

# CHEREHANI

Business that participated in Cohort 3 of SPRING

SPRING is a business accelerator programme funded by DFID, USAID and DFAT. It works with businesses to develop products that impact girls' lives in 9 countries.

Coffey is the independent evaluator of SPRING. Coffey's Business Performance Evaluation is part of the overall evaluation and examines the effects of SPRING on business performance. It also looks at how businesses are reaching adolescent girls.

Kenya is home to about **10 million** unregistered female-owned microenterprises. Many of these women lack access to credit, have minimal asset ownership, and are financially illiterate.



Cherehani Africa  
operates across Kenya

**Cherehani Africa is a social enterprise pursuing the financial inclusion of female microentrepreneurs.**

It offers productive asset loans in underserved markets across Kenya and uses mobile phone-based technology to provide clients with credit and financial literacy content. Cherehani uses financial solidarity groups or *chamas* as its route to market.

## SPRING Prototype and Business Goals

By digitising operations, Cherehani moved away from paper-based systems and provided staff with better, more accurate, client relevant information. **Vuka**, the SPRING prototype, enables Cherehani to better understand its customers through data pooling. It is a combination of:

- **Mobile app:** a customer interface where individuals can access their current loan portfolio, credit history, and additional Cherehani products and services.
- **CRM platform:** an internal database collating Cherehani customers' data. Staff can track the number of customers, group portfolios, repayments, and overdue loans.
- **Financial education content:** An online "library" of personalised financial literacy information. It will be supplemented by interactive content and market information delivered through WhatsApp.

## SPRING Support



### Business Focused Support

SPRING offered branding, digital design, and research support. Through research, Cherehani was able to better understand their clients, as well as refine and tailor their products and services. They also became more aware of their competitors.



### Financial Support

Cherehani utilised SPRING's investment readiness support to create a financial model, pitch deck and business plan. Prototype funding allowed them to test the model in the market on smartphones.



### Girl Focused Support

Cherehani had a strong girl focus before SPRING. But cumbersome manual processes meant its reach was limited. SPRING helped the business improve its understanding of girls as a viable target market to increase its reach.

# Use of Human Centred Design

The introduction to Human Centred Design (HCD) was crucial. In applying HCD, Cherehani:

- Better understood girls as a unique customer segment.
- Developed and refined Vuka by tailoring the product to fit customers' needs and wants.
- Increased sales by finding the right price points.
- Reached scale through efficiency and by pinpointing how the business could optimise its operations.

# Girl Insights and Emerging Signs of Impact

## Cherehani sees girls as their business “bedrock”.

Influencing girls when they are making early key life decisions, builds customer loyalty and will increase the company's potential investment returns.

## Digitalisation has enabled Cherehani to create an infrastructure to disseminate financial literacy content to girls.

This is done increasingly through the mobile app and social media.

## Girl impact however is, to date, still extremely limited.

As of June 2018, less than 7% of their **Vuka** customers were girls.

# Business Insights



## The shift to digital has greatly enhanced Cherehani's efficiency, sales and revenues

Digitalising processes and content led to revenues increasing over 50%.

## Cherehani is preferred over competitors

This is due to their flexible repayment schedules and the face-to-face personal relationship with field officers.

# Overcoming Challenges

There is potential to enlarge the Cherehani platform and offer assistance to other financial institutions to service their accounts. However, Cherehani Africa still faces some challenges:

- Legislation means Cherehani is not able to reach girls below the age of 18.
- Physical isolation and the need to travel into town to register smartphones is a barrier to reaching rural girls.
- Smartphone access in Kenya is limited and there is often a lack of connectivity
- *Chamas* are sometimes reluctant to include younger girls due to perceived financial immaturity.

## Further Reading

Coffey (2019). Case Study Report – Cherehani. SPRING Evaluation, BPE – Cohort 3