

AN AFRICAN WOMAN ENTREPRENEUR: Lessons from the CEO of Uganda's largest juice processing factory

*From the African Community of Practice on Management for
Development result at the African Capacity Building Foundation (ACBF)*



Case Study
N° 22

SYNOPSIS

In Africa, women are one of the continent's greatest potentials to unlock economic growth. This is so given that they provide the majority of labour. Unfortunately, a traditionally male-dominated business environment in Africa is a barrier for most women to fully participate in the economy of their countries. Despite these challenges, a Ugandan woman has developed an entrepreneurial spirit and set up a successful business idea, showing that women have the capacity to succeed in business. Julian Adyeri Omalla has built a multi-million dollar drinks and food business and is the owner of Uganda's largest juice processing factory, Delight Uganda Limited. With her strong determination and leadership, Julian is one of the major employers in Uganda and is also coordinating women's farmer cooperatives. With an annual turnover of US\$4million, her company owns 45% of the local market share for fruit juice. This story shows how women can overcome the gender barrier and transform their societies by building successful business activities. However, there remain some key challenges that require policy and decision maker's attention in order to allow women to start and expand their businesses. The case study reveals the business opportunity that exists in the agribusiness sector in Africa and further discusses the persistent gender gap in African societies. It is recommended that gender gap is addressed adequately, for example, through better financial inclusion of women. In line with this, there is a need to build the capacities of African governments, to enable them to enter into strategic public-private partnerships that will mobilize more financial resources for female entrepreneurs. It is also important to develop capacity building programmes for women to equip them so that they can be able to capture financial resources and manage them efficiently. This case study further suggests the creation of agribusiness incubators to support female entrepreneurs from the idea stage to its implementation.

1. Introduction

According to the United Nations (UN) Women (2012), women perform more than half of the world's work, but only earn 10 per cent of the income. Women invest the majority of their income into their families and communities, but unfortunately most of them experience many barriers that limit their ability to fully participate in the economy. The traditionally male-dominated business environment in Africa does not offer the necessary incentives and resources to them to leverage their potential.

In Uganda, Julian Adyeri Omalla, a determined woman broke the barriers and set up a highly successful company in Uganda. Julian is actually one of Uganda's top female entrepreneurs. She is founder and managing director of Delight Uganda Limited producing the country's most popular fruit drink sold under the brand name "Cheers" and exports to many countries. Julian has diversified into a range of other business activities and is also coordinating women's farmer cooperatives that provide food aid. Today, Julian's leadership and strong determination has led to the creation of

many jobs. Julian is a powerful voice of advocacy for improving access and opportunities for Uganda's women in business. She is a leading member of the Uganda Gender and Growth Coalition, a coalition of seven women's rights advocacy groups. In 2008, Julian was among six women in Africa to be honoured for their entrepreneurship skills by the World Bank. Today, she is one of the most decorated woman entrepreneurs in East Africa and has received honours and awards including the Commonwealth Entrepreneur of the Year 2014. This case study was prepared using literature review and interviews. The literature review encompasses collection of data on Uganda and its business environment (essentially through World Bank Development Indicators and Doing Business reports) and on food security and food processing. We also perform a systematic review of all publications that cite the entrepreneurial venture of Julian Omalla including publications from the World Bank, the International Finance Corporation and the blog *Lionesses of Africa*. For more accuracy, the author also confirms some data and information from a network of entrepreneurs and customers in Uganda.

The successful entrepreneurship story of Julian Omalla is a real inspiration to other African Women entrepreneurs who want to impact in the business environment. Therefore, this case study aims to showcase her story. The first section gives an overview of key figures relating to food processing and gender issues in African agriculture. The second part of the paper presents the story of Julian and her achievements. Finally, policy recommendations are formulated which if applied can create the conditions for having more success stories from women and sustain their economic empowerment.

2. Context of food processing and gender in African agriculture

Africa has the highest population growth in world. In 2050, the African population will increase by more than 40% and constitute 25% of the world population, becoming the second most populated

continent after Asia (PRB, 2013). This growth will lead to the continuous increase of food demand on the continent. To meet the rising food demand caused by the population growth in Africa, the food supply must be increased in quantity and in quality. The latter requires that the agricultural processing capacity is hugely improved. Foods are processed to improve their digestibility and to enhance their appeal to the consumer (Stahl, 2014). Processing also serves to extend the availability of food geographically (beyond the area of primary production) and over time (beyond seasons of production), thus stabilizing supplies and increasing food security at national and household levels. An essential benefit of food processing is that it permits great diet diversity, giving consumers access to a wider choice of products and hence to a better range of vitamins and minerals (Flynn et al. 2003). Despite the aforementioned benefits of food processing, African countries process a little part of their agricultural production which is mainly traded as primary unprocessed products. The weak capacity in agro-processing leads to food loss and waste. The World Bank (2011), revealed that each year significant volumes of food are lost in sub-Saharan Africa; most of them being grains, vegetables and fruits. A substantial improvement in the performance of the food processing industry would not only accelerate the growth of manufacturing but also stimulate agricultural development and improve nutrition.

Besides food processing, a cutting issue undermining efforts to secure food for all is gender inequality (Quisumbing et al. 2014). There is now a growing recognition in policy that women's role is essential to food and nutrition security. One of the underlying reasons is that women made up 60% of the 805 million people who experienced extreme, chronic malnourishment between 2012 and 2014 while more than 60 per cent of employed women in sub-Saharan Africa work in Africa (FAO et al., 2014). Evidence shows a strong correlation between gender inequality and food and nutrition insecurity (See Von Grebmer et al., 2009). Therefore, improving the performance of women in the

agricultural sector is essential to ensure food and nutrition security. For that reason, it is important to promote outstanding women who succeeded in the sector.

3. Closing the gap in the market for locally produced fruit juice: case study of an african woman entrepreneur

The problem and the opportunity

Agriculture is the main source of livelihood for 77 per cent of Ugandans (FAO, 2015). The country is one of the main fruit producers on the continent as it is suitable and has abundant potential to produce fruits and vegetables like mangoes, citrus, pineapples, tomatoes. Yet, as many African countries are, a large part of the production is lost due to the weak processing capacity of the country. Fruit processing is likely to become of great importance for local consumption in the near future, and in some developing countries like Uganda, it can make a contribution to export earnings and jobs creation (Srivastava, 2013). According to the FAO (2015), the Ugandan diet is mainly composed of plantain, starchy roots and cereals. Pulses, nuts and green leafy vegetables complement the diet. In urban areas, which are undergoing a nutrition transition, food consumption patterns are changing and rice is gaining importance. Overall, the diet remains poor in micronutrient-rich foods. Therefore, there is a need to provide food complements through processed fruit. Unfortunately, there is a huge gap in the Ugandan market for locally produced fruit juice. This is the opportunity seized by Julian to position her business in the food processing sector.

The strong leadership of Julian Omalla

According to a personal interview realized by Lionesses of Africa, Julian started her entrepreneurial venture as a sole trader, wheeling fruit in her wheelbarrow to market and saving the proceeds of her sales each day. She started going to Kenya and bringing goods to sell in the local

Ugandan marketplace. She managed to save \$100 that she invested. In the Ugandan business environment, access to loans was difficult and female entrepreneurs are often marginalized. But Julian has struggled to launch and develop her business. Thanks in part to the International Financial Corporation (IFC), her determination paid off in 2007 when IFC teamed up with one of Uganda's largest banks to provide loans and training to female entrepreneurs, including Omalla (IFC, 2010). Her knowledge combined with the loan provided her with the necessary resources she needed to put her new business idea into action. She started her fruit juice company "Delight Uganda Ltd" and her product became largely consumed by Ugandans. She also exports them in the sub-region. To secure the raw materials for her processing company and improve the income of other women, Julian created the "Bunyoro Grain Farmer Association". Over 100 women belong to the association and contribute to the primary production of fruits. This association is a means for Julian to use her leadership to support other Ugandan women.

Challenges

During her entrepreneurial journey, Julian encountered a number of challenges. The first one she recalled (during an interview with Lionesses of Africa) was the sudden disappearance of her business partner along with all her financial capital. Her strong will to succeed helped her to overcome this misadventure. The other challenge she faced is gender-related. Being a wife, mother and businesswoman in a traditionally male-dominated business environment is a real issue and extra challenging for women. For example, she could not receive a loan from banks to expand her business as banks always require collaterals which so few women have in Uganda since they do not inherit under custom law. Savings and retained earnings were Julian's two main methods of financing her business expansion.

4. Outcomes and overall assessment

Julian Omalla's leadership led to her success in business

This inspirational woman entrepreneur from Uganda with her great determination and leadership and despite the many obstacles she faced built a highly respected drinks and food processing company in Eastern Africa. She is the owner of Uganda's largest juice processing factory, Delight Ltd, with an annual turnover of US\$4million (World Bank, 2008). Her company owns 45% of the local market share for fruit juice which makes the company being the top leading of the sector employing hundreds of Ugandans (World Bank, 2008) and empowering more than 100 women in her women's farmer cooperative. She has been able to be part of enabling better business conditions for all Ugandans.

Her business unleashed other agri-business opportunities

According to Lionesses of Africa, Julian has diversified into a range of other business activities including egg and poultry farming with 30,000 commercial laying hens, maize-feed production, sugarcane plantations, flour mill and bakery, student hostel of 400 places, as well as coordinating women's farmer cooperatives that provided food aid in Sudan. She also created her own processing and packaging unit called "Global Food Securities" that packages flour under the brand name "Mummy's Choice." She also manages a 1,200 acre farm in Nwoya District, Northern Uganda, where she grows mangoes for her fruit producing factory. She recently extended the farm to 5,000 acres by partnering with the Ministry of Local Government with support from the United Nations Centre for Development and Nwoya District. This initiative gives jobs to 1,000 locals including homeless young mothers.

Her business made her a top entrepreneur

Today, Julian is a real inspiration for any African woman entrepreneur and one of Africa's biggest entrepreneurial success stories. This woman is a powerful voice of advocacy for improving economic access and opportunities for Uganda's women in business. She is a leading member of the Uganda Gender and Growth Coalition, a group of seven women's rights advocacy groups. The Gender Coalition has been successful in creating a women's tax desk at the Uganda Revenue Authority and advocated for the establishment of a "one stop center" for business registration and licensing. In 2008, she was among six women in Africa to be honoured by the World Bank for their entrepreneurship skills and tenacity to succeed amidst difficult conditions. Today, she is one of the most decorated woman entrepreneurs in East Africa and has received honours and awards including the Commonwealth Entrepreneur of the Year 2014. Furthermore, in 2015, the manufacturer of the popular "Cheers" juice was named the country's entrepreneur of the year by Ernst & Young in Nairobi (EY, 2015). She was also named among the 100 most honoured women (making a mark) by Canadian Women.

5. Lessons learnt and policy implications

Julian Omalla has taken the opportunity of the gap for local fruit juice processing on the Ugandan market to create a highly successful business. She used her determination and leadership to create many employments, mainly for women by empowering them in agricultural activities. She also won worldwide awards and received honours for her entrepreneurship skills. Thus, many lessons can be learned from her story leading to policy implications.

Julia's entrepreneurial journey shows that a business idea can start from scratch and become a highly successful business. Julian has started her business from almost nothing. She took the

opportunity of the processed juice fruit gap in the local market to set up her business. Today, she is a successful women entrepreneur who is recognized worldwide and has impacted many lives. It is important to recognize that Julian demonstrated that every woman is capable to start a business activity and become a successful woman entrepreneur. Despite the many challenges she encountered, she managed to overcome them and kept working to succeed in her business. The experience of that lady is also a proof for every African woman that, though there is a gender gap and a number of challenges, they can still develop their leadership and realize their dreams. A lesson that comes out is the huge business opportunity that exists in the agricultural sector across the continent. In most African countries, value chains in agriculture offer a wide range of opportunities for promoting economic development and reduce poverty.

This case study, once again, pointed out the gender gap that exists in African societies. That gap was a challenge for that lady as when she wanted to get loans from banks. Financial capital provided by banks is essential to launch and expand business. If an entrepreneur fails to secure capital, he is likely to not succeed. Like Julian, many other women have difficulties to get loans from bank. Therefore, it is of key importance to improve the financial inclusion of women. In line with this, there is a need to build the capacities of African governments, to enable them to enter into strategic public-private partnership that will mobilize more financial resources for female entrepreneurs. It is also important to develop capacity building programmes for women to equip them so that they can be able to capture financial resources and manage them efficiently. Organizations like ACBF are essential to address these capacity building needs.

Furthermore, the overall challenging process that Julian went through is also indicative of the need to create incubators that will support entrepreneurs from the idea stage to its implementation. This will allow entrepreneurs to not experience all those

challenges and fast-track the expansion of their businesses. Examples of agribusiness incubators (like UniBRAIN¹) exist on the continent and it will be useful for countries to learn more about how it works and set it up to boost the agribusiness sector.

The food processing sector is an important and growing sector, in which women have a crucial role to play to ensure nutrition and food security for African countries. The case of Julian Omalla demonstrated the extent to which leadership of women can make huge contribution to the food sector in Africa. Therefore, if women are given the opportunity and the resources, they will contribute substantially in the development of the food processing industry and help to solve the problem of malnutrition and food insecurity in Africa. There is hence need for policies that create the appropriate conditions that will encourage women to get involved in the industry and sustain their businesses.

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¹ UniBRAIN is an initiative of the Africa Commission convened by the Government of Denmark. It aims to create jobs and increase incomes through sustainable agribusiness development. UniBRAIN will realize this by creating mutually beneficial partnerships between universities, research organizations and the private agribusiness sector in order to create profitable agribusinesses while also improving agribusiness education to produce readily employable graduates and self-employed entrepreneurs. <http://faraafrica.org/programs/strategic-priorities/integrating-capacities-for-change/unibrain/> visited on 9th august 2016.

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Acknowledgement

This knowledge series is intended to summarize good practices and key policy findings on managing for development results. The views expressed in the notes are those of the author. AfCOP Knowledge products are widely disseminated and are available on the website of the Africa for Results initiative (AfriK4R), at: www.afrik4r.org/page/resources.

This AfCOP-MfDR knowledge product is a joint work by the African Capacity Building Foundation (ACBF) and the African Development Bank (AfDB). This is part of the knowledge products produced by ACBF under the leadership of its Executive Secretary, Professor Emmanuel Nnadozie.

The product was prepared by a team led by the ACBF's Knowledge, Monitoring, and Evaluation Department (KME), under the overall supervision of its Director, Dr. Thomas Munthali. Within the KME Department, Ms. Aimtonga Makawia coordinated and managed the processes of producing the product while Dr Barassou Diawara, Mr. Kwabena Boakye, Ms, Anne Francois, Mr Frejus Thoto, and other colleagues provided support with initial reviews of the manuscripts. Special thanks to colleagues from other departments of the Foundation who also supported and contributed to the production of this paper. The ACBF is grateful to the Africa Development Bank which supported production of this MfDR case study) under grant number 2100150023544.

ACBF is also immensely grateful to Ms Adome Nadjidath, as the main contributor for sharing the research work which contributed to the development of this publication. We also thank Prof G. Nhamo, Dr Lyo and Dr A. Kirenga whose insightful external reviews enriched this knowledge product. The Foundation also wishes to express its appreciation to AfCoP members, ACBF partner institutions and all individuals that provided inputs critical to the completion of this product. The views and opinions expressed in this publication are the reflections of the author/contributor(s) of this case study. They do not necessarily reflect the official position of the ACBF, its Board of Governors, its Executive Board, nor that of AfDB management board and the secretariats of the AfCOP- MfDR project