

COVID-19 Learning Series

THE ROLE OF ENTREPRENEURS IN SUPPORTING
NUTRITION SERVICES DURING THE PANDEMIC

CASE STUDY 3

Sky Brands,
Zimbabwe



Author

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This document is a part of the ENN COVID-19 Learning Series (www.ennonline.net/C19LearningSeries). This series comprises:

1. **A survey report** outlining the results of a survey collecting information from ENN's network on topics still underrepresented within the available learning regarding the COVID-19 pandemic and nutrition services in low- and middle-income countries (www.ennonline.net/C19LearningSeries/ScopingSurvey). The results of this survey informed the following work.
2. **Four case studies and a synthesis document**, focusing on the role of entrepreneurs in supporting nutrition and health services during the pandemic.
 - **Case study 1: Western Stone Enterprise**, a woman-led business that produces peanut paste, sesame paste and other value-added agricultural products in Kenya (www.ennonline.net/C19LearningSeries/CS1).
 - **Case study 2: Adeck Juice Bar**, an all-

natural smoothie bar run by a young entrepreneur in Dar es Salaam, Tanzania (www.ennonline.net/C19LearningSeries/CS2).

- **Case study 3: Sky Brands**, a food processing company specialising in biofortified products in Zimbabwe (www.ennonline.net/C19LearningSeries/CS3).
 - **Case study 4: Solvoz**, an open-access digital procurement platform connecting humanitarian organisations and local suppliers (www.ennonline.net/C19LearningSeries/CS4).
 - **Synthesis report:** a short summary of the key learnings from the four case studies relevant for nutrition practitioners (www.ennonline.net/C19LearningSeries/CS_synthesis).
3. **A report of practitioners' experiences** of the impact of the COVID-19 pandemic on the number and demographics of people accessing nutrition services in low- and middle-income countries (www.ennonline.net/C19LearningSeries/Practitioner_Survey).





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Background

This is the third case study in a series of four, focusing on the role of entrepreneurs in supporting nutrition and health services during the COVID-19 pandemic. This article tells the story of Sky Brands, a youth-run social entrepreneurship company in Zimbabwe. It highlights how the company continued to promote access to nutritious and safe diets during the pandemic and how the closure of schools impacted its ability to do so. We hope that this story can help highlight how nutrition practitioners and organisations working in the nutrition sector and social entrepreneurs can support one another in meeting the nutrition goals of the communities they serve.

In 2017, two young Zimbabwean social entrepreneurs, Tinashe Mbiriri and Takudzwa Gahadza, decided to launch Sky Brands with the vision of using biofortification to contribute to the fight against hidden hunger (i.e., the presence of multiple micronutrient deficiencies, particularly iron, zinc, iodine and vitamin A) and malnutrition. The company focused on the procurement and processing of biofortified crops, mainly vitamin A-rich maize, orange flesh sweet potato

and high iron beans, subcontracting farmers to grow these products. The company received technical support and start-up funding from various institutions, including EmpowerBank, and technical, logistical and marketing assistance from HarvestPlus,¹ under the UK Government-funded Livelihoods and Food Security Programme (LFSP). The LFSP aimed to contribute to poverty reduction through increased agricultural production, enhanced incomes and improved nutrition security for smallholder farmers, with biofortification proving a key strategy in this regard. This assistance helped shape the Sky Brands approach to biofortification and its business model.

In 2013, the Government of Zimbabwe launched a national fortification strategy in order to reduce the prevalence of micronutrient deficiencies in the country. Subsequently, biofortification was incorporated into the strategy and within the National Agriculture Policy Framework 2019–2030, with the aim that by 2020, 400,000 smallholder farmers would be growing and

¹ <https://www.harvestplus.org/>

consuming biofortified crops in the country.² Linked to these efforts, Sky Brands plays an important role in the next stage of the value chain by procuring, processing and subsequently marketing and selling these biofortified crops.

Sky Brand's business model before the pandemic

Sky Brands began operations in the processing of biofortified and traditional foods in February 2018 with a range of products including vitamin A orange maize, pearl millet, finger millet, sorghum, traditional dried vegetables and NUA45 beans (a high iron bean variety). As noted above, the initial business model focused on buying these products from small-scale farmers (thereby improving their access to markets and their livelihoods).

While nutrition was of paramount importance to Sky Brands' owners, they realised that they also needed to appeal to other motivations of their consumers. As a result, they focused on how best to market their products and developed a tag line – 'the unusual combination of healthy and tasty' – and emphasised convenience in the use of their products. For example, the high iron beans were developed into instant bean products and marketed as an energy saving food – a welcome advance for many Zimbabweans in the light of the regular electricity cuts in the country. The company has further stressed the need to make healthy foods affordable at appealing price points for consumers. This was particularly important in Zimbabwe, which has experienced hyper-inflation for a number of years. Additional products, such as orange sweet potato crisps, were sold as convenient, healthy products that could be consumed 'on the go'. Porridge flavours were tested in order to make orange maize meal as palatable as possible. Interestingly, the company also needed to overcome the historical stigma surrounding biofortified food and the link to food aid in the country. For many years, Zimbabweans have associated yellow maize meal (a change from their traditional white maize) with drought relief efforts, and hence there was a concern that consumers would not accept vitamin A biofortified orange maize because of its similar appearance to yellow maize. In order to counteract these negative perceptions, Tinashe and Takudzwa focused on ensuring a tasty product and explaining the benefits of consuming biofortified products through online media campaigns and their website. As a result of these efforts, many consumers began to choose orange maize meal over more traditional white maize meal.

Sky Brands initially focused on targeting schools, linking with school feeding programmes as well as focusing on supermarkets and local food shops. They also aimed to supply hospitals with biofortified foods in



A social media post from Sky Brands promoting their instant beans

order to reach vulnerable groups, particularly pregnant women. To further support its mission, the company set up a programme whereby a percentage of profits was donated so that orange porridge and mealie meal could be freely supplied to schools in rural areas, where children often go to school hungry.

One of the key challenges faced by Sky Brands is the fact that white maize is subsidised by the government and therefore sold below production cost. The vitamin A-enriched orange maize is not afforded the same benefits. As a result, Sky Brands has struggled to offer competitive pricing. Sky Brands' owners, together with organisations such as HarvestPlus, have spent a considerable amount of time lobbying the government to influence policy in this regard, while at the same time promoting the product, though results have yet to be seen. More work is needed in order to demonstrate the benefits of biofortified crops at various levels and for such crops to be included among state-subsidised products.

² Muvhuringi, PB and Chigede, N. Trends in production and consumption of selected biofortified crops by rural communities in Zimbabwe. *Cogent Food & Agriculture*. 2021; 7:1894760.



The problem

In March 2020, Zimbabwe entered a national lockdown to try and control the spread of the COVID-19 pandemic. Fortunately, Sky Brands fell under the category of essential services and was allowed to continue operating. However, like many businesses, it faced plummeting consumer demand. With schools closed, it was unable to sell its products to its typical target market. Supermarkets and shops also limited their purchases of Sky Brands products, citing concerns for the vulnerability of their own businesses.

The pandemic could not have come at a worse time for the business, as it had just transitioned to a growth stage, scaling up production with funding from EmpowerBank. Additionally, the company ran behind schedule in preparing for the purchase of grain from farmers, and production prices increased as packaging needed to be imported from China, which was impacted by the disruptions to global supply chains.

The response

Despite the challenges caused by the pandemic, Sky Brands quickly shifted to new ways of working:

- It focused on door-to-door sales rather than the previously targeted schools, supermarkets and food shops, and developed an online store where people could order directly.
- It further amended its marketing strategy, moving to digital marketing with an increasing focus on social media.
- Given that the pandemic changed people's purchasing power, the business decided to shift the target market to focusing on a high-income market as an interim measure. Instead of the previous more broader target market, it concentrated on establishing its products as niche products targeted at people who are health

- conscious. The owners hope that as time goes on, they will be able to shift back to the focus on lower-income groups as well, when they have more buying power and the company is in a more secure financial state.
- As a result of this, the company has also shifted from a focus on school settings to high-profile retailers in order to improve their reach.

These alterations in strategy occurred after the first wave of the pandemic in the country. As the country has gone through subsequent waves, the company has demonstrated its ability to quickly adapt to a changing environment and has continued to work in an uncertain economic world.

Lessons learnt

As highlighted above, the COVID-19 pandemic caused a change in the ways of working at Sky Brands, and an important learning in this regard was the need to be flexible and adaptable in order to develop a resilient business model. In July 2020, the company reviewed its business model and reflected on the new reality it was operating in. Some key aspects highlighted in this review included:

- Given the challenge of competing with the cheaper white maize, Sky Brands originally attempted to match the price of orange maize to white maize pricing structures, resulting in a sub-optimal economic structure for the business. Following a detailed analysis of its financial structure and given the COVID-19 climate, Sky Brands adapted its business model, increasing the price and focusing more on higher-income clients (as noted above). Such a shift was important to keep the company afloat and to

expand its client base. Having biofortified products marketed to high-end customers may also have unintended positive consequences, reducing the stigma and association of the product with food aid and drought relief efforts. While the aim continues to be on targeting people at risk of hidden hunger who tend to, as a generalisation, fall into the middle- and lower-income brackets, broadening out the customer base will likely offer a positive shift in supporting marketing efforts and making the company more profitable.

- Sky Brands currently outsources the processing of commodities to other facilities. This provides a low-cost structure but also has left the company vulnerable to processing cost fluctuations in an environment of hyper-inflation. It is hoped that when more capital is available, the company can lower its reliance on outsourcing models.

Conclusion

The story of Sky Brands and how it rapidly adapted ways of working due to the COVID-19 pandemic offers many lessons for nutrition practitioners and organisations working in nutrition. There is only so much that can be achieved in the not-for-profit space due to issues of scale. Working with the for-profit sector is becoming increasingly important to reach populations in need of nutrition products and services. Such entities have the drive and vision to reach customers in innovative ways, with a focus truly on what customers' needs, motivations and desires are. They thus potentially have the power to become critical partners in efforts to reduce micronutrient deficiencies and malnutrition. But they cannot do it alone. As Tinashe has noted, it takes all industries, governments, donors and academics to solve the challenge of hidden hunger and

malnutrition, and it is important to collaborate with all entities in these efforts. As much as the company is a for-profit entity, the aim of Sky Brands, in Tinashe's words, is to 'contribute significantly to the nutrition revolution and provide an additional voice to promote healthy eating and living'. Tinashe and Takudzwa have noted that it has been challenging finding investors and partners who share the same passion and vision for providing access to healthy foods as they do and that understand the language of health and nutrition. Those in the nutrition space can play a greater role in promoting collaboration and partnerships between not-for-profit and for-profit actors to strengthen efforts towards this vision and ensure that ultimately there is a much greater impact on nutrition outcomes for communities in need.

More information about Sky Brands can be found on their website (<http://skybrandsafrica.com/>) or on their social media accounts on Twitter and Instagram: @BrandsZw & @skybrands18



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