BUILDING A SUSTAINABLE WOMEN SALES NETWORK
A Fireside Chat With FanMilk Nigeria

JANUARY 2022
About Growth for Growth

Recognizing the important role of the private sector in food systems, the Bill & Melinda Gates Foundation launched a Private Sector Partnership (PSP) initiative under its global Nutrition Strategy in 2017. Its vision was to achieve sustainable nutritional impact at scale. It sought to achieve this through innovations and new business models to overcome barriers which impede private companies from making nutritious fortified foods affordable and accessible to low-income and vulnerable consumers in developing countries. The PSP team established a network of technical assistance hubs, known as Growth for Growth. This network worked with partner companies to enable innovation across the value chain and advance learning on product design and sustainable business models for lower-income consumer markets, offering wide-ranging, interdisciplinary expertise to company partnerships.

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About Hystra

Hystra is a global consulting firm specialized in inclusive businesses, whose vision is to transform businesses to scale up social and environmental innovations. Since its creation in 2009, Hystra has supported over 20 multinationals in setting up or improving inclusive business models, helped dozens of pioneering social enterprises refine their business models or fundraising strategies, supported the setup of social impact funds and multi-stakeholder coalitions, and worked with donors like the Bill & Melinda Gates Foundation on their collaboration with the private sector toward sustainable impact at scale. In 12 years, Hystra has worked in over 20 countries serving over 100 clients, including large corporations, social enterprises, international aid agencies, foundations, and governments, to support business models that change the lives of low-income communities across the globe.

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FOREWORD

For several decades, pioneer companies, entrepreneurs and non-profit organizations have attempted to build women networks selling “beneficial” products in their communities, with some level of success. Such products include for example menstrual hygiene solutions, medicine, clean energy products or nutritious foods. The rationale for building such channels is to leverage trust-based relationships in communities, bring convenience and proximity, create a purchasing environment perceived as “safer”, and eventually unlock purchase barriers for positive change. However, the execution of women sales networks has also proven extremely challenging, at every stage of their development: design, launch, and scale. This paper aims to share some humble lessons from one initiative, which experienced these challenges and developed and tested some solutions.

In 2018, the Bill & Melinda Gates Foundation partnered with Danone and its subsidiary FanMilk – a company with 60 years of presence in Nigeria – to improve the nutritional status of lower-income consumers by creating a new business model that would be sustainable for the company. Together, they decided to develop a new fortified frozen yogurt product for lower-income women of reproductive age in Nigeria. This involved co-creating and testing innovations to prompt first trial and encourage frequent consumption of the new nutritious product among the target population. This continuous innovation process spanned product characteristics, demand creation tactics, and distribution channels.

For this initiative, FanMilk Nigeria was able to leverage a unique distribution channel of around 15,000 vendors. This network has been, and continues to be, a fantastic and unique asset, which enabled wide availability in 20+ cities across the country. However, it was also insufficient to drive two necessary conditions of impact on nutrition: consumer loyalty and frequency of consumption. The FanMilk Nigeria teams, supported by a team of global experts hired by BMGF, designed, and launched a specialized women sales network, complementary to the existing street vendors, aiming to leverage trust-based relationships and proximity to drive loyalty and frequency among lower-income women.

The following paper builds on a compilation of insights from interviews conducted by Hystra – an impact-driven consulting firm that has been supporting pioneer organizations in the distribution of beneficial goods and services to lower-income populations for the past 12 years – with the FanMilk team in 2020 and 2021. It also builds on inputs from Mathematica, who led the Measurement, Learning, and Evaluation of the initiative.

As we are finalizing this paper, in October 2021, the new network which FanMilk started amid the COVID-19 pandemic, counts over 100 women vendors and is rapidly growing. It also keeps innovating and learning. We decided to keep this brief in a conversational format, to invite other practitioners to engage with us and continue to pave the way on the long and bumpy journey to impact.
ACKNOWLEDGEMENTS

We would like to thank the many people who invested their time, energy, and passion to push the frontiers of nutrition with the design and launch of this initiative, both globally and in Nigeria: FanMilk, Danone, BMGF, Mathematica, Ogilvy, ThinkPlace, Wageningen University, the William Davidson Institute, Ekefal and Hystra. A non-exhaustive list of everyone we would like to thank, in alphabetical order: Anthony Abu, Kola Adeniyi, Noma Aibangbee, Sunday Akintona, Justina Alih, Olamide Amoo, Jennifer Balogun, Hervé Barrere, Nadja Bellan-White, Emmanuelle Bely, Amy Bendel, John Body, Raphaëlle Bourdet Sicard, Simon Brossard, Jeanne Charbit, Kamel Chida, Laurent Clement, Alexandra Cronberg, Adrien Darodes, Fabien Delaere, Valérie Desplanches, Stéphane Doat, Pete Dyson, Mariam Fagbemi, Colm Fay, Ana Fazoli, Murielle Gagneau, Isabelle Grosmaître, Julie Guérard Bourget, Bridget Holmes, Patrick Igbon, Dean Johnson, Olivier Kayser, Lucie Klarsfeld, Anne Knapke, Laura Le Roy, Brice Lewillie, Ted London, Miriam Marcus, Sarah Mareuil, Guillaume Massot, Benjamin Mauve, Ferdinand Mouko, Clair Null, Abimbola Odimayo-Olabode, Caesar Ogunremi, Mayowa Olajya, Njideka Onwunyi, Saskia Osendarp, Titus Owoeye, Louise Rials, Oriane Sion, Kimberly Smith, Frédéric Sudre, Sam Tatam, Dessy Utami, Karin Van Hethof, Yeo Ziobeieton.
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I. RECRUITMENT

Hystra: How did you define the profiles of your women vendors, when you first launched the network?

FanMilk: Initially, our plan was to build our sales model with women “brand ambassadors”, hired by a third-party agency and paid on fixed income, before rolling it out with commission-based women vendors.

We were anticipating that there would be an initial learning period during which the level of sales and associated commissions would not be sufficient to retain our sales ladies, and we would need to do a lot of rapid iterations on the model (e.g. sales routes, incentives scheme, management structure).

We did not want to spend all our energy on recruitment. And we believed that women brand ambassadors would be easier to manage, as they have higher levels of education (agencies typically hire university students looking for a temporary job).

It turned out that most of the candidates that the agency initially identified for the brand ambassador position declined the job or decided to quit after just a few days. This was due to the negative social image associated with street hawking. Out of the 54 ladies that came to our initial training, 33 simply refused to start with us.

The ones interested in the job were mostly from lower socio-economic groups, had received less education, and already had “hawking” jobs.

With the benefit of hindsight, even for the learning phase, we would have focused on vendors who could earn more than their current position by joining our company. With the current incentive schemes, women vendors can earn 2,500+ Nairas per day on average, plus non-financial benefits.

Another hypothesis we had was that women vendors would perform better in their own communities than in different neighborhoods. None of our top five performing ladies have actually been selling products in their own community! Yet, all of them worked relatively close to their homes, so they didn’t spend too much time in transport every day. What this means in terms of sales approach is that our top performing sales ladies had to create new relationships instead of leveraging existing ones.

Figure 1 - Profiles of top 5 salespeople

<table>
<thead>
<tr>
<th>Age</th>
<th>Husband Job</th>
<th>Previous Job</th>
<th>Previous Earnings (self declared)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>Danfo driver</td>
<td>Soft drinks street vendor</td>
<td>N2,000 / day</td>
</tr>
<tr>
<td>37</td>
<td>Danfo driver</td>
<td>Female cloth street vendor</td>
<td>N1,500 / day</td>
</tr>
<tr>
<td>39</td>
<td>Danfo driver</td>
<td>Street food street vendor</td>
<td>N1,000 / day</td>
</tr>
<tr>
<td>39</td>
<td>Herbal doctor</td>
<td>Sweet corn street vendor</td>
<td>N2,000 / day</td>
</tr>
<tr>
<td>52</td>
<td>Mechanic</td>
<td>Dairy street vendor</td>
<td>N2,500 / day</td>
</tr>
</tbody>
</table>
What would you say is key to attracting good candidates?

The first thing you need to do is to clearly outline the benefits for women vendors to sell FanPrime compared to any other product. Multinational corporations can offer more attractive packages than the informal economy, thanks to social benefits, but are oftentimes unable to communicate their compensation and incentive scheme in a way that is easy to understand.

In the early days of a venture, the support of a third-party agency is a must. Once you have a solid base of performing and satisfied sales ladies, you can rely on word of mouth to attract new candidates. We saw that referrals can also be encouraged, for example by offering a reward for having recommended a successful candidate (the incentives would typically be given after two to three months).

If you were to do it again, what would you do differently?

Our initial assessment of how much a hawker earns in Benin City proved wrong: we thought the daily income was 1,000-1,500 Naira per day when it is oftentimes 1,500-2,000 Naira per day. Data on how much people earn is always hard to collect, so we should probably have done further field testing on this, to better understand what we needed to provide as a competitive income.
2. TRAINING

How did you initially conduct the training of new recruits?

Our original training session was designed and facilitated by our third-party agency with inputs from local FanMilk managers. It was structured around three sections: our ambition, product characteristics, and job expectations.

The first section included elements about our broader business and social objectives, and our strategy for meeting them. Even if this might sound sophisticated, providing the broader picture did help in giving women vendors some sense of ownership and pride.

The second section was traditional product training, where we presented the product’s name and meaning, sizes, flavors, components, and health benefits. We concluded with a product tasting for everyone!

Finally, we explained to our sales ladies what their typical day should look like. This was very practical: introducing the assets, trade incentives, routes, pitch, daily targets and reporting requirements. We also used this session to discuss sales tactics.

Three hours is a long time, so all sections need to be interactive with Q&A and role plays.

What ongoing training is needed?

Ongoing training is needed to ensure our vendors don’t forget the basics, keep progressing and learning from each other. Some principles need to be repeated. We defined a set of principles around the EDGE – Every Day Great Execution – mantra (see Section 8 for details), iterated with best practices observed in the field.

Ongoing training can be delivered in-field by the sales supervisors as well as during team meetings, where top performing sales ladies can share practical tips. We made these team meetings compulsory, in exchange for which we paid for transportation and snacks for vendors.

Initially, we ran weekly sessions. This progressively evolved into monthly sessions, with special agendas at specific times of the year (e.g., before the rainy season, holidays, or peak months).

How long does it take to evaluate the potential of sales ladies?

We found out that it takes “only” one to two weeks to confirm whether a sales lady will be a good performer. If a vendor cannot meet an acceptable performance after 14 days, it’s not a good idea for us and for her to continue. This “14 days rule of thumb” is similar across all entry-level sales positions.

If you were to do it again, what would you do differently?

We would have offered earlier on a small handbook with the key elements which women vendors need to know (sales pitch, daily routine, execution checklist, reporting template).
3. COMPENSATION

How did you define the compensation for women vendors when you first launched your operations?

Initially, we had planned to offer our sales ladies a temporary fixed salary (2,000 Naira per day) plus a daily commission of 10 Naira for any unit sold above the 50 units target. The plan was to discontinue the fixed salary after a few months, and switch to a commission-only compensation at 22 Naira per unit.

Unfortunately, there was some misunderstanding with our third-party agency. All sales ladies were given a 22 Naira commission per unit plus a fixed salary of 2,000 Naira per day. When we realized this after a few weeks, the message had already been communicated to the whole cohort.

We decided not to threaten the momentum we were building locally with a brutal change. Instead, we progressively lowered the fixed salary over several months.

How did you structure the incentives to retain the sales ladies in your network?

This is a lesson from the FanMilk traditional business: retention is key, if not the most critical issue for any direct salesforce model. We are in constant competition with other hawking jobs, which the vendors can go back to at any point in time, literally from one day to the next. The incentive structure must be both readily attractive
(i.e, within a few days), reward loyalty and consistency of vendors, and be sustainable for the company. We developed and tested several weekly incentive schemes that encourage not only performances but also proxies for loyalty, e.g, “number of days worked in a given week”.

For the launch of a new distribution channel, the incentive structure must be flexible, as it will certainly need to be adjusted. Also, in the first weeks of operations, targets can be lower, but the level of ambition must be gradually increased as average performances of sales ladies improve.

One incentive that we were happy with is what we called “Hit & Win”. The principle is simple: each time a vendor reaches a set target of units sold in each day, say 100 units, she immediately earns a reward of 1,000 Naira (representing 50% of her daily fixed salary at that time). We got 13 hits during the 1st week of implementation, with multiple hits from the same vendors. We then tested “Hit & Win” at higher levels. This approach proved very useful to figure out the number of units a top performer could sell on a given day.

Lastly, it’s important to remember that retention is closely linked to seasonality. Incentives must be adapted to the rainy season when sales are significantly harder.

**How do you intend to ensure vendors’ loyalty in the longer term?**

Social benefits and non-financial incentives, tailored to the needs of women vendors, are a great way to build loyalty. For example, enrolling top performing vendors into an insurance scheme did help attract new candidates, and improve our retention rate.

However, the model must remain economically viable. In our most recent version, sales ladies become eligible for a health insurance scheme after having met certain performance targets for two months. We then require them to work a minimum of 22 days per month to keep that benefit. Top performers can also get insurance for the rest of their family.

**What would you say is critical to success?**

The devil is in the details, and it is not only about absolute amounts: for example, vendors attach significant value to being paid in cash at the end of each day, as opposed to having to wait until the end of the week!
4. PRODUCT BASKET

Women vendors were selling FanPrime exclusively, not other FanMilk SKUs: what was the rationale behind such a decision?

We decided that the new sales channel would sell FanPrime exclusively, at least in the beginning, to test whether an exclusive basket could be financially viable and attractive. I believe there are three arguments for doing so:

- Vendors communicate better when the message is simple and there is just one brand, especially when we want this brand to stand out for its nutrition benefits.
- Since the brand was new, we wanted to encourage consumers to try it out: if other FanMilk SKUs had been available, consumers might have gone with known products and flavors.
- You can try one product first, and then widen the basket, not the other way around. Once you allow your vendors to sell several SKUs, there is no going back. Vendors would then think they are losing sales opportunities (even if focusing on a single brand might pay off in the long run).

If you were to do it again, what would you do differently?

We would probably do more small-scale tests to learn more on the preferred flavors, and the combination of SKUs that is best suited to boost sales. A few tests we would consider:

- Remove one flavor for one week and analyze impact on sales per vendor.
- Test the impact of product color on sales, as colorant is a major cost driver.
- Assess the impact of the number of flavors on frequency of consumption.
5. SALES EQUIPMENT

What is your sales ladies’ equipment?

The equipment of women vendors consists of uniforms and assets, in two types:

- Pushcarts with a cool box, supposedly easier to move around and carry all day.
- Headboxes, which are more convenient in narrow streets or open markets.

We initially thought we would assign assets to vendors, which we did on the first days…but we immediately pivoted. They preferred to pick their assets because they knew best what suited them. Offering options also showed our consideration.

We thought most sales ladies would pick pushcarts. It turned out that 15 out of our first 25 vendors chose a headbox. So, you should not close doors to options, it is very difficult to know what will work until it has been tested.

How did this equipment help with marketing?

Branding of sales assets is not very costly, yet very effective to promote a brand. In the initial weeks, we managed to drive a very high level of brand awareness through this! Pushcarts that look new and clean are also valued by vendors, as it makes them look good among customers.

If you were to do it again, what would you do differently?

When buying coolers, I would prioritize quality over price even further. The quality determines the time that products can stay frozen, with significant impact on the time that vendors can spend selling (and therefore the entire business model).
6. SALES ROUTES

How did you pick the most suitable sales areas for your launch?

The local FanMilk team, who had a very good knowledge of the local environment, used two criteria:

- Potential of the area in terms of sales and reach of lower-income women in their daily routines (e.g., markets, residential areas).
- Presence of FanMilk distributors with a financial ability to buy additional stock and expand their storage capacity.

Contrary to what we had anticipated, women vendors do not perform better in denser areas (high traffic or open markets) than in residential areas. In the latter, competition is not as fierce, and it is easier to build customer relationships.
What is the radius of a vendor’s area?
Women vendors should cover a relatively small perimeter, about a few hundred meters for vendors that focus on open markets, and maximum five kilometers for those who work in neighborhoods. Constraining vendors’ areas also forces them to focus on building loyal consumers.

How did you optimize routes in these areas?
Routes were defined incrementally. Vendors progressively identify regular customers and build their route around them. We observe that top-performing vendors are the ones who have a solid base of daily customers. But we left some leeway in the way these routes were built: some vendors work on very short routes and go back and forth 2-3 times per day, while others cover a longer route only once in a day.

Do vendors need to pay fees to operate in open markets or street environments?
In open markets, you need to pay some fees to the market authorities, typically 50-100 Naira per day. It is also the case in some of the local neighborhoods controlled by “area boys”.

If you were to do it again, what would you do differently?
We would have better selected our sales areas, on the logistics of sales assets. We would also encourage vendors to pick a single route (after one or two weeks of exploration), as it is a must for them to build relationships and generate loyalty.
7. SALES PITCH AND MARKETING

What would you say is a good sales pitch?

The key word is simplicity! That’s the only way you can ensure the sales pitch is known by every vendor in less than two weeks and will be catchy for consumers. We ended up focusing on two messages only: the link with FanMilk, which is very well-known in Nigeria, and the unique nutritious benefits of FanPrime.

How did you train your women network?

For new vendors, we have systematic training on sales pitch during team meetings, including role plays. Supervisors also track progress for at least three weeks. While every vendor inevitably ends up adapting the pitch with their own words, we need to ensure that the core message is not lost in these variations.
8. MANAGEMENT AND MONITORING

What are your management principles?

The success of direct sales models lies in execution as much as strategy. We built the EDGE – Every Day Great Execution – principles with our supervisors, a simple checklist of every action a good vendor needs to take every day.

Access to instant data is also critical. Having the appropriate sales tracking software is critical. FanMilk recently deployed the FieldPro solution from Optimetriks, which is an important component of perfect execution.

Figure 2- EDGE principles

1. Every morning prior to work, the vendor washes her sales asset (headbox or pushcart)
2. Every vendor starts between 7 and 11am
3. Every vendor strictly carries FanPrime only and buys it at the right price from the distributor
4. Every vendor has a hard copy of the sales pitch, knows it by heart, and uses it with shoppers
5. Every vendor strictly sells at N100
6. Every vendor strictly follows her route
7. Every vendor has a “Do more” attitude and wants to gradually improve her sales
8. Every vendor knows the current gradual incentive scheme
9. Every vendor knows the temporary bonuses and competitions
10. Every vendor does 100% accurate sales reporting

What is a typical day of a sales supervisor?

The day starts with the visit of one distributor, where he or she meets with a few sales ladies and checks that they have sufficient stock, that assets are clean, sales pitch is known, work starts on time, and that everything is in place for reporting.

After this, the supervisor follows a few sales ladies to check on how they are selling. One supervisor follows each vendor at least once a week, with specific focus on the most recently hired ladies to help them build a loyal customer base, optimize their route, or improve their pitch.

If a supervisor observes that a vendor is not following the EDGE principles, he or she must absolutely react promptly (with ability to act on incentives). This is very important from a behavior change perspective: overlooking one thing only once can destroy weeks of repeating that it matters.

At the end of the day, supervisors contact all their vendors to collect daily sales data. On Saturdays, they consolidate results and send them to the coordinator for weekly reporting.

How many vendors can one supervisor manage?

Typically, up to 30 vendors. This can increase as vendors gain experience.

How do you manage supervisors and how do you incentivize them?

It’s essential to closely monitor supervisors. We are now using the following process, via WhatsApp:

• Before 10am, supervisors send their daily work plan to the regional coordinator.
• At 2pm, they send their first feedback (including pictures).
In addition to a fixed salary, supervisors get some weekly incentives made of three components:

- EDGE incentives, based on an appreciation of principles’ execution among their vendors.
- “Do more” incentives, based on the sales performances of their vendors.
- Temporary challenges, for instance “weekly picture challenge” rewarding the top 3 pictures, which are effective ways to motivate them and create a team spirit.
9. TEAM SPIRIT

What does it take to create a team?

There are three invariable principles:

Number one is consideration, for both vendors and supervisors. You need to make sure that the little things are done right, e.g., paying for transportation and snacks during weekly meetings, listening to their concerns and actively looking for solutions.

Number two is creativity and novelty. You need to introduce new ideas on a regular basis to keep the morale up. For example, we organized a FanPrime song competition among vendors, which has been a real success.

Number three is a high level of rigor and expectations. You need to reward high performers and be tough on low performers, constantly create new challenges and raise the bar, etc. You need to build cohesion from the very beginning: inception training, weekly meetings, team building events!

Women sales networks have a unique potential to trigger adoption of beneficial products at the last mile, by offering trust and convenience. But making them sustainable at scale requires continuous innovation and constant improvement in execution. We have published other white papers that provide further examples and lessons learnt, in particular Women direct sales forces: an impactful channel for health-related products, which analyses when women sales forces are best placed for impact and the income that sales women can earn, and Leveraging direct sales forces for impact at the last 100 meters, which describes the economics of a direct sales force and the conditions that make them a cost-effective choice. We invite other practitioners to share their lessons and look forward to engaging further on this journey to impact!
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