



2021
ANNUAL
REPORT





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LETTER FROM FOUNDER

For me, there has always been magic in entrepreneurship. From just an idea, we create something. Over the past 6 years, I have watched dreams turn into real businesses and create real jobs. Through political upheaval, a global pandemic and everyday tragedies (often exacerbated by the low income levels and marginalization of the communities where Somo works), our entrepreneurs have pushed through challenges to create the world they imagine. And through the generosity of our community in 2021, Somo has been able to double our impact from 2020, training 400 entrepreneurs and investing in 95 of them.

We have now reached more than 4,000 business owners with our digital tools, trained over 800 people through Somo Academy, and invested in 214 businesses that have created over 3,500 jobs. Beyond economic development, Somo businesses have made positive social impact in education, health, and the environment – providing educational programs to 3,900 people and clean water to 3,700 families, and recycling over 935,000 kilograms of materials. Somo now has businesses in 14 counties in Kenya, and we recently launched in northern Tanzania.

Somo and our businesses are addressing real needs in low-income communities. Across East Africa, micro and small businesses struggle to get non-exploitative financing to grow and expand to new markets. Aspiring entrepreneurs from low-income communities face particular challenges because of a lack of a safety net, unstructured family support, and limited financial capital from friends and family. Many end up working in the informal sector where pay is lower – on average, KSH 6,700 per month (or \$1.93 a day) where Somo works. Our entrepreneurs have shown their ability to improve living standards, with their incomes growing 3.4x and those of their full-time employees growing 2x.

As you read this impact report, the Somo team – now 51 people – would like you to know how grateful we are for your support to do the work we do. We are excited to continue our growth in 2022 and beyond.

Sincerely,

Amelia AP





4,149 business owners reached



214 businesses funded



3,553 jobs created



147% average annual revenue growth

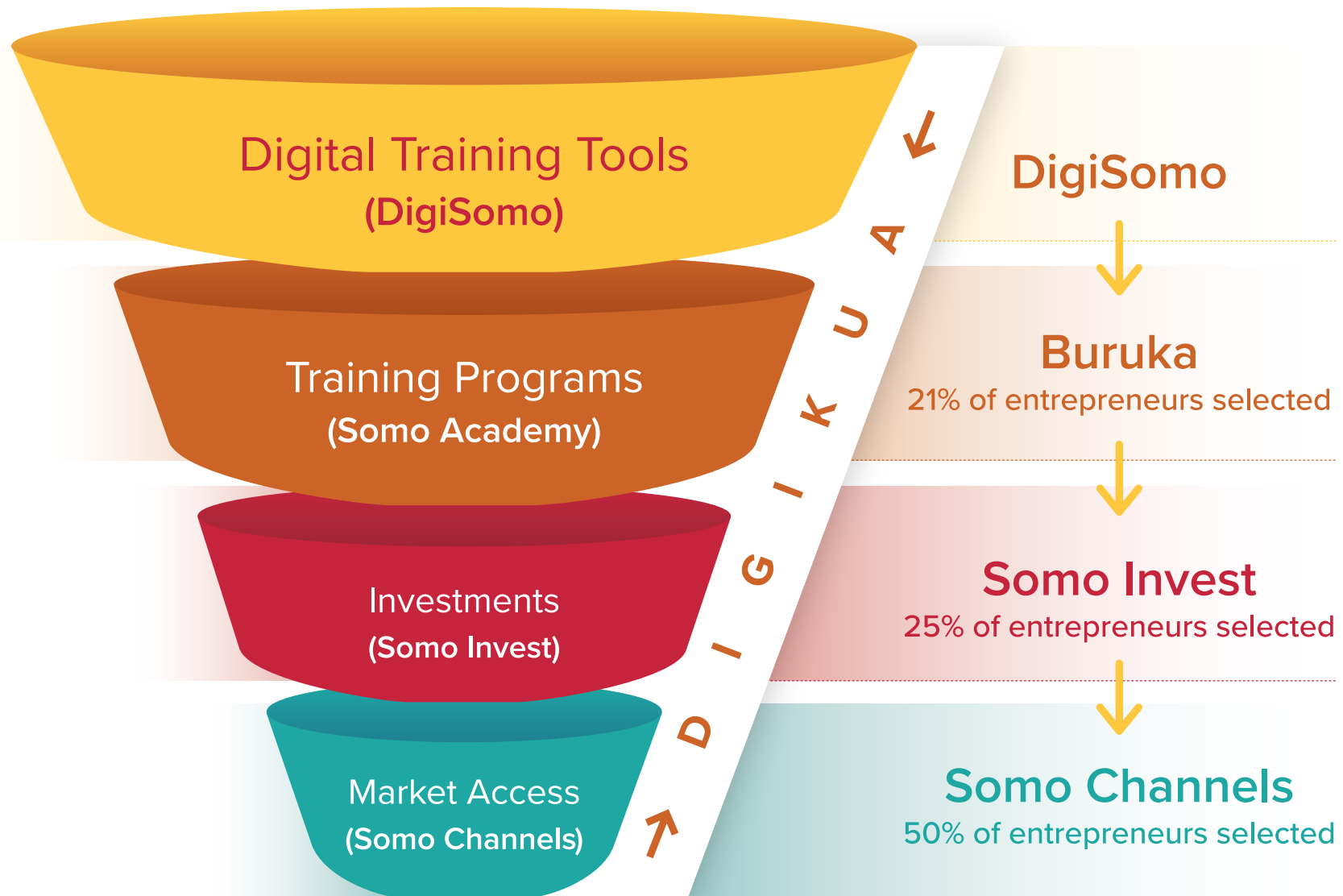


Founders
3.4x income vs average income in communities they come from

IMPACT



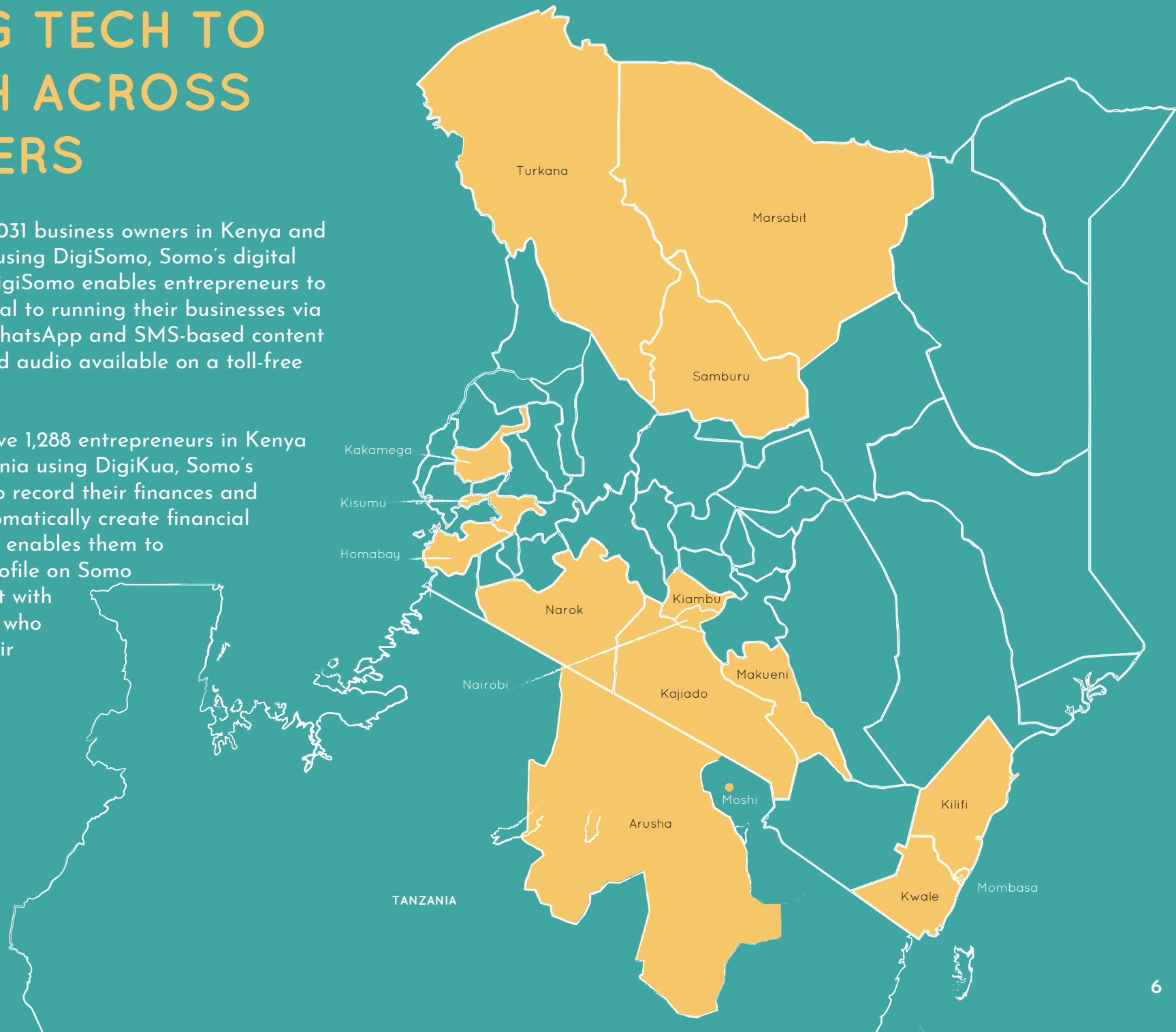
Somo's Model



USING TECH TO REACH ACROSS BORDERS

We now have 4,031 business owners in Kenya and 118 in Tanzania using DigiSomo, Somo's digital training tools. DigiSomo enables entrepreneurs to develop skills vital to running their businesses via video lessons, WhatsApp and SMS-based content and pre-recorded audio available on a toll-free number.

We now also have 1,288 entrepreneurs in Kenya and 95 in Tanzania using DigiKua, Somo's reporting tool, to record their finances and impact and automatically create financial reports. DigiKua enables them to build a visual profile on Somo Invest to connect with growth partners who can invest in their businesses.



Training Impact

Somo is the root of a Swahili word meaning “lesson”.

We believe in creating a community around the lessons we learn from each other.



801

entrepreneurs
trained



86%

reported
improved
livelihoods



91%

graduation
rate



93%

of trainees
improved
business skills

Blending in-person and virtual training to launch impactful businesses at scale

Somo designs training based on our entrepreneurs' needs. With Buruka, entrepreneurs, particularly those with an education, health, or environmental business focus, receive tailored training through a blend of in-person and virtual Zoom classes, focused on social entrepreneurship, and are paired with a Somo graduate mentor. Entrepreneurs then attend pitch sessions and submit business plans, decks and financial projections.

“

“The business and technical knowledge and soft skills I gained were instrumental in helping me utilize my talents for more profitably.”

Kizito of Kizito Arts

“

“In Buruka I learned how to manage my business and gained skills in financial literacy and soft skills such as listening to customers and identifying gaps in my business.”

Regina of Reka

”



Boosting livelihoods with Boost Biz

At Somo, we believe in supporting the whole person, not just the business. With this in mind, Somo partnered with Generation Kenya to scale our Boost Biz program to train small business owners across the country on basic business skills. Through this program, entrepreneurs learn financial literacy, customer service and soft skills, and can access counselling services. Somo has been working with county governments of Mombasa and Kiambu, who have been instrumental in providing centers for training at the respective counties.

We have also launched a new model of working with Somo entrepreneurs as trainers across our hubs to carry out this training, providing us with a model for scale.




Investing in entrepreneurs to change the world

Sector breakdown of portfolio

	Textiles	19%
	Packaged Goods	12%
	Food	14%
	Agriculture	17%
	Services	17%
	Education	5%
	Durables	10%
	Utilities	6%


Demographic data

 **50%**
female

 **80%**
youth-led

 Investments + facilitated investments
= **\$352,934**

 **32%** accessed external financing

 **80%** cash-flow positive within 8 months



Acceleration


success:

Keeping businesses
alive through
COVID-19

Somo advisory services have helped businesses during the rollercoaster of keeping a new business alive through the pandemic. By developing new digital tools, moving programs to virtual and blended models, and creating additional systems to allow online delivery, 94% of Somo are still active.


Search your businesses

You have access to these businesses' private data




AHADI

Elizabeth witnessed many girls and young women in her low-income area miss




MOYA SHOES

Moya is a shoe production company that uses waste materials to make



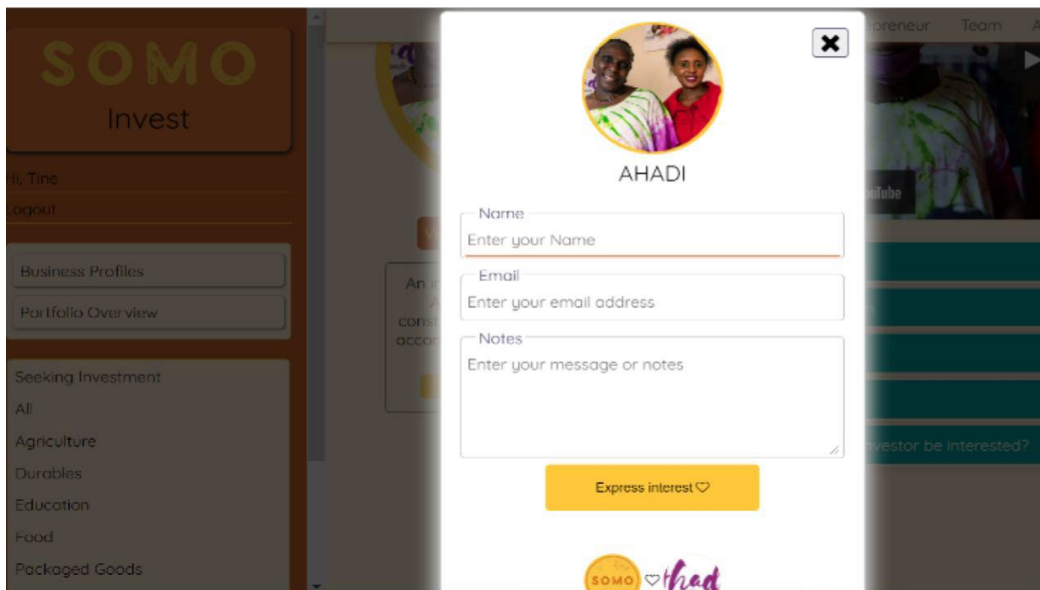
GOMIRA

Gomira is an interior design business focused on motor vehicles, motorcycles and



LINGO STYLES

Lingo is a fashion business that creates African inspired clothes. They use



SOMO Invest

Business Profiles

Portfolio Overview

Seeking Investment

All

Agriculture

Durables

Education

Food

Packaged Goods

AHADI

Name
Enter your Name

Email
Enter your email address

Notes
Enter your message or notes

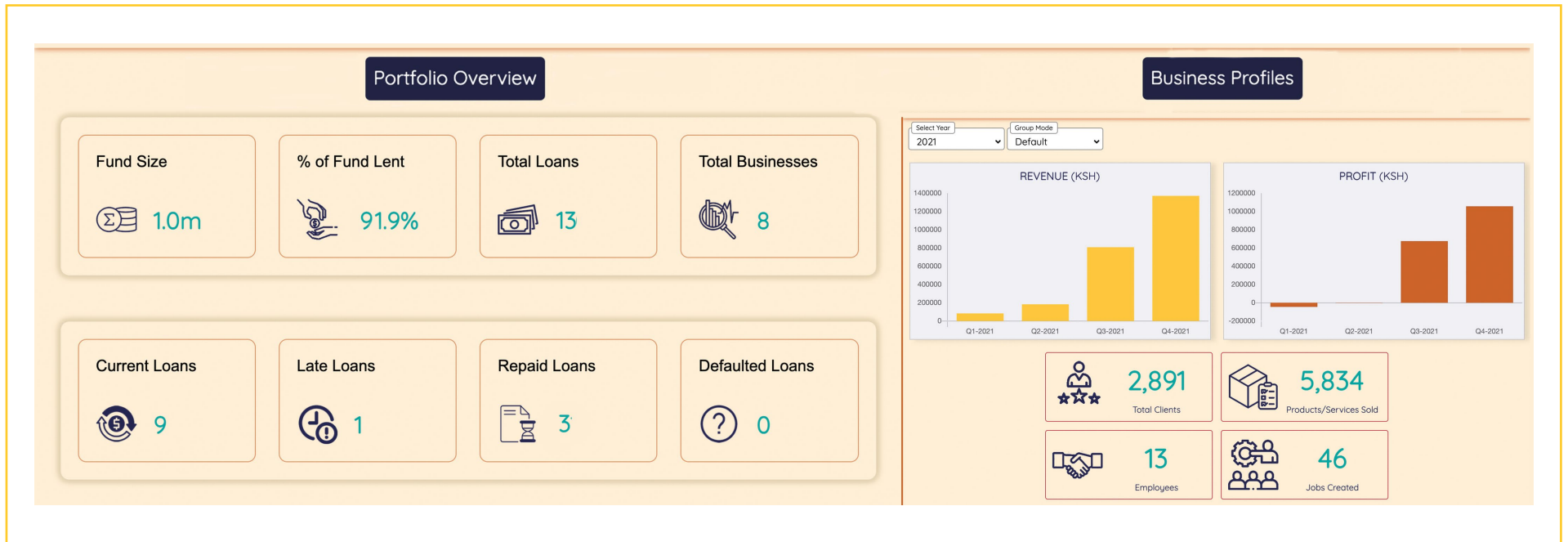
Express interest

SOMO *had*

Structuring investment for what micro and small businesses need

Somo Invest allows Somo businesses to enlist growth partners to invest in their businesses. Entrepreneurs build a visual profile on Somo Invest, with their financial and impact data coming from DigiKua. With Somo Invest, our businesses have accessed a total of \$109,104 in external financing.

With an online account, third-party investors have access to the Somo Invest loan platform, enabling them to keep track of their Somo investment portfolio, including the loans they have provided, fund size and repayments made. Somo works with 3 partners to provide working and growth capital to businesses.



Bestseller Foundation's mission is to spark growth and help bring about positive and lasting change in developing parts of the world through investments in businesses that make a social and environmental impact. Bestseller Foundation is investing in Somo businesses that focus on circular economy textiles, reusing and recycling existing materials to make clothes and household products.

Mkono's mission is to provide loans and mentorship to young entrepreneurs in Kenya, all in an affordable manner. Mkono provides loans to Somo youth enterprises.

Optimizer Foundation is driven by the mission to improve youth access to health, education and employment opportunities. Leveraging philanthropic capital they make commercial investments into social enterprises. Optimizer Foundation invests in Somo's social enterprises.



Swahili Wear - accessing debt financing through Somo

Founded by Rosaly Akinyi, Swahili Wear makes beaded leather sandals in Likoni, Mombasa, and has created over 30 jobs for youth and women over the past 18 months. Rosaly sells her sandals along the Kenyan coast and as far away as Nairobi, Kisumu, Homabay and Siaya. Beaded sandals are common in Kenya, but Rosaly's designs are distinctive, and she produces them efficiently, reducing the cost per sandal. She also sources the materials in bulk, including beads and soles, and other sandal producers in Mombasa are her customers. She makes some of her sandals from recycled tires, contributing to the circular economy.

Rosaly recently received investments from Somo partners Mkono and Bestseller Foundation to increase production and purchase a motorbike to reduce delivery cost. In 2022, she plans to expand to international markets and build a factory to create more jobs in Likoni.

Kuza Freezers - accessing additional grants and equity investments through Somo

Kuza manufactures solar-powered aluminum freezers for fishermen, helping them keep their catch fresh longer and minimize loss.

Purity and Dennis of Kuza won Somo's 5th Inuka Pitch competition. They received a future equity investment from Somo partner Livelihood Impact to scale access to their freezers across the Kenyan coast.

“

“Partnering with Somo has helped Kuza refine and test our product by having access to funding and skilled mentors with key expertise.”

Dennis Onkangi
Co-founder & CEO
Kuza Freezers”





Bringing industry to a community level

Tengeneza, our factory in Githurai (a community in Kiambu), is now up and running! Tengeneza is a pay-per-use shared production facility that provides equipment, marketing support and standardized processes to businesses producing food, hygiene and beauty products. Currently, 20 businesses use the facility to produce everything from nut butters to chilli products to flours to soaps and skin oils.

Glow Pop - utilizing Tengeneza to grow

When Judy was first posted to repair toilets as part of her plumbing internship, she was confronted with a common problem: dirty toilets contributing to diseases within Korogocho, Nairobi. Using her plumbing internship experience, Judy founded Glow Pop, a business committed to improving livelihoods through high quality and affordable cleaning detergent. Judy now uses Tengeneza to make the detergent and train others in the skill. She has a staff of 12 that helps her meet the growing demand for sanitation products.

Judy currently sells 40% of her products through Somo channels. She continues to use Tengeneza to supply products to almost 2,000 clients. Currently supplying in Nairobi and Kisumu, she plans to bring Glow Pop products to other cities across Kenya. Judy said the uniqueness of the Tengeneza model revolves around quick production that saves time, access to packaging materials and Somo sales channels, and Somo's support in processing certification of her products with the Kenya Bureau of Standards (KEBS). The Tengeneza facility provides Judy with opportunities to train other entrepreneurs in making hygiene products and in the process, she learns more while earning from the fees they paid for the training. So far, Judy has trained 25 people in making detergent.



“Now I am also a CEO. Without Somo's intervention, “I would be hawking my products but now I am covering the whole of Nairobi.”

Judy Isika
Founder of Glow Pop

Dunga Eco - Accessing external markets

Dunga Eco uses hyacinth, a weed polluting Lake Victoria, to make craft products like jewelry, furniture and home decor. John Steve, founder of Dunga Eco, came up with the idea of turning water hyacinth into these products after noticing that it contributed to the reduction of fish in Lake Victoria. He also observed that the fishing industry was hugely affected around the Lake Victoria region, leaving many youths jobless. Through Dunga Eco, John aims to preserve the lake by utilizing the water hyacinth to make home products. He creates job opportunities for the youths and young mothers in his low-income community, currently employing 6 people directly.

Somo works with John to sell his products in Nairobi. During Somo Soko, John made 22% of his total Q4 sales. Somo Soko is Somo's annual holiday market where entrepreneurs get to showcase their products. Anyone can purchase Dunga Eco's and other Somo products through our online shop, Somo Duka.



What does Somo mean for our communities?



200,000
clients reached



57%
jobs created
for women



79%
jobs created
for youth

Education



3,989 people trained

Health



126,105 kg of healthy food
consumed

3,795 families provided with
clean water

Environment



935,835 kg of material recycled

84,738 units of clean energy
substituted

Partners

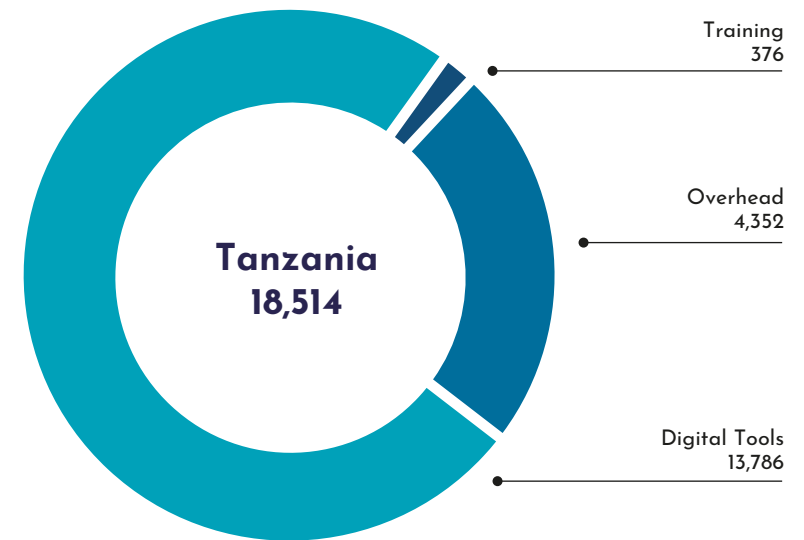
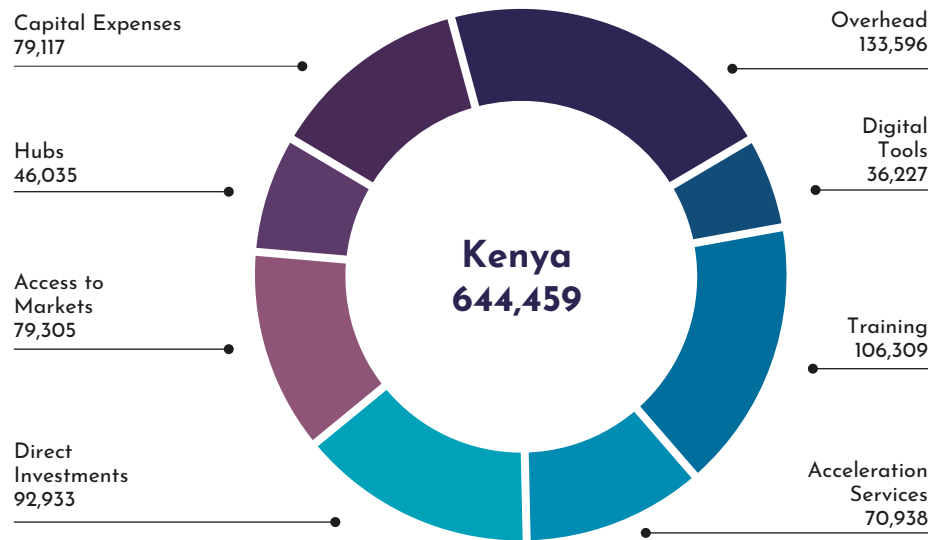
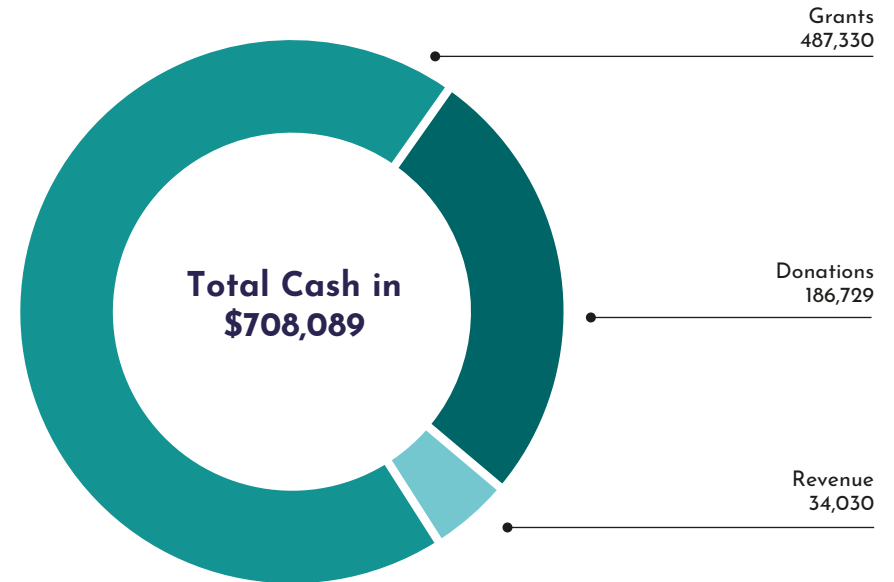


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Somo Financials

In 2021, Somo raised \$708,089 to serve hundreds of entrepreneurs and create jobs through the businesses they launched. Audited financials are available upon request.



What's Ahead?

Somo's goal is to create 7,000 jobs by the end of 2022 by expanding our training model across Kenya and Tanzania, investing in new businesses as well as securing growth capital for existing businesses and creating access to markets to sustain operations. With the average employed person supporting four family members, this will impact over 30,000 people in East Africa.

Please join us in creating meaningful employment across marginalized communities in Kenya and Tanzania by donating now!

