing	598	0
General expenses	24.630	7.050
Total of operating expenses	30.258	7.050
Profit		
	-23.319	-7.013
Costs of capital	2.795	0
	-26.114	-7.013
Result of participations	19.339	0
Net result		
	-6.775	-7.013

# Balance Sheet

Assets	2018	2017
	31-12-2018	31-12-2017
	EUR	EUR
Fixed Assets		
Tangible Assets		
Inventory	4.590	0
Financial Assets		
Participations	232.250	19.400
Current Assets		
Receivables and accrued assets		
Current account	4.268	0
Taxes	300	1.300
Fees	1.939	0
Other receivables	400	0
	6.907	1.300
Cash	19.826	1.465
	263.573	22.165

# Balance Sheet Liabilities & Equity

Liabilities	2018	2017
	31-12-2018	31-12-2017
	EUR	EUR
Equity		
Equity capital	10.000	10.000
Retained earnings	-13.788	-7.013
	-3.788	-2.987
Non-Current Liabilities		
Loans received (including interest)	221.556	18.000
Current Liabilities		
	45.805	1.178
	263.573	22.165

# Notes from Balance Sheet Assets

## Explanation to the balance at 31 December 2018

### Assets

#### Fixed assets

#### Tangible fixed assets

The development of the tangible fixed assets is as follows:

	EUR	
Investments in 2018	4.915	
Off: depreciations	325	
bookvalue at 31 december 2018	4.590	

	31-12-2018	31-12-2017
	EUR	EUR
Participations:		
Participation CASDE Finance	20.305	-
Participation Lelembwe Diary	2.684	5.400
Participation Nthaka Group	13.430	14.000
Participation Health Life Bee Farm	10.124	-
Participation Serenity Acres	21.194	-
Participation Mchilika	26.731	-
Participation Likuni Green	31.135	-
Participation Mzuzu Dairy	39.341	-
Participation CourteCand	15.386	-
Participation Infinity	7.785	-
Participation Wijays	9.000	-
Participation Honey Productions	23.183	-
Participation Truss Group	11.951	-
	<b>232.250</b>	<b>19.400</b>

# Notes from Balance Sheet Assets

Receivables and accrued assets	2018	2017
	31-12-2018	31-12-2017
	EUR	EUR
<b>Current account</b>		
Current account participants	4.268	0
<b>Receivables</b>		
Taxes	300	1.300
Fees	1.939	0
Other receivables	400	0
	<b>2.639</b>	<b>1.300</b>
<b>Cash</b>	<b>31-12-2018</b>	<b>31-12-2017</b>
	EUR	EUR
<b>Bank accounts</b>		
Triodos bank .991	19.212	733
Malawi Bank	614	732
	<b>19.825</b>	<b>1.465</b>



## On the research and trip to Malawi

‘In 11 days we drove more than 2.000 km to have 13 interviews with entrepreneurs and Accesserator employees. How was my first time in Africa? Weeks later I still don’t have a clear answer. It was both dispiriting and inspirational.



Let’s start with the sad part: the poverty, underdevelopment and lack of prospects in some parts of the country is undeniable. The enormous number of kids, everywhere, in combination with the deforested hills and mountains outside of the national parks: can we handle the ever growing world population without ruining the planet? The severity of the situation only came to me after we got back in the Netherlands.

Because in Malawi I was taken by the energy and positivity of the entrepreneurs and the warm and friendly Malawians. And that is what inspired me: ingenious minds following their dream, despite all the challenges ahead; and Malawians greeting and welcoming, open and smiling, even when they seem to have very little. And is exactly why I support the work Accesserator and other impact investors: there is so much creativity and optimism, ready to be launched.’

**Gijs Kist**

Advisor at EMMA Experts in media and society

‘In 2018, the  
Accesserator  
model proved to  
be working’

part 3

**tsogolo**  
future



**Name:** Marumbo Kalua

**Company:** Infinity Energy Solutions

**Location:** Lilongwe, Malawi

‘My dream is to be the biggest briquette producer for households, and that people think about our product instead of charcoal’





# The future for Accesserator

Is the Accesserator model promising for the future? Experts, investors and even competitors share their thoughts.

‘Many African entrepreneurs don’t have the same means to make a business happen, as people do in Europa and the USA. It takes an enormous amount of courage, from the supported and the supporter. Accesserator helps to overcome this challenge, in a way that there is an understanding about the African condition. Robert and Maarten come at it with realism, rather than idealism. They’re not being unrealistic; they understand the issues. It’s hands-on. Robert and Maarten are directly involved; it’s not second-hand money that gets invested in a fund.’

**Christo Nel - former MBA-program director at Nyenrode University**

‘Accesserator is the first company to enter the Malawian market to work as equity partner for start-up companies. Robert and Maarten saw a market opportunity and they went for it. It’s a brave attempt, which is also stimulating other players to enter the market in Malawi. There is appetite for such instruments and investments. I think in a very short time, there will be more players entering this space filling a clear market gap.’

**Cinzia Tecce - private sector development specialist at UNDP Malawi**

‘They came into Malawi at the right time. There are a lot of opportunities, and there is a lot to work on. Competition is definitely coming. There is a need for Accesserator to communicate more systematic and transparent what they are offering.’

**Ian Lorenzen – executive director & partner at GrowthAfrica**

‘I have a very good feeling with Maarten and Robert. I trust that they find the right businesses that can produce the most profit, because I trust their story. They both have a strong background; Robert is more into finances and Maarten knows Malawi.

Accesserator helps people to sustainably improve their businesses. I don’t believe in NGOs to do this; they are like muscle relaxants. For this kind of improvement, you have to give people the tools to have their own livelihood in their hands.

Their model is scalable and can be franchised to other countries. And their strategy just makes sense. I think they have many possibilities and see the company completely taking off very soon.’

**Ronald Lanjouw – partner at Waterwatch Cooperative and investor in Accesserator**

‘My country’s entrepreneurial ecosystem might be in its infancy stages, but it has great potential. What is lacking is the enabling environment to foster enterprise growth. Equally challenging is the lack of capacity building tools, especially in financial literacy for entrepreneurs in Malawi. Enhanced by the cultural context that only foreign solutions are good enough. We strive to apply solutions that are not sustainable, resulting in minimal impact long-term. I believe this culture should change to: apply local contexts for local solutions whilst ensuring that they are impactful and sustainable. This is where Accesserator comes in. They can help with the big step: provide business development support and access to finance that is sustainable. Robert and Maarten’s model is more practical as it ‘walks with you’ along your entrepreneurial journey and I love what they are doing. They came to Malawi at the exact moment with ideal tools for enterprise development and am excited to bear witness of this.’

**Emma Katengeza – former partner liaison at mHub**

# The third year: 2019

Six businesses started and developed in 2019. Five of them already signed a partnership with Accesserator in December 2018, one (Synergy) in March 2019. The general information of three of those businesses (Truss Group, Honey Products Industries) is down below. On the next pages is more in depth-information on the other three businesses (CourteCand, Infinity Energy Solutions and Wijays Enterprises).

## Truss Group

**Sector:** Production of bricks from collected plastic waste  
**Location:** Blantyre  
**Entrepreneurs:** Sachi Sah and Johan Maree  
**Partnership with Accesserator:** from December 2018  
**Investment by Accesserator:** €7.100 = 14% shares

## Honey Products Industries

**Sector:** Production of beehives and honey processing  
**Location:** Lilongwe  
**Entrepreneurs:** Victor Mhango, John Paul Musa and Mathews Dunga  
**Partnership with Accesserator:** from December 2018 via UNDP Growth Accelerator Entrepreneurship Challenge'  
**Investment by Accesserator:** €7.100 = 20% shares

## Synergy

**Sector:** Hub for entrepreneurs  
**Location:** Lilongwe  
**Entrepreneurs:** Emma Katengeza  
**Partnership with Accesserator:** from March 2019  
**Investment by Accesserator:** €30.500 = 50% shares

# Infinity Energy Solutions

**‘Energy is infinite. So why are we having an energy crisis?’  
Marumbo Kalua’s manner of speaking is straightforward.**

Ever since his university time three years ago, an idea has been stuck in his brain. What if he could make energy infinitely usable for everyone in Malawi, and beyond?

He studied architecture at university, where he learned to think practically and in structures. While researching for his thesis on local housing, he found out about briquettes. ‘I saw they were being produced in Kenya and Rwanda, but not in Malawi.’ The uniqueness of the briquettes comes from the lack of smoke they produce. ‘97 percent of the population still use wood and charcoal to cook. Loads of people die from inhaling this smoke. The briquettes are better for the health of the women who cook.’ The seed was planted.

In 2017 Marumbo bought his first, small briquette-making machine from his own savings. He rented a production space in one of Lilongwe’s suburbs and hired some workers to produce the briquettes. He produced and sold on a small scale to local households, some restaurants and poultry farmers. But the production was not what he had hoped for; 8 – 10 bags of briquettes a day is not enough to grow and expand.

To scale-up his business, he started looking for ways to finance his ambitions. And he figured he needed training in entrepreneurship. ‘I knew the business was scalable, but I’m not a business person per se. That’s when I found the UNDP Growth Accelerator and applied.’ He participated

in the challenge, learnt more about running your own business and marketing your product. And he chose to partner with Accesserator. ‘In my first meeting with Maarten, he really impressed me. He is a straight guy with a good understanding of business.’ With Accesserator, Marumbo found there was a lot to enhance in his business model and financial plan. ‘The plans went back and forth many times. It is much better now’.

What his business plan entails? ‘We get dust from charcoal at the market and pay boys to put it in bags and bring it to us. In our factory, we make a mixture of the dust to produce the briquettes. Then, we sell them to poultry farmers who need to keep their young chicks warm, to restaurants for their barbeques and to households for cooking.’ In the future, Infinity will use dust from organic waste to manufacture their briquettes. People place their orders through Facebook and by phone.

After signing with Accesserator in January 2019, the business really took off. Central Poultry, the biggest chicken products manufacturer in the country, told Marumbo they want to stop using charcoal and just use his Infinity briquettes. ‘For this we need to produce much more. So, we ordered a new machine with the money available now, that will produce 80 bags a day.’ The poultry is a good niche, Marumbo says. ‘But we still want to keep our main focus on households. Women at home should not have to die because they cook for their families.’

## General information

**Sector:** Production of briquettes

**Location:** Lilongwe

**Entrepreneur:** Marumbo Kalua

**Partnership with Accesserator:** from December 2018 via UNDP Growth Accelerator Entrepreneurship Challenge

**Investment by Accesserator:** €6.707 = 20% shares

**Direct employees:** 2

**Indirect employees:** 4

**Marumbo’s biggest dream:** ‘Our company is the biggest briquette producer for households. People think about our product instead of charcoal.’





# Wijays Enterprises

**Joyce Banda is an energetic, middle aged ‘entrepreneur by birth’. As a young girl she didn’t buy sweets or soda from the money she got from her mother.**

Joyce bought something to make some money. It is common that women work in Malawi, but Joyce took it to the next level and became owner of two businesses.

To start the first one, Joyce simply googled: ‘how can one run a cleaning business?’, because she noticed a big need of cleaners. After a few years her ‘Corporate Partners’ needed 20 litres of detergent a week, all imported from South Africa. After taking a course in producing soap and detergent by herself, she started her second business Wijays, named after her three sons: William (18) and the two jay’s Jayson (15) and Jaydon (2).

Joyce bought her first, and till now only, machine for the production of detergents from her own money. Just like when she was a girl, she invested in something for the future. The production of detergents started in 2017, of soap in 2018, all organic. Joyce grows herbs like lavender together with her field specialist – and trains women from the community to grow them as well, to be able to increase production. The extracted oils are used in a special Joyce formula for the soap and detergents. With only one machine, not all oils can be used for production yet, but can be sold – oils are scarce.

By the time of the UNDP program, Accesserator had built a reputation for itself. Denis Chitowe of Mzuzu Dairy recommended Joyce to work with Robert and Maarten. Their expertise and knowledge, and way of dealing with other entrepreneurs convinced her to start a partnership with Accesserator.

Now Maarten and Joyce are in touch every one or two weeks by phone, email or WhatsApp. ‘Maarten is always on my neck, in a good way. He pushes me to perfect the business and marketing plan. Because production is one thing, to sell and make profit is another.’ With the UNDP trainings, two days a month for a year, and the partnership with Accesserator, Joyce is able to lower costs, know her customers (mostly in the tourism industry, government institutions and households) and buy the second machine to produce on a higher scale.

Dreams for the future? Joyce starts laughing out loud and blushing at the same time. To grow the business, that’s the most important thing. She dreams about an own factory surrounded by land to grow the herbs. And her biggest dream? An office complex to create a hub for entrepreneurs, so Joyce can share her wisdom and energy to young entrepreneurs, and grow their confidence in their own ideas.



## General information

**Sector:** Production of organic soap and detergents

**Location:** Lilongwe

**Entrepreneur:** Joyce Banda

**Partnership with Accesserator:** from December 2018 via UNDP Growth Accelerator Entrepreneurship Challenge

**Investment by Accesserator:** € 7.317 = 28% shares

**Direct employees:** 6

**Indirect employees:** 20

**Joyce’s biggest dream:** ‘A hub for entrepreneurs, so I can share all my knowledge to them.’





# CourteCand

**‘Unemployment is so high in Malawi, so we wanted to do something. Not wait and hope for a miracle, but create our own income.’**

Hope Maliro - a young man - talks with the dedication and seriousness of a seasoned entrepreneur. In reality, he finished his studies in irrigation just a few years ago. An exchange year in Israel inspired him: ‘despite the dry and infertile land, Israeli farmers find ways to grow crops.’

‘So, in 2015 we started CourteCand. The name is a combination of courteous and candid – two characterisations of the owners and how they want to do business’. Next to Hope there is Aubrey, responsible for accounting and Emmanuel, responsible for communications. The three friends started farming and producing vegetables like tomato, cabbage, carrot, rape. Business was ok, but they lacked capital to acquire more land to grow.

‘But then, in 2017, a friend of a friend heard about Accesserator!’ Hope phoned Patrick who told him that Accesserator was looking to work with people with a good idea but not enough capital. Hope send his business plan and Accesserator wanted to work with him. Together with Michael from the Accesserator Blantyre office, he started improving the business plan. ‘At first it was hard, but Michael was always there to help us. We could call him day and night. In the end, the business plan is a lot better now.’

What is the plan? ‘Right now, we focus on Irish potatoes and garlic. Both products are growing on 4 hectares of land and we only apply organic manure. We sell the products by contract on wholesale to MOGA: Malawian Organic Growers Association. When we developed the business plan, Michael investigated MOGA and concluded that the organisation is a good partner.’

And the plans for the future? ‘We will grow step by step, according to the business plan and with the help of Accesserator. In the spring of 2019, we will install the irrigation system, so we can produce all year round. The coming years, we will rent more hectares of land. Our aim is to produce fruits as well, and more types of vegetables and spices. This means that we are not dependent on one or two products, and spread out the risks. With higher production, we can create manure ourselves to apply on our farm and to sell as well.’

You can only come to one conclusion: Hope will do everything in his power to succeed. And Accesserator is the right partner to overcome all challenges. ‘I’m at the farm every day. I love to see the plants grow naturally. My dream is to become one of the biggest organic farmers of Malawi’.



## General information

**Sector:** Organic farming of garlic and Irish potato  
**Location:** Ntchisi  
**Entrepreneur:** Hope Maliro  
**Partnership with Accesserator:** from December 2018  
**Investment by Accesserator:** €15.365 = 40% shares  
**Direct employees:** 7  
**Indirect employees:** 6  
**Hope’s biggest dream:** ‘To be one of the biggest organic farmers of Malawi with fruits, vegetables, herbs and spices’.



# Looking back and ahead, to Malawi and beyond

**Robert and Maarten are typical entrepreneurs. They see possibilities, aim high and work hard to reach their ambitions, where others just see risks and difficulties. This mentality brought them to 14 partnerships with Malawian entrepreneurs.**

But this is only the beginning, if you ask them. Accesserator's founders Robert and Maarten. They want to create opportunities for a lot more entrepreneurs, to support economic growth and meet the social and environmental challenges in Malawi. And eventually, make Accesserator independent from external capital and open offices in neighbouring countries like Tanzania and Zambia. Plenty of reasons to ask Robert and Maarten all about their plans for the Accesserator future.

## **The aim: 30 new Malawian partnerships in 2019**

*In 2019, Accesserator wants to add 30 new entrepreneurs to their portfolio. That's very ambitious! First of all, why is this good for Accesserator?*

**Robert:** 'To crank up the flywheel, so to speak. These 30 new businesses will start rendering after two years by the end of 2021. We can start paying off our investors and we have the means to work full-time for Accesserator. This flywheel will enable us in 2025 to run Accesserator without external capital. A revolving financial system: partner with local entrepreneurs, grow their business together, sell our share after five years and invest the profit in new businesses. For us, no new outside capital means no risk on that side.'

**Maarten:** 'Plus, our network grows stronger. All our entrepreneurs will become each other's customers. Everyone that needs briquettes can buy the smokeless one's from Marumbo Kalua. Farmers can work together to offer supermarkets a varied supply of different products.'

*You're not afraid of some sort of 'imperial overstretch', growing too fast?*

**Robert:** 'We actually feel we're growing steadily! We started small by supporting two entrepreneurs, and then gradually started adding more. From these cases we learned a lot about ourselves, Malawi and the possibilities of the Accesserator model. Now we, and our local employees, are ready for growth.'

*How will you manage to support 30 new businesses?*

**Maarten:** 'The quality of our businesses has to remain high, so the screening and monitoring by the local staff is crucial. We train our employees on Google Hang-out every two weeks in finance, marketing, planning, pricing strategies, quality management and red flags methodology. They go through a steep learning curve, especially by handling all the businesses themselves. Plus, we recently hired two trainees for the Blantyre office. And in 2019 we'll open a second Accesserator office in the capital Lilongwe.'

*Will you be able to raise enough capital?*

**Robert:** 'To support these 30 new SME's in 2019, we need to raise around 500.000 EUR. I'm confident we will reach that goal. Our network is not nearly exhausted. I believe in our business model and the people we've got. And investing will always be investing; you win some and you lose some. But with this potential return on investment there is hardly a risk.'





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*If the aim is increasing capital, why not just make already signed businesses bigger?*

**Robert:** ‘We feel our impact on small and starting businesses is bigger. They have a harder time finding capital, and profit more from our trainings in for example planning and finances. In addition, we choose to work with a high number of small, starting entrepreneurs to spread the risk. And we foresee the returns of investing in already existing businesses would be too small.’

#### A major player in Malawi

*And is a growing Accesserator good for Malawi?*

**Robert:** ‘Our basic belief is that Malawi needs entrepreneurs to find local solutions to local challenges. The more entrepreneurs can be a role model for others, the better. And if Accesserator is independent from external investors, we can spend all of our time searching for good business ideas and training the entrepreneurs. All those well-guided entrepreneurs can make a positive impact on the country’s economy and create better opportunities for Malawians.’

*That also means Accesserator will become a major player in Malawi.*

**Maarten:** ‘We’re getting on the government’s radar, that’s true. It’s good that we are a mixed Dutch-Malawian company. Our Malawian colleagues will guide us along.’ Stereotypically, investing in Africa brings high risks. How do you mitigate these risks?’

**Robert:** ‘Of course we are aware of the risks and are prepared. But honestly, we don’t see big differences. The things that can go wrong in Africa aren’t that different from here. In the Netherlands, things might be even worse in some aspects.’

**Maarten:** ‘Most importantly, I have an almost naïve trust in people. I genuinely believe it will work out.’

**Robert:** ‘First of all, we make profit and loss indications with the entrepreneurs, so they project their revenues and we can check them. This also shows them how to work in a planned manner. Next, the local businesses will be reviewed by an external auditor. And if something does happen, we will have to be strict and set an example. In one case we did that already.’

#### Accesserator’s boundless dreams

*Your optimism and confidence is contagious! You dream of expanding Accesserator to neighbouring countries like Tanzania and Zambia. Why?*

**Robert:** ‘We invest in relatively small enterprises and we provide extra services such as trainings. The big guys like the Dutch development bank (FMO) only deal with big investments, from a million upwards.’

**Maarten:** ‘And this market is not saturated in surrounding countries either. There are always people with good ideas, worth investing in. Next year, we’ll even be growing faster than now.’

**Robert:** ‘I really believe that we will succeed! We’ll catch up again at the end of this year, to show you where we’re at.’



# The future of Malawi

‘It was the second time around for me in Malawi. The first was 5 years ago, in 2013, while traveling from Cairo to Cape Town by public transport. A different journey with a different outcome. Because now, the outcome had to be this magazine that you’ve almost finished reading.



**Laura Sofie van der Reijden**

Advisor at EMMA Experts in media and society

‘And now, I’m tasked with manufacturing an idea about ‘the future of Malawi’. If you look at the numbers, you see that in those years the Malawian population has grown from 16.577 in 2013 to 18.622 billion in 2017.<sup>1</sup> Quite an increase. Luckily (or logically), this also means that the GDP increased, as well as the life expectancy.

Contrarily, the gross national income (GNI) and school enrolment declined. Both are necessities to any country’s progress. And certainly Malawi’s, where apart from this extreme weather events cause<sup>2</sup> losses of at least 1.7% of the GDP annually.

What better way to work on these ‘challenges’ – as every Malawian I met put it – than through involving local people and their own solutions. Investing in their ideas and letting them grow. So that they can be the architects of their own future’.

<sup>1</sup> <https://data.worldbank.org/country/malawi>

<sup>2</sup> <https://www.cambridge.org/core/journals/environment-and-development-economics/article/economic-costs-of-extreme-weather-events-a-hydrometeorological-cge-analysis-for-malawi/627FB394C812C92E903916AD2E7B36B8#>

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