



Supply Chain & PayGo Solar

Smarter Power for the Emerging World

United Nations Foundation's Energy
Access Practitioner Network



The Challenge of Energy Access

Sub Saharan Africa: Home to a huge off-grid, but network connected, rural population



600M people lack access to electricity
~\$17Bn/year on kerosene for lighting

- Consumes 30% disposable household income
- Harmful to health, danger of fire in the home

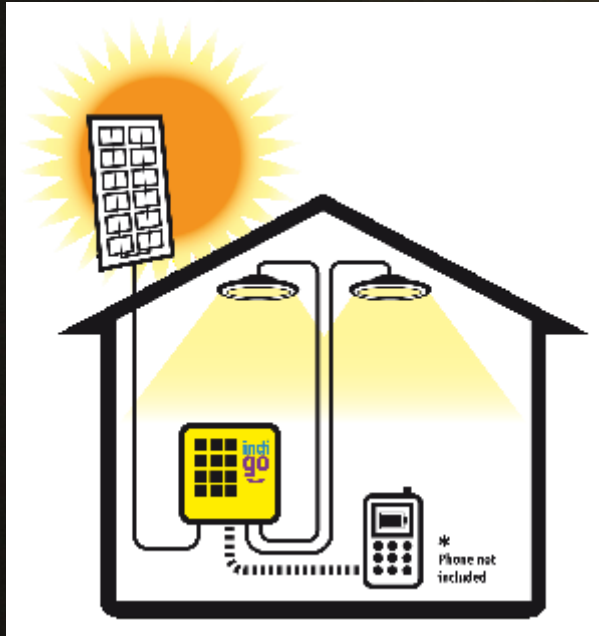


600M+ mobile subscribers
~\$15Bn spent on charging phones

- 70c/phone/week
- Time consuming trips to market

Massive Commercial Opportunity: ~\$30Bn/year

Simple and Smart: Azuri 'pay-as-you-go' Energy



- ✓ Solar home system – 8 hours of lighting + home phone charging
- ✓ Low upfront cost – small install fee
- ✓ Low weekly cost – regular top-up to cover cost of unit over 18 months
- ✓ Clean, reliable, off-grid power



Advantages

- ✓ Clean
- ✓ Reliable
- ✓ Install anywhere
- ✓ Low upfront cost
- ✓ Weekly savings

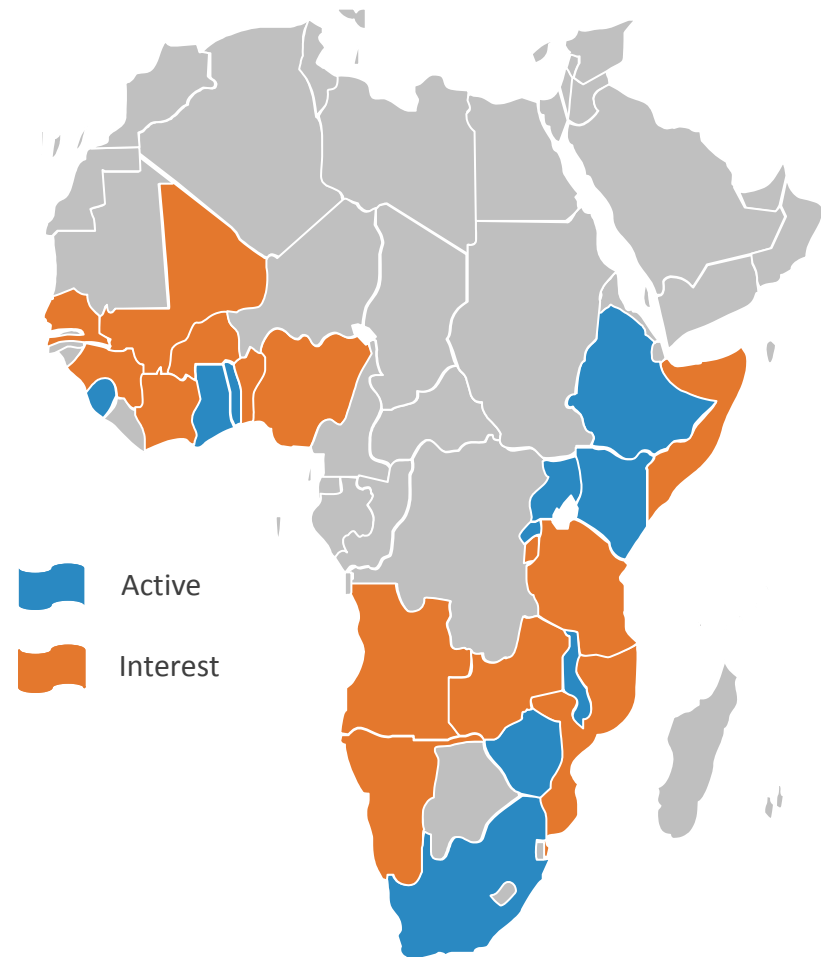
Practicalities

- Distribution and top up management: the cost of doing business in rural locations



Scaling Across Multiple Territories

- PayGo infrastructure designed to allow rapid replication
- Straight forward set up for Distributor
- Train-the-trainer model - allows Distributor to scale agent network
- Cloud based information systems allows Distributor access to material and information 24-7



Structure of Down Stream Distribution

- **Engage with local distribution partner**
 - Has existing reach into target markets
- **Intensive training and business modelling**
 - Collaborative adaption of Azuri model to fit local environment and existing Agent Network or reach into rural communities
- **Long term partnership**
 - PayGo has longer cash cycles than retail
 - Long term business relationship – commitment from the start on both sides
- **Agent network training and support**
 - Train-the-trainer, cloud based resources, phased growth, lessons learnt shared across all distribution partners



Agent Network Characteristics



Last Mile Presence

Local Business

Community Value

Agent Network Support



Regular Customer Reporting

Service and Helpdesk Support

Analysis of User Behaviour

Considerations: Upstream

- **Manufacturing lead times**
- **Working capital commitment**
 - Cash flow management
- **Importation requirements**
 - Harmonisation codes are not harmonised
 - Local clearing and importation is variable
 - Proactive monitoring and response to results of first shipment(s)
- **Local rules**
 - E.g insurance and shipping requirements
 - FOREX controls

Considerations: Downstream

- **Local Agent Network**
 - Many partners are from a retail background – service based business has different requirements
- **Customer selection**
 - Ability to “last the course”
 - Sufficient numbers to support the agent – penetration and critical mass
 - Tracking customer usage and demographics
- **Logistics to the last mile**
 - Moving systems to the last mile
 - Supporting agents: Reporting, lead indicators etc
 - Warranty and technical support
- **Mobile Money**
 - Implementation and transition, training and support
 - Technology availability outside East Africa



Conclusion

- **Logistics**
 - Don't underestimate the challenges in simply getting goods moved
- **Distribution Partner**
 - Deep partnership is key
 - Embed Azuri staff alongside the Distributors project team
 - Business case and data on customers is key to success
- **Agent Network**
 - Business model to the last mile agent is critical from day one
 - Training is key - technical and customer orientated
 - Support – need to provide distributor and agents with the tools and information to manage their business and customers
- **Fantastic opportunity!**





Thank you

www.azuri-technologies.com

Tel: +44 1424 464 801

info@azuri-technologies.com