

Research Application Summary

JuFresh enterprises practical experiences: Application of the Student's Enterprise Scheme (SES) Model

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Abstract

Motivated by the bumper fruits harvest in the region and concerned about the high level of Post-harvest fruit wastage, a group of five MSc Students conceived the business idea of adding value to the fruits through juice making. Registered as JuFresh Enterprises, the business takes steps to promote consumers' health by providing juices free of preservatives, in a business model that links with rural farm communities as suppliers of raw materials. The enterprise started operating in November 2018 at Gulu University, Uganda. The business is venturing into producing varieties of fresh fruits juice and fruits salads of various forms. JuFresh Enterprise also engages with fruits producer's organizations on contract basis to supply fruits. This improves farmers' income, improve food security and boost the level of investments in the fruit processing sector. JuFresh Enterprise products includes high quality fresh fruit juices of cartons types such as avocado, passion fruit, watermelon and pineapples, and cocktail as well as fruit salads. JuFresh Enterprise avails these fresh juices in convenient packaging, sizes, quantity and affordable price, hence meeting the growing demands for safe and healthy juice. Currently, the firm serves the entire students' fraternity and staff of Gulu University. Business promotion is through printed posters, stickers and social media such as Facebook, WhatsApp and business article publication. Among the challenges faced were low voltage of power during the business working hours, consistent breakdown of machine, unwillingness of some group members to fully engage in the business operations and changes in customer's preferences hence conflicting with our value proposition. However, we overcame power problem through purchase of a stabilizer that boosts power to higher voltage required to run the machine. Another key challenge is unfavorable weather and its variation that often makes the business operations and volumes seasonal. In terms of business performance, we were able to wake profit in the first three months of operation that helped the business to pay 50% of its loan. Risks involved in this business relate to changes in consumers' taste and preference, seasonal nature of fruits growing season which had greater negative impact on business, high competition which increases the risk of price war, and high perishability of fruits. To overcome these challenges, the business offers different products for different categories of customers at affordable prices.

Key Words; JuFresh enterprises, SES model, students, fresh juice, Guu University, Uganda

Résumé

Motivé par la récolte exceptionnelle de fruits dans la région et préoccupé par le niveau élevé de gaspillage de fruits après la récolte, un groupe de cinq étudiants en Master a eu l'idée d'ajouter de la valeur aux fruits par la fabrication de jus. Enregistrée sous le nom de JuFresh Enterprises, l'entreprise prend des mesures pour promouvoir la santé des consommateurs en fournissant des jus sans conservants, dans un modèle d'entreprise établissant des liens avec les communautés agricoles

rurales en tant que fournisseurs de matières premières. L'entreprise a commencé à fonctionner en novembre 2018 à l'Université de Gulu, en Ouganda. L'entreprise s'essaye dans la production de variétés de jus de fruits frais et de salades de fruits de différents types. JuFresh Enterprise travaille également avec les organisations de producteurs de fruits sur une base contractuelle pour fournir des fruits. Cela permet d'améliorer le revenu des agriculteurs, la sécurité alimentaire et de stimuler le niveau d'investissement dans le secteur de la transformation des fruits. Les produits de JuFresh Enterprise comprennent des jus de fruits frais de haute qualité en cartons tels que l'avocat, le maracuja, la pastèque et l'ananas, ainsi que des cocktails et des salades de fruits. JuFresh Enterprise propose ces jus frais dans des emballages pratiques, de tailles et quantités diverses et à des prix abordables, répondant ainsi à la demande croissante de jus sûrs et sains. Actuellement, l'entreprise dessert toute la confrérie des étudiants et le personnel de l'Université de Gulu. La promotion de l'entreprise se fait par le biais d'affiches imprimées, d'autocollants et de réseaux sociaux tels que Facebook, WhatsApp et la publication des messages commerciaux. Parmi les défis à relever, citons la faible tension électrique pendant les heures de travail, les pannes constantes des machines, la réticence de certains membres du groupe à s'engager pleinement dans les opérations commerciales et les changements dans les préférences des clients qui entrent en conflit avec notre proposition de valeur. Cependant, ce problème de l'électricité a été surmonté en achetant un stabilisateur-élévateur qui augmente et maintient la tension nécessaire au fonctionnement de la machine. Un autre défi majeur est la météo défavorable et ses variations qui rendent souvent saisonnières les opérations commerciales et les volumes produits. En termes de performance commerciale, nous avons pu réaliser des bénéfices au cours des trois premiers mois d'activité, ce qui a permis à l'entreprise de rembourser 50 % de son crédit. Les risques liés à cette activité concernent les changements de goût et de préférence des consommateurs, la nature saisonnière des saisons culturelles de fruits qui a eu un grand impact négatif sur l'activité, la forte concurrence qui augmente le risque de guerre des prix et la grande périssabilité des fruits. Pour surmonter ces défis, l'entreprise offre divers produits pour différentes catégories de clients à des prix abordables.

Mots clés : Entreprises JuFresh, modèle SES, étudiants, jus frais, Université de Gulu, Ouganda.

Introduction

Inspiration to make dreams come true started after we joined Gulu University for our Masters of Science in agrienterprises development in 2017. The first lecture got us listening when our agri-entrepreneurship lecturer opened the lecture with a phrase "money defecates money" which means you should put money in a business to make more money. The Faculty of Agriculture and Environment at Gulu University has a well-articulated and designed Agri-entrepreneurship model that exhibit practical approach of agri-entrepreneurship training branded as the Student Enterprise Scheme (SES) (Kalule *et al.*, 2017). In this model (approach) students work in groups to develop, defend, implement and evaluate agribusiness plans. This is a similar approach used at EARTH University in Costa Rica to mentor students in entrepreneurship (Sherrard *et al.*, 2017). Using the SES model, an agribusiness incubation hub has been established at Gulu University. Through the hub, we were guided and supported with funds on credit to actualize economically viable and commercially sound business plans. The semester long training in developing a business plan inspired us to explore different business/ enterprise options which led to formation of the "JuFresh Enterprises". JuFresh Enterprises is a student enterprise operated by five young dynamic graduates pursuing MSc. Agri- Enterprises Development at Gulu University. The business is motivated by the fact that, during bumper fruits harvest, lots of fruits go to waste. To reduce post-harvest losses experienced by fruits producers, JuFresh Enterprises processes fruits to make Fresh fruit juices. JuFresh Enterprise products involve making and marketing high quality fresh fruit juice of various types such as avocado, passion fruit, watermelon and pineapples, cocktail as well as fruit salads. JuFresh Enterprise avails these fresh

juices in convenient packaging, sizes, quantity and affordable prices, hence meeting the growing demands for safe and healthy juice. JuFresh Enterprise contracts fruit farmers to supply fruits for processing. This improves farmers' income, food security and boost the level of investments of the fruit processing sector. Currently, the Agri-Enterprise serves the entire students' fraternity, staff and local community of Gulu University.

The enterprise is innovative in that it provides varieties of fresh juices from fresh fruits. The enterprise makes sugar free juice to cater for customers who do not take sugar. Along the supply chain, the enterprise has engaged smallholder fruits producers around Gulu and other nearby areas. Additionally, the enterprise launched Momo Payments where customers transact online using mobile technology. As a result, JuFresh enterprises had tire chance to register a mobile technology that allow its customers to pay any amount of their choice for a glass of juice. During the marketing research, we anticipated a need for four fruit juices, but during the actual course of operation, we had to scale down to three types familiar to customers. Prices of our products was determined during the business plan development which defined the pricing strategies. We sell in plastic cups of 300ml that goes for UGX shs 1,000 (US \$0.27) and 500ml for UGX shs 2, 000. (US \$0.55). We are working towards developing disposable cups for packaging.

Implementation approach

Business structure, roles and responsibilities. JuFresh enterprises has qualified, honest, hardworking, customer centered partners working together to build a resilient linked community. JuFresh enterprises works under the principle of team work and collective responsibility. The organization structure is shown in Figure 1.

Key personnel at JuFresh include General Manager (Mr. Okello Robine), customers' care executive (Mr. Amolo Herbert), quality assurance manager (Mr. Omara Henry), Accountant (Ms. Alla Houessou Jemiina), and a sales and marketing executive (Ms. Aciro Lucy). The General Manager Mr. Okello Robine performs the role of orienting, training, coaching, counseling, and disciplining staff; communicating values, strategies, and objectives; planning, monitoring, and appraising job results, developing incentives, and developing a climate for offering information and opinions. This provides strategic direction and operational guidance for the enterprise. The Quality Assurance Manager is responsible for overseeing, designing, implementing and supervising quality management practices across all business operations in the enterprise, ranging from the quality of raw fruits acquisition, consistency and hygiene in processing, packaging and delivery of final product (ensuring quality from material sourcing to juice serving). He is also the main attendant to customer quality concerns.

On the other hand, the Sales and Marketing Manager manages external research and coordinates all the internal sources of information to retain the business's best customers and attract new ones; identifies, prioritize, and reaches out to new partners, and business opportunities; she is responsible for supervising, implementation, advocate for the customer's partners and business opportunities, supervise, implement, advocate for the customers' needs, and communicates with clients as well as executes and evaluate new plans for increasing sales. The Accountant is responsible for preparing financial reports, budgets and financial statements for the enterprise; undertakes financial analysis, development budgets and accounting reports; financial forecasting and risks analysis; cash management, and financial reporting. Finally, the customer service executive is responsible for handling all customers' service needs enquiries; communication and recommendations for growth of the enterprise

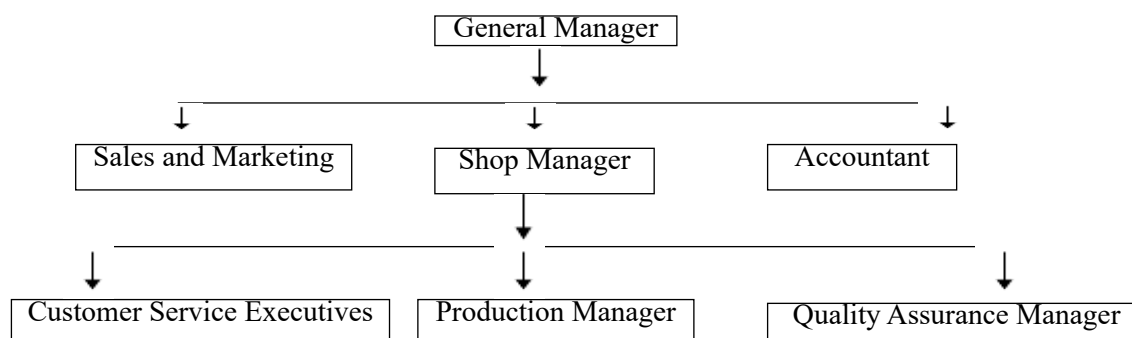


Figure 1. JuFresh enterprises organizational hierarchy

JuFresh Enterprises Finance. Jufresh Enterprises has so far invested \$1,500 since its establishment. The Agripreneurship Alliance put up a competition with a prize of \$1,000 for the best business plan during the course. JuFresh team also underwent the competition with other groups through rigorous processes, where JuFresh enterprise emerged as the best group selected from Gulu University. This money was topped up by the faculty with funding from the Students Enterprise Scheme (SES) project at Gulu University supported by RUFORUM (see www.ruforum.org). The students enterprise loan scheme worth Uganda shillings two million (approximately US \$ 600) was awarded to Jufresh Enterprises and the fund is expected to be paid back in a period of one year. These sources of finance enabled us to start the enterprise since it allowed us to acquire basic assets like juice cooler, blender, and raw materials.

Marketing/ Promotion. The JuFresh enterprises target customers who are professionals as well as middle income earners, male or female, children and students who are seeking for a juice drink but looking for an alternative to preservative drinks and sodas. Our marketing targeted customers such as the University students, employees of Sama Source and staff of Gulu University as well as Children from surrounding schools and the entire community around Gulu University. These consumers are conscious and aware of the possible negative health effects associated with present products in the market. JuFresh Enterprise has to meet the quality standards required by these customers. Regarding marketing trends, most consumers of soft drinks were beginning to switch from drinking carbonated drinks to drinking fresh fruit juice because of perceived health benefits. As a result, the sale of blenders has increased tremendously as most house- holds now make it a points to get one for their families and also to star grooming their kids to choose fresh juice product over carbonated drinks.

Our marketing research showed that there was a large and growing market for fruits and fruits salads around Gulu University due to existence of a large students' population, staff of Gulu University and entire communities who were health conscious. Consumers taste and preferences were changing from buying thorn road side fruits dealers to well packed and blended fruits offered majorly in fresh form. The market for fruits registered steady increase in the financial year 2018/2019 due to the growing population in Gulu town, as well as increased inflow of tourists, and increase in the number of working and learning institutions.

JuFresh Enterprise fresh fruits producers leveraged the opportunities as purchaser of major fruits and fruits salads around Gulu town. Much as the industry presents a big potential to grow, there were barriers to entry such as existence of competitors that deal in road side vending of cut fruits, industrial processed and package fruits, seasonality of fruits and high start-up costs required to commence operations. We promoted Jufresh enterprises using promotional messages and materials. Promotional messages such as "feel the freshness", slogan have attracted many customers to buy the product. Marketing on social media through creation of business Facebook account and whatsapp helped our business to reach many customers.

Lessons learnt / Experiences. During the conceptualization phase, we underwent the entrepreneurship training course that was blended with practical application of setting-up an enterprise. This enabled us to learn life skills, business skills and technical skills and the trainers and Gulu University are still providing us with on-going support, including access to financial services and mentorship. Consequently, this has enabled us to create independent and sustainable JuFresh enterprise business. We gained knowledge from the inspirational case studies, tools and resources that supported the development of business ideas through continuous thoughts. Teamwork building is among the soft skills we learnt. This allowed JuFresh team to write and complete all the components of the business plan in time, based on a Business Model Canvas (BMC) which helped to shape our business operations. Other skills learnt included writing, preparing a business proposal or case, planning, pitching skills, among others. More importantly, skills to conduct a catchy pitch. This has broadened our knowledge in selling our business ideas to potential investors and to the interested parties. This indicates that one needs prior training or mentoring before implementing chosen enterprise.

We also participated and gained substantial experience in networking through participation in various exhibitions such as Agri-entrepreneurship symposium 2019 that took place at Gulu University from 28-29 May 2019 whose aim was to forge way forward on how best higher education and private sector could contribute in enhancing Agri-entrepreneurship and community transformation. Secondly, we did participate in the Mobile Telecommunication Network (MTN) expo 2019, where JuFresh enterprises got opportunity to register for a Momo payment, an online mobile money technology that allows customers to pay for a glass of juice online. Interestingly, during the exhibition we were sub-contracted by Crystal Hotel Gulu to supply 20 liters' of Juice weekly. Nevertheless, we still need to learn how to enter into regional markets. For this to happen, JuFresh Enterprises need certification from the Uganda Registration Services Bureau (URBS) in the near future, and to have branded bottles as part of differentiation. Thirdly, our team learnt to communicate through writing where we wrote our first articles that were published in the RUFORUM news titled "Gulu University Student's enterprise win \$ 1000 from Agripreneurship Alliance". The article attracted public attention including a young investor from Japan, agricultural journalists from South Africa, Netherlands and national television (NTV) Uganda who came and interviewed some of the members of the JuFresh enterprises. This kind of exposure got us known and connected us to both international and national young entrepreneurs.

To actualize the business operations, JuFresh Enterprises used its code plan of building a successful fresh fruit juice business around Gulu University, Gulu Municipality. To achieve this, individuals who had interest to work on food processing industry, and food value chain teamed up hence forming JuFresh enterprises. To perfect our plan right from the onset required a competent team in our business. However, as much as our team was competent, the team faced hurdles as well as learning points along the way.

The first difficulty faced was hard working as a team. This perhaps was one of the hardest things we have encountered. Of course there were days that were easier, but being responsible, not only for your pay but for your employees- was difficult. Even "day off" are challenging because there was this never-ending guilt of feeling like you could be working alone. (ii) Secondly, sometimes things did not go according to plan; if there is one piece of advice we can give anyone going into business is prepare to be unprepared. no matter how many business plans and meetings about plans you make, chances are the plans will change many times. And even then you are more than likely going to operate on a reactive basis instead of proactive. It is okay, take a breath and continue to conquer whatever comes your way. (iii) You will argue with your business partners and team. This can be frustrating and if your business is anything like JuFresh, your team members may also be your closest friends. If this is the case, try your best to always separate the two relationships. Do not take things personally and remain respectful, even when you disagree. It will make all the difference. (iv) There are no weekends; you have to work really hard at maintaining a work-life balance, but many business owners do not ever

truly stop working. You may go a whole Sunday without answering an email once in a while, but still be checking emails at least once an hour to make sure everything is alright. (v) It is okay to be proud; we spent the better part of last year being humble about what we have done and now we can say this: staying humble is for the birds. we hear the same comment all the time: “oh, I could never run my own business. I don’t know how to do it”. Yes it is always difficult to make the first step but it is necessary.

Finally, it has been worth it; to students who would wish to participate in SES project, we advise that do not let our complaining fool you, it would not change a single thing about your entrepreneurial intentions. The last few months of owning the business have taught us more than our University and college years and earlier career working for others, and being an entrepreneur is the only thing we will ever do. It might not always mean operating our current business, but as new entrepreneurs may find, being a business owner is like an addiction. To this end, we have no intention of quitting.

Conclusion

We conclude that one needs to embrace entrepreneurial qualities of creativity and innovativeness when starting a business, listen to learn from others and value their ideas. Since working in a team is essential, your team needs to chase an end goal. We believe this is essential. Having clear goals that you are passionate about makes it easier to realize your dreams and fulfill your aspirations in any business. At the end of the day, that is what we think entrepreneurship is about. It is about making other peoples’ lives better while you improve yours as well. It is about giving, receiving, hearing and being heard, and overall, loving the work you do.

Acknowledgement

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