

Sakaramenta: perhaps the first social business in Malawi

Marc van der Sterren

Long before the idea of a social business existed, Sakaramenta already met the conditions. Today the company exists for ten years and is still working independently, without the money of donors. And there is a bright future ahead for Sakaramenta and their 30 employees.

You know what I'm going to do? I'm going to start a business. I'm going to make bicycle carts, here in Malawi', said Peter Meijer to his cousin Sam van Veluw. Sam replied 'It's in the middle of the night dude!' This was in 2007 during a trip of six months through the south of Africa with a Landrover. Two years before the beginning of Sakaramenta. The two cousins saw overloaded bicycles everywhere. Peter wondered why they didn't use bicycle trailers? The seed for a Social Business was planted.

Two years later the seed grew into a business. Through the BidNetwork Business Plan Competition Peter found an investor and after two market researches he and his wife decided to move to Malawi to start a bicycle factory in Blantyre. A workshop was rented and a prototype of the first bicycle ambulance was developed, made from parts locally available. Molds were build which made it easier and faster to weld the bicycle ambulances and after that the first employee was hired: Saïdi still works today at Sakaramenta The business started off with three designs: The CareCar: a bicycle ambulance; the TengaCar a cart to transport items and the ShopCar ,a shop on wheels. The first order was placed reasonably fast. The Dutch foundation "Transport voor Transport" ordered twenty bicycle ambulances. By August that year, Sakaramenta had hired 15 employees.

The CareCars are used for the transport of pregnant women that need to be transferred from a village to a health center. To decrease the death rate of women in childbirth it is very important they can be quickly brought to a hospital.

Sakaramenta was doing well, after six months they got an order from a hospital for 100 bicycle ambulances Once when a pregnant women was on a bicycle ambulance on their way to a hospital a healthy baby was born on the stretcher of the bicycle ambulance!

Challenges

Over the years the range of products was expanded, but not always successful for example school furniture and pushcarts are cheaper to make yourself with used materials or to get one from a local blacksmith. School furniture often come with tenders, which are hard to win and conditions not always transparent.

The economic crisis in 2011 wasn't favorable either. The Malawian Kwacha devaluated, there were neither dollars nor petrol in the country and the company couldn't import wheels from China. The entire production fell to a halt for half a year.

After the end of economic crisis the business quickly recovered. The range of products was expanded Sakaramenta became the sole supplier of the Buffalo Bicycle: this high end quality bicycle was assembled at the Sakaramenta workshop and playground equipment was added to the collections. Pim van Baarsen en Luc van Hoeckel from the Design Academy in Eindhoven designed the playground sets. The playground range turned out to be a golden opportunity. Now there are many playgrounds in Malawi with playground sets from Sakaramenta at hospitals, international schools and hotels.

Open with limits

Sakaramenta tried to establish an open culture. In Africa employees say often 'yes' even when they don't understand something. And when it goes wrong they try to hide it. It is emphasized to them that they are allowed to make mistakes. Peter says: "We want strong and pro-active employees that are involved with the business. Many staff meetings were held to establish this open culture.'

But it also has a disadvantage. Because openness and pro-activeness were new to many employees: they often searched for the boundaries of this freedom. Despite of the good working conditions and good payment they regularly ask for a pay raise. And the employees went on a strike twice. An open culture is great, but there has to be a common feeling of the limits a that is still a challenge.

Manager

A good Malawian manager is hard to find, Family always comes first in Malawi. Who has money is reckoned to share this with his family, uncles and cousins. That makes it harder for a Malawian manager to grow a sustainable business.

Peter stopped as a manager in 2013. He planned to do it for two years, but those two years turned into four and a half years. Liyaka became the new manager: Malawian man who had lived in the Netherlands for 10 years. He managed the company well for two and a half years, there after he went back to The Netherlands and became board member of Sakaramenta and is still involved.

Now it was Alfred Elberse's turn. He visited Malawi for the second time to improve accounting as a PUM-expert when Sakaramenta was looking for a new manager. Alfred agreed to take that position and turned Sakaramenta into a profitable business. He put processes in place, needed because of the growth of Sakaramenta. Alfred resigned late 2018. Now it's Jaap Sonke's turn, he has a lot of local technical knowledge and he has been living in the country for the past forty years.

Future

We have 30 employees at this moment. Sakaramenta was one of the first social businesses in Malawi. Dividend is not paid to shareholders but the profit is used to create new useful products or used for the staff, if needed they can borrow money from the company. Our goal is not necessarily growth; neither is profit. Our goal is a stable organization that is good for its employees. A business that creates useful products that can help Malawi. Local products for a local market. A social, commercial business that stands on its own feet.

Two years ago the product range was expanded with the Care Collection: hospital furniture. A beautiful collection of locally made hospital furniture, designed by design company Super Local. A lot of furniture from Sakaramenta stands in a big hospital that Madonna donated. There's a beautiful future ahead of Sakaramenta.

And the name Sakaramenta? That is derived from Sakaramento. The nickname of the local bicycle taxis where Peter and his cousin Sam in 2006 practiced on for a few days. Regularly they called after us: 'Sakaramento!' Because the people found it funny to see two white persons on a bicycle taxi going around with Malawians on the back.

