

LESSONS LEARNED FROM
WOMEN'S EMPOWERMENT FUND

BURN Manufacturing Co.



COMPANY PROFILE

YEAR ESTABLISHED
2011

COUNTRIES OF OPERATION
Kenya

TYPE OF ORGANIZATION
Stove manufacturer and distributor

FUNDING
Women's Empowerment Fund
Round 3



BURN is an eclectic group of designers, builders, and visionaries who are committed to making stoves that can transform lives and save forests. Our goal is to provide super fuel efficient stoves for the 2 billion people who will inhabit sub Saharan Africa by 2050.

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ORGANIZATION OVERVIEW

BURN Manufacturing Co. designs and manufactures some of the world's most efficient cookstoves, the jikokoa and the kuniokoa, to help millions of women like Mary by addressing the enormous environmental, health, and household economic challenges created by inefficient cooking. With more than 320,000 stoves sold to-date, BURN has revolutionized the clean cookstove sector by creating a market for high quality, locally manufactured, and unsubsidized cookstoves in East Africa.

BURN's success in East Africa has positioned it to be the leading cookstove company in Sub-Saharan Africa at a time when the charcoal market is rapidly growing—from the current \$12 billion to a projected \$17 billion by 2020. Over the next 10 years, BURN will manufacture 3.7 million improved biomass cookstoves that will save families \$1.4 billion, reduce CO2 emissions by 21.3 million tons, and save 123 million trees while creating more than 300 local design and manufacturing jobs.

STORY SPOTLIGHT: MARY KAMAU

Mary farms food to feed her five children, and previously spent 60 KSH per day on tins of charcoal for cooking. When a BURN agent visited her chama to demonstrate a jikokoa, Mary says that everyone loved it so much, the chama raised money until each of the 30 members could have her own. She was so pleased with her stove's performance that she invited the BURN agent back to her chama so that they could purchase four kuniokoas. Mary is now able to cook inside without her children becoming sick, and says she has more time to talk and share stories with her children or help them with homework. She is also spending 50% less on fuel.

“With my savings on charcoal, I set money aside and at the end of the month, I can take my kids to a park to play.”

— MARY KAMAU,
BURN CUSTOMER



CHAMA MEMBERS ARE KEY TO BURN'S SUCCESS

GRANT OBJECTIVE

The largest barrier women face when considering purchasing an improved cookstove is the upfront cost, and while bank loans are accessible to many, most low-income women still prefer joining chamas—informal, community-based financial groups usually run for and by women. Chamas provide women with financial support without the risks and bureaucracy associated with financial institutions. BURN set out to increase adoption of improved cookstoves by identifying and refining the preferred financing mechanisms for women in chamas to purchase stoves, and engaging more women in clean cookstove distribution. BURN targeted chama networks across Kenya and tested three credit options—chama credit, BURN credit, and third-party mobile credit—to determine how to provide financing that low-income women are comfortable utilizing. BURN also envisioned building, training, and mentoring a team of chama ambassadors that would not only generate new sales for the company, but be financially empowered as small business entrepreneurs.

ACHIEVEMENTS OF GRANT

Congruent with our initial assumptions, no chama sales were made on third-party mobile credit. Agents reported that most customers were opposed to this type of financing due to high interest rates. Approximately 45% of the women who participated in the program purchased on chama credit, and 55% purchased on BURN credit. We found that about half of chamas are willing to take advantage of an interest-free financing plan directly from the manufacturer, and others preferred to purchase with money raised within the chama. BURN introduced a 5-month plan to lower payment amounts on BURN credit, but no customers signed on for it, preferring to be out of debt more quickly.

BURN hoped to engage a sprawling network of peri-urban and rural chamas by training ambassadors, enabling women to earn commission in the process. However, it proved difficult to keep ambassadors engaged, and by the end of the program, only 4 active ambassadors remained out of more than 300 recruited. We shifted strategies, and chama agents began market storming—targeting vibrant market days in untapped regions, demonstrating the stoves and talking to women in person. Since many women belong to more than one chama, one day of market storming could introduce BURN agents to a pool of 100 chamas.

BURN took lessons from the chama program and redirected our ambassador recruitment strategy to create a new ‘Champions’ program. After a series of phone interviews, BURN agents train a pool of “super customers” identified from our customer satisfaction surveys—all women—in small business entrepreneurship. The Champions then sell stoves in their communities for commission, and a BURN agent checks in with them weekly to talk about their sales goals and what strategies are working for them. This program is at an early stage, but following an initial round of recruitment, there are currently 18 active BURN Champions who have earned 19,000 Kenyan Shillings (KSH) total in commission.

During the grant period, sales agents and ambassadors completed 2,869 new sales to chama groups, earning underemployed women 100,000 KSH in ambassador commissions. Thanks to the chama program, 12,600 people in Kenya have experienced reduced emissions and 50% fuel savings – people who likely would not have had access to modern cooking solutions.



WOMAN-TO-WOMAN MARKETING THROUGH CHAMAS IS A HIGHLY EFFECTIVE DISTRIBUTION MODEL

LESSONS LEARNED

Low-income women trust informal financing mechanisms for purchasing improved cookstoves.

Chama members were educated on and offered three financing options: chama credit, BURN credit, and third-party mobile credit. Many customers preferred chama credit because the chama collected and managed payments from members and then purchased stoves directly from BURN. The majority of women made purchases on BURN credit, which require a customer to pay a 50% deposit, with the remaining balance to be paid interest-free over 2 months.

Product ambassadors must be recruited strategically.

Initially, BURN accepted volunteers from chama groups to be product ambassadors, offering incentives for referrals and entrepreneurship training. Ultimately, most ambassadors lost interest in engaging with BURN and dropped off. BURN’s goal was to find ambassadors who were a) within the underemployed women demographic, and b) excited about BURN products. We undervalued a third component: talent. We know that only about 0.1% of our satisfied customers are likely to be effective ambassadors or salespeople, requiring agents to talk to 1,000 women on the ground before identifying one talented “super customer.” Despite training and support, without a strategic method to recruit talent early on, a product ambassador program will not thrive.

Women in chamas prefer shorter payback periods.

BURN initially introduced a payback period of 5 months on BURN credit (in addition to the established 3-month plan) to provide an option with lower payments, but it was never utilized. Women either preferred to be out of debt faster or to use chama credit, which allows the chama to collect money from members according to their own terms until the chama can purchase stoves in cash.

Woman-to-woman marketing is most effective in chama sales.

Every month, roughly 20% of BURN’s top-performing sales agents are women. Kenyan chamas exist for and by women who share a mutual sense of community, family, and self-improvement. Our market research shows that low-income women in particular tend to be skeptical of any expensive new products, lofty claims, or anything requiring credit. Women also want to see a woman who looks like them, talks like them, and cooks like them demonstrating a new cookstove. All of BURN’s female chama sales agents belong to chamas, so they understand the dynamics and politics of a chama. 100% of the new BURN Champions are women. Going forward, BURN is prioritizing women not only as sales agents and ambassadors, but as managers and support staff to those agents as well.



The Global Alliance for Clean Cookstoves is a public-private partnership hosted by the United Nations Foundation that seeks to save lives, improve livelihoods, empower women, and protect the environment by creating a thriving global market for clean and efficient household cooking solutions. The Alliance's 100 by '20 goal calls for 100 million households to adopt cleaner and more efficient cookstoves and fuels by 2020. We are working with a strong network of public, private and non-profit partners to accelerate the production, deployment, and use of clean and efficient cookstoves and fuels in developing countries.

ABOUT THE WOMEN'S EMPOWERMENT FUND

The Women's Empowerment Fund (WEF) is designed to scale effective business models for empowering women energy entrepreneurs. WEF grantees demonstrate that there is a positive impact on business performance and social impact when women are engaged in the value chain.

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If you have any questions regarding this case study, please contact the Alliance at gender@cleancookstoves.org or BURN Manufacturing Co. at bethany.fisher@burnmfg.com