

Portrait of a Nyamuka Zambia entrepreneur

Case study No 1

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Alan Chanda the accidental honey-man

Alan Chanda: the accidental honey-man

Getting started

The first question I asked Alan Chanda when I met him one wet Friday afternoon in Lusaka was how did he, an electrical engineer and IT specialist who at least to start with didn't much care for honey and was frightened of bees, become a committed honey entrepreneur. And his answer? "Completely by accident".

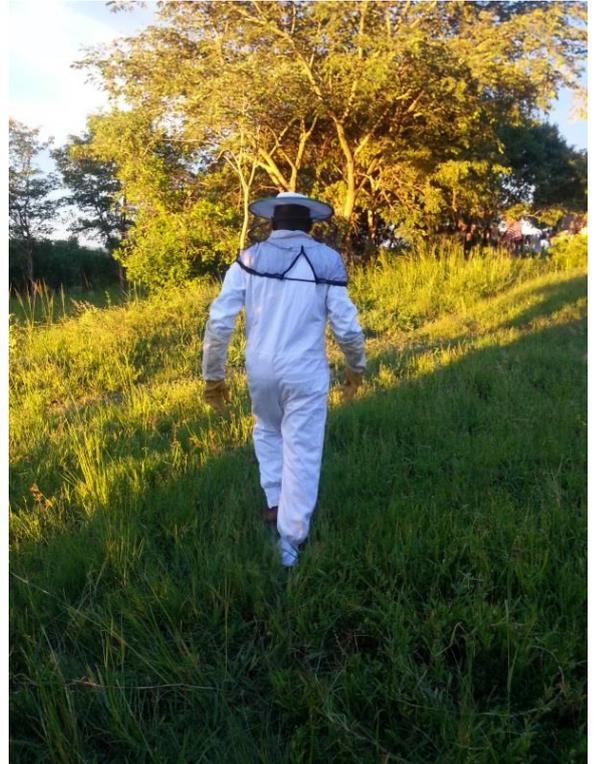
His journey started when he was assigned to a solar energy project in the Northwest Province of Zambia, right on the border where Zambia meets the Democratic Republic of Congo. Here he was analysing community proposals for solar power solutions for clinics, schools and villages which could not connect with the main electricity supply. His work took him to communities where bee keeping and honey collecting were part of the traditional pattern of life and where the local honey, coming from pristine and untouched virgin forest, is rich and delicious.

In his own words, Alan was "clueless" when it came to bees but he took an interest in what the local bee keepers were doing and asked lots of questions. He learned how they fashioned traditional cylindrical hives from the bark of the mutondo tree, the ends stuffed with grass, to make a cosy home for swarms of local bees. He watched them harvesting the crop and saw first-hand the time-honoured skills they had passed down the generations.

In the fullness of time the farmers asked Alan Chanda if he could buy their honey in order that they could find a market for their delicious produce. And that is how it all started, with Alan buying 2 buckets of honey, a mere 50kg, and selling it in unbranded 500g and 1kg jars to friends and family, all financed out of his own pocket.

Finding the business idea

Alan continued to think about honey and research the possibilities and he came across an interesting phenomenon. In most parts of Zambia, there is the opportunity for only one honey harvest per year but in some very special places, there is a chance for two. Even though these areas are not traditional honey producing areas, Alan realised that the chance for two harvests made it a really interesting business prospect, not only for him but also for the farmers of the region.



With advice from a friend and his younger sister, Alan put together a proposal to train farmers from an area close to the eastern edge of Kafue National Park, in bee keeping and honey production. He successfully pitched for \$5,000 funding and added \$2,000 of his own (that he had been saving up to buy a car) and in 2013, together with a consultant bee keeper and a trainer, implemented a training programme for 442 farmers from nine chiefdoms in and around Mumbwa. 50% of these farmers are women.



Instead of using the bark hives he had seen in northwestern Zambia, Alan introduced a single chamber modern hive, as used in Kenya. The training went well and the introduction of apiculture added a most useful additional source of income for these rural farmers. The hives each yielded 20kg of honey per season which was good but Alan was not happy with their performance. Farmers spoke of problems with ants, durability issues and bees not being settled. So Alan, ever the engineer, set about redesigning a better version. He came up with a blueprint for a double chamber hive and built 10 prototype samples to test which he gave to 10 farmers in Mumbwa.

The results were spectacular. The bees were more settled, the hives remained ant-free and instead of 20kg per season, the new hives were yielding 50kg, an uplift of 150%.

Alan's new hive design led to 150% uplift in yield

Scaling up production

Needless to say, with the amazing performance of Alan's new hives, all the farmers were clamouring for supplies but that was a problem. How was Alan going to get them made, and at what price? He managed to supply enough for 100 farmers from his slim resources but the price really was too high. Everywhere he turned he hit dead-ends until one day he heard the head of the Prison Service speaking about how they were trying to train prisoners in useful skills but they did not have enough projects to occupy all the workshops they had. So Alan made contact and is now just about to launch a production schedule that will see 5,000 hives made in the next few months, with a total of 30,000 to arrive by the beginning of 2018.

Sweet Harvest honey is organic and is not heat-treated

When Alan first started working with the farmers in Mumbwa, he initially received 5 tonnes of honey. Now this has increased to 22 tonnes but by the time that the first 5,000 new hives rolling out of the Prison Service workshops come into production, Alan is expecting 160 tonnes of golden deliciousness to be delivered to him. With a further 25,000 hives to be delivered next year, Alan is looking for new communities in several provinces to train in the art of beekeeping. Initially, these areas will cover central, eastern, western and northwestern provinces.

Buying and selling

Producing things, in Alan's case honey, is only one part of the equation. Ultimately, any business is about buying and selling. Although Alan has a pivotal role in helping the farmers collect great honey, he then has to buy it from them, process and package the honey and then sell it to generate a profit.

Alan came up with the simple but effective idea of working with individual villages, working with local chiefs and village elders to coordinate the outgrower schemes. He delivers standard buckets, all bright colours, to the communities so the farmers can collect them for filling. He makes an arrangement to come back to the village on a certain day and all the bee keepers of that community come to meet him, bringing their filled buckets. Using portable equipment, Alan checks each batch for moisture content, viscosity, weight etc. before paying the farmer for the honey. This is a strain for Alan's cash flow but is great for these rural farmers who don't have ready access to banks.



Since starting his business, Alan has worked equally hard in establishing his brand and sales. He had done research on the honey market and realised that there was a big demand for honey, particularly high quality organic honey, both in Southern Africa and beyond. Now not only is Sweet Harvest honey available in 45 stores across Lusaka, Alan has already achieved exports to Germany, Belgium, Norway, the Czech Republic and Spain.

What I find remarkable is that in all this time, having done so much to take a great idea and make it work as a business, Alan had, and still has, a 'proper job', working as an IT specialist for a company that supplies equipment to the mining industry. Yet already his 'part time' business venture is working with 400 honey farmers and employs 8 people, 2 in marketing and 6 in honey processing. These numbers are due to grow quickly in the coming months. To start off with, Alan was paying salaries out of his income from his full time job but now he has built up enough turnover through the business that the company is paying the team. Alan's aim is that, soon, he will be able to take a small salary too and then, maybe, he will be able to be a full-time honey-man.

All this time Alan had, and still has, a 'proper job' but soon he intends to be a full time honey-man.

Plans for the future

Alan is currently negotiating to supply a major retail food chain here in Zambia and South Africa, starting very soon. This means that Alan is going to need more honey suppliers to come on board.

The first source of more honey is the group of 342 farmers in Mumbwa, already trained by Alan and his team, who have yet to receive the new hives. However the hive shortage is about to be remedied as these are the top priority when the hives start being produced by the Prison Service. Alan has also already identified other areas of Zambia that are perfect for development which, like Mumbwa, can produce two honey harvests per year.

Alan is also looking at ways of further processing honey to add even more value. His plan is to produce sweets and lozenges, together with a granulated honey sweetener in packets and sachets. In addition he has plans to work with farming communities who produce crops like cashew and mango as the honey that comes from these flowers has very distinctive characteristics which could be highly

Currently Alan is working with 400 bee keepers: 300 in the northwest and 100 in Mumbwa. A further 342 farmers in Mumbwa are eagerly awaiting new hives.

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marketable as speciality products. And eventually there are the opportunities for developing beeswax products. Currently the wax is being reserved to season the insides of the 30,000 new hives that will be arriving soon in order to attract the bees and make them feel at home. However eventually there will be surplus. We will have to wait and see what Alan decides to do with it but I suspect he already has plans!

Nyamuka Zambia business plan competition: Alan's experience

In 2015, Alan entered the Nyamuka Zambia business plan competition and was one of the 20 winners, receiving a prize of K200,000 to help his dreams for Sweet Harvest honey become business reality.

I asked Alan why he entered the competition and what he expected to get out of it. Clearly his main motivation at that stage was the chance of a cash prize which would give him a significant injection of finance to allow him to expand his business. He needed money primarily to fund the investment in the new hives and was struggling to find sufficient cash either through the banks or through family networks.

However, Alan did admit that it wasn't a straightforward decision to apply. Although he had filled out the application which entailed writing a concise summary of his business idea, and his sister had eventually given it the thumbs up, he found himself getting cold feet. Was it really worthwhile? Was his idea really sound? In the end, he decided that he had nothing to lose and so on the very last day for applications, he made the trip to Lusaka, arriving just 10 minutes before the doors closed.

The rest, as they say, is history. A matter of a few brief weeks later Alan was through to the semi-finals of the competition, one of 60 budding entrepreneurs who now had the opportunity to develop and polish a business plan for their idea. He confessed that he was quite nervous about coming to Lusaka, mixing with other semi-finalists who, in Alan's eyes, all seemed to have much better ideas. But then Alan describes how calming the project officer Namaya Mbikusita-Lewanika always was and he remembers telling himself, "Why am I so afraid when everything Namaya says is so positive?"

Alan described to me how he came out of the top 60 a very different person from the one that went in. Listening to others' ideas he could spot gaps in his own plan. He also describes that one of the biggest lessons was one emphasised by project manager Shalin Jethi: you have to stick to your game plan and not get distracted. But most of all he had learned that a sound business plan was not only valuable; it was marketable. During the semi-final stage, Alan had the opportunity to work with a Nyamuka Zambia business advisor which he said was invaluable and it's one of the special memories he will live with all of his life. "It made a really positive impact in transforming mere words on a page into numbers that make business sense".

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.

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Alan had the chance to get to grips with the fundamentals of all aspects of the business, not just the numbers. Alan commented, “I never thought I could really handle the business management side of things. I could manage the maths and the figures but all the rest was not what I thought an engineer could do. It’s amazing. Now people are asking me for business advice”. He seems truly delighted that, as a result of everything he has learned during his Nyamuka Zambia journey, he now has the opportunity to inspire and motivate others to follow his example. That has to be good for the future prosperity of Zambia.

Getting through to the final stage was a major milestone for the honey-man as all 20 finalists received a cash prize ranging from K75,000 to K250,000, to be invested in the business in order to implement their business plan. But in order to find out how much of the prize fund Alan was going to receive, he had to pitch his business idea to a panel of captains of industry and finance, all to be televised in the Game Plan TV show, aired on ZNBC. I think if Alan had realised at the beginning of the Nyamuka Zambia experience that he would have to speak about his business plan on national TV he might have run a mile but by the time he got to this stage of the competition, his confidence had grown to such an extent that he took it all in his stride. And, of course, he walked away with K200,000 which is making all the difference to his business.

The benefit of being a Nyamuka Zambia winner extends far beyond the cash. Alan has learned so much about how to turn his great idea into a truly sustainable and profitable enterprise which will in the future benefit not only him and his business but rural communities throughout Zambia.

And at a personal level, the impact of the Nyamuka Zambia experience on Alan, the accidental honey-man, is tangible. In Alan’s own words, at the start “I was so afraid, so nervous but Nyamuka Zambia has equipped me to take on the world. I am not limited to my little place in Solwezi anymore, where my dream began. Now I can stare the world in the face”.

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Alan is happy at the quantity of the honey harvest