Social Franchising Principles
Developing Micro-Businesses and Improving FSM Quality and Reliability

Presented by: Oliver Ive
• Amanz’ abantu Services (Pty) Ltd
• Eastern Cape, South Africa.

Contributors:
• Dr Kevin Wall – University of Pretoria
• W Birkholtz, E Shaylor & N Lupuwana – Impilo Yabantu
• Jay Bhagwan – Water Research Commission
Introduction & Background

• Presentations to previous FSM forums include:
  – Durban 2010 - Pilot project for the application of water services franchising for rural schools sanitation.
  – Durban 2012 – Emptying household VIPs, a case study utilising social franchising approaches.

• Hanoi 2015 – Social Franchising Principles, Developing Micro-Businesses and Improving FSM Quality and Reliability
Definitions

Social franchising is:

“the application of commercial franchising concepts to achieve socially beneficial ends”

(Montagu 2002)

Commercial franchising is: –

“a grant by the franchisor to the franchisee, entitling the latter to the use of a complete business package containing all the elements necessary to establish a previously untrained person in the franchised business and enable them to operate it on an on-going basis, according to guidelines supplied, efficiently and profitable”.

(Parker and Illetschko, 2007, FASA)
The Franchise Relationships

The Brand:- Marketing & Image

- Management
- Administration
- Marketing
- Procurement
- Operational Support
- Quality Management
- Safety, Health, Environment
- Training

Franchisor -> Franchisees

System Loyalty

Services

Payment

Customer

System Loyalty

The Brand: Marketing & Image

- Management
- Administration
- Marketing
- Procurement
- Operational Support
- Quality Management
- Safety, Health, Environment
- Training

Franchisor

Franchisees

Customer
Recent Developments

- Expanding to deliver services to more educational districts (>1300 rural schools) and households in Amathole District & Buffalo City.
- Development of improved methodologies.
- Potential expansion for the scope of work to further areas.
- The inclusion of new technologies (African Water Facility).
- Competition and Market Development.
Schools O&M Programme

Eastern Cape Province Department of Education

Employers Implementing Agent (IA)
The Mvula Trust

Term Service Agreement

Amanz’ abantu Services (Main Contractor)

Service Level Agreement

Eastern Cape Schools Sanitation and Water O&M Programme

Eastern Cape Schools Sanitation and Water O&M Programme

SMME Franchisee

Franchise Agreements

SMME Franchisee

SMME Franchisee
Outcomes

• The Impilo Yabantu Franchise now has 22 sustainable franchisees.
• 5-15 employees / franchisee.
• Toilets of >1300 schools being routinely serviced.
• Schools’ water and sanitation facilities repaired.
• On-site pit toilets of >4000 households de-sludged and serviced.
Achievements

• Supporting and mentoring individuals to build and manage their own businesses
• Local employment
• Improved service delivery
• Improved skills
• Regulation and quality
• Improving the school environment and learner’s health and hygiene awareness
Lessons Learned

• Task specific work requires that the franchisor has hands-on knowledge and experience.
• Franchisees must be selected on a broad range of criteria, including work ethic, business acumen and leadership skills.
• Franchise agreements to include for on-going performance monitoring and the ability for promptly replacement of poor or non-performing franchisees.
• Operating, measurement and payment procedures to be agreed and strictly enforced.
• Rates and payment schedules to be based on measurable deliverables, standardised pricing and to be simple to administer.
Skills Development and Continuous Improvement

- Classroom and in-field training
- Regular audits enable identification and corrective action
- Regular meetings to discuss problems and share learning
Servicing Rural VIPs

• Typically the top structures and contents of pits vary, so approaches need to provide a range of solutions.
Safe Handling and Management of Faecal Sludge

• Development of tools and equipment.
• Methods for safe handling of faecal sludge, appropriate health precautions and PPE.
• Alternative approaches to suit circumstances and conditions.
• Environmental considerations.
Sludge removal

- Site identification and selection according to approved guideline.
- Root zone entrenchment
- Deeper trenches where soils and water table allow
Reinstatement

• Use of agricultural or hydrated lime as disinfection and pH control
• 200-300mm soil cover to prevent direct contact by animals or people
• Where practical plant shrubs or trees
Beneficial use of sludge

• Use of nutrients from faecal sludge for tree planting for city and village greening.
Data Management and Reporting

• Use of in-house Application
• Status quo / inspection reports
• Photo records
• Beneficiary approvals and sign off
• GPS co-ordinates
Conclusions

A social franchising approach can assist municipal and public sector clients through:

– Enabling a standardised and regulated approach to service provision and faecal sludge management.
– Improved quality and reliability.
– Job creation & skills development.
– Local economic development through micro business creation and incubation.
– A social franchise approach to water services at the bottom of the economic pyramid is viable.
– Customer confidence and brand loyalty.

Thank You