

BUSINESS PLAN



..... SUSTANABLE CLEAN COOKING ENERGY AND FOOD SECURITY FOR ALL.....

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Executive Summary

KONDAYAMA BIOFUEL INVESTMENT Established in 2023, is a startup sole proprietorship business dedicated to developing an innovative bioethanol cooking stove, production of bioethanol cooking fuel from starchy agro wastes and biomass such as cassava, sugar cane for the provision of clean cooking energy solution and food security in Sierra Leone.

This Investment is aim to address the lack of clean cooking energy solution, prevent our parents, wives and everyone that used dirty energy (wood and charcoal) to cook and inhaling toxic gas, reduce air pollution, create job opportunity, protect our environment and contribute to climate mitigation and food security.

Our solution creates and captures value in the targeted cook stoves and bioethanol fuel market through the provision of green, affordable, reliable and sustainable bioethanol-based cook stoves and bioethanol cooking fuel to the off – grid and under-served population of rural households, and also for the financially endowed low and middle income urban households seeking alternative energy sources to mitigate crippling load shedding, high electricity tariffs and now escalating LPG gas prices in urban communities. Kondayama biofuel investment, targets as the customer, that family with no access to the national power grid in a rural community and that low and middle income household in urban communities.

Our customer is willing to pay a price of Le 700 for one Cook stove unit, Cook stove fuel – bioethanol selling for Le30 per liter and the bye products such as cassava flour, animal feed, and garie can be sold at reasonable price.

We aim to reach our customer through an innovative sales strategy that leverages creative packaging, branding, distribution and sales method, which we will be discussed in detail in section 7 under our marketing plan.

Initially, we will need lawyers, accountants, management consultants, a board of directors, a board of advisors, employees, independent contractors, goods and services vendors, who will all play different but critical roles in the establishment and sound management of our business.

These key individuals will help us grow our business, scale it up, because through their great expertise and resources they will not only help us create a robust business but also craft policies, systems and a strategy that will help us to successfully drive the business forward.

In order to scale up production there is need for adequate capital infusion from venture capitalists, investors, etc. Besides that, deliberate policies and programs would have to be initiated to also scale up productivity which would in turn lead to a scale up in production

1. Introduction

The **kondayama biofuel investment** is a scientific base investment that has conducted several researches on production of biofuel (Biodiesel, Biogas and Bioethanol) productions, uses and the economic impact on the country (Sierra Leone) in which the outcome of these researches is now converted to **social entrepreneurship** to address the lack of awareness of clean cooking energy and provision of **clean cooking energy** for the peoples of sierra Leone, contribute to **climate change mitigation, social life, create job opportunity ,reduce greenhouse gas ,provides good health** and also provide clean fuel for mobility

Vision Statement:

To be Sierra Leone, Mano River union and Africa at large premier provider of clean cooking energy and food security

Mission statement:

Renewably lifting Sierra Leone, Mano River union and Africa at large out of poverty through a green energy revolution and food security

Objectives:

Below are our short, medium and long term objectives:

1. Provide affordable, sustainable and renewable energy to 80% of off – grid rural populations in all the sixteen districts of Sierra Leone in the next 30 years.
2. Supply two million bioethanol fuel – based cook stoves to rural communities in ten years as a way of preventing 4500tonnes/month loss of biomass (charcoal) due to deforestation, assist in the reduction of household air pollution related deaths and diseases, which claim 3% of lives in Africa especially for kids below 5 years.
3. Capture 3,000 customers, for our company products and services, from the market by the second year of becoming operational.
4. Capture 1% of market share of our targeted, TAM (total addressable market) of the cook stoves & bioethanol fuel market within two years of commencing operations and 50% of the market share in ten years.

The Value Proposition:

Kondayama biofuel investment will be providing reliable, affordable and sustainable bioethanol-based cook stoves and bioethanol cooking fuel to off – grid and under-served rural families and also low and middle income urban households.

2.0 The Product:

Kondayama biofuel investment has from the outset, planned for and has showcased products produced to the market and planning an official presentation of the innovation to the sierra Leone government and international partners and are in preparation to start the production of three product lines which are as listed below along with their projected or planned to launch into the market launch time frames.

S/No. Product/Service Description	Projected Launch Time Frame
1. Konda Cooker - Cook stoves	At onset of business
2. Konda Biofuel - cook stove Fuel	At onset of business
3. Konda cassava flour, Garie and animal feed	At onset of business

The products that we are putting out for sale to our target customers in both the rural and urban areas are the bioethanol cook stoves, bioethanol fuel for the cook stoves and Cassava flour, Garie and animal feed. Bioethanol is mainly produced through the sugar /starchy crops fermentation process, although it can also be produced by the chemical process of reacting ethylene with steam. The main source of sugar/starchy crops required to produce bioethanol are sugar cane, cassava, wheat crops, waste straw, willow, reed canary grass, cord grasses . There is also ongoing research and development into the use of municipal solid wastes to produce bioethanol fuel.

The bioethanol fuel produced has the following uses:

- as a cooking fuel
- as a fuel for vehicles
- as a fuel for fireplaces
- as a disinfectant in hospitals, barbershops and saloons

3.0 Industry and Market Analysis:

Cooking Technology

We are entering the energy sector of the Sierra Leone economy and our particularly focus will be on cooking technology from renewable sources.

Industry Growth Potential.

There is huge growth potential for this industry in terms of the potential market and viability of the business. This is so because, out of a population of roughly 7.5m people, only 1% of the population has access to clean cooking energy ,that is LPG and Electricity and the rest of the populations depend on the use of fire wood, charcoal, agricultural residue to cook.

However, a nationwide recent studies has been conducted on the potential to use bioethanol cook stoves and bioethanol cooking fuel as an alternative cooking energy to traditional cooking fuel, in which I am the consultant of such studies, from the studies, over 90% of the two hundred household that was surveyed are interested to use ethanol cook stove on trial base and gradually become permanent cooking energy.

Target Market

The target market for our products is 5% of the potential cook stoves and bioethanol fuel market which is worth roughly about USD500, 000 in potential annual sales revenue turnover and approximately 1.24 million households nationwide, in terms of potential customer volumes.

Market Size

Our potential cook stoves and bioethanol fuel market is worth roughly about USD500,000 in potential annual sales revenue turnover and approximately 500,000 households nationwide, in terms of potential customer volumes.

Target Group

Kodayama Biofuel Investment targets all category of women and the average household across the country that use charcoal, firewood, harmful cooking energy as primary energy for cooking .

Market Growth Potential

The biofuel sector has the potential to grow the economy as it caters for all citizens across the country. However the main potential largely depends on the availability of land and human resources available.

4. Competition

Major Competitors

Some of Kondayama biofuel investment major direct and indirect competitors are listed below:

1. Np gas sierra Leone Ltd
2. Afrigas Sierra Leone Ltd
3. Clean cooking alliance Sierra Leone
4. Sunbird bioenergy Sierra Leone
5. Traditional producers of firewood, charcoal and Agricultural waste

5. Operations Plan

Operating Licenses

We have obtained and will have to obtain the following licenses from the Patents and Company Registration, Office of the Administration and Registrar General, Agency, Local Authorities (City Councils), National Revenue Authority.

1. Certificate of Incorporation of a company limited by shares.
2. Business Certificate. A form of a license to carry on business.
3. Tax Clearance Certificate. Evidence of registration as a taxpayer.
4. Clearance to undertake a business in bioethanol, production, sale and distribution for cooking technology purposes.

Key Resources

These are the resources required for our operations:

1. Acquisition of land/or buildings for ownership or lease purposes which we will either preferably purchase directly or procure on long term lease.
2. Procurement of production equipment, which will be purchased.
3. Procurement of Sales Motor Vehicles (Vans/Pickups/Cars), which we will purchase.
4. Procurement of office furniture and equipment. These will be directly procured.
5. Recruitment and placement of key administrative and technical staff, who we will recruit.
6. Vendors will provide such critical services as insurance services, ICT/ISP services, security services, etc.
7. Procurement of production feedstock procured through strategic alliances and partnerships with feedstock suppliers.
8. Commencement of business i.e. production of both bioethanol and cook stoves. Commencement of sale of finished products.

Specialist Skills

We will definitely be in need of a production manager, a plant engineer, machine operators, boiler makers, handy men, etc. The plant engineer will have to possess specialist knowledge in the production processes of bioethanol production; preferably he will have to be a chemical engineer. The boiler makers will be tasked with the manufacture of the cook stoves. We will definitely need to recruit these specialists in order to operationalize this strategic business plan for bioethanol and cook stove production.

Distribution channels

Our products will be available in the city and the provincial districts. As part of our distribution strategy to target the medium to high income demographics, we will sell our cook stove and bottled bioethanol fuel through shopping mall-domiciled chain stores, such as Shoprite, Pick n Pay, Croppies, etc and also in urban supermarkets. Furthermore, to deliver our products to the market segment that needs them the most, the low income demographics, as part of our sales and distribution strategy, we will sell the cook stoves and the bottled and fuel dispenser dispensed bioethanol fuel to these in the townships and compounds on the basis of a door – to – door strategy.

Moreover, in these areas of operation i.e. the townships and the compounds, we will also appoint last mile sales and distribution agents, who will sell our products on a commission basis. To these we will provide with bioethanol fuel dispensing machines, a sales and distribution strategy that will make our products even cheaper, for our customers and the company. As customers will not be required to pay for the fuel container whenever they present to replenish their fuel. As they will get reuse, free of charge, the same container that they initially bought their initial fuel in. This reuse of fuel containers will eliminate on the part of both the customer and company the cost of a new container. Additionally, customers will not be subjected to buying predetermined fuel quantities, as they will buy quantities that they can afford at any given time. This will make our fuel even more affordable to a larger number of customers in our target market segment.

Suppliers and supplier relationships

Listed here below, are key entities and organizations that will be our suppliers of equipment, critical services and production feedstock:

1. Production equipment supplier
2. Production feedstock supplier
3. Insurance services provider
4. Security services provide

Our expected method of relationship with these aforementioned entities will be through strategic alliances and partnerships.

Marketing Plan

Product promotion

We will carry out marketing and sales campaigns through door - to - door domestic visits, interpersonal meet - ups and hosting of community meetings under the auspices of the local council and constituency leadership to create awareness for our products and services. We will also advertise using all the available digital platforms on the internet through such internet and social media platforms as CRM and SEO tools like Google Analytics, Google Adwords, HubSpot, WebTrends, Salesforce, facebook ads, twitter ads, instagram ads, youtube ads, whatsapp, etc., by electronic means like TV and radio, print media such as newsprint, trade and industry magazines, flyers, product and service brochures, etc.

Advertising strategy

We will carry out road shows, participate in trade fairs, trade expos, industry shows, we will host radio and TV talk shows, host focus meetings, make strategic public presentations, etc. in order to promote and showcase our products and services to potential customers for their evaluation.

Pricing strategy

We intend to use the Cost –Based pricing strategy. The cost of the product plus a predetermined amount on top. We will employ this pricing strategy because we will be selling an essential and utility product for which the pricing, Value –Based pricing, cannot be employed because this cannot be left to the customer to determine and further more we will not be pursuing the Market – Based pricing because we are entering an unsaved market, for which there isn't yet a market price that could have been set by existing market players if the market had any. It follows that in this niche market we are poised to be first movers.

Customer endearment programmes

We will offer incentives to our customers to make them switch from current energy solutions providers, as well as to help drive and grow our sales.

For instance, such incentives as the **Konda Bonus Cooker, Konda Bonus Fuel** Customer Referral Bonus Programmed. Where we will reward customers for referring their friends. We will give them **1 free liter** of fuel for each customer referred to our product. We will also give **1 free cooker** for every 5 customers referred to our products. The objective of this is that, it costs less than standard advertising; moreover,

this is a deliberate strategy to avoid attracting unnecessary competition and the attention of big companies to this lucrative market niche, through all out and conspicuous advertising campaigns, in the early product launch phase.

We intend to deploy guerrilla type of marketing, below the radar, low key and stealth advertising tactics and strategies such as the Customer Referral Bonus Programmed. To enable us quietly blitz scale our operations and grow the business rapidly with the intention being to grow our customer base to a target 5,000 customers before initiating very conspicuous advertising campaigns. The whole idea behind guerilla marketing tactics and strategy is to blindside potential competitors from knowing or figuring out what we are doing until it is

too late for them to play catch up. In other words, we aim to make it difficult for them to assail the market leadership position we aim to attain.

There will be additional incentives such as product discounts, PAYGO fuel sales dispensed through smart vending machines, hire purchase, hire/lease to – buy options for cook stove purchases for those in the low income bracket who cannot afford an outright purchase. These incentives initially create a negative effect on our cash flow and profitability but that is all short term, because eventually they create a positive effect on our cash flow and profitability in the long term.

Credit management

For our credit customers, we will offer them internet, mobile phone, money transfer and financial services companies and commercial bank based innovative payment platforms borne out of our strategic partnerships with mobile phone operators, commercial banks and internet service providers (ISPs). Through these payment platforms we will work out favorable and flexible payment schemes based on case – by – case individual occupational and income circumstances.

Product delivery system

We aim to use various channels to get our products out to the customers in our target market. Here below is the list of the channels we intend to use:

1. E-market place.

. We will have a website created through which we will sell our products. We will also use Facebook and other suitable social media platforms to sell our products. We will create a downloadable app deployed through Google play that customers will be able to

Download on their mobile devices such tablet phones, smart phones

Laptop computers to use for accessing our product information concerning options for product purchasing, customer support, payment systems, etc. With this app our customers will be able to purchase our products online.

2. **SMS.**

We will also make it possible for our customers to be able to purchase our products and access product information through the short messaging system (sms).

3. **Provincial, District and Township Customer Service Centers.**

In the provincial centers we will sell our products through the provincial Customer Service Centers and similarly in the districts through the district and township Customer Service Centers to be located in the provincial headquarters for newly established provincial Customer Service Centers and also similarly through district and township Customer Service Centers for newly established district and township Customer Service Centers to be located in districts and townships with significant customer volumes.

4. **Shopping Mall – Domiciled Chain stores and Urban Supermarkets.**

Rolling out in the urban areas, we intend to sell our products through shopping mall-domiciled chain stores and urban supermarkets.

5. **Distributors, wholesalers, sales agents.**

We will also e sell our products through last mile distributors, wholesalers, sales agents in our target market segments

Management

The setting up or creating the following functional departments for the smooth running of our business will be very critical along with the performance of the departmental functions:

1) Finance and Investments

2) Sales and Marketing

3) Engineering Solutions

4) Human Capital and Administration

1. Finance and Investments

Headed by the Chief Financial Officer. This is the department where we will have revenue collection, procurement and inventory management. Procurement and Inventory Management. Procurement of production feedstock will be done in this department. It will also oversee the procurement of raw materials for the manufacture of the cook stoves.

It will also be under this department that inventory management functions will be performed.

Revenue Collection. Also falling under this department will be collection of payments from customer service centers and from both customer service centers and online and mobile money payment platforms.

2. Sales and Marketing

Headed by the Chief Brand Officer. Sales and marketing functions will be performed under this department.

Sales and Marketing. Branding, selling and marketing activities for our cook stoves and bioethanol fuel will be a function of this department.

3. Engineering Solutions

Headed by the Chief Technical Officer. Production Department. This is the department where cook stoves and bioethanol will be produced, packaged and dispatched for sale.

4. Human Capital and Administration

Headed by the Chief Financial Officer. In this section we will have core and auxiliary activities and support departments such as human capital and administration for work monitoring and reporting systems in place to ensure the key activities are being performed and each employee putting in their time.

Productivity and Performance Reward Programs

For us productivity and performance means a lot to our business. We will be expecting nothing less than top notch performance from our employees. We will be designing and implementing sustainable productivity enhancing and boosting programs to ensure that the productivity upward trajectory stays strong. As part of our company culture we inculcate and cultivate a spirit and lifestyle of excellence and continuous improvement. To ensure the best productivity results, we will put in place deliberate programs that encourage and reward productive employees who contribute the most to the increasing of the company's productivity.

We understand that compensation means a lot more than just the amount of money that we will be paying our employees. Considering the fact that there are other forms in which we can reward performance through such options as commission or bonuses, and even vesting company shares into deserving employees.

We take cognizance of the fact that people are motivated by non-monetary factors besides money. We know that many employees will work harder and longer when there is a feeling of being connected to the people around them, and the company's mission. In launching our company we will endeavor to place a great deal of emphasis on shared values and a common purpose. This will go a long way in helping us manage our company a lot easily as it grows.

Funding Request

Kondayama Biofuel Investment (KBI) is seeking a total funding amount of **1 million USD** to support the growth and sustainability of our ethanol cookstove manufacturing and ethanol fuel production project in Sierra Leone over the next **5 years**.

- **Use of Funds:**

The investment will be allocated strategically to ensure efficient scaling and operational excellence:

- Cassava farming and feedstock development: USD100,000
- Working capital: USD250,000
- Micro distillery plant setup: USD 250,000
- Ethanol cook stove production line expansion: USD100,000
- Infrastructure development: USD50,000
- Mobility and logistics: USD50,000
- Marketing and outreach: USD 100,000
- Miscellaneous expenses: USD100,000

- **Funding Structure:**

We are open to flexible funding arrangements, including loans, equity investments, or a combination thereof. We welcome discussions on terms that align with mutual growth and sustainability.

- **Expected Impact:**

This funding will enable KBI to:

- Expand production capacity for clean ethanol cook stoves and ethanol fuel.
- Develop a reliable cassava feedstock supply chain, empowering local farmers.
- Enhance operational infrastructure and market reach.

To continue:

