



Bringing affordable clean energy to the rural poor by creating a micro-franchise network of community-based entrepreneurs

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The New Idea

Nick and his team at SolarAid have created Sunny Money, the first micro-franchise brand of clean energy products for the rural poor. Energy is a huge driver of development, bringing with it educational, economic and health benefits. But a failure of distribution mechanisms has held back the spread of the right technology. Nick has realised that most distribution mechanisms in Africa do not reach people because they haven't developed the ability to sell to their customers in the local environment.

In developing the Sunny Money micro-franchise model, SolarAid focuses on identifying the best salespeople for the consumer group in question. Franchisees come from local communities and are selected by their neighbours and peers following an election campaign, which secures the loyalty of the customer base and ensures that the franchisee is ethical, entrepreneurial and will be committed to the work. Sunny Money's local distribution model also provides franchisees with the opportunity to improve their independence and standard of living through a reliable source of increased income, in this way creating a sustainable economic approach to addressing development needs.

Sunny Money products are designed to be inexpensive, robust, and easy to maintain. All products are constantly re-evaluated to be maximally suited to the populations they are designed for. Learning from franchisees about what kind of products are in demand keeps the brand competitive and citizen-focussed. This approach reorients the supply chain of products to the end user, changing the way products are delivered to the world's poorest citizens.

Impact

By the end of 2009 there were more than 200 micro-franchisees selling Sunny Money products, and over 13,000 clean energy products had been sold. SolarAid currently operates in Malawi, Kenya, Tanzania and Zambia, with a small pilot in Latin America being carried out. Customers have experienced increased income (due to reduced expenditure on batteries and kerosene), a reduction in health problems relating to kerosene use, and an increase in study and economic activity as they can work in the evenings. Meanwhile, franchisees benefit from an increased income: once they have set up their Sunny Money microfranchise successfully, their income can treble.