



YouthWORKS Microfranchising Initiative



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YouthWORKS Project Sierra Leone

A New Approach

- ◆ 70% youth unemployment
 - ◆ A need to focus on Job Creation
- ◆ Typical skills training programs in Sierra Leone ineffective in linking youth to labor market
 - ◆ Saturate the market in specific trades (tailoring, hairdressing, carpentry)
 - ◆ Poor quality and not inclusive of transferable skills (business skills)
- ◆ Youth lack the confidence, skills and connections to the private sector to become entrepreneurs





YouthWORKS – Startup

- ◆ Youth Selection
 - ◆ Linkages with youth serving organizations
 - ◆ Criteria Established
 - ◆ Questionnaire distributed

- ◆ Business Selection
 - ◆ Criteria Established
 - ◆ IRC Staff input
 - ◆ Youth Led Feasibility Survey

- ◆ Final Selection
 - ◆ 50 youth Kenema, 50 youth in Freetown
 - ◆ 4 businesses in Kenema, 3 in Freetown





YouthWORKS Approach- Business Skills

- ◆ Provide selected youth franchisees with business skills training
 - ◆ Street Kids International
 - ◆ Introduction to Microfranchise concepts

- ◆ Provide youth with market analysis and business plan training
 - ◆ Review feasibility survey
 - ◆ Choose franchise
 - ◆ Comprehensive business plan inclusive of location choice, operating costs etc.





YouthWORKS Approach- Direct Linkages to Businesses

- ◆ Youth presented business plans to franchisors for feedback
 - ◆ Meetings held at franchisors
- ◆ MOUs signed between IRC-Youth-Franchisor
 - ◆ Individual meetings once a month with businesses to review financial records
 - ◆ Business will provide branding support
 - ◆ All three parties have responsibilities towards business success





YouthWORKS Approach- Financial Literacy

- ◆ Training with Pro Credit & First International Bank
 - ◆ How to establish and manage savings accounts
 - ◆ How to access loans

- ◆ Monthly Record Keeping
 - ◆ To be shared with both franchisors & IRC staff





YouthWORKS Approach- Bridging the Gap

- ◆ Business Startup
 - ◆ Part contributed by IRC

- ◆ First months products
 - ◆ Contributed by IRC
 - ◆ Reduced costs from franchisors

- ◆ Branding & Marketing Support
 - ◆ Provided by franchisors





Progress to Date

- ◆ Youth trained in business management skills
- ◆ Several meetings held between all three parties
- ◆ MOUs signed between franchisors and franchisees
- ◆ 100% of startup materials purchased and youth are in business and 100 youth still engaged in business
- ◆ 60% of youth have opened savings accounts
- ◆ Refresher trainings taking place





Lessons Learned

- ◆ Encouraging youth to think “outside the box”
 - ◆ Introduce youth and businesses earlier in the process

- ◆ Youth contribution to business startup promotes ownership
 - ◆ Taxes and other small costs

- ◆ Businesses were interested in participating in project
 - ◆ Larger as well as smaller businesses

- ◆ Building confidence in franchisee/franchisor relationship
 - ◆ Having the youth present their business plans early on in the process directly to franchisors allowed both the youth and the franchisor to feel more confident in the relationship and provide feedback in the early stages





Lessons Learned

- ◆ Information is key
 - ◆ Youth were ready and willing to set up savings accounts the missing link was access to information on how to do so

- ◆ Spending habits
 - ◆ The most valuable part of the business skills training for most youth was better understanding their spending habits and the differences between needs and wants

- ◆ Power of Youth Networks
 - ◆ The franchise groups have come together to form their own networks for problem solving and approaching franchisors with issues
 - ◆ Current franchisees are interested and capable of serving as mentors for future franchisees





What will Success Look Like?

- ◆ The number of youth still engaged in their business one year after their initiation
- ◆ Continuing and productive relationships between youth and franchisors
- ◆ The interest of current franchisors in continuing or expanding franchise relationships
- ◆ Effective money management of youth in terms of personal consumption, business expenditures and savings





Next Steps

- ◆ Continuous monitoring of youth & businesses

- ◆ Final evaluation
 - ◆ Scale up potential in size and geographical area
 - ◆ Bring in new franchisors, from within and outside SL

- ◆ Expansion of Sectors
 - ◆ Identifying other sectors for growth and potential franchise opportunities ie tourism, food production and health
 - ◆ Having youth the franchisees themselves determine sectors of interest







Understanding micro-franchises

IRC	Street Kids International
Literate youth with some experience in entrepreneurship	Street youth
NGO as “connector” - Connects to existing market actors	NGO as “creator” - Owns social enterprise
Franchisee-led	Franchisor/NGO-led





Based on the case studies...

- ❖ **What elements of the approaches used in the case studies would translate to the context in which you operate?**
- ❖ **What elements of the approaches used in the case studies would translate to the youth population with which you work?**
- ❖ **What barriers do you see to applying micro-franchising to your youth program?**

