



mkono

2022 impact report

Word from our co-founders

For over 3 years, Mkono has empowered young Kenyan entrepreneurs to drive social and economic advancement through access to affordable loans and mentorship.

2022 was our most impactful year to date. In 2022, Mkono supported 27 entrepreneurs through our loan and mentorship offerings, notably issuing 20 loans (61 since inception) totaling ~\$16,500 CAD in proceeds (~\$50,000 CAD since inception). We also saw strong repeat usership with 25% of our entrepreneurs receiving at least two or more services from Mkono. We love being able to support entrepreneurs across the various stages of their growth journey.

Mkono played an important role in a year of rapidly changing global economic conditions. As entrepreneurs started to feel the impact of softening consumer demand, inflation and rising interest rates, they turned to our Mkono mentors for strategic advice and relied on our loans for critical affordable working capital. The resiliency of our entrepreneurs and their ability to drive positive impact in their communities fuels our purpose and validates our belief that economic empowerment is a powerful vector of change.

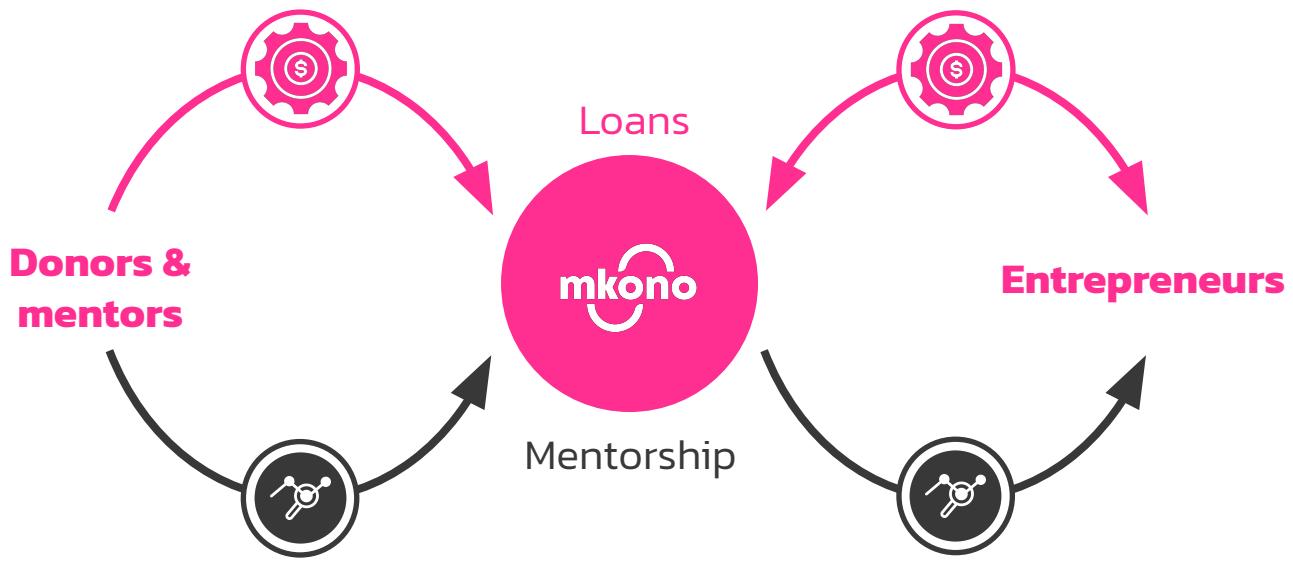
Operational sustainability was a key theme for our organization in 2022. We matured our operations, solidified our organizational structure, and improved our product offerings, setting us up to continue supporting our community of entrepreneurs and partners for the years ahead.

We're incredibly thankful for those who continue to make this impact possible, including our growing donor base and team of 30 volunteers and mentors. Your support and belief in our mission is what keeps us going and ensures that the entrepreneurs get the resources that they deserve.

We look forward to continuing this journey with all of you!

Anne-Sophie, Anthony & Olivier

Mkono is a non-profit organization that empowers Kenyan entrepreneurs with interest-free loans and mentorship



Loans

Capital is granted to entrepreneurs in the form of affordable loans. Loan repayment increases the capital's impact and creates a multiplier effect



Mentorship

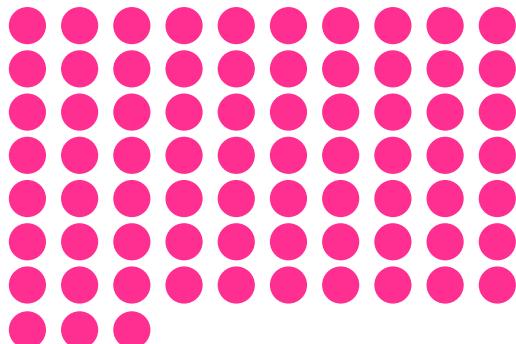
Insights are shared by Mkono Mentors, a global network of young professionals with relevant experience, with the entrepreneurs in the form of targeted mentorship calls

In partnership with local organizations

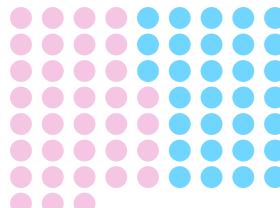
We best achieve our mission by partnering with local organizations – incubators and accelerators mainly. They help us (1) find high-potential entrepreneurs as they have already selected the most promising entrepreneurs and (2) maximize repayment rate as they promote on-time repayment

Microfinance done differently

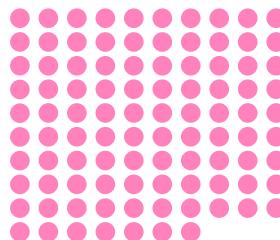
(since July 2019)



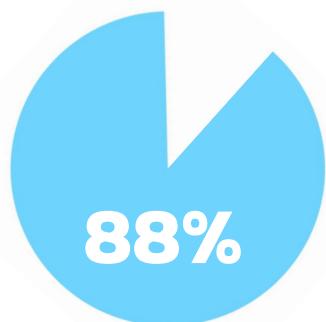
73 Entrepreneurs impacted
27 in 2022



66
20 in 2022
53% to women entrepreneurs



97
15 in 2022
Mentorship sessions



Lifetime repayment rate

4.5M KSH¹

Total loan volume

1.5M KSH¹
in 2022

84 NPS score

266K KSH
In interest saved²

110K KSH¹
in 2022

Thanks to our volunteers and generous donors, 2022 was our most impactful year yet.

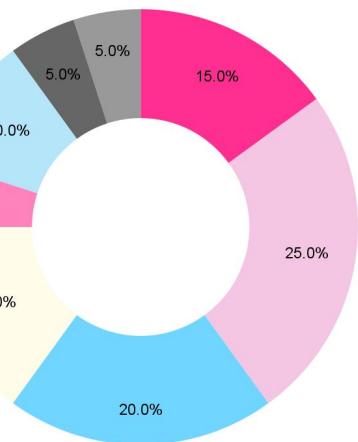
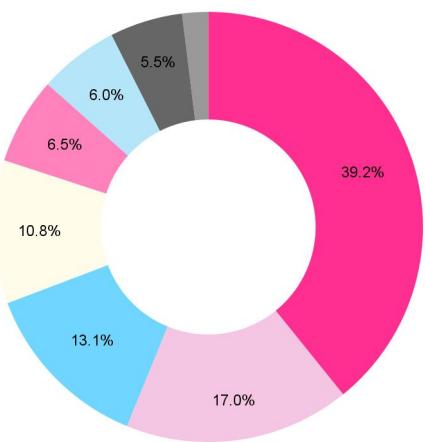
1. Represents ~\$16,500 CAD in 2022 total loan volume (~\$50,000 CAD all time) and ~\$820 CAD in 2022 average size of loan
2. Reflects 25% average interest rate range per annum; informed by discussions with entrepreneurs
3. Data as of March 2nd, 2023

2022: Loans issued

Loan volume (KSH)

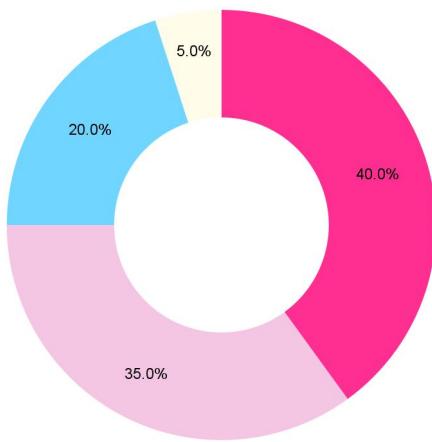
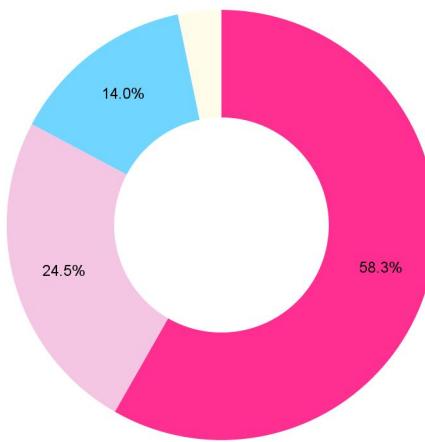
Number of loans

By business category



- Apparel
- Basic Goods & Personal Care
- Technology & Media
- Food & Beverage
- Construction
- Health & Wellness
- Agriculture
- Education

By use of proceeds



- New Equipment
- Raw Materials & Inventory
- Marketing & Branding
- Research & Training

Your donations at work

In 2022, Mkono **raised \$13,800 CAD** thanks to the support of our donors. A notable share came from our successful **summer Global Giving campaign** in which we received, in addition to the donations, ~\$2,500 CAD in matching funds from Global Giving. Our fundraising efforts in 2022 were more targeted, as demand for loans was impacted by the economic downturn, and our sustained 87%+ repayment rate allowed us to fund the majority of our loans from repayment of our existing loan portfolio.

This year, we decided to lay the foundation for future growth by bringing onboard our first paid role on the Operations team. We expect this investment to help us grow faster and more effectively in the future, while better serving our entrepreneurs. As a result, our administrative costs represented ~85% of our donations this year (vs. ~6% in 2021)¹. We expect this number to go down moving forward as we start reaping the fruit of our 2022 investments through better operational efficiency.

8X - That is the number of times that dollars lent are being reused for more loans through healthy repayment. **Simply said, \$1 in lending can create \$8 in total value.²**

Global Giving campaign



Thank you for your donations!

Donating	USD \$ 50
Provides cash flow for inventory	
Donating	USD \$ 100
Pays for critical business equipment	
Donating	USD \$ 250
Helps entrepreneurs expand their business	
Donating	USD \$ 500
Provides funding for a small loan	
Donating	USD \$ 1K
Provides funding for a large loan	

GlobalGiving

1. Excludes bad debt expenses, FX gains & losses and bank charges

2. Multiplier subject to repayment rates

1

Entrepreneur stories



Entrepreneur stories



Joyce Oundo: grew enrollment by 20%

Mercy Laura Daycare provides child caregiving and consultation services to low and middle income women in Kibera, Kenya

Loan: 30,000 KSH for marketing expenses and operational permits

Impact: Grew enrollment by over 20% and expects doubling in size in near future



Zia Bett: increased gross margin by 10%

Zia Africa is a clothing brand for the modern woman looking for high-quality, unique and bespoke pieces

Loan: 200,000 KSH for purchase of new machinery and higher quality fabric

Impact: Increased gross margin by over 10% by allowing for more premium pricing



Entrepreneur stories

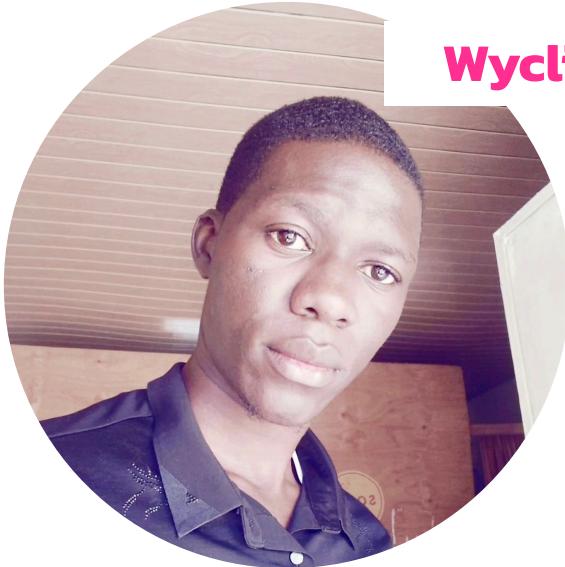


David Kioko: higher foot traffic by 60%

Panda LCS provides agro-inputs (e.g., seeds, fertilizer, etc.) and advisory services for small farmers in western Kenya to help them increase production and alleviate poverty

Loan: 84,000 KSH to build inventory and for radio advertisements ahead of rainy season

Impact: increased foot traffic by 60% and revenue by over 10% despite the rainy season



Wycliffe Otieno: 50% higher revenues

Dreamers High Computer Services offers affordable computer training and services to individuals, schools and organizations

Loan: 30,000 KSH to buy a new printer and 70,000 KSH to buy 3 new computers

Impact: 2x computer training enrollment capacity and increased monthly revenues by over 50%



Entrepreneur stories - Repeat entrepreneurs



Alexis Juma: expanded production capacity by 10x



Kakia Oils produces plant-based oil skincare products for health and lifestyle. They also partner with smallholder farmers to support their production and market expansion

Loan: 50,000 KSH for product development training and access to advanced production space and equipment

Impact: Increased production capacity by ~10x to meet elevated product demand



Michael Kiwo: added 50 new customers

Pollucare Cleaners provides door to door garbage collection services to residents, hotels, and small businesses in Mombasa

Loan: 50,000 KSH to repurpose a three-wheeler (tuk tuk) for garbage collection

Impact: Added 50 new clients (now at 200 total) and grew monthly revenue by ~30%

Mentorship

Theme

Support



Brenda Manwah
Essence Springs

Marketing

Worked with Brenda to develop a stronger brand image and improve marketing efficacy by aligning her marketing, packaging, and media content



Winfred Kawira
Winnie's Wellness Space

Pricing

Worked with Winfred to evaluate her competitors' prices and implement a tiered pricing strategy by service offering



Customer Acquisition

Worked with Maureen to develop a subscription-based offering to increase her recurring customer base

Maureen Mutuku
Dream Cosmetics



Zia Bett
Zia Africa

Financial Management & Budgeting

Worked with Zia to build a financial forecast to improve near-term cash flow visibility and balance expense management with continued reinvestments into her business

2

Impact themes

1

Long-term partnerships: we are invested in the long-term success of the entrepreneurs

2

Addressing the financing gap: Mkono's affordable capital value proposition remains relevant

3

Support through economic headwinds: we remain committed to entrepreneurs in all circumstances

4

Social impact: while industry agnostic, Mkono works closely with businesses driving social impact



Long-term partnerships

At Mkono, we partner with our entrepreneurs for the long-term, working with them through multiple stages of growth. Our entrepreneurs return for additional loans and mentorship sessions, proving the value of our products..

I've been working with Mkono for the last 2+ years, where I've taken out 3 loans and have had multiple mentorship sessions. They helped me navigate COVID-specific issues, implement new product and marketing strategies, and explore longer-term export strategies. Mkono understands your goals. They are with you every step of the way, guiding you, supporting you and providing you with financing when needed.



Alexis Juma
Kakia Oils

I am extremely grateful for Mkono. When I took out my first loan, in April 2021, I was one employee. Now, I have 9 employees. Thanks to Mkono's continuous mentorship and financing resources, I've experienced strong growth in a short period of time. Going forward, I am aiming for 100 employees, and will continue to have a great partnership with Mkono as I work towards that goal.



Zia Bett
Zia Africa



Addressing the financing gap

Alternative financing sources to Mkono are expensive, tedious and relatively inaccessible for most entrepreneurs in Kenya. This reinforces the fundamental issue that Mkono set out to address: the financing gap for SMEs.

I used to get funding from various formal mechanisms, like banks. As a small, seasonal business, it became very difficult to manage such high interest payments and strict repayment rules. These interest payments were eating into my profits, and I had to dispose of assets to pay them off. As a result, I really struggled to grow my business. I am incredibly thankful to have found Mkono.



David Kioko
Panda LCS

Apart from organizations like Mkono, the only real alternative for most businesses is to go to the bank for a loan. This is a very tedious process and interest rates are quite high (20%+). Moreover, with bank loans, you are subject to very strict repayment rules, where late repayment can result in the seizure of assets and no access to future capital.

Michael Kiwo
Pollucare Cleaners



Support through economic headwinds

Faced with high inflation and a rising threat of global recession, Mkono has helped entrepreneurs prepare and adapt to the changing economic landscape. When costs of capital are rising and demand is softening, Mkono is there.



The new smaller packaging that I funded with my Mkono loan has also helped prepare my business for an environment of high inflation and potential recession. In a recession, consumers are more hesitant to spend. Having smaller packaging and a lower entry price point is better for this. The packaging is also cheaper, which makes it easier for me to absorb other price increases.



Alexis Juma
Kakia Oils



Zia Bett
Zia Africa

Facing a potential global recession, my business is more at risk since clothing is more of a discretionary good. As part of my de-risking process, I have focused my attention more on existing customers and have adopted strategies like loyalty programs and discounts to better churn through excess inventory. Mkono's mentorship sessions initially helped me think through and establish these programs.





Social Impact

Mercy Laura Daycare provides access to affordable childcare



While raising her daughter, Joyce realized that her community of Kibera – a lower-income neighborhood in Nairobi of over 1 million residents – faced a serious problem: lack of access to affordable childcare. **Without such services, children were more likely to suffer from developmental shortcomings and be exposed to dangerous environments**, while their parents and guardians were robbed of employment opportunities. Joyce founded Mercy Laura Daycare to provide child caregiving and consultation services for low-income women.

Mercy Laura has 3 dedicated caregivers (including Joyce), is open 24 hours a day, provides its children with warm and freshly prepared meals, and utilizes a “learn through play” curriculum with activities such as coloring, painting and sports. By providing access to affordable childcare, Mercy Laura **supports the holistic growth and development of children and helps their mothers** complete their education, return to work, start new businesses, and grow their income.

The daycare has **served over 30 children so far, helping each mother increase her income by up to 50%**. Now facing such high demand for her services, Joyce is planning to open a second branch in a neighboring community and eventually plans to open an education center for children of all ages.



Social Impact



Panda Livestock And Crop Services Tackles Poverty

After spending 28 years as a veterinary technician, David noticed that many local farmers in his small rural community of Port Victoria, Kenya, lacked the specialized knowledge and necessary agro-inputs needed to efficiently care for their livestock and crops. David founded Panda Livestock and Crop Services in 2019 with **a mission to alleviate poverty and improve the economic welfare of his community by providing access to essential agro-inputs** (e.g., seeds, fertilizers, veterinary products, etc.) **and functional training** needed to minimize crop failures and improve livestock health.

David has **deep relationships with many of his customers**. People often come to him with pictures of their sick livestock and samples of their failing crops for guidance. He hosts a local radio talk show to advise on sustainable husbandry practices. Moreover, he frequently visits his customers at their homes to treat their animals and offer unique insights and customly-tailored strategies.

Today, David **serves over 1,000 farmers** per month and that number is increasingly growing. Given Kenya's challenging erratic weather patterns relatively narrow rainy seasons, his work is critical. He is championing his community's fight against poverty, one household at a time.



3

Other news

Our partners

Our work wouldn't be possible without our local partners – primarily incubators and accelerators – who share our values for affordability and empowerment. They play a **critical role in helping us identify the entrepreneurs with the highest impact potential** and **minimize our risk** by helping us in the loan review and repayment processes, creating a virtuous circle of support for entrepreneurs.



*Academy for
Entrepreneurs*

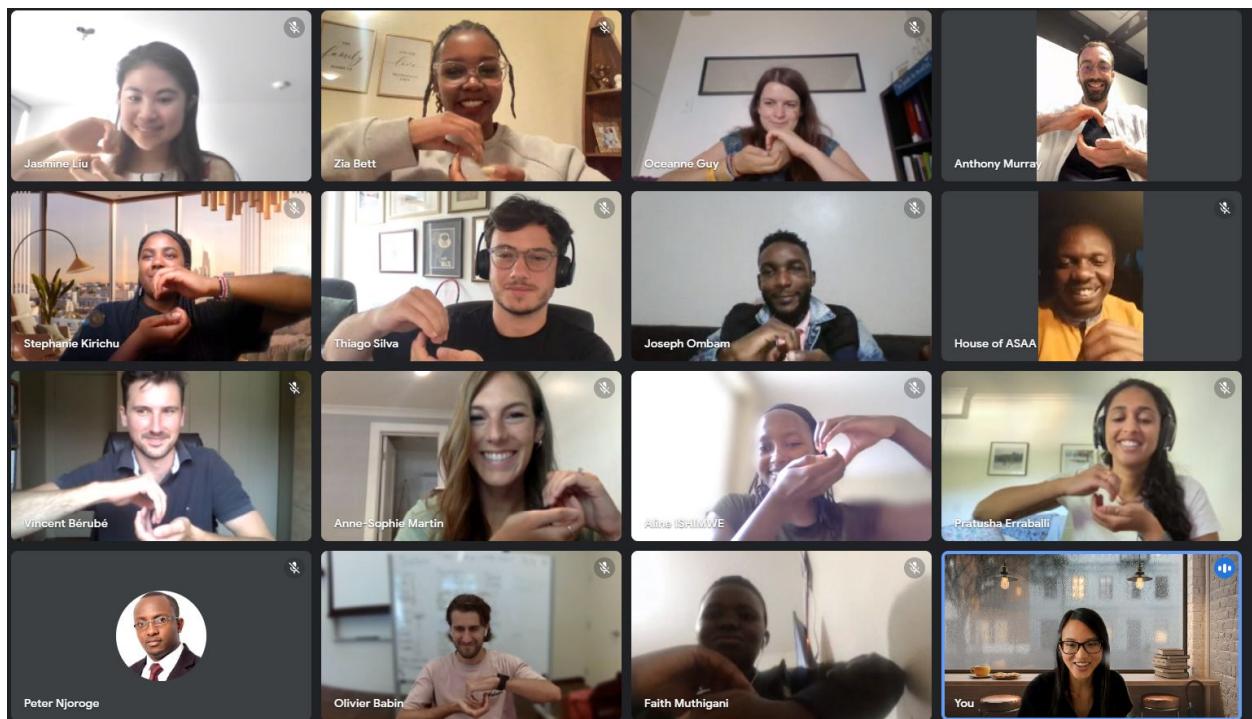
In 2022, we added 1 **new partner, the Gemba Academy for Entrepreneurs**. We are also in touch with many other organizations and will be announcing new partnerships soon.

Our team

The strength of our organization comes in great part from our amazing team of volunteers who contribute their time and expertise to growing our impact.

Our **20 core team members** and **11 mentors are young professionals** with a range of experiences including consulting, finance, accounting, marketing, legal, engineering, and startups. Our team is also **well balanced with 50% being represented by women** at both leadership and team-wide level.

The two most important changes to our team this year were (1) **the change in CEO leadership** – see more details in the next page – and (2) **the addition of a first paid role** to help us streamline our operations.



Team event in June with two entrepreneurs as guest speakers

We are hiring! Contact jasmine@mkono.org to learn about our open roles.

Our new CEO – Stephanie Dowling



Early in 2023, we welcomed our new CEO, Stephanie Dowling.

Stephanie brings extensive experience working on health-related matters for the African continent. After completing her Bachelor in Global Affairs and Master in Public Health from Yale, she joined the Clinton Health Access Initiative to support pediatric HIV programs and was recently promoted Associate Director.

She has lived in and supported ministries of health in Eswatini, Malawi, and Kenya, and is eager to return to Kenya in the near future to support Mkono's efforts on the ground.

Anthony, our former CEO, has decided to step down for personal reasons and is excited to remain involved with Mkono as Board Member. We are thankful for Anthony's dedication and exceptional leadership. He and Stephanie will ensure a smooth transition.

Lessons Learned from 2022

1

Open application model: Since many of our entrepreneurs' business needs cannot be "timed", our cohort model was not optimal. As a result, we transitioned to a more fluid open application model to better align our services with entrepreneurs' capital needs

2

Flexible repayment terms: Our relatively quick repayment timeline can limit the scope of what entrepreneurs can do with our loans. As a result, we pushed the first repayment out by a month for newly issued loans to provide entrepreneurs with greater flexibility and opportunity

3

Increased loan size: As our entrepreneurs businesses continue to grow, so do their capital needs. Recognizing that we can add a lot of value by growing alongside our entrepreneurs, we increased our loan limit to 300,000 KSH and amended our repayment period on these larger loans to 12 months

Ways to get involved

Join the team

We are hiring! Drive social impact by joining our team of energetic volunteers. Contact jasmine@mkono.org to learn about our open roles.

Become a mentor

Join a global team of mentors who connect with and support Kenyan entrepreneurs on their growth journey.

Partner with us

Do you operate an organization that supports local entrepreneurs? We would love to work with you. Contact joseph@mkono.org to start partnering.

Donate

Contribute to our mission by donating: any amount, small or big, makes a significant difference. Donate [here](#) for USD donations and [here](#) for CAD donations. If you have any questions about the value of your donation, contact community@mkono.org.

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