

60 MFO Possibilities with Existing Franchisor

Industry	Brand, DBA	Franchisor	Investment \$\$	Origin	Extension
Agriculture					
Egg Production	Grameen	Grameen	\$1.5k	Bangladesh	2,000 egg producers
Honey Production	Honey Care Africa	Honey Care Africa	\$200	Kenya	7,800 honey producers, 2 countries
Dairies, Dairy Products	Amul	Amul	\$1k	India	10,000 cooperatives, 8,000,000 tiny dairies
Fish Farms	Grameen Motsho	Grameen	\$5k (natural water flow)	Bangladesh	600 ponds
Tropical Spices	ForesTrade	ForesTrade	\$100	Indonesia	500 producers
Soybeans	Unilever	Unilever	\$200 small hold farmers	Indonesia	25 producers supply soy sauce plant
Agri-Business					
Irrigation	Amanco	Grupo Nueva	\$5k	Costa Rica	800 reps
Food Processing					
Iodized Salt	Annapurna	Unilever		Ghana	8 producers, 400 retailers
Municipal Utilities					
Potable Water	Play Pumps	Play Pumps	\$5k – 10k	South Africa	500 units
Potable Water	Magitek	Magitek	\$6k	Tanzania	120 units
Potable Water	UV Water	WaterHealth		Philippines	100 units
Construction Materials					
Cement Blocks, Bricks	Cessa, Holcim	Cessa, Holcim	\$1k	El Salvador	35 units
Construction					
Residential Construction	Patrimonio Hoy	Cemex	\$0 (commission)	Mexico	500 promoters, 3 countries

Industry	Brand, DBA	Franchisor	Investment \$\$	Origin	Extension
Education					
Private Tutoring	Kumon	Kumon	\$1k to \$20k depending on the location	Japan	23,000 units, 44 countries
Computer Based Training	Aptech	Aptech	\$5k minimum	India	2,500 units, 30 countries
Language Schools	ALPS	Wizard	\$8k minimum	Brazil	1,500 units, 4 countries
English Tutoring	Ingles Individual	Ingles Individual	\$4k	Mexico	70 tutors
Health Care					
Retail Pharmacies	Maharlika Drug Stores	Academy for Creating Enterprise	\$2k minimum	Philippines	3 units, with additional replications planned place
Retail Pharmacies	Farmacias de Similares	Farmacias de Similares	\$4k to \$10k depending on the country	Mexico	3,400 units, 8 countries
Retail Pharmacies	Health Stores (CFW)	Health Stores Foundation (SHEF)	\$1,700 - 2k	Kenya	80 units
Reading Glasses	Scojo	Scojo	\$0 (consignment model)	El Salvador	200 units, 5 countries
Medical Clinics	Janini	Janini	\$5k	India	260 clinics
Information, Comm, and Entertainment Technology					
Retail Cell Phones	Cellular City	Cellular City	\$8k	Philippines	27 units
Pay Phones	Grameen Village Phone	Grameen Technology Center	\$300	Bangladesh	250,000 phones, 3 countries
Pay Phones	Vodacom	Vodafone	\$3.7k	South Africa	5,000 units
Internet Kiosks	n-Logue	n-Logue	\$1.2k	India	2,700 units
Internet Kiosks	Drishte	Drishte	\$1.5k	India	550 units
Community	OneRoof	OneRoof	\$5k	India	

Industry	Brand, DBA	Franchisor	Investment \$\$	Origin	Extension
TeleCenters					
Business Services					
Ink Refilling	Ink Patrol USA	Academy for Creating Enterprise	\$2K minimum	Philippines	1 unit, about to be replicated
Courier Services	Desk to Desk	Desk to Desk	\$2.3k	India	3,000 units
Courier Services	Blaze Flash	Blaze Flash	\$500 - 1.6k	India	210 units
Handbill Advertising	Casa por Casa	Casa por Casa	\$3k minimum	Mexico	18 units
Contract Cleaning	Jani King	Jani King	\$5k	US	7,500 units, 40 countries
Apparel, Textiles					
Denim Jeans	Ruff n Tuff Jeans	Arvind Mills	\$1k	India	4,000 tailors
Textile Products	Gamarra Merchants Association	Gamarra Merchants Association	\$200 per year, existing businesses	Peru	750 manufacturers, retailers
Textile Weaving	Grameen Uddog	Grameen	\$100	Bangladesh	4,500 weavers
Consumer Non-Durables					
Consumer Products	Unilever	Unilever	\$200 (kiosk or mobile sales)	India	145,000 units, 3 countries
Consumer Durables					
Cooking Stoves	Shell Breathing Space	Shell Foundation & Partners	\$1k	Guatemala	1,000 micro enterprises, 8 countries
Sleep Centers	Dormi-mundo	Dormi-mundo	\$10k minimum	Mexico	120 stores
Solar Photovoltaics	Shell	Shell	\$8k	Thailand	1,000 installers, 5 countries
Solar Photovoltaics	Grameen Shakti	Grameen	\$200	Bangladesh	40 installers, maintenance technicians
Solar Photovoltaics	Temasol	Temasol	\$1,500	Morocco	31 installers, maintenance

Industry	Brand, DBA	Franchisor	Investment \$\$	Origin	Extension
					technicians
Food Service					
Flavored Ice	Tropical Sno	Tropical Sno	\$7k minimum	US	5,500 units, 35 countries
Flavored Ice	Hawaiian Paradise	Hawaiian Paradise	\$5k	Mexico	367 units
Frozen Confections	Paeteria La Michoacana	Paeteria La Michoacana	\$2k minimum	Mexico	16,000 units 4 countries
Ice Cream	Holanda	Holanda	\$5k	Mexico	600 units
Bakeshops	Julies	Julies	\$8k	Philippines	300 units, 2 countries
Snack Foods	Nacho King	Nacho King	\$500	Philippines	400 units
Snack Foods	Lijjat	Lijjat	\$200	India	25,000 producers, 15 countries
Snack Foods	Yogur Tito	Yogurt Persa	\$6k	Ecuador	10 units
Retail Beverages	Coca-Cola Kiosks	Coca-Cola	\$700	South Africa	1,850 units
Personal Care Items					
Cosmetics	O Boticario	O Boticario	\$5k minimum	Brazil	2,400 units, 3 countries
Cosmetics	Avon	Avon	\$100	US	750,000 Sales agents, 75 countries
Cosmetics	Natura	Natura	\$100	Brazil	400,000 sales agents
Personal Services					
Digital Photography	HP Village Photographer	HP	\$1.3k	India	100 units, 3 countries
Barbershops	Reyes	Reyes	\$5k	Philippines	200 units, 2 countries
Financial Services					
MicroFinance	UMU	Accion	\$3k	Uganda	125 agents (many are pharmacists)
MicroFinance	Pride Africa	Pride Africa	\$8k	Kenya	250 units, 5 countries
Mobile Banking	M-Pesa	Vodafone	\$200, existing retailer	Kenya	10 agents

Industry	Brand, DBA	Franchisor	Investment \$\$	Origin	Extension
Specialty Retail					
Florists	Ferns 'n Petals	Ferns 'n Petals	\$9k	India	32 units

NOTE: Many other small food service franchises based on carts or kiosks exist in nearly every developing country where the franchise business model has achieved some degree of market penetration. Additional small courier service franchises exist in India. Networks of business service centers exist in many major cities. Many solar photovoltaic systems are growing around the world, creating sub-contracted installer/maintenance positions. The MicroFranchises listed above are only a representative sampling of the extant networks.

47 MFO Possibilities Ready for Franchisor Development

Industry	Investment \$\$	Key Partner
Agriculture		
Integrated Small Scale Agriculture	\$2k	Benson Institute, UT
Plant Nurseries	\$2k	
Coconut Oil Production	\$1k	Coast Coconut Farms, Kenya
Mushroom Cultivation	\$4k	
Agri-Business		
Retail Agricultural Inputs	\$2k	Seed Programs International, CA
Agricultural Spraying Services	\$6k	
Ethanol Distillation for Household Cooking Fuel	\$10k	Shell Foundation, UK
Composting Service	\$2k	
Food Processing		
Butcher Shops	\$2k	
Cooking Oil Seed Pressing	\$1k	Kick Start, CA
Grain Mills	\$5k	
Solar Dehydrators	\$4k	
Nut Butter Presses, Packaging	\$5k	
Jam and Pickle Production	\$3k	
Municipal Utilities		
Clean Water Bottling	\$8k	KX Industries, CT
Solar Ice Plants	\$12k	
Construction Materials		
Cement/Soil Block Manufacturing	\$1k	Kick Start, CA
Crushed Stone	\$8k	
Construction		
Welding Services	\$3k	

Industry	Investment \$\$	Key Partner
Plumbing Contractors	\$5k	
Electrical Contractors	\$6k	
Painting Contractors	\$4k	
Transportation		
Taxis	\$2.5k	Fort & Rojas, Peru
Pedicabs	\$700	
Education		
Private Lending Libraries	\$5k	
Health Care		
Itinerant Nurse/Pharmacists	\$1k	Health Stores Foundation, CA
Information, Communication and Entertainment Technology		
Internet Cafes	\$10k	I Direct, VA
DVD Movie Theaters	\$2k	
Disk Jockey Party Services	\$1.5k	
Clown Party Services	\$300	
Business Services		
Insurance Agencies	\$2k	Fort & Rojas, Peru
Tool Rental	\$1k	
Accounting Services	\$2k	Dell, Intuit, TX, CA
Electro Mechanical Repair Shops	\$4k	
Auction Services	\$2k	
Bicycle Repair Shops	\$2k	
Solar Battery Charging Stations	\$4k	
Apparel		
Apparel Remanufacturing	\$2k	Goodwill Industries, MD
Consumer Durables		
Kit Assembly Furniture	\$3k	
LED Interior Lighting	\$4k	
Food Service		
Bakeries	\$8k	Nova, Peru
Personal Services		
Beauty Parlors	\$4k	
Laundromats	\$4k	Speed Queen
Public Showers	\$6k	
Oriental Foot Massage	\$1k	Franchise exists in Philippines
Specialty Retail		
Retail Technology	\$2k	The Sustainable Village, CO
Hardware Stores	\$5k	

Possible Solutions to the High Capital Requirement Problem

- Fractional ownership. Two or more people own percentages of a single unit location. One or more of the partners could be an investor as opposed to a traditional MFI client or their family.

- Mentored ownership. Location starts as a company store. Manager acquires the unit over time through an earn out.
- Leveraged financing. MFI starter loan buys down the risk for a local financial institution who supplies majority funding. Typically, the franchisor will arrange this local financing and offer it to potential franchisees as a bundled package.
- Collateralized financing. If a particular franchise is managed and promoted well enough that the local loan is perceived as collateralized, potential franchisees in the developing world will be able to access traditional financing from local financial institutions.
- Franchisor financing. Brazil's Wizard, for example, finances many of its own units. Furthermore, when a franchisee wants to sell out, Wizard will buy back a franchise and run it as a company store temporarily to protect the territory.
- Grant/loan combination. With international development funding, award grants for part of the location start up cost to franchisees who demonstrate capacity.

For more detailed explanations of financing options, see Kirk Magleby, "Financing MicroFranchise Networks", part of the forthcoming *MicroFranchise Toolkit* to be published by the MicroFranchise Development Initiative, Center for Economic Self-Reliance, Marriott School, BYU.

Sources for additional MFO Possibilities

In the developing world, the franchise business model is most advanced in:

- Mexico
- Brazil
- The Philippines
- Thailand
- India
- South Africa

All of these countries have national franchise associations affiliated with either the International Franchise Association, IFA or the World Franchise Council, WFC. Networking with these associations, it will be possible to identify many more existing MicroFranchise Opportunities. In many cases, working with existing local franchisors will help them see the value in creating a scaled-down brand specifically to go down market and address their own BOP constituency.

The best published list of MicroFranchise Opportunities is Stephen W. Gibson and Jason Fairbourne, *Where There Are No Jobs, Volume 4, The MicroFranchise Handbook* (Provo, UT: The Academy for Creating Enterprise, 2005). Future editions of *The MicroFranchise Handbook* will contain more MFO's.

Acronym Index

- BOP base of the (income) pyramid, also bottom of the pyramid
 BYU Brigham Young University
 DBA doing business as, brand

IFA International Franchise Association
MFI MicroFinance Institution
MFO MicroFranchise Opportunity
SHEF Sustainable HealthCare Enterprise Foundation
UMU Uganda MicroFinance Union
WFC World Franchise Council

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For analysis and context on the worldwide MicroFranchise phenomenon, I recommend my paper, “MicroFranchises as a Solution to Global Poverty” available for download in English here: <http://www.omidyar.net/group/poverty/file/7.35.11055472357/> and in Spanish here: <http://www.omidyar.net/group/poverty/file/3.15.11188136153/>