

# Business Model Canvas

Designed for:

Yoba yoghurt producers

Designed by:

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## Key Partners

3 key partners from the yoghurt value chain are:

1. Dairy farmers: the producers will establish relationships with a number of dairy farmers (estimated 20 per production unit) to ensure reliable and high quality supply of milk (figure 1). This is essential to their business. If the farmers deliver milk which is adulterated by water, or which contains antibiotics, the producer will not be able to produce a high quality yoghurt.
2. Producers who supply to schools as part of the childrens menu, need to partner with the school leadership, such that together they can convince the parents of the importance of this program.
3. Retail shop owners and canteen owners who collaborate with producers and facilitate promotion of the Yoba probiotic yoghurt .

## Key Activities

The key activities of the Yoba yoghurt producers are production, distribution and marketing. Production can be subdivided into milk pasteurization, incubation/fermentation and packaging. Some producers have their own retail outlet(s), while most supply their product to other retail outlets.

## Key Resources

The Yoba probiotic culture is the key resource to enable to production of probiotic yoghurt (figure 2). In addition, producers require a 3-room production unit (kitchen, incubation, packaging), production equipment (at the minimum: milk can, sauce pan, sealer), certification by UNBS and small initial working capital to (figure 3 A and B). Optionally, some producers have their own retail outlet.

## Value Propositions

Yoba probiotic yoghurt can be consumed as a nutritious complementary food, part of a meal, or a snack.

Yoghurt is a fermented milk, and a rich source of essential nutrients including proteins and vitamins with excellent bioavailability. In addition, the probiotic bacteria add health benefits to the benefits of the milk. They can strengthen immunity and protect especially young children against diahrea, respiratory tract infections and skin rashes.

When targetting children, the product can be packed in small pouches (125ml), which can be offered at an affordable price (500 UGX), see figure 4. Apart from being healthy, the product has a very attractive taste which is liked by many, and provides a feeling of satiety.

## Customer Relationships

Because yoghurt is a fast-moving-consumer-good, customer relationships are very important to ensure repeat purchases. The most important factor therin is to supply an affordable, tasty and high quality product. Customer relationships will be mostly managed through partnerships with schools and owners of canteens and kiosks (see 'Key Partners')

## Channels

The producer can reach the parents of young children through distributing their product to a large number of kiosks in the area, street sales, or home delivery. In addition, producers will be coached to approach schools and negotiate supply contracts (see 'revenue streams'), and will also deliver to the (hospital) canteens In the area. Some producers might have their own outlet (figure 5 A and B).

## Customer Segments

Yoba producers will do their own marketing, but will also rely on the general social marketing campaigns of the Yoba for Life Foundation to increase the awareness on the health benefitis of probiotic yoghurt, especially for young children. When this awareness increases, the major customer segments will be 1) children below the age of 2 followed by 2) school going children, 3) lactating mothers and 4) any other part of the lower and middle class population who are looking for a healthy and satisfying snack (the mass market).

## Cost Structure

The major cost of the production unit is the purchase of milk, followed by packaging material (especially in the case of packaging in cups. Packaging in pouces is much cheaper). After this follows optionally the cost of sugars and flavor, the cost of transport of the product, the cost of labor, the cost of electricity and heating medium (either electricity, gas, charcoal or firewood), and the cost of Yoba culture. In case of a rented production unit, this is also included as a cost. The fast majority of the cost of a production unit are flexible costs, which reduces the business risks.

## Revenue Streams

The producer will attempt to ensure supply contracts with schools, who can include yoghurt consumption in their school feeding menu (see figure 4). The schools will collect money for this program from the parents, at the beginning of each school term. The school might pay the Yoba producer on montlhy basis, or any other frequency as mutually agreed upon. The producer will deliver on cash or on credit to most kiosks and canteens. Some retail outlets are willing to pay after they have sold the product that was supplied to them. Producers can also earn an income from offering training and coaching services to other entrepreneurs who are interested in venturing into this business.



Figure 2: Dairy farmers are the key partners to the yoghurt producers



Figure 3: The Yoba starter culture is the key resource to enable the production of probiotic yoghurt



Figure 1: Production can be done with very simple equipment (A) while ensuring product safety in the enclosed environment of the can. If implemented correctly, such system can be certified by the Uganda National Bureau of Standards. At the next level of production, producers can use specialized yoghurt production equipment such as a pasteurizer (B).





Figure 4: Especially when targeting young children, yoghurt can be packed in small and affordable pouches. This product can be included in the school menu, whereby parents are asked to pay UGX 12,000 per school term, for their child to take two packages of healthy probiotic yoghurt per week.



Figure 5: Yoghurt can be sold from the production outlet (A), but is also distributed to all kiosks in the area (B). This ensures accessibility of this health promoting product to all people in the community.