

Integrating Income Generating Activities that really make money

Global Youth Enterprise Conference 2009

By:

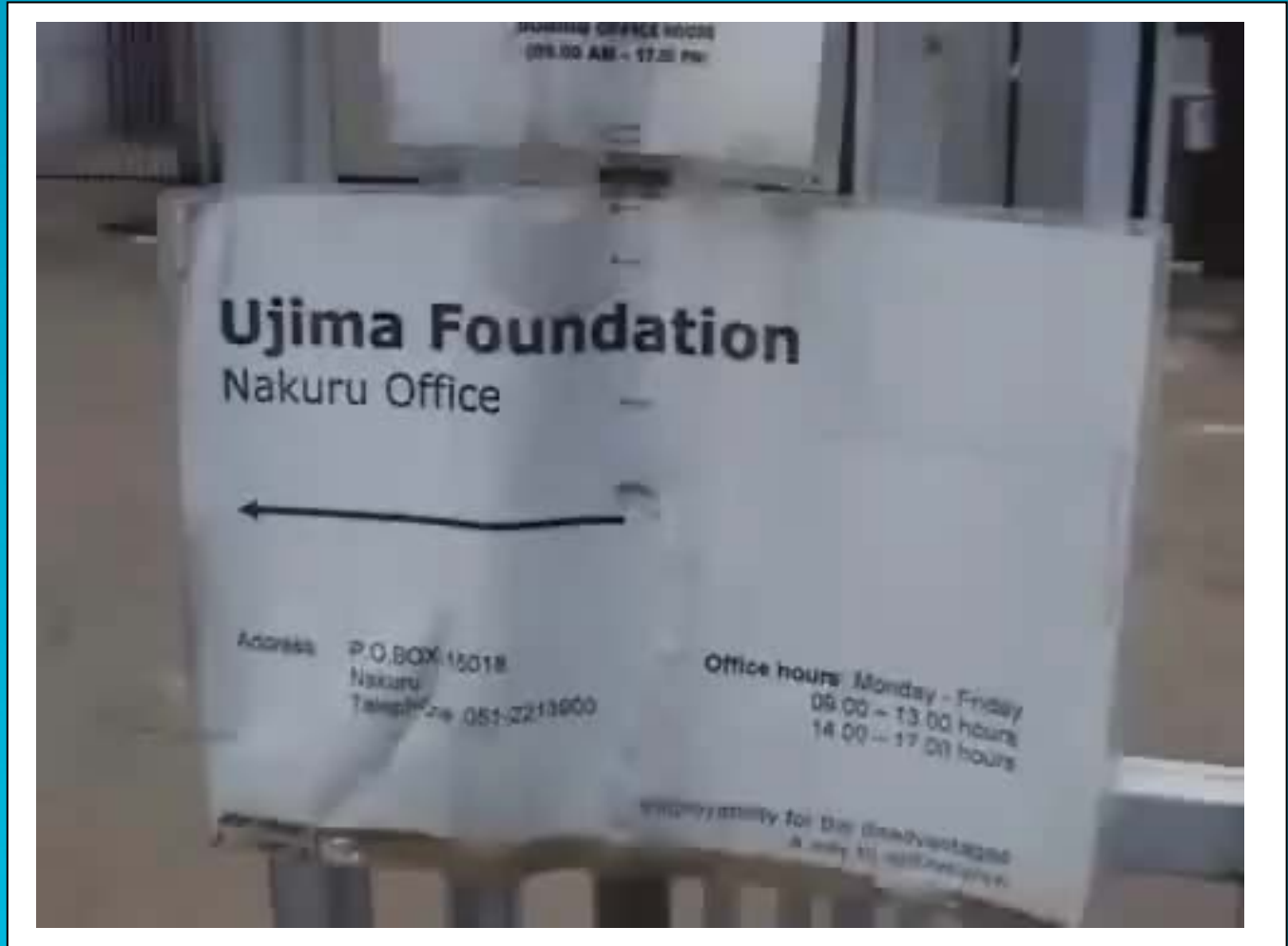
Machiel Pouw & Marc van de Giessen
Directors & Founders Ujima Foundation
Kenya



Kenya

www.ujima.nl

Introduction Clip



IGP's a means but not a goal itself



- Ujima is a training institute that developed an integral method to train orphaned youngsters who are taking care of their siblings to get a job and keep it.
- The method it based on the three H's (Head, hands and Heart) and bridges the need of target group and employers
- Ujima's IGA's have a dual purpose

This presentation will address



- Why venture in to Income generating Programs?
- Can a non-profit organization really run successful money making Income generating programs? If so how?
- Lessons learned

Why venture in to Income generating Programs?



- Sustainability & continuity
- Generating your own income leads to ownership of budget and expenditure.
- Managers are forced to think about return of investment of intervention
- Independent from donor policy shifts
- Ujima practises what its preaches and acts as a role model to our trainees
- The best support is self support!

Can a charitable organization really run successful money making Income generating programs?



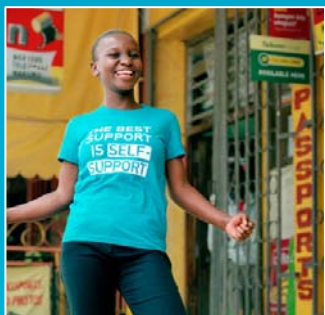
Before you start ask yourself:

1. Is there a market for your product?
2. Do you have passion for your product?
3. Are you the best suited to deliver?

If you cannot answer Yes wholeheartedly you should rethink venturing into IGP's.

Source: collins – from good to great

How to go about an IGA



Do:

- Make a business plan which is clear on implementation and use it.
- Recruit specialists for positions
- Allow time to mature the IGP before going for donor independence
- Create a clear link between non-profit side and commercial side of the organisation.
- But run it as a separate unit with own accounts and management structure

Don't

- Be impatient, it will take time for the business to mature.
- Start without a certain amount of advance running costs.
- Be too shy to ask for help
- Ignore the advice of the professionals you have recruited. The dynamics of an IGA are different from running donor funded projects.
- Economize on necessary investments

Lessons learned



- Enhanced ownership of available funding
- Create a financial buffer to cushion for contingencies such as political unrest, inflation, global recession
- Make sure you focus your marketing of your product on different markets
- Easier to raise funds in case of additional projects
- Due to donor independence lobbying becomes easier
- A successful IGA adds value to the non-profit side of the organization.
- Clearly separate the cash flow between the Charitable side and IGA side to prevent hidden financing of the IGA by the charitable side.

Thank you!



For more information about Ujima:

www.ujima.nl

A guide on how to write a business plan and this presentation are available online

Questions & discussion



Any questions or remarks?

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