

Microfranchise:
*ONE
PATHWAY
OF MANY*



A promising practice for
street involved youth

what we do

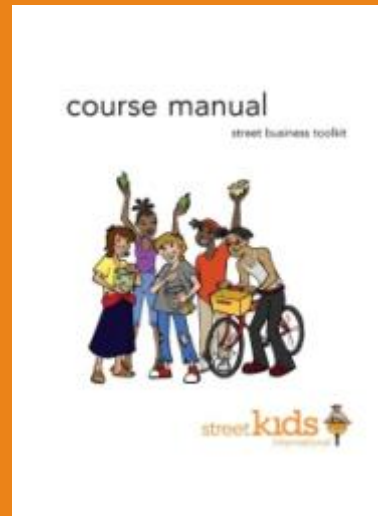
Street Kids International exists to create tools and strategies **to harness and build on the skills, knowledge and interests of street and street-involved youth** and transform them into the capacity to earn a decent liveable wage.

Why? Because most street-involved young people **simply need money.**

business and financial literacy training packages for street youth



street business toolkit: journey map



the power of stories



street **KIDS**
international



experiential learning activities



livelihood pathways



50% of youth end up taking this path due to lack of access to other, more secure, options

our approach

Our core belief is that, if empowered with skills, knowledge and experience, youth can identify livelihood opportunity and make a better life for themselves.

Yet...some challenges persist and make us question this belief.



the ongoing challenges

- Thinking “outside the box”
- Some youth are not entrepreneurs (only 1/10 are “naturals”)
- Youth difficultly understand the concept of “Value Added” and “Differentiation”
- Little experience with consistency
- Need ongoing support

Many of these challenges of SELF-EMPLOMENT are eliminated when youth are EMPLOYED.

a hybrid model : the best of both worlds?



the opportunity

1. Inbuilt training and support
2. Risk reduction for those youth who are not natural entrepreneurs as ideas are pre-tested
3. Inbuilt standardization and quality control
4. Innovation – Microfranchise can bring previously unavailable products or services to market

Youth Venture Initiative - Kathmandu, Nepal

- Typical livelihood projects teach youth crafts or encourage them to work in resale of general goods (lighters, bangles...) Revenues are very low.
- Street youth are highly stigmatized based on caste and homelessness and suffer low self-confidence.
- Youth take a longer than average amount of time to transition to self-employment.
- There exists little employment opportunity for street youth.

a stop-gap: Practice Business

What is it?

A TOT program supporting **NGOs to launch small businesses** run by youth

How does it work?

1. Youth are given equipment a “business in a box”
2. They are trained on operating and financial procedures.
3. Alone or in pairs they run the business for 2 weeks to 4 months, supported by the organization.
4. The money earned (after the initial capital investment is repaid) is saved for the youth to be used towards their own business after the practice business stage.

the result

Benefits:

- Acts as a bridge between training and independent business operation
- Huge gains in youth self-esteem and business readiness
- Youth make business errors in a supported environment
- Youth earn their own start up capital
- Experienced youth can train their peers
- Youth were able to apply learning

Successful businesses can be spun off as micro franchises

the result cont...

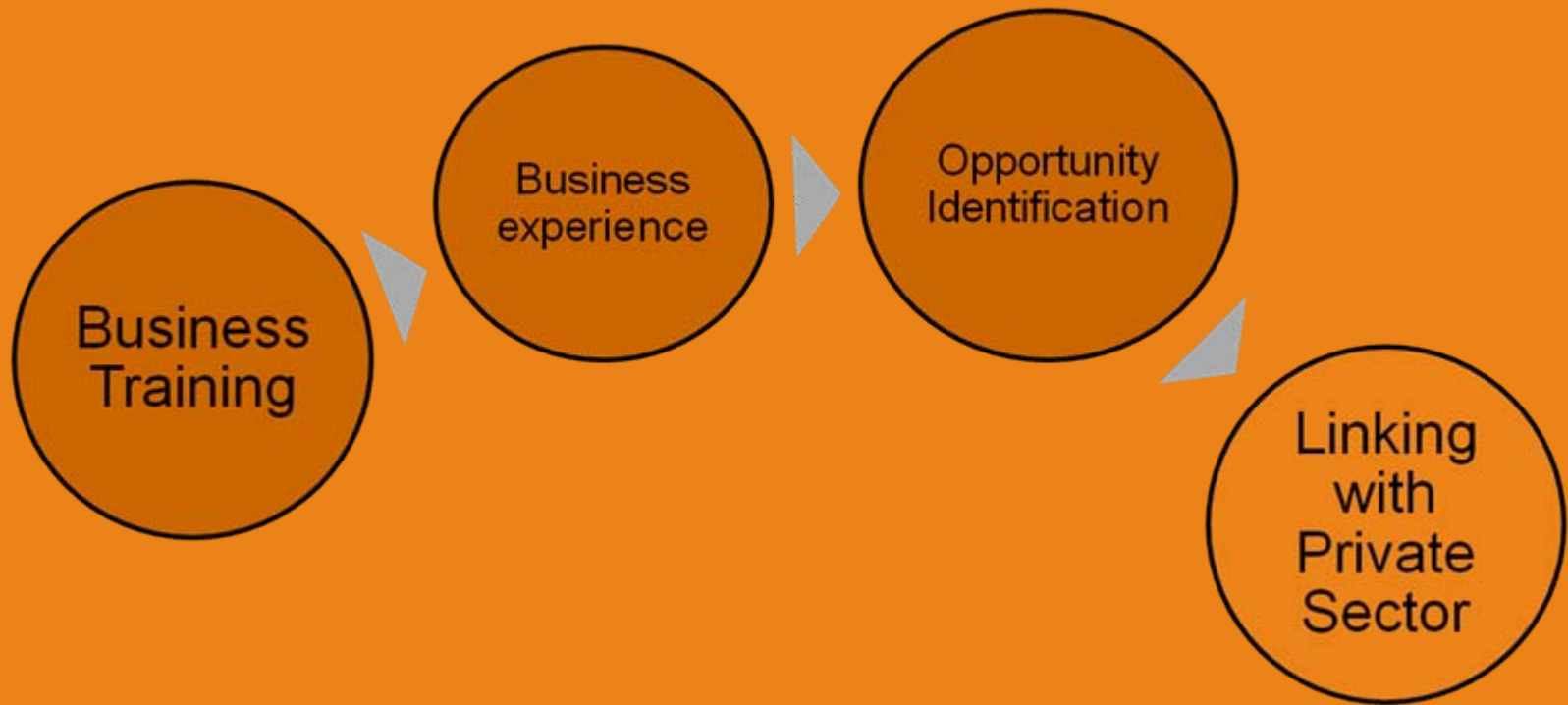
Lessons learned:

- In Nepal, due to the caste system and prevalent prejudice, companies do not want to associate their brand with street youth
- Micro franchise opportunities related to food will be more difficult to promote to companies
- Must approach companies with a solid **business plan** to sell the idea.

examples of practice businesses in Nepal



the challenge



What will success look like?

- Practice Business will prove to be an invaluable training ground and **proving ground** for youth
- Identification of a potential microfranchisor – could be a restaurant or producer
- Create a win/win situation for NGO and microfranchisor whereby youth eventually buy in to create their own opportunity

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