

CASE STUDY:

WOMEN'S CENTER FOR JOB CREATION

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INTRODUCTION

The Women's Center for Job Creation (WCFJC) is a 501(c)(3) organization which seeks to train and to equip economically disadvantaged women micro-entrepreneurs in rural East Africa to grow their enterprises profitably. The WCFJC began its operations in Jinja District, Uganda in 2004 and has changed the lives of over 1,000 women in rural Uganda (*Image 1*) and their families by provision of in-kind loans for rural farming and entrepreneurial projects, training, and access to markets (WCFJC 2014 Annual Report).



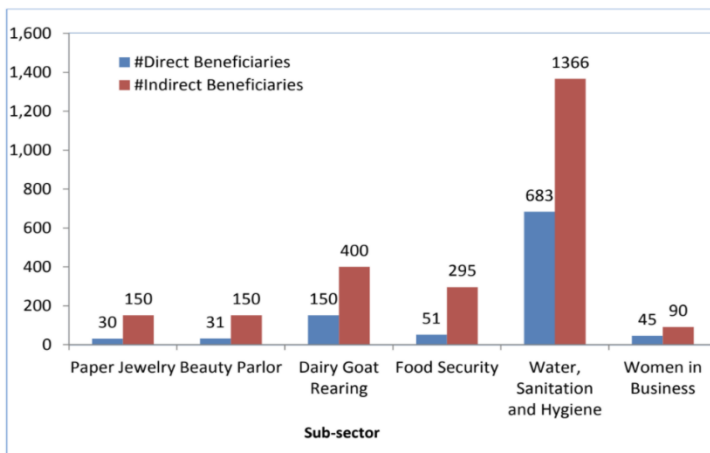
IMAGE 1 - WOMEN GATHERED DISCUSSING BUSINESS OPPORTUNITIES

There are six WCFJC programs:

1. Goat rearing
2. Poultry rearing
3. Beauty Salons
4. Nursery Schools
5. Paper Bead Jewelry
6. The Women in Business (WiB) Program

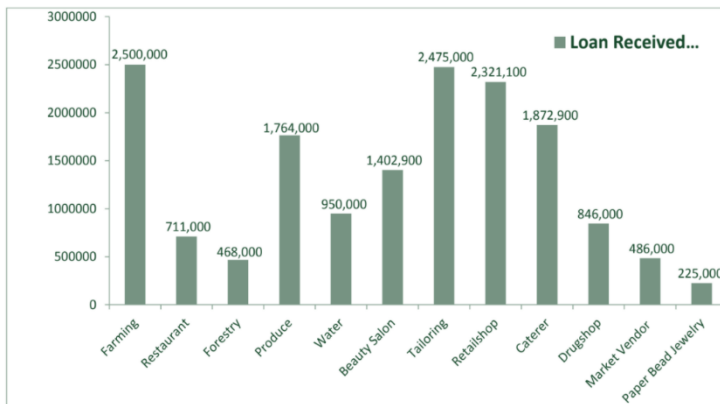
The WiB program was launched in October 2014. WCFJC shifted its focus from primarily agricultural-based group initiatives to individual rural and peri-urban women micro-entrepreneurs. (WCFJC Overview Document) (*Exhibit 1*).

EXHIBIT 1 - INITIATIVES (2005-2016)



WCFJC’s mission is to train and equip economically disadvantaged women micro-entrepreneurs in rural East Africa to grow their enterprises profitably (www.wcfjc.org). Exhibit 2 illustrates the loans received by sector. Image 2 shows WCFJC’s staff and some beneficiaries of the WiB program.

EXHIBIT 2 - EVALUATION OF CORE ASSUMPTIONS



STRATEGIC GOALS

The three strategic goals of WCFJC are:

1. Identify existing rural women micro-entrepreneurs who currently belong to a group organized for business purposes. Support each micro-entrepreneur for two years (\$421/beneficiary).
2. Triple sales of each participating micro enterprise by providing relevant training, inputs through in-kind loans and access to markets over a period of 18 months (\$265 per person).
3. Engage graduating micro-entrepreneurs as field “evangelists” and mentors.

COMPETITIVE ANALYSIS

WCFJC is a Non-Government Organization (NGO) and specifically a Community Based Organization (CBO) which focuses on women empowerment in rural communities of Uganda. The NGO CBO area is highly competitive.

One issue is a limited number of donors who are getting requests from many NGO CBOs. There is a high threat of entry as new NGO CBOs are being launched daily. Most of the organizations get their funding from the Food and Agriculture Organization (FAO) of the United Nations (UN), the Global Fund for Women (GFW), the United Nations Development Program (UNDP), and the African Women Development Fund (AWDF).

WCFJC competitors are other CBOs operating in Uganda because they are competing for funding. These include Maganjo Farmers Association (MAFA), Ntulume Village Women Development Association (NVIWODA), Humanitarian Support Uganda (HSU), Akwenyutu PHAS, Action for Rural Women’s Empowerment (ARUWE), Women and Rural Development Network (WORUDET) and the Council for Economic Empowerment for Women of Africa (CEEWA).

Beyond these competitors are the ones doing similar work but with different populations, such as BRAC Uganda. These NGO CBOs target the same donors making it difficult for WCFJC with little funds to compete in the industry.

Despite the financial challenges, WCFJC still stands out in its operations due to the strength of its human resources. The founder has over 20 years of work experience in both business and international development. The WCFJC employs capable human resources with college degrees in business.

WCFJC is built to loan funds to women entrepreneurs and then have these loans paid back. Since loans are paid back, the structure of WCFJC has limited net expenditures. Beneficiaries of the WiB program pay back their loans in installments that are agreed upon in advance. As these funds are received back, they are then dispersed to other WiB beneficiaries which results in a revolving fund strategy that impacts many lives.

In all its activities, WCFJC seeks to equip beneficiaries to sustain themselves as opposed to causing them to rely on the “helping hands” of a charitable organization or the government. Because of this, WCFJC has successfully differentiated itself from other NGO CBOs that give free handouts to their beneficiaries without expecting any loan repayments.



IMAGE 2 – BENEFICIARIES AND STAFF

CAPABILITY ANALYSIS

WCFJC has two primary areas of capabilities: skilled staff and limited operating expenses. The staff are skilled and talented. These staff train recipients of WiB program loans with practical skills needed to run their businesses successfully. Skills taught to the WiB program beneficiaries include record keeping, customer care, pricing, and entrepreneurship.

WCFJC has limited operating expenses due to the recipients paying back their loans. Unlike other NGO CBOs that give free handouts, WCFJC gives in-kind loans which are paid back with an operation fee of 5%. This 5% fee covers some of the operating expenses. This loan repayment strategy has not been imitated by other NGO CBOs in the industry.

SWOT ANALYSIS

STRENGTHS

- 1. Strong Human Resources:**
The founder has over 20 years of work experience in both business and international development. WCFJC employs capable program officers with college degrees.
- 2. Documentation & Records:**
The WCFJC tracks all revenue, expenditures, and related dollar impact on beneficiaries. WCFJC also documents lessons learned and uses them to inform strategic planning.
- 3. Focus on Women Micro-Entrepreneurs:**
WCFJC equips its target audience for economic independence versus dependence.
- 4. Open Environment:**
The Founder is committed to creating an open environment where staff and beneficiaries value integrity, demonstrate mutual respect, take pride in their work and demonstrate initiative.

OPPORTUNITIES

- 1. Partnerships:**
Over the past year three organizations have expressed an interest in partnering with WCFJC to provide in-kind support. Negotiations are underway. The organizations include Harvard University's Committee on African Studies, Pennsylvania State University, and the African Rural University. Through these partnerships, WCFJC hopes to both deepen and extend its reach in Uganda.
- 2. WCFJC Trainers:**
The beneficiaries trained by WCFJC are hired by the government to train the communities at a fee. All other NGOs look for trainers that are trained by the WCFJC to start their projects. This has contributed to WCFJC publicly in Jinja communities and beyond. The ladies trained by WCFJC are taking up political offices at the local level, thus influencing policy making that might in turn favor women's economic empowerment.

ENVIRONMENTAL ANALYSIS

PATRIARCHAL SOCIETY

As mentioned in the above SWOT Analysis, many Ugandans including women themselves view women as having inferior status to men.

This tramples on women’s self-esteem and greatly limits their ability to dream of a better future. It may also motivate men in WCFJC communities to sabotage WCFJC projects. A case in point is Global Women Water Initiative (GWWI), which gave \$1,500 to a woman to implement a community water project in 2013. The husband took the money and spent it in drinking beer and married another woman.

Women are not allowed to own land in African society and cannot make independent decisions. All these challenges make women economic empowerment extremely difficult.

LIMITED FINANCIAL SOURCES

Due to limited funding, WCFJC decided to close most projects to concentrate on WiB program. Exhibit 3 shows the history of funding. In addition to the dwindling financial sources, more women need economic empowerment.

These women need economic empowerment due to early marriages and increased domestic violence. Efforts are being made to partner with organizations that can offer in-kind support and to penetrate private family foundations in the US as well as Africa-based funders like AWDF.

EXHIBIT 3 - FUNDS RECEIVED (2005-2014)



PORTER'S FIVE FORCES ANALYSIS

| | |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>THREAT OF ENTRY</p> | <p><i>The threat of entry is high due to many NGOs coming up to address the same challenges and no limitations from the government. However as mentioned earlier in SWOT analysis WCFJC competitive position is boosted by employing qualified human resource and experienced founder who sets the standards high in terms of documentation and implementation of programs.</i></p> |
| <p>THREAT OF SUBSTITUTES</p> | <p><i>WCFJC gives out in-kind loans instead of the free handouts of other NGOs. As a result, most beneficiaries expect and prefer the handouts to in-kind loans, thus making the threat of substitutes high.</i></p> |
| <p>INTENSITY OF RIVALRY</p> | <p><i>The intensity of rivalry is high given that many NGOs operate in Jinja District, Uganda and try to address the same challenges.</i></p> |
| <p>BARGAINING POWER OF SUPPLIERS/DONORS</p> | <p><i>Donor bargaining power is high because many NGOs compete for the same funds. Donors are few compared to the high demand.</i></p> |
| <p>BARGAINING POWER OF BUYERS/BENEFICIARIES</p> | <p><i>Beneficiary bargaining power is low due to Uganda's large disadvantaged population. Although NGOs are many, their financial resources and donor contributions are low when compared to the very high population in the country. This results in very low bargaining power for the beneficiaries.</i></p> |

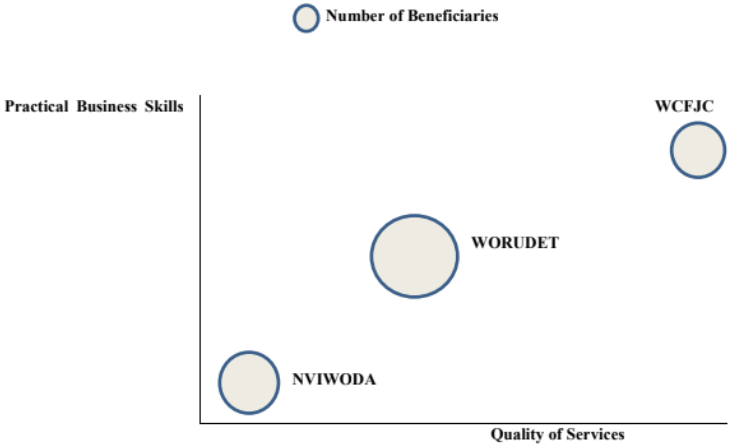
STRATEGY MAP

WCFJC focuses on a small segment of the few beneficiaries already involved in small scale businesses. WCFJC gives its beneficiaries quality services with practical business skills. WCFJC applies a niche strategy, thus occupying a niche generic competitive position.

Worudet has a large number of beneficiaries and gives quality services to them with relative practical skills. Worudet has an integrated strategy with generic competitive position.

NVIWODA concentrates on a few beneficiaries and focuses on women's gender equality and human rights. NVIWODA gives less practical business skills and does not focus on the quality of services. NVIWODA has a low-cost strategy and low-cost competitive position.

EXHIBIT 4 - STRATEGY MAP



STRATEGIC ISSUES

LIMITED FUNDING

The Global Fund for Women (GFW) was WCFJC's regular and reliable funder from 2005 to 2014. GFW's priorities are women's rights groups working on freedom from violence, economic and political empowerment, and sexual and reproductive health and rights. There are many organizations working on GFW priority areas and the competition for funding is high. Since 2015, WCFJC has not secured funding from GFW due to this competition. In addition, the GFW application process changed and there was a communication gap. WCFJC is currently funded by the Founder/Director which makes it hard to operate and run all the organization's activities. This lack of funding also limits expansion and growth (*Exhibit 3*).

UNRELIABLE LOAN DISBURSEMENT AND RECOVERY

Women running away from their marital homes is an emerging trend

that increases risks for the financial institutions and the organizations funding women-run businesses. Women borrow from the village banks and organizations to create income-generating projects. The village banks then give the money to the husbands who spend the money on drinking beer and marrying additional women. The women taking the loans are then left with all the family responsibilities: taking care of the basic needs of the family, paying school fees for children, and looking after sick relatives.

WCFJC provides in-kind loans over a period of two years to support each entrepreneur. These loans are \$421 for each beneficiary. This money is meant to boost and grow the woman’s business. As stated above, sometimes the husband will steal the money and squander it. Other women who are build profitable businesses from the loans often use the profits to pay for family expenses like food and school fees. As a result, they also may find paying back the loan difficult. Recovery of the loan amount is difficult. As both scenarios illustrate, there is no guarantee WCFJC will receive its money back. Without these paybacks, there are no funds to lend to other women entrepreneurs. In one instance, a beneficiary said her husband robbed her kiosk; consequently, she has paid back just 35% of her loan. It is a priority for WCFJC to put in place a reliable strategy to disburse and recover the funding in the agreed upon time period (*Exhibit 5*).

EXHIBIT 5 – WOMEN IN BUSINESS REPAYMENTS

| DATE OF LOAN DISBURSEMENT | LOAN PHASE | LOAN PORTFOLIO UGX | %LOAN PHASE COMPLETED | %LOAN PORTFOLIO RECOVERED | %COMPANY BORROWERS |
|---------------------------|------------|--------------------|-----------------------|---------------------------|--------------------|
| April 13, 2016 | Phase VI | 2,178,900 | 180 | 93 | 89 |
| April 21, 2016 | Phase VI | 1,656,000 | 106 | 96 | 100 |
| April 27, 2016 | Phase VI | 2,166,900 | 53 | 30 | 100 |
| May 9, 2016 | Phase VI | 250,000 | 100 | 100 | 100 |

STRATEGIC OPTIONS

USE BANKS FOR LOANS

Some of the competitors are using banks to administer their loans. A partnership with the banks helps in disbursement and recovery of the loans to beneficiaries. This saves WCFJC from bad debts since financial institutions have established effective systems for loaning and repaying money. This option is expensive for the organization given that banks must be paid to do the work.

LENDING TO GROUPS

Lending to groups could be more reliable for the organization than lending to individuals. Group members take responsibility to recover the loans. They guarantee each other; if one fails to pay, then others are responsible. This minimizes the risk of beneficiaries not repaying loans (*Exhibit 5*).

LOAN SECURITY

Individuals should be able to present collateral before the loan is given. Ideally, a person could identify some asset that could act as security for the loan. This option might not be favorable for rural women since they do not own property.

RECOMMENDED STRATEGIC PATH

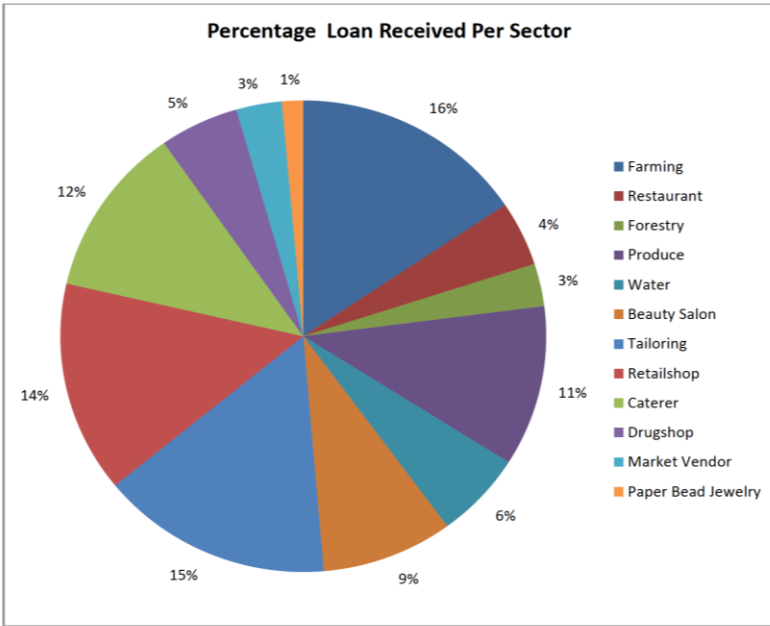
LENDING TO GROUPS

WCFJC is faced with a number of challenges including limited funding, lack of a reliable loan disbursement system, and lack of a reliable loan recovery process. The recommended strategic path is lending to groups and continuing to diversify the loans by sector (*Exhibit 6*). Lending to groups will reduce administrative costs, reduce cases of multiple borrowing and reduce bad debt.

If the group leader is in charge of identifying group members, collecting funds, and depositing funds in the bank, the organization does not incur costs collecting repayments. Administrative costs are also reduced. Cases of defaulting are limited since the group members guarantee each other. In case one defaults, other members' savings pay for the loan. Members of the group know the

others in the group. They will not recruit or guarantee a person they suspect will run away with their money.

EXHIBIT 6 – PIE GRAPH OF WIB LOANS PER SECTOR



CONCLUSION

Borrowing in groups favors most of the women since women do not own property and groups act as security to the loans. Chances of defaulting are less since members have all the information about the person and will not recruit someone with a bad reputation in the community. This is better than WCFJC staff recruiting individuals to give loans to since the staff cannot collect detailed information on the reliability of each potential grantee. Lastly, administrative costs will be reduced because the organization does not have to identify or vet individuals for recruitment or collect of funds from the grantees.

REFERENCES

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www.wcfjc.org

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WCFJC Annual and Financial Reports

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Charity Nduhura

Uganda

Charity Nduhura works with the Women's Center for Job Creation (WCFJC), an NGO in Jinja, whose mission is to train and equip economically disadvantaged women micro-entrepreneurs in rural and peri-urban East Africa to profitably grow their enterprises. In her eight years with the organization, Ms. Nduhura has advanced from Project Assistant to Associate Programme Manager. She spearheaded projects that changed the lives of more than 1,000 women and their families.

Ms. Nduhura holds a master's degree in Business Administration (MBA) from Uganda Management Institute (UMI), and a bachelor's degree in Business Administration (BBA) from Mbarara University of Science and Technology. As a student, she headed different associations and represented students on the Guild University Council and in the community where she served as General Secretary of the Madhvani Foundation Association. She currently serves as the Deputy President of the MBA - 15 Social and Investment Club of UMI. The leadership skills acquired as a student continue to be applied to her work today.

Ms. Nduhura continued her professional development, completing a number of courses with DeAfrica, including Specialization in Business Strategy; Grow to Greatness: Smart Growth for Private Businesses, Part I and II; and Fundamentals of Project Planning and Management.