

Youth Action Net®

CASE STUDY SERIES

TRIPLE SHINE:

A Job Creation Solution for the Women and Youth of South Africa

A partnership between:





Introduction

This is one of a series of case studies produced by students enrolled in the Global Human Development Program at Georgetown University through its partnership with the International Youth Foundation. Students enrolled in a course exploring the role of social enterprises and social entrepreneurs were paired with young leaders of social ventures identified through the IYF's YouthActionNet® program. The students were given the assignment of analyzing the venture's assets, successful methodologies, and opportunities for investment to increase impact. Through this experiential learning process, the student consultants gained hands-on experience and exposure to the needs of social enterprises. The ventures, too, benefited from student insights into their strengths, areas for growth, and recommendations for enhancing their impact and sustainability. The Georgetown practicum is part of YouthActionNet's larger efforts to partner with institutions of higher learning around the globe to integrate social change into the academic experience and career interests of students.

International Youth Foundation

The International Youth Foundation (IYF) invests in the extraordinary potential of young people. Founded in 1990, IYF builds and maintains a worldwide community of businesses, governments, and civil society organizations committed to empowering youth to be healthy, productive, and engaged citizens. IYF programs are catalysts of change that help young people obtain a quality education, gain employability skills, make healthy choices, and improve their communities.

www.iyfnet.org

YouthActionNet®

Since 2001, YouthActionNet, a program of the International Youth Foundation, has provided founders of social ventures, ages 18 to 29, with the training, networking, coaching, funding, and advocacy opportunities they need to strengthen and scale their impact. These young social entrepreneurs have pioneered innovative solutions to critical local and global challenges, resulting in increased civic engagement, improved health, education reform, economic opportunity, environmental protection, and more inclusive societies. Our work is carried out through a network of 23 national and regional youth leadership institutes that collectively support over 1,350 young social entrepreneurs globally.

www.youthactionnet.org

Global Human Development Program at Georgetown University

The Global Human Development Program of Georgetown University is home to one of the world's premier master's degree programs in international development. An innovative, academically rigorous skills-based graduate program, the Master of Global Human Development degree prepares the next generation of development professionals to work with public sector agencies, private businesses, and non-profit organizations that advance development. Through coursework, extracurricular activity, and practical fieldwork experiences, our graduates develop the insights, skills, and experiences necessary to become leaders in development and make a difference in our global community.

https://ghd.georgetown.edu

INTRODUCTION

Meet Sharon Rapetswa, Founder of Triple Shine

Sharon Rapetswa founded her first social enterprise, Ilitha Leseding Foundation, when she was still a student at Cape Peninsula University of Technology. Established in 2009, the foundation works with high schools around the Western Cape in South Africa to provide career workshops and help students navigate tertiary education opportunities. Upon graduating, Sharon founded her second social enterprise, New Dawn Foundation, in Pretoria. In partnership with the Department of Basic Education, New Dawn Foundation established the first national spelling bee in South Africa and created a board game that incorporates vocabulary words from the national curriculum. Through the experience of starting her own business in 2014, a restaurant called Weekend



Special, Sharon began to recognize her passion for helping other small businesses reach their potential. Licensed in 2016, Sharon Consulting works with small businesses and startups on marketing, branding, corporate gifting, and business plans.

In 2016, Sharon together with her partner, Prince Mashala, established Triple Shine, which operates in the South African province of Limpopo. The social enterprise, which supports new entrepreneurs to sell and distribute cleaning products through the informal market, was founded in Sharon's passion for rural development and empowering women and youth. Triple Shine, which is named after its founder's young triplets, has since grown to include 10 micro franchises and 12 individual sellers.

Triple Shine is providing last mile distribution to South Africa's informal market

The Problem

In Pretoria's informal market, there is little access to low-cost, high-quality cleaning products. This is because large retailers of cleaning products find it too expensive to deliver their wares to the informal market in hard-to-reach areas. Similarly, many rural areas of Limpopo also experience extremely limited access to quality cleaning supplies.

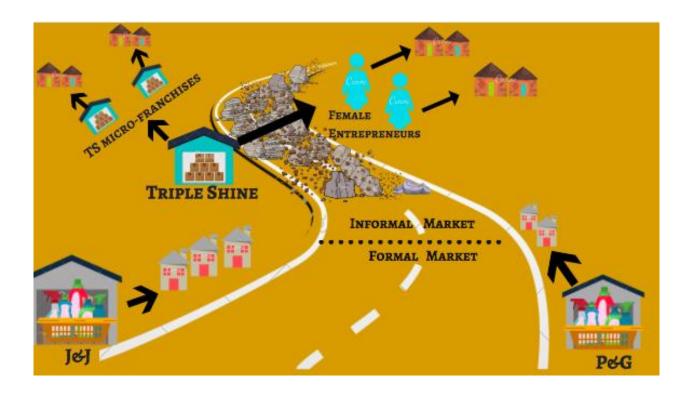
Furthermore, youth unemployment is a widespread problem throughout South Africa. As of 2014, the youth unemployment rate is 63% of the youth labor force (3.2 million individuals), with 30% of male youth and 36% of female youth not engaged in employment, education, or training.

Entrepreneurs must also contend with challenging obstacles, as startup costs for small businesses in South Africa are extremely high and financing is not always easily attainable.¹

Finally, South Africa has poor waste management services and there are few incentives for individuals to recycle and reuse. Plastic bottles commonly pollute both public spaces and individual households. South Africa is ranked number 11 out of the 20 countries that generated the highest volume of "mismanaged plastic waste" in 2015.²

"I would like for my business to be a recognized job creation solution for the women and youth of Triple Shine to see it as their hope to earn an income."

Sharon Rapetswa, Founder of Triple Shine



The Solution

Triple Shine supplies high-quality cleaning products at a lower price point than retail cleaning products in the townships of Limpopo. Sharon capitalizes on the informal market, a part of the economy that is neither taxed nor monitored by any form of government, by providing last-mile

¹ Brookings Institute https://www.brookings.edu/blog/africa-in-focus/2014/08/15/the-state-of-youth- unemployment-in-south-africa/

 $^{{}^2\,}https://www.iol.co.za/mercury/environment/oceans-smothered-by-plastic-and-its-growing-by-8-million-tons-every-year-10561123$

distribution—the transport of goods to a final (usually difficult to get to) destination—for cleaning products. Triple Shine also provides a consistent supply of cleaning products to the informal market.

Triple Shine works to provide youth and women with employment and entrepreneurial opportunities. The social enterprise addresses the issue of unemployment by hiring women and youth as reselling agents of the cleaning products in the informal market. In addition, they provide financing and training for entrepreneurs to start their own Triple Shine micro-franchises.

Triple Shine is working to provide cleaning products to informal markets while reducing its ecological footprint across Limpopo. To do this, Triple Shine incentivizes the recycling and reuse of plastic containers. The organization provides the opportunity for consumers to bring their own used plastic containers to micro-franchises to refill a desired cleaning product. Customers also receive one free refill for every 10 total refills, which discourages consumers from wasting plastic bottles. This practice also saves Triple Shine significant resources as most of the cost of production lies in the packaging rather than in the manufacture of the cleaning products.



"Triple Shine's 'Refill Revolution': We aim to save the environment from the waste of plastic detergent bottles and save consumers money through detergent refills in rural township areas."

Triple Shine Company Profile

OPERATIONAL MODEL

Structure

Triple Shine is led by CEO and co-founder, Sharon Rapetswa. She is accompanied by her husband and co-founder, Prince Mashala. Together, Sharon and Prince run the retail, operations, and production functions of the business, Sharon also manages the business development and marketing

for the company. Triple Shine employs 12 sales agents and 10 micro-franchisees, all of whom are youth (male or female) or women.

Triple Shine is a for-profit enterprise that relies on crowdsourcing, franchise fees, and product sales for revenue. Its start-up capital was sourced from Sharon's personal consulting business and from a crowdfunding platform called The People's Fund. This year, about a third of Sharon's consulting revenue was invested into Triple Shine. Currently, the venture's funding structure consists of a two-part sales model. The first entails selling Triple Shine micro-franchises to women and youth entrepreneurs. The second is the sale of cleaning products directly to sales agents. The micro-franchisees have the autonomy to

set their own prices, and receive a grace period of 30 days to pay for their inventory. Sales agents, on the other hand, have fixed prices at which they must sell the cleaning products.

Triple Shine's primary customers are sales agents and micro-franchisees. Its value proposition to these partners is simple: a path out of poverty. Even if the entrepreneurs work only five to eight hours per week, they will still earn equal to or more than the monthly minimum wage. Triple Shine's turnkey model also removes many of the challenges that accompany starting a new business.

Triple Shine's secondary customers are the individuals and organizations that purchase Triple Shine's products. The value proposition for these customers is a new access to affordable, high-quality cleaning products that would not otherwise be available.

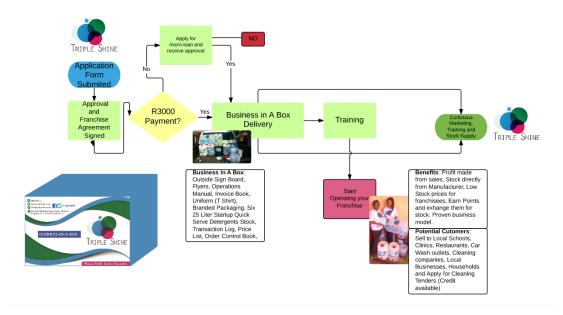
Accountability/Governance

As the CEO, Sharon is Triple Shine's primary decision maker, along with Prince, who is the COO of the company. Sharon is accountable to The People's Fund, a crowd-sourcing financier that provides loans to micro-franchisees which need to be repaid within 24 months.

Systems and Processes

Sharon administers all of the training to sales agents and micro-franchisees except for financial training, for which she hires a financial expert and auditor. Prince assists with the manufacturing of cleaning products and provides sales training. A local town councilor, who is a respected woman in the community, is responsible for the recruitment of women and youth. Sharon has developed a system for creating micro-franchises owned by rural women and youth. Below is a business model for micro-franchises:

TRIPLE SHINE MICROFRANCHISE BUSINESS MODEL



She first approves the micro-franchisee's application, after which the micro-franchisee must pay 3,000 Rand or apply for a loan to pay the initial deposit. Once this payment is made, Sharon delivers cleaning supplies and training.

Sharon has introduced a 30-day credit system to assist micro-franchisees as they get started, a luxury typically provided only by large competitors such as Proctor & Gamble, Kimberly Clark, and Nampak to formal retailers.

Finally, Sharon is developing a distribution mechanism that will enable her micro-franchisees and sales agents to restock inventory more quickly. By storing inventory at strategically located depots, Sharon can drastically shorten the distance supplies must travel before reaching micro-franchisees and sales agents. Triple Shine currently has two operating depots and is working to establish more in the near future.

Ways of Working

As an experienced entrepreneur, Sharon recognizes how to navigate cultural norms while running her businesses. She has found the most successful way to recruit her individual sellers and microfranchisees is through the help of town councilors. These councilors are charged with taking queries and accounting for all unemployed individuals in a community, as well as allocating permits to businesses operators and individuals who want to acquire land. Town councilors also play a central social role within their communities, attending all community events, including weddings and funerals. This connectedness has been an invaluable asset for recruiting unemployed women and youth to be Triple Shine's micro-franchisees and sales agents.

KEY ASSETS & SUCCESSFUL METHODOLOGIES

Sales Representatives and Micro-Franchisees

Its sales agents and micro-franchisees are the engines that keep Triple Shine running—they fulfill the key role of delivering Triple Shine's products to market, which in turn drives the organization's revenue model. Sharon was inspired to employ sales representatives and micro-franchisees by Project Shakti, which hires rural women and empowers them to become independent entrepreneurs selling Unilever products. Sharon built on this idea by developing two distinct levels of engagement: a simple adoption method (for sales agents), and a more labor-intensive adoption method (for micro-franchisees). Triple Shine's model differentiates itself from other cleaning product distribution companies through its focus on delivering to hard-to-reach areas in the informal market. Larger distributors also avoid the informal market because they tend to be unwilling to partner with informal retailers who may not have sufficient capital to stock initial inventory without credit.

Manufacturing of Products

Triple Shine buys plastic bottles from Tully's Plastics and cleaning products from a local supplier, then bottles and brands Triple Shine products from Sharon's home in Pretoria. She then delivers products to Limpopo using her family van.

As Triple Shine scales, Sharon recognizes the value to be added by manufacturing cleaning products herself. She will be able to cut production costs significantly, which would allow her to pass on more savings to her customers (i.e. women and youth).

"Our products are made locally in South Africa by sourcing the best ingredients and buying local. We aim to give back to the economy, create jobs, and empower the South African economy."

Triple Shine Company Profile

Marketing Techniques

Triple Shine offers t-shirts, as well as customized flyers, signs, and business cards for micro-franchisees. These marketing efforts aim to create brand recognition for Triple Shine in the informal market, which helps to differentiate micro-franchisees and sales agents from their competition. This awareness could also lead to increased sales and affinity toward the brand.

Success in Prior Businesses

Sharon's success in her prior business ventures has prepared her to lead Triple Shine effectively and navigate the many challenges that accompany working in the informal sector. That most of her other social enterprises are still up and running is a testament to Sharon's entrepreneurial acumen and ability to build organizations sustainably. Furthermore, through her consultancy, Sharon has honed the technical expertise to lead Triple Shine while also developing a reliable funding stream that is helping the organization scale.

CONCLUSION

Triple Shine is a social enterprise that focuses on social, environmental, as well as financial returns. Sharon empowers women and youth to elevate their stations by becoming business agents and entrepreneurs under the Triple Shine umbrella. As Sharon looks to scale the enterprise, first to neighboring countries such as Lesotho, and eventually to markets across the African



continent, Triple Shine has the potential to empower countless women and youth to write their own destinies as business owners and entrepreneurs.

FURTHER INFORMATION ABOUT TRIPLE SHINE

- Triple Shine Website
- Triple Shine Facebook Page
- YouthActionNet Fellow Profile of Sharon Rapetswa
- Video: <u>Triple Shine Company Profile</u>
- Triple Shine Campaign on The People's Fund

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