

Portrait of a Nyamuka Zambia entrepreneur

Case study No 2

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Chipo Tepula (left) with business partner Kayula Mulenga (right)
and environmental consultant Adony Mwanza

Chipo Tepula

fish and vegetables

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Zambian entrepreneur Chipokosa Tepula won K75,000 in the national Nyamuka Zambia business plan competition in 2015. Here's how he did it.

Getting started

Chipokosa Tepula, known to many as Chipo, never envisaged a future in farming. True, early in the new millennium his parents had acquired a smallholding through a resettlement scheme and had started growing maize and producing milk but Chipo always thought his future would be in a civil society organisation or similar.

After finishing school in Ndola, Chipo started his tertiary education in electronics before swapping to follow a course in Development Studies at the University of Zambia in Lusaka. Unknown to him, it is likely that it was during his studies that the very first seed of Chipo's entrepreneurial future was sown. A 3rd year compulsory module on Food Security and Agriculture Development, where he walked away with an A grade, got him thinking about the importance of food and farming for the health and welfare of any country, especially a country like Zambia. He was to continue thinking about food and food security for a long time after.

After his UNZA studies, Chipo thought he would end up working with an NGO or Civil Society Organisation, maybe in HIV prevention. "But the jobs didn't come", he commented. In the end he responded to an advertisement for Security Management Trainees to work in the copper mines and over the next 3 years he worked his way up the career ladder to be in charge of Security Training and responsible for all the security and surveillance equipment. But it wasn't enough of a challenge and eventually he moved back to Lusaka to take up a position with the Anti-Corruption Commission.

As Chipo explained, "I love solving mysteries. I like understanding the business end of things, doing research and solving puzzles" which made this work a great fit for Chipos's enquiring mind. But always in the back of his head was the idea that, at some point in the future, he would like to be his own boss. "I wanted to set up my own security company", he said. "I could see gaps in the market in the mines but with pressure on the mining industry the sector is getting crunched".

So the idea of having his own business had been there for a long time. I just don't think that Chipo had ever envisaged that it might involve fish and vegetables!



Chipo and his business partner

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Finding the business idea

When I have been talking to Nyamuka Zambia budding entrepreneurs about how they found their business idea, it is amazing how often the term “by accident” comes into the conversation. The same is true when I was talking to Chipo. For some time Chipo and his wife Mutinta had been thinking how to make best use of a 5 hectare plot they had in the Copperbelt. With its location beside a permanent river and with his awareness that there is an unmet demand for fish in Zambia – particularly in the Copperbelt – his first thought was to build a fish farm, digging fish ponds that would be supplied by fresh water from the river.

There is an unmet demand for fish in Zambia – particularly in the Copperbelt

But Chipo didn’t know anything much about what was involved in setting up a fish farm so his first job was to do his research. And that was when the accident happened. In exploring everything he could about establishing a modest fish farm, completely by serendipity he came across a link to a site that talked about the benefits of combining fish farming and growing vegetables. This is the technique called aquaponics, where the mineral-enriched water from fish ponds is used to grow fast-maturing crops like lettuce and bell peppers in a soil-free, hydroponic environment. By doing this, you can end up with two crops instead of just one, using the waste from one crop (mineral-enriched water from fish farming) as the growing medium for the other (salad leaves and other quick-growing vegetables).

Chipo decided to talk to his friend Kayula Mulenga who is now his business partner and they explored the possibilities. As it happened, Kayula had been on a Business and Entrepreneurship exchange programme to the USA and, quite by coincidence, had been sent to visit a farm that specialised in aquaponics. Between them they did research and found that it wasn’t just a technique for Charlotte, USA but was used in many other places. And it looks like the climate, conditions and fish stocks in Zambia might just be suitable for such a system. At this point the idea for Kaychi Aquaponics was born.

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But then came the big question: how should they go about setting up this business? What was needed? Where would the capital come from? Could they make it profitable?

Why Nyamuka Zambia business plan competition?

One day in early 2015, Chipo was standing in line in his local branch of Zanaco. While he waited his eye was caught by a video loop on a display screen, advertising the launch of a new business plan competition, Nyamuka Zambia.

“At first I thought it was one of those scam or fake competitions where the outcome was already decided”, Chipo commented. However he made a note and looked up the website and read the guidelines that said that Nyamuka was looking for people with business ideas that were new, innovative, addressed a gap in the market and could be profitable. “That’s us”, he thought.

And at almost exactly the same time, a mention of Nyamuka was made on Facebook by Miyanda Katiwa, coach and CEO of the Prosoft Group of Companies. “I follow Miyanda on Facebook and I remember her saying that you don’t lose anything by entering but by not entering you lose everything. If she was endorsing Nyamuka then it must be OK”.

The Nyamuka Zambia business plan competition is funded by UKaid and is part of the Private Enterprise Programme Zambia that builds and strengthens the capacity of Zambian micro, small and medium enterprises (MSMEs) in the private sector.

The more he thought about setting up in business the more Chipo realised that food and agriculture was a good way to go. “Despite the credit crunch, people always need to eat”, he said. “They always need food and the only real risks would be if there was war or, more likely, drought”. That is when Chipo and Kayula lit the blue touch paper and decided to enter the competition. The rest, as they say, is history.

Getting listed as one of the 60 semi-finalists was a major milestone in Chipo’s Nyamuka journey. As he explained, “It was exciting to know I was a semi-finalist but I still had to work smart and harder to ensure my plan was worth it. But when I made it to the finals from then on I knew I had really ‘Nyamuka-d’! It was rewarding to know there are people who believed in my idea and saw the potential in it just as much as I did”.

Unlike some of the competitors, Chipo was applying with an idea for a brand new start-up, not the development of an existing business. The application was in the form of a concept note which outlined the idea for Kaychi Aquaponics which, during the course of the competition and with the help of a Nyamuka Zambia business advisor, he developed into a fully-fledged prize-winning business plan.

“Nyamuka Zambia gave me a real focus. Having the idea alone is not enough. You must think it through really thoroughly”, Chipo reflected. And he is right. What he learned was that you have to address all aspects of the business, not just the ones that come easiest to you. Chipo admitted that he and Kayula hadn’t even begun to think about their potential competitors before Nyamuka Zambia, though this is a vital consideration for any business, fledgling or established. And when asked what the biggest outcome from the competition was for him, Chipo replied that it was learning how to write a bankable business plan. This is what you need as a first requirement if ever you are trying to raise finance for a business idea.



Chipo has Nyamuka-d!

Nyamuka Zambia accepts applications from groups and partnerships but one person has to represent the group throughout. In the case of Kaychi Aquaponics, Chipo was the front man all the way through, from application to the Grand Finale.

Kaychi Aquaponics: what stage is the business at now?

When Chipo won K75,000 for his plan for an aquaponics business, it was only a company in theory. What the winnings have allowed him to do is to start the process of turning the theory into business reality.

So where is the business now? As Chipo explained, the business is now in the active set-up stage. Having looked at the business plan and the available finance, it made sense to start with the fish farming part of the business which is quicker to set up and less capital-intensive. Buildings for the fish feed are nearing completion and plans have been drawn up for the fish ponds for which Chipo is awaiting approval following an official site visit which has just taken place. As soon as the letter arrives digging will commence. The plan is for 6 ponds, each 20m by 20m in size and tapering from 90cm to 1.5m in depth.



The building for storing fish feed is nearly complete [May 2016]

“The contractors are ready to get started with digging the ponds as soon as we get the official letter from the Zambian Environmental Management Agency, which should happen any day. The initial indication is that there are no issues as we have followed the rules and we are creating employment”, Chipo commented.

Once filled, the ponds will be left for a couple of days for the water to clear and then the water will be fertilised with some pig or chicken manure which will encourage algae to grow. This will give the fish a good, natural base diet that will be supplemented with fish meal.

Chipo has settled on tilapia as the fish of choice which is in deficit in the Copperbelt. He has identified his source of young fish called fingerlings and they will be shipped in as soon as the water is in a condition to support them. If all goes according to plan, Kaychi will be harvesting their first catch for sale in early 2017. Routes to market have already been secured and everything is on schedule. On current projections, Chipo looks to be employing 5 people by the end of the year, a figure that is set to grow substantially as the business develops.

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As soon as the young fish arrive, it is planned that a prototype vegetable growing bed will be constructed using concrete blocks and timber to make the frame and dam liner to make the bed water-tight. This will allow Chipo and the team to test a new way of constructing hydroponic tanks which they have designed. Once the fish farming side of the business is up and running and generating some cash flow, the plan is to build the hydroponic beds, each one 1m wide by 28m in length.

With initial plans to harvest herbs like chives and basil as well as leafy vegetables like spinach, bondwe and lettuce, there has been a lot of interest from potential customers both in the Copperbelt and Lusaka as well as opportunities to set up more aquaponics facilities in other regions of the country. With market outlets in place and demand high, Chipo looks as if he is onto a winner.

But like any good businessman, Chipo is not satisfied with just setting up and running the company. He already has ideas for how to take the business forward to the next level. This includes replicating the Copperbelt operation in other regions of Zambia in order to reduce food miles and make sure that his produce is always delivered super-fresh. Chipo also intends, in the fullness of time, to set up his own hatchery network by working with local groups around the country, teaching them how to handle fish.

Kaychi Aquaponics wants to set up an out-grower scheme where they will supply fingerlings and feed to local cooperatives that will raise the fish for six months. They will then sell a large proportion of the table-size fish they have raised to Kaychi Aquaponics which will allow Chipo to supply even greater quantities of fish to the growing market. This strategy aims not only to improve production output while allowing Kaychi to keep long term costs under control, but also will deliver real benefits to rural communities in terms of jobs, incomes and a source of nutritious fish to supplement their diet. As Chipo says, “there is more that we can do for the country rather than just sitting behind a desk”.

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It would seem that his involvement in Nyamuka Zambia has “set off this fire” in Chipo and that despite all the challenges, he is gaining a huge amount of satisfaction from setting up this new business. When I asked Chipo what he thought of Nyamuka Zambia, after all the hard work that he had put in he replied that “the whole experience makes me smile. It has given me the confidence to believe that entrepreneurship is the way forward”.

And what is in store for Chipo?

Still working as a security expert, the big question is will Chipo give up ‘day job’ and become a full time business man? When asked, his answer was a resounding “YES! If everything unfolds according to plan then I will be full time in the business by the end of 2018”. But Chipo obviously gets a lot of satisfaction from his current job and it allows him to invest in Kaychi Aquaponics whilst also supporting a family. For the time being at least he is happy to have two business lives.

In the meantime, in June 2016 Chipo will be heading off to America having secured a place on the prestigious Mandela Washington Fellowship Programme. “After my experience with Nyamuka Zambia, I thought that I might be the type of person they were looking for”, remarked Chipo. Using everything he had learned and developed during the Nyamuka Zambia business plan competition, Chipo applied and has been accepted into the business and entrepreneurship track.

“This is a once in a lifetime opportunity and will open more doors for me but I don’t think it would have happened without Nyamuka Zambia”.

“The whole [Nyamuka Zambia] experience makes me smile. It has given me the confidence to believe that entrepreneurship is the way forward”



Chipo Tepula dressed for his day job as a security expert [March 2016]