

IN THIS ISSUE



**EQUITY BANK  
ENTREPRENEURS'  
STORIES**

**FROM PAGE 5**



**EQUITY JOURNEY OF  
SUCCESS - PICTORIAL**

**CENTRE SPREAD**



**EQUITY  
SCHOLAR WINS  
ENTREPRENEUR'S  
AWARD**

**PAGE 15**

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# EQUITY NEWS

A QUARTERLY NEWS PUBLICATION OF EQUITY BANK



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NOT FOR SALE

Issue 05

# LET AFRICA ARISE!

See story pg. 2



**Equity Bank CEO is the Ernst & Young World  
Entrepreneur Of The Year 2012**



# Equity Bank CEO is the Ernst & Young World Entrepreneur of the Year 2012

From pg. 1

Dr. James Mwangi, CEO and Managing Director of Equity Bank is the Ernst & Young World Entrepreneur Of The Year 2012. At a colourful ceremony held in Monte Carlo, Monaco, Dr. Mwangi was picked from among the 59 country finalists shortlisted for the title across 51 countries, each of whom had already been named the Ernst & Young Entrepreneur Of The Year in their home country. Dr. Mwangi becomes the first business leader from Sub Saharan Africa to win this prestigious award. He was also among the finalists who were inducted into the Entrepreneur Of The Year Hall of Fame and the World Entrepreneurship Academy.

Ruben Vardanian, President, Troika Dialog Russia and Chair of the judging panel said, "Not only has James really transformed people's lives across Africa by offering them access to funding that they have never had before, Equity Bank continues to grow quickly through a strong financial performance."

Jim Turley, Global Chairman and CEO of Ernst & Young, said, "Over the past 26 years, entrepreneurs have done more than any other group to stimulate innovation, job creation and prosperity during both periods of growth and in challenging economic conditions. James epitomizes the vision and determination that set entrepreneurs apart and is very worthy of the title Ernst & Young World Entrepreneur Of The Year 2012." In describing Dr. Mwangi as an exceptional entrepreneur, Gitahi Gachahi, the Chairman & CEO, Ernst & Young Eastern Africa said, "Equity Bank is a study in good corporate citizenship. By giving all stake holders a compelling value proposition; they feel that the bank represents their hopes and aspirations. Dr. Mwangi has redefined the risk profile of borrowers and depositors. Through his unique model, he has made a strong statement that with exceptional client service and visionary leadership, companies can create wealth even as they address social needs."

When receiving the award, Dr. Mwangi said, "This is a global recognition for Africans who are embracing the power of entrepreneurship to change the economic and social state of Africa."

Dr. Mwangi's story of entrepreneurship is as amazing as it is inspirational. He was brought up by his widowed mother who was a small scale farmer. He had to fend for himself at an early age by selling charcoal, fruits and milk to raise money for his school fees. This background helped to nurture in him a determination to solve the African paradox of a continent endowed with resources, human capital and yet weighed down by abject poverty. His vision of empowering people



Dr. Mwangi (R) celebrates the award with (L) John Ferraro, Global COO of Ernst & Young

social - economically is seen through the transformational story of Equity Bank. Through a constant focus on exceptional customer experience, relationship banking, capacity building among staff and an effective governance structure, he has led the Bank from a technically insolvent building society with an asset base of Ksh28 million in 1993 to become a leading all inclusive commercial bank with an asset base of over Ksh220 billion and listed in Nairobi Securities Exchange and Uganda Securities Exchange. The Bank has a regional presence in five countries and a pan-African expansion strategy. Since listing in 2006, Equity Bank's shareholder value has grown 900% creating immense wealth for shareholders. From a customer base of 27,000 in 1993, the Bank is now home to over 8 million accounts accounting for nearly 50 percent of all bank accounts in Kenya, and is the largest bank by customer base in Africa with a focus at the base of the pyramid. Returns have grown from a loss of Ksh5 million in 1993 to a profit of Ksh12.8 billion in 2011 making Equity Bank one of the most profitable companies in East Africa with a compounded annual growth rate of 78% for the last ten years five of which have been ravaged by global financial crisis. The Bank has been growing ten-fold every five years for the last twenty years.

Equity Bank is currently ranked 34<sup>th</sup> in market capitalization in Africa. Equity Bank Group has evolved to become a diversified financial services provider offering a full range of personal and corporate banking as well as investment banking, mortgages, custodial services and insurance. From a staff complement of 27, Equity Bank now has nearly 7000 employees in tandem with the institutional growth and expansion. Its innovative and inclusive business model has demonstrated the capability to evolve sub models such as agency banking, which is nurturing entrepreneurs, creating jobs and generating wealth for thousands of households.

Dr. Mwangi has led Equity Bank to constantly balance social good and economic good through exemplary performance. Through Equity Group Foundation (EGF), the Bank implements high impact social programs which are sustainable, scalable and have the ability to address social needs with commercial solutions. By leveraging on the Equity Bank infrastructure, EGF ensures a high return on social investments in key thematic areas which include education, financial education, entrepreneurship, agriculture, innovation, health as well as environmental management. Among the social programs by EGF is the Wings to Fly program, a Ksh10 billion scholarship fund targeting 10,000 academically gifted children from financially challenged backgrounds with a comprehensive secondary school scholarship and leadership program. The program is a partnership with The MasterCard Foundation and has also received financial support from UKAID, USAID and KFW of Germany. Through Equity Bank's University Sponsorship program that benefits the top boy and top girl student in each district where the Bank operates, 1290 scholars have so far benefited with over 69 of the beneficiaries currently pursuing education in world leading universities including Ivy League schools in USA. EGF in partnership with The MasterCard Foundation is implementing a financial literacy program in Kenya targeting one million women and young entrepreneurs at a cost of Ksh1 billion out of whom 400,000 have already completed the 12 week training. Out of this program, 10,000 entrepreneurs will be selected to undergo an acceleration program in entrepreneurship. Previous winners of the Ernst & Young World Entrepreneur of the Year have come from Singapore, India, Germany, Italy, the Philippines, the United States, Canada, Switzerland, China, the United Kingdom and Singapore.

## Dr. James Mwangi's Achievements

Dr. James Mwangi serves as the Chairman of Kenya's Vision 2030 Delivery Board- the blue print to transform Kenya to a middle income economy by 2030. He was honoured by His Excellency the President of Kenya Hon. Mwai Kibaki with the CBS (Chief of the Order of the Burning Spear) for his contribution towards economic development. In 2011, Dr. Mwangi's name was entered in the list of Kenyan heroes and legends during the Mashujaa Day celebrations.

Dr. Mwangi has received four honorary doctorate degrees for his contribution to humanity, entrepreneurship and economic development. In 2012, he was voted by his peers in banking for the Lifetime Achievement in Banking during the 2012 Think Business Banking Awards. He is also Forbes East African Business Leader of The Year 2012. In 2009, he was named Africa CEO of the Year at the Africa Investor Awards, while the African Banker named him African Banker of the year in 2010 and 2011. In 2011, Dr. Mwangi won the inaugural African Leader of the Year award presented by the African Leadership Network. In 2011, Forbes named Dr. Mwangi among the 20 most influential people in African business.

Globally, Dr. Mwangi's work has drawn recognition. He serves at the Global Advisory Council of VISA Inc. and is also a member of the Clinton Global Initiative. He is a holder of the Global Vision Award won in 2007 alongside Nobel Laureate Prof. Mohammed Yunus of Grameen Bank during which they were cited as "Initiators of the concept of the future that will shape the world economy". The Financial Times named Dr. Mwangi among the top 50 emerging world thought leaders.

Dr. Mwangi also serves on the UN Advisory Groups on Inclusive Finance as well as on Global Sustainability. He serves as an external advisor on inclusive finance in the Bill and Melinda Gates Foundation and is also a member of the G20 Advisory Board on Agriculture. He is a Certified Retail Banker and was admitted to the honorary membership of the International Academy of Retail Banking and also serves as a member of the World Economic Council. He is a guest lecturer in Stanford University, Columbia University, the Massachusetts Institute of Technology (MIT) and Lagos Business School where the Equity Bank business model is a case study. In 2012, Dr. Mwangi was appointed to serve in two global councils; the G8 New Alliance for Food Security and Nutrition and the Global Agenda Council on New Models of Economic Thinking 2012. He was also named by Africa Investor as Africa's Innovation Leader-of-the-Year 2012.



## Equity Bank Accolades

Dr. James Mwangi has led Equity Bank to receive numerous local and global awards and accolades including:

2012

- Best Managed Company in Africa in banking and finance sector - Euromoney
- Most Innovative Bank - African Banker

2011

- New Sustainability Champions redefining the future of growth - World Economic Forum
- Africa's Best Initiative in support of SMEs and the Millennium Development Goals - Africa Investor Awards
- Best Bank in Kenya - Euromoney

2010

- Best performing Ai40 Company of the year in Africa - Africa Investor

2009

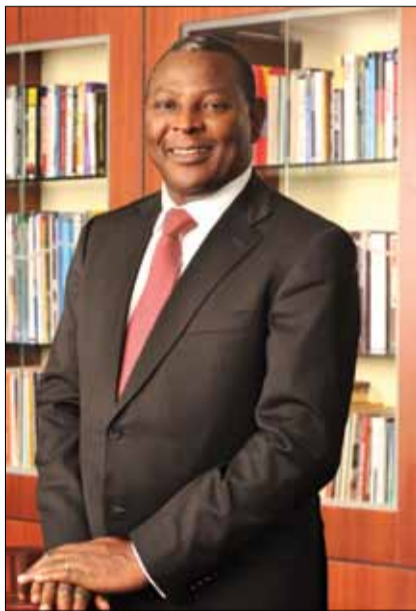
- Emerging Markets Most Sustainable Bank in Africa and Middle East - IFC & Financial Times
- Best performing Ai100 Company in Africa - Africa Investor
- Microfinance Bank of the Year - African Banker Awards
- African Business of the Year - Commonwealth Business Council

2008

- Best Bank in Kenya - Euromoney
- Best Performing Ai 100 Company in Africa - Africa Investor
- Microfinance Bank of the Year - African Banker Awards

## From the Team Leader's Desk

# The Power of Entrepreneurship



**Dr. James Mwangi**  
Chief Executive Officer & Managing  
Director, Equity Bank

**M**any African countries have been noted as showing positive strides in reducing poverty amongst their respective populations. However, the fact still

remains that despite several government and donor assisted programmes launched across Africa, poverty is still the number one enemy. Africa remains a big paradox of a continent endowed with natural resources, a youthful human capital but is confronted with abject poverty and high levels of unemployment. Developing an entrepreneurial mindset in our people is our most valuable tool as Africa strives towards economic empowerment. Africa ought to focus more on creating a conducive environment for entrepreneurship in order to harness citizens' innovative potential which will in turn support an entrepreneurship culture and wealth creation. The responsibility for creating employment should not rest on government and corporations but also on each citizen. There is a need to encourage Africans to be more innovative so as to create their own employment, thus empowering themselves economically. Entrepreneurship should be seen as a source of employment, job creation and wealth generation among our youth. Entrepreneurship entails undertaking innovations and finance, coupled with business acumen and transforming these into

economic goods. It is the single most powerful agent for progress and has the potential to solve the African paradox of a 'resource rich but poor continent'. Starting a new business venture and building it into a successful enterprise requires a vision, dedication and commitment to that vision, resilience and proper planning. Indeed, it is

the people who have the vision, passion and unwavering dedication that have the ability to do great things. Great entrepreneurship is about solving the world's most pressing problems. It is about dedicating your life to a greater purpose. It is the belief and conviction about the viability of an idea.

## Some of the lessons that I have learnt about entrepreneurship include;

**Be a dream maker:** An entrepreneur is someone who identifies gaps in products or services and is willing to take risks to make the dream come true.

**Ask yourself what you can do:** "What can I do that will be most useful to most people? How can I change the situation so that what is needed is made available to those who need it most?" Make that your vision and goal and go for it.

**Convince yourself:** If you cannot convince yourself that your goal will come to pass, you won't convince anyone else either. Convince yourself first, with good reason, and others will follow.

**Do not go it alone:** An entrepreneur is dependent on, and relies on, the skills and knowledge of others. But he must be the leader who can bring these people, their skills and their attributes together to create something new and useful.

**Be dependable:** If people trust you and you deliver time after time, then when you ask them to jump, they will not ask "why?" but "how high?"

**Be enthusiastic:** Your enthusiasm will infect others and set off a chain reaction that makes even the impossible possible.

**Be patient:** Equity Bank is showing its best colours after 20 years of hard work.

**Clothe yourself in values:** Your values are what will attract all the other components you need - capital, expertise, partnerships - to help you make your vision come to life.

**Never stop learning:** Learn something new every day and try to apply it to your life and business.

**Be humble:** Many factors, and many people, come together to make success of an enterprise.

## The key to entrepreneurial success Bonding with Customers

By Sunny Bindra

**F**rom airlines to restaurants to phone companies to retailers: the catalogue of bad service is long. We are a nation that prides itself on its entrepreneurial strength, but we seem to have missed the essential idea that a well-served customer is the business's best friend.

A happy customer becomes a repeat customer, a repeat customer becomes a loyal customer, a loyal customer becomes an evangelical customer, spreading the good news about good companies and good products. All businesses should be devoted to the idea of building deep bonds with customers.

But most of the time, they just aren't.

That, by the way, is good news. If you are setting out in business, if you're wondering how to take on established players, if you're working out what your unique selling proposition should be: don't think too hard. The bar is so low in this part of the world that providing an outstanding customer experience will give you distinction and uniqueness. It will set you apart from the crowd. If you can get it right, there is an army of disaffected and disgruntled customers out there, very happy to patronise a company that takes it seriously. It doesn't matter if you're opening a cafe, a workshop, a delivery company, a laundry or a PR firm. Providing an unusually good customer experience is your first ticket to success.

So how should you do it? How can you succeed in achieving something that so many others have failed in? What does it take to design and deliver consistently excellent customer service? Let's make a start. Here are the essential things you need to know as you set out on the journey to delighting your customers.

**1. It must give you pleasure to give pleasure** Great customer service is not achieved just by doing it; first, you have to think it and feel it. Achieving customer excellence is not a list of tasks; it's a way of life. You have to believe in it, deep down. You have to carry the conviction that it is an essential part of great business. You have to take great pleasure in giving pleasure to your customers. You have to believe that if you are great to your customers, they will in turn reward you by giving you a strong and growing business.

If you don't believe those things, you might as well stop reading this article. Nothing else I tell you will matter. There is no template, no rule book, no process map that means a damn thing. Unless you believe that this is the way to do business, in the core of your being, stop reading here.

**2. It starts from the boss** Great customer service, like most things in life, is all about effective

leadership. Organisations that are great at doing it have great leaders in place. Companies that can't do it have leaders that don't get it. Look around you and see the truth of this. If a company has been repeatedly delighting you as a customer, there is a person at the top leading the way. If a company has been ignoring or neglecting you, there is a problem at the pinnacle.

So if you want your business to excel at the business of serving customers, start with yourself. If you are passionate about doing this; if you can infect your people with the joy of great service; if you can lead by example - then it's going to happen. If on the other hand you are going to be sullen with customers and regard them as a bunch of whiners; if you are going to shut yourself away in your office and avoid meeting them - then that is exactly what your employees or juniors will do. Please don't imagine this is something you can delegate. There is no such thing as bottom-up customer service. It starts at the top. The boss is Customer Rep No 1. After that, it's everyone's job.

**3. Get the right people on board** We recruit for many things, but we almost never recruit people who are just intensely human. And yet those are the people you need to put in front of your customers. We examine age, academic records, and references, when we should be looking for warmth, natural helpfulness and a smiling disposition. I say to all my CEO clients: when you see a smiler, employ her! People who are naturally cheerful and don't need a reason to smile are like gold-dust. Forget about the rest of the stuff - you can teach them that. But you can't teach someone to be likeable and friendly.

Clearly, employers don't understand this. How many shop assistants and receptionists and telephone operators do you come across





# APPOINTMENTS

“As the Bank continues to grow in size and footprint, we will continuously seek outstanding talent that will contribute in implementing the Bank’s Pan-African expansion strategy. The Bank has a talented and youthful management team across the Group that is passionate, enthusiastic, resilient and committed to the Equity dream. Driven by the desire to transform the lives and livelihoods of our people, the Equity Bank team has proven that with the power of focus

and determination, an organization can rise from a small enterprise to a globally competitive corporation. Julius and Sam have specialist skills, a wealth of experience and an exemplary performance track record that will complement our management team in our journey of championing the social economic prosperity of the people of Africa.”

- Dr. James Mwangi, Equity Bank Group CEO

## JULIUS KIPNG’ETICH Chief Operations Officer



Julius Kipng’etich

Julius Kipng’etich, who has been a long serving member of the Equity Bank Kenya Board of Directors and chair of the Board Strategy and Risk Committees has joined the Bank as the Chief Operations Officer for Equity Bank Group.

Julius joins the Bank after an eight year successful career at the helm of Kenya Wildlife Service. He joined KWS as the Managing Director in December 2004. Before this, he was the Managing Director of The Investment Promotion Council.

Kip, as he is fondly referred to, is an ardent believer in continuous improvement. His tenure at KWS saw him transform the parastatal into a serious business outfit.

In a bid to ensure world class parks, Kip greatly improved the management of the parks, while giving conservation a strong scientific approach. These measures resulted to safer and more pleasurable experiences within the Wildlife Protected Areas and led KWS to leadership.

A Starehe Boys’ alumnus, Kip has over 17 years experience in Business Process Re-engineering and Change Management.

He was Director of the Student Welfare Authority, University of Nairobi, where he also lectured in the Department of Management Science.

He is a member of the Kenya Tourist Board, and serves on the Boards of Kenya Forest Service, Police Oversight Board, Moi Girls’ High School-Eldoret, Starehe Girls’ School, Starehe Boys’ Centre, Kenya Tea Development Authority and the Kenya Red Cross Society. He is a leading member of the Mau Task Force, The Steering Committee for the Marketing of Kenya Stadia and was the 1st University Council Member - Management University of Africa. He is also the Patron of AISEC – University of Nairobi.

Kip is a winner of the Chief Executive Officer of the Year Award, COYA 2009 and has two awards from the Head of State namely: EBS and CBS. Under his tenure, KWS

won coveted prizes in areas of Leadership, Management and Corporate Governance. Through his leadership KWS became a Superbrand and also received the 2011 Recognition as Warrior of the Marketing Society of Kenya-Superlative Trailblazer Award Star

His hobbies and interests include philanthropy, systems theory, mountain climbing (climbed to Point Lenana, Mount Kenya), traveling, reading, golf and classical music. Upon taking up the appointment Julius said: **“After being on the Board for eight years and chairing the Board Strategy and Risk Committees I feel it is time to join the management team and further strengthen it in the areas of efficiency and competitiveness; reengineering of business processes and talent management as part of preparing Equity for the next growth phase of expanding to the rest of Africa whose prospects are very promising.”**



Julius at a past Equity Bank event. He has been a long serving Non-Executive Director of the Board

## SAMSON ODUOR Group Finance Director



Sam Oduor

Sam holds a Bcom degree (Finance and Accounting) from the University of Nairobi and is a Certified Public Accountant. He is also writing his dissertation for an MBA at the University of Wales in the UK. He brings to Equity Bank Group a wealth of experience in the finance and banking career spanning over 23 years.

He started his career in Price-Waterhouse where he worked for seven years both in Kenya and in the United Kingdom. He rose from the position of Audit Senior through to Assistant Manager and later Audit Manager.

He then joined the financial sector where he worked for Credit Agricole Bank for three years as Head of Operations, before moving to ABN AMRO NV Kenya as the Head of Operations & Global Transaction Services. Sam later served Diageo Group for just under six years serving as Finance Director - Kenya Breweries; Finance Director - Guinness Nigeria Breweries; Finance Director - E.A.B.L. and Finance Director Projects for Diageo Africa. The roles were based in Kenya, Nigeria and UK.

He later served at the Standard Chartered Bank as the

Regional Head of Audit for Africa for four years before moving to EcoBank Transnational Inc. as CFO – Domestic Bank Africa and was based in Lagos and Lome between 2011 until he took up his new assignment at Equity Bank Group.

Sam’s wealth of experience in finance is both expansive and diverse and includes Audit, Operations, Project Management, Negotiations, Enterprise Resource Planning (ERP) and implementation of shared services for multinational operations. Sam developed what is now the Local Foreign Currency Clearing initially for 7 local banks before it was adopted by KBA. Sam was also a member of the MICR Guidance and Implementation Team that rolled out the electronic clearing which included cheque truncation as the last step of automation.

At Equity Bank, Sam will head the finance function as Group Finance Director.

**“Equity revolutionized banking in Kenya over the last 10 years. I look to being part of the team which in the next 10 years will be looked at having revolutionized banking in Africa.”**

# The key to entrepreneurial success

From pg. 3

who are dull, gloomy or even hostile? a common experience in Kenya. What were the owners of their businesses thinking when they recruited them? There are some people you should simply never put close to a customer. They may have great grades, but being warm and friendly on a routine basis is just beyond them. No amount of training, mentoring or threatening is going to take them there.

It makes far more sense to look for the naturals. The great recruiters do this. Southwest Airlines has the lowest level of customer complaints of any American airline. That's not an accident - it's the very ethos of the company. And it starts with how they

select employees. Cabin crews are recruited for human attributes: empathy, sociability and likeability. That's what matters most in the airplane.

As much as 70 per cent of a customer's experience is about the people imparting it, rather than the system or the environment. The people you put in front of customers have a huge impact - so get the right ones.

**4. Build a culture, slowly** Getting customer service right is a slow-burn affair. You won't see fireworks lighting up the sky for a long time. This is because great customer care is more about culture than it is about strategy. For staff to be continuously and consistently good at customer care, they have to work within a culture that encourages, nourishes

and rewards that behaviour.

Cultures are not created overnight, nor over a few weeks. We are what we repeatedly do. Employees behave well with customers when they live in an environment that requires it, that appreciates it, that rewards it. Managers will have to set an example and create incentives for the right behaviour. They will also have to punish bad behaviour and root out staff who misbehave with customers. Then, slowly but surely, culture will take over and doing things the right way with customers will become a habit.

**Why it's worth it** If you can surprise customers and make them feel warm about your product and your service, your ticket to success is already stamped. Emotion rules the hu-

man being, and positive emotion can be great for business. Customers who feel good about you do many good things for you: they keep coming to you; they buy other things from you; and they tell other people about you. Keeping these people positive and happy is no easy task: it demands consistency and dedication. But do it you must. What I have tried to spell out here are the fundamentals: the mindset; the leadership; the people; and the process. The details will come later. You will have to work out service standards, manning levels, system support, and etiquette and manners. But first get the essentials right.

**Sunny Bindra is the author of 'Crown Your Customer' and 'The Peculiar Kenyan'.**

## Thinking Big: From a teacher to university owner

Mount Kenya University



He modestly describes his enterprising drive as having "helped open up Kenya's education sector." In reality, though, Simon Gicharu's contribution to the sector is nothing short of phenomenal. His amazing work has assured him of a special place in the annals of Kenya's higher education history.

Going by the title, Founder and Chairman of Mount Kenya University, Gicharu is anything but your ordinary entrepreneur. Surmounting heavy odds, persisting and hanging on doggedly in the face of adversity, knocking on doors of high offices and ensuring they remain ajar for others with similar needs to pass through, in Kenya this entrepreneur extraordinaire has given new meaning to the popular catchphrase, 'thinking big'.

For a teacher to dream of establishing a primary or secondary school is perfectly in order, not really an out-of-reach dream; many have done so with relative ease. For a teacher to think of building a diploma college is also a dream within easy reach for many. For a

teacher to imagine of single-handedly building a university from scratch when such examples are a rarity in this part of the world is something unimagined before. For that teacher to dare venture into offering programmes that were considered the preserve of a select few institutions was akin to daydreaming. Gicharu did dream - and dream big he did.

When he did succeed in establishing Mount Kenya University in 2008 aged only 44, he became only the second indigenous Kenyan to do so after former President Daniel arap Moi - no ordinary person in Kenyan society. For a Kenyan of humble origins to have scaled the rungs of the ladder of success in less than two decades and own a university is inspirational and legendary.

Mount Kenya University mounted some unique programmes that had never been offered in Kenya before. Its Bachelor of Science in Clinical Medicine started a year ago was a pioneer programme. The institution also holds the distinction of being the first private university to offer a Bachelor of Pharmacy

Degree programme in the country.

Gicharu explains that this was for purposes of giving diploma holders who had stagnated in their careers the chance to upgrade their skills.

First Gicharu established the Thika Institute of Technology that became the trailblazer in the market as the first private college to be allowed to offer a Diploma in Pharmacy course.

That did not come easily.

After graduating from Kenyatta University in 1990, Gicharu was employed as a teacher at the Thika Training Institute and supplemented his income as a part-time lecturer at the Jomo Kenyatta University of Agriculture and Technology (JKUAT). "When you work in a bank, you aspire to become a banker," he explains what led him to think of starting a post-secondary training institution. "If you are a teacher, you think of opening a college. I thought being a teacher, if I was given a chance to open one, I could do better."

He and his wife started with a computer outreach programme in 1996. Then four years later, armed with Ksh20,000 he had borrowed from the then Equity Building Society (today's Equity Bank), he established Thika Institute of Technology in Thika town to offer business and management courses. He reminisces: "The going was not easy. At one time I almost gave up and returned the lease to the owner of the building where the college was because we had accumulated rent arrears. But the owner was an understanding and patient man. He told me that since I had a good record in paying rent, I should continue with the business and if I failed to put things right within one year, I return to him we talk."

Gicharu analysed the business afresh and re-engineered the college by moving to offer technical courses and especially human science courses (science laboratory and applied biology among others that by then were being

offered by one public institution). The institute initiated training programmes in the fields of paramedical, Information Technology, and Business and Entrepreneurship education in 2002.

"The response was overwhelming," he recalls. "Many students registered and I was able to pay the arrears I owed the landlord."

With the dramatic rise in demand for the courses, the need for more space arose.

He approached an international bank for a loan of Ksh10 million. He was told to deposit 1 per cent of that amount with the bank.

That request did not appeal to him. He had borrowed heavily using his logbook as well as sold his residential house in Thika to buy land for building the college premises and move from the rented house.

"I felt I needed advice from someone," he reports. "I went to my consultant at Fourways Towers in Nairobi. He advised me to talk to James Mwangi of Equity Building Society. Mwangi listened to me. He told me to go back to my branch in Thika where I **Cont. pg. 11**



Simon Gicharu



## Giving hope to the next generation

CHAMPIONING SOCIO-ECONOMIC PROSPERITY





## Great transformation

Lucy Kinyua plunged into the world of entrepreneurship by gathering cut grass in Nakuru town which she dried and baled to sell to small scale farmers practising zero grazing. As her orders for hay grew, Lucy realized farmers needed value added animal feed prompting her to upgrade her trade to the sale of processed animal feeds. Demand for the animal feed rose steadily forcing her to source the animal feed from further distances. Transport became a major cost. For a fair profit margin, Lucy realized she needed to pool with other players in the same business to share the cost. She approached five women and encouraged them to partner with her to deliver full truckloads together. "I learnt early that if you go ahead alone the burden can overpower you", she says.

The lower transport costs increased her profit margin significantly and she began to see the potential to grow was not limited by demand but by supply. It is at this point that she decided to inject more money which she says she did not have. Together with her partners they approached Equity Bank. Lucy obtained her first loan of Ksh30,000 guaranteed by her partners. "Within one month I had repaid the loan and needed some more", Lucy says. Soon, her business was expanding and required credit facilities.

"After 8 months, I was given half a million shillings to purchase one truckload of animal feed from as far as Rwanda". In time she was importing 4 truckloads from Uganda, Tanzania and Rwanda and supplying farmers in Nakuru, Nairobi and Kiambu counties. "I realized this was a big job which I could not accomplish alone. I encouraged others to join me. There are five people I have mentored and each has started a similar business. They are

all doing very well. I started with a Ksh30,000 loan. The five started with Ksh100,000.

Citing the success of the five entrepreneurs she mentored, Lucy prides herself for the capacity she has acquired to mentoring others so that they create wealth for themselves and their families. "You must wake up early and get down to work to succeed. Work is not simple so you must put effort. When you are given orders to deliver, do so without hesitation even when the profit margin is narrow". Lucy is referring to price fluctuations that affect the animal feed business.



Lucy in 1981

**You must wake up early and get down to work to succeed.**

To Lucy, trust is the single most important attribute that has helped her grow her business. "My relationship with Equity Bank, my financier and the relationship I have with my customers and staff is based on trust." Income from



Lucy Kinyua

the business has transformed Lucy's life in a dramatic way. Only a decade ago Lucy lived in mud walled house part of which she had managed to plaster. She has since put up a spectacular bungalow. Lucy has also bought an apartment in Nairobi and increased business has prompted her to build a warehouse in the city to serve the adjacent counties. To diversify her investment Lucy recently registered a paving blocks manufacturing firm.

The animal feed enterprise has enabled Lucy to begin giving back to her extended family and society. "Ten years ago I was down completely", she says. "I could not even get Ksh100 per day. Now I'm comfortable. I am helping relatives and am also educating needy children."

But even as she continues to grow, Lucy has attained new responsibility of a leader. She says she is often called upon to talk to people on how they can improve themselves through entrepreneurship. "I tell them, you don't have to remain poor even if you did not get proper education. You can start a business with even Ksh10,000" she says. She believes she had leadership qualities but poverty weighed her down forcing her to remain in the shadows of others. "Poverty makes your voice low. When you create wealth, people witness what you have achieved and say aha! What she says is true. We know her, we know where she started, we believe her when she tells us to invest in business without fear", she says.

Lucy expects the Ernst & Young World Entrepreneur of the Year Award won by Equity Bank CEO Dr. James Mwangi to bring fame to Kenya. "He has done a great job. Many who could not go to the bank like me would not have got a chance to do business. Our CEO has shown how people with small businesses can grow. His vision has brought about improvement in our lives, our families and our society. Look at me (shows a photograph of herself taken in 1981) I looked miserable, Equity has made me glow", says Lucy.

## "Entrepreneurship transformed my life"



Evans Nyagaka Anyona (C) with colleagues, James Bichange (R) and Haron Kamau (L)

I was brought up by my mother after my father died when I was 6 years old. I remember she struggled very much to get me through school. After high school I had no option but to start fending for myself. I weeded people's *shambas* for little pay. Sometimes I was hired as a porter carrying heavy luggage although I was not very strong. It was hard work.

In my community, somebody saw my plight and sympathized with me. He offered me an apprentice job as a butcher which introduced me to the business of livestock and livestock products. Nearby a neighbour hawking pyrethrum appeared to be doing better and I was enticed to emulate him. I started the business in a small way

but realized my business would be more legitimate if I registered as a pyrethrum trader with a local dealer, the Masimba Cooperative Society. I soon realized there is money in trading any commodity and I diversified to buying and selling livestock, beans and maize. It is however the latter that opened my way to what I considered then to be 'big time' trade.

I recall there was a severe famine in 1992 and I sensed the drought would inevitably be followed by food shortages particularly maize. I converted all my earnings from pyrethrum and beans to purchase maize at Ksh7 per tin-full we call *gorogoro*. When the shortage came I sold each tin at Ksh35 which was a multiplication of five over the buying price only a few months before. That is when life started changing. I got my capital to start a retail shop from the profit which I had made from the maize. As the retail business grew I expanded to a mini wholesale shop and then to a wholesale shop selling everything you can possibly imagine.

Later, an uncle encouraged me to

expend the same energy and business acumen to one service. He encouraged me to join him in the public transport industry. I bought a pick up and converted it to the kind of *matatus* that were popular back then. I soon had three such *matatus* and they did a wonderful job giving me a tidy sum that enabled me to shift to the more comfortable and modern Nissan and Toyota *matatus*. It was difficult running the business but I knew there was a future if I persisted and managed better. I partnered with two friends James Bichange and Haron Kamau to begin a transport shuttle service. Each of us came up and contributed vehicles to be managed by a unit which we registered as a cooperative. The shuttle service did well enabling us to increase our

**I have learnt that success comes from honesty, education and good relations with your financier.**

fleet. When the government announced that the 14-seater vehicles would be phased out, we straightaway decided to comply ahead of time. We incorporated a company called Transline Classic Group of companies. It is at this stage that we approached Equity Bank for financial support which enabled us to purchase our first three buses. That episode alone broke new ground for us. Our eyes were opened to possibilities. Today we have 24 buses plying routes from the coast to the lake region.

I have learnt that success comes from honesty, education and good relations with your financier. When you borrow, pay back and you will get even more from the same source. Trust is an important virtue to cultivate between a business person and your financial partner.

I am driven by the aspiration to live a good life like my colleagues who were in school with me and had the opportunity to advance their studies and secure good jobs. When we meet as old friends I don't present my misery. I work hard to secure my dignity, to ensure

Cont. pg. 13



# Farming and supplies is a lucrative enterprise



The Koome's at their property in Meru

**A** Meru farming family attests to the truism that the darkest hour of the night gives way to dawn. "I thank God for Equity; it was behind our amazing turnaround. We have seen growth every year since 2003 and we know that without anybody supporting you, you can't grow," are the words of Uchumi fresh produce supplier Mrs. Lydia Kathambi Koome who has built strong ties with the Bank. George

I have been of help." The family realized that it could not meet all the financial needs of the farmers they had contracted so they introduced them to the Bank. As her husband, George Koome explains, "All the money transfers we make to the farmers are within Equity Bank. On our part, whenever we want to make a financial decision, we consult staff at Equity. It is true as the bank says that it is a listening,

Koome and his wife Lydia Kathambi Koome farmed horticultural crops and began supplying the produce to Uchumi Supermarkets way back in 2003. She is equally proud of introducing the farmers she works with to the Bank. "They believe that without me, they would not be with the bank. I enjoy a warm relationship with the co-operative farmers and I am happy that

caring partner. I have seen this in my life."

A time came when they needed to boost their finances to meet the demand for fresh produce. They frantically moved around Meru town looking for a Ksh20,000 loan. Nine years down the line, the Koome family is surrounded by the heartwarming chain of events that this single action sparked. They cannot hide their delight at helping improve the lives of others.

In their unique arrangement, George is the farmer and Lydia one of the major Uchumi fresh produce suppliers from Meru. On the family farms, George produces 80 percent of the produce that Lydia supplies to the supermarket. From the farmers that the family subcontracts, they obtain 15 percent of the produce and the remaining 5 percent is sourced from independent farmers. They have also created employment and source of livelihoods for many families in the area.

In the areas where they grow the produce and also subcontract farmers, the family has been participating in making the roads accessible so that the fresh

produce reaches the market fast. Lydia is happy to note that, "The roads help save the farmers' produce from getting spoilt before it reaches the market."

While providing a source of income for others, this Meru family has made great strides in business. In 2003, Lydia was capable of supplying – in a paper bag – only 10 kilogrammes of tomatoes, carrots and onions at Gakromone market. She then increased to supplying 50kg of fresh produce using a wheelbarrow. When the family acquired a Datsun 1200 pickup as their first transport vehicle, the supplier had made a big leap. But that fades in comparison to where they are today as owners of several Mitsubishi Canters and Land Cruisers that help them undertake a variety of tasks on the farms and deliver produce to the market.

They bought a 50-acre piece of land that is a 25-minute drive from Meru town. On this land, they launched their export drive by growing crops that are in demand in foreign markets. The couple hopes to supply Kenya and beyond.

The Koomes have diversified into

property business.

The quest for a loan of only Ksh20,000 to boost Lydia's fresh produce supply business and what unfolded thereafter remains fresh in her mind.

When she visited the Equity Bank Meru Branch, she was driven by hope and desperation. Hope that her prayer would be answered, desperation that she had to get that money or fail to deliver.

"I thank God for it all," she says of the success that her family has enjoyed since she made that trip to the branch. "I explained to the people at the branch what we wanted. Equity staff did not ask for security before giving us the loan. They asked for invoices to confirm that I was a supplier to Uchumi. In fact, I was shocked when they processed the money. I received it within one day. They gave me the full Ksh30,000 I had applied for expecting that if it was reduced it could come down to the Ksh20,000 I desperately needed."

She confesses that the gesture took her aback. "I always thought that banks were only for the rich after what I had previously gone through," says Lydia of the pleasant **Cont. pg. 10**

## It's never too late for entrepreneurial success

**S**ome things are worth waiting for. Save for a few exceptions, successful careers in entrepreneurship don't happen overnight.

You only need to talk to flour miller and livestock feed manufacturer Peter Mwangi Njuguna to confirm this. At 60, Mwangi is in the prime of his business career. He is enjoying unbelievable success that took root when he hit his mid-50s – in 2007.

At age of 55, many people would ordinarily be thinking of retirement. Not so for Mwangi, a long time tyre distributor who changed focus and opened a wheat and maize flour milling plant. It was a remarkable shift.

"I am in the manufacturing business, which is much better than a distributorship," he says. Mwangi established Nicey Nicey

Millers in June 2007 and it has brought joy to him as it has to hundreds of others who use his products. Growing demand for Nicey Nicey wheat and maize flour products shows that the firm is fulfilling a need in the market. The growing number of dairy farmers in central parts of Kenya who depend on Nicey Nicey feeds to sustain their dairy cattle's milk production attests to the popularity of the products.

"It confirms to us that the quality of our products is acceptable in the market," he notes with satisfaction. "We support the dairy industry with quality feeds that we supply through agrovet outlets and milk processors."

Nicey Nicey has installed a mill with capacity of 50 tonnes for maize flour, 25 tonnes for livestock feeds and 35 tonnes for wheat flour.

However, he has not fully utilized the production capacity.

It has been a long walk for the entrepreneur because he started with a single milling unit – for maize flour and which had a capacity of only one tonne.

So confident is he in the firm's stability and growth that he brought his two sons on board to assist him with the business. The firm's Managing Director is Francis Maina Mwangi, 31, whereas the Marketing Director is his elder brother, Richard Njuguna Mwangi, 33. They are supported by a staff of 70 who derive their living from working for Nicey Nicey Millers.

How did this turnaround come to be? Mwangi has an explanation for his immediate success: finding a niche in the market and teaming up with a reliable financial partner. It started with his idea of providing locally milled maize flour. People in the locality depended mainly on packed maize flour milled elsewhere, and especially Nairobi. Mwangi thought that if he could find a way of sourcing maize and wheat from elsewhere cheaply, he could make the products locally available at competitive prices.

In cereal milling he saw an opportunity that he grabbed. Then the next factor in his turnaround presented itself: Equity Bank opened a branch in Kangari and its staff approached Mwangi to bank with them.

"They were the first to approach me and we became friends," he reports. "When I got to know about Equity, I noticed that the conditions for obtaining a loan were friendly. The support I received from Equity Bank changed my business life. I can confidently say that Equity is us and we are Equity."

His first loan was only Ksh200,000 but subsequent ones went up as his business demanded. Mwangi explains the reason behind the series of credit facilities that he has taken: these were loans for setting up the three milling plants, sourcing grains and for buying trailers and pickups for transport.

"We are strong partners with Equity because of the many people we have introduced to the bank," says Mwangi proudly. He advises would-be entrepreneurs to choose their banking partners well, knowing that "business is not a bed of roses. You may plan well but when you enter the field, it is a different ball game altogether," he warns. To succeed in business, one needs to prepare well and not give up even when things appear tough, says Mwangi. "You cannot choose who will be your competitors; you get to know who they are when you join the industry. For example, in the flour milling business, we are competing with giants."

He advises upcoming entrepreneurs to focus on and fully establish their core business and



Peter Mwangi Njuguna

not rush to diversify quickly. One cannot afford to be greedy and not build a strong foundation for the main business, he warns.

From his experience, he says it is better to train own staff so that they understand the culture of the business right from the beginning. Mwangi is a strong advocate of Equity Bank among the Kangari business community. "I am happy with Equity for bringing services to the common *mwananchi*. Their agency banking has enabled many people to access banking services. Let me also say that the Wings to Fly scholarship programme is one of the best initiatives that Equity Bank ever started. We can see its impact," notes the miller.



Nicey Nicey Products



# Members, your trust in us has

For more than 28 years, we've continued staying true to our essence... that members are our business. We have listened, cared and partnered with members from all wa

Equity Bank Managing Director and CEO Dr. Mwangi's leadership has enabled Equity Bank to receive numerous local and global awards and accolades, among them:

**In Kenya...**

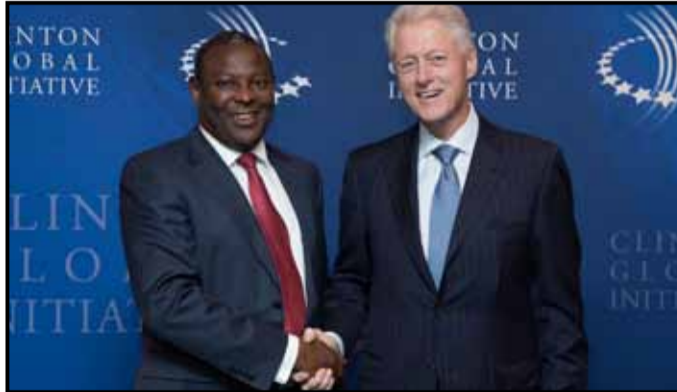
In 2012, Dr. Mwangi was celebrated with the Lifetime Achievement in Banking by the industry in Kenya during the Think Business Banking Awards.



He has been awarded four honorary doctorate degrees for his contribution to humanity, entrepreneurship and economic development.

- Dr. Mwangi chairs Kenya's Vision 2030 Delivery Board. Vision 2030 is the blueprint that will transform Kenya to a middle income economy.
- He was honoured by His Excellency the President of Kenya Hon. Mwai Kibaki with the CBS (Chief of the Order of the Burning Spear) for his contribution towards economic development. One of the few civilians to have ever received the award.
- In 2011, Dr. Mwangi's name was entered in the list of Kenyan heroes and legends during the Mashujaa Day celebrations.

**At the global level...**



Dr. Mwangi is a member of the Clinton Global Initiative.



He is a holder of the Global Vision Award alongside Nobel laureate Prof. Mohammed Yunus of Grameen Bank. He was cited as an "Initiator of the concept of the future that will shape the world economy."

Dr. Mwangi is a certified Retail Banker and was admitted to the honorary membership of the International Academy of Retail Banking.



Dr. James Mwangi, CBS, Ernst and Young World Entrepreneur

- In 2012, Dr. Mwangi was appointed to:
  1. G8 New Alliance for Food Security
  2. Global Agenda Council on New Business Models - World Economic Forum
- Dr Mwangi named Africa's Innovation Leader
- The Financial Times named him one of the world's top 100 world thought leaders.
- Dr. Mwangi has been instrumental in shaping financial policies by serving on the UN Advisory Committee on Finance as well as on Global Sustainable Development Goals.
- He also served as an external advisor to the Bill and Melinda Gates Foundation.

**At the continental level...**



The Africa Investor Award named Dr. Mwangi Africa CEO of the Year in 2009

The African Banker named him African Banker of the year in 2010 and 2011.



Africa Leadership Network (ALN) co-founder Fred Swaniker (Left) presents the inaugural leadership award to Dr. Mwangi in recognition of his leadership in bringing prosperity to Africa.



Dr. Mwangi speaks to Stanford Business students on an academic tour of the Head Office. He is a guest lecturer at MIT and Lagos Business School. His business model is a case study.

- He serves at the Global Advisory Council on Africa
- He is a member of the G20 Africa Action Plan and serves as a member of the Africa Action Plan
- He is a member of the Initiative 20:20
- In 2011, Forbes named Dr. Mwangi one of the most influential people in Africa



# ... have been recognised worldwide!

... of life, enabling them make a significant contribution to the enhancement of the Kenyan economy. These awards are a testament that we are doing something right.



... enuer of the Year 2012

... ted to serve in two global councils:  
... curity and Nutrition  
... ew Models of Economic Thinking  
... m.  
... vation Leader-of-the year 2012  
... among the top 50 emerging  
... tal in shaping global development  
... Advisory Groups on Inclusive  
... sustainability.  
... advisor on inclusive finance in the  
... ion.



... Graduate School of  
... emic trip to Equity Bank's  
... urer in Stanford, Columbia,  
... ol where the Equity Bank  
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... Advisory Council of VISA Inc.  
... Advisory Board on Agriculture  
... the World Economic Council.  
... tive for Global Development.  
... Mwangi among the twenty most  
... Business.



In 2009, IFC recognized Equity Bank as Emerging Markets' Most Sustainable Bank in Africa and Middle East.

Equity Bank was named Africa's Best Initiative in support of SMEs and the Millennium Development Goals (MDGs) by the Africa Investor Awards in 2011.



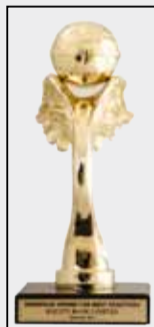
The Bank was named Africa Microfinance Bank of the Year in 2008 and 2009 by the African Banker Awards.



Equity Bank Chairman Peter Munga was co-winner of the 2009 YARA Prize for helping to innovatively strengthen agriculture value chains and increase Africa's food security.



The Africa Investor named Equity Bank as the Best Performing Ai100 in 2008 and 2009 and Ai40 Company of the year in Africa in 2011.



Equity Bank was awarded the European Award for Best Practice in 2011 by European Society for Quality Research.



In 2012, Equity was named Africa's Most Innovative Bank by the African Banker for championing delivery channels that have taken financial services to the last mile. These include Agency Banking as well as mobile phone banking.

In 2011, Equity Bank was named as one of the 16 Global New Sustainability Champions redefining the future of growth by the World Economic Forum.



In 2009, Equity Bank was named African Business of the Year by the Commonwealth Business Council.



Equity was named Kenya's Best Bank Overall 2012, Best Tier 1 Bank (big banks) 2012, Best Microfinance Bank 2012 and 2nd Best Retail Bank 2012 by Think Business.



In 2009, Equity Bank was named the Financial Reporting Company of the year in Africa by Africa Investor.

In 2011, Equity Bank was named by Euromoney as the Best Bank in Kenya.



In 2012, Equity Bank was named Best Managed Company in Africa in the banking and finance sector.



## I cast my net wide



**Maurice Ondiek**

**N**yageta shopping centre is a cluster of small shops nestled under the scenic Nandi Hills some 20 kilometres from Kisumu city. Here, we find Maurice Ondiek, a young man who is thriving as a businessman of note. Listening to Ondiek, it becomes clear that to make it in business and life it's not possible to skip preliminaries that are critical for a good business foundation.

At 30 years of age, Ondiek runs a number of businesses including Jakwano Self Drive cabs in Kisumu town; a cane transportation business and two posho mills. But his journey of success has taken a lot of hard work, discipline and commitment. "I got into business right after finishing my secondary education", begins the soft-spoken Ondiek. "I realized that business is what I wanted to do".

Ondiek's first business was a small shop in Kisumu town in 2004. One year later, he had saved enough to purchase a one-acre piece of land and planted sugarcane. When Equity Bank opened its doors in Kisumu, Ondiek saw an opportunity for further growth through the savings and credit products on offer. "I approached

**"I have to be involved in all aspects of my business. That's how I ensure everything is running seamlessly".**

my branch for my first credit facility in 2008 and that was the start of a beneficial relationship", he says. With the money, Ondiek purchased the posho mills. As the businesses grew, Ondiek cast his net wider, purchasing a pick-up truck to supply cereals in Kisumu and also expanded his cane farming.

With his cane farms blooming, Ondiek saw a new opportunity. "I realized I could go into cane transportation not just for my cane but also for other farmers in the region". With financing from the Bank, Ondiek acquired two tractors that now double up as haulers and harrowers.

Ondiek oversees the operations of his businesses on a daily basis. With over 24 employees, he has adopted a hands-on approach. "I have to be involved in all aspects of my business. That's how I ensure everything is running seamlessly".

Ondiek's success has enabled him to serve as a role model in his immediate community and to his peers who call on him for advice on entrepreneurship. "It's my way of giving back", he says. "And it's encouraging to see young business people embrace entrepreneurship". Ondiek now plans to own a fleet of tractors to grow his business in the sugarcane belt.

For the father of two, waking up every day and looking for new ways to grow gives him drive and inspiration. "This is my passion; my business is my passion".

## Equity Bank has walked with me on my journey

**E**ducationist Lizzie Wanyoike visibly buzzes with pride. Nairobi Institute of Business Studies (NIBS), which she founded in 2000 as a secretarial college, is gearing up to become a university.

However, her greatest source of personal pride is the sight of seeing people who have studied at NIBS working for various organizations or running own firms. She is proud of what she has already done.

Lizzie says she is delighted to walk into offices and find her former students going about the task of nation-building in law firms, and as pharmaceutical technologists among other professionals.

"In many offices that I visit, I meet people who studied at NIBS," she enthuses. "They are in law firms, hospitals and supermarkets."

The future holds a lot of promise for NIBS and its prospective students but for the present, she savours what the middle level college has achieved so far: managing to train thousands of Kenyans who have gone on to excel in various careers. Every year, NIBS, one of the leading private colleges in the country, graduates an average of 1,500 students and the number will grow once the institute transforms into a university.

"Our goal now is to develop a university that is affordable to our people," Lizzie asserts. "We do not intend to commercialize education but to offer quality education by following all regulations and standards set by the regulatory bodies."

NIBS is busy developing its 10-acre Ruiru campus to put in place the necessary infrastructure for the planned university's first phase. The process is underway of putting up a five-storey building that will house health sciences laboratories, classes, library and lecturers' offices.

"We hope to start offering clinical medicine, pharmacy and nursing undergraduate programmes," Lizzie says, "We are also stocking our library to meet the requirements of a university."

Lizzie anticipates that hiring of staff for the upcoming university will be completed by October 2012.

Once everything is in place, NIBS will join a list of the few private universities in the country that have sprung from colleges.

Of the institute's humble beginnings, Lizzie says: "We opened a secretarial college - NIBS, and Equity Bank gave us the initial loan of Sh.4 million. We have worked together since then and any time I need assistance, they support me."

Some memories have stuck with Lizzie. Like when she flew to South Africa to buy her first batch of 50 manual typewriters. "It is through Equity Bank that I was able to pay for my first ticket to South Africa," she confesses.

Equity, she explains, has been by her side



**Lizzie Wanyoike**

and the two institutions have grown together – Equity from a building society to a bank and NIBS from a college now approaching university status.

Lizzie talks warmly of the ties with Equity Bank and is appreciative that the bank has supported her financially and morally for as long as she can remember. She says the financial institution has often gone beyond normal client-bank relations to be there for her whenever she needs it – both as a financier and a mentor.

The college which had four programmes now has six different schools offering several courses each. In the beginning, NIBS trained Kenyans in business and management, secretarial studies, computer sciences and sales and marketing. It has since added health sciences and hospitality schools.

Whereas the initial student population was 25, the current number stands at 4,000. The targeted population once NIBS becomes a university is over 6,000, "for both diploma and degree programmes," Lizzie says.

For NIBS to be where it is today, it has, since inception, borrowed more than Sh200 million from Equity Bank. Lizzie echoes many entrepreneurs when she acknowledges that she has taken many loans to build NIBS but had to plan for each. "Loans are good but bad if not properly managed," observes Lizzie. "You need loans as an entrepreneur. Start with an amount you know you can comfortably pay back."

She also advises entrepreneurs to work hard and be there for their staff. "Work with them, not to have them work for you," Lizzie instructs. "Pay and treat them well so that they appreciate your work but do not hire people you cannot afford to pay."

Lizzie warns people against opting to be 'telephone entrepreneurs'. She is always there for her 180 full-time staff and 20 part-timers.

"You can't succeed as a business person who depends on calling employees to know what is happening at work. You must be there to encourage and guide them," she says.

**From pg. 7** experience that changed her perception of what a bank is supposed to do for its customers.

The family repaid the first loan within three months then took others of Ksh50,000; Ksh100,000 and Ksh150,000. Emboldened, they went back to Equity in 2006 for a Ksh2.5 million mortgage to buy the family's residential house. They have taken many more loans to grow their businesses. And this family's journey with Equity continues. To budding entrepreneurs, Lydia's words of advice are: "If you are assured of capital, growth is automatic especially if you deal with quality goods. But you must maintain discipline to achieve growth."

"Equity provides me with solutions when I have financial needs and this has helped me to grow," says Kathambi. "On my part, I am sincere and confident when dealing with the bank." She is impressed that, even though staff at the branch move, she is treated just as she was when she first walked through the bank's doors. "The processing of loans is similar. Staff at the branch have over the years changed but Equity has remained the same."

**Nairobi Institute of Business Studies,  
Ruiru Campus**





From pg. 4 completed forms requesting for a Ksh10 million loan. The staff requested me to deposit, as security, the title deed of the land I had just bought.”

Gicharu was doubtful if “a building society could give me Ksh10 million” but he filled in the forms all the same. “I had informed Mwangi that, “if you don’t give me this money, I will lose the second intake.”

The best surprise of his life awaited him when he next returned to the branch. The game-changing Ksh10 million was in his account!

With the infrastructure in place, he was able to admit an additional 300 students and the foundation for today’s Mount Kenya’s University was firmly laid.

“We got four more loans even before we could repay the entire Ksh10 million,” Gicharu narrates. “In total, we have received Ksh700 million from Equity Bank and continued to develop the college infrastructure until we were awarded a Letter of Interim Authority for the establishment of Mount Kenya University. When we started we had less than 50 students but to-date, more than 17,000 students have passed through the university. We also have more than 4,000 students in a subsidiary university in Kigali, Rwanda.”

## “You too can benefit like me”

The financial and social transformation that Rahab Karanu has undergone in about 20 years is incredible.

Rooted in rural Kenya and operating a small shop in the early 1990s, Rahab has literally climbed a financial mountain to stand on its lofty heights and enjoy a breathtaking experience that few do. Two decades later, her social standing and financial status reflect the fortunes brought about by her bravery, irrepressible enterprising spirit and plain, honest hard work. She is a wholesaler and retailer of assorted electronic goods and tyres. She is also in the public transport business.

Two decades ago when she received her first loan of Ksh10,000 to increase the stock in her shop in Gatura, Gatanga, she was excited. That was a ‘huge’ amount that she had never thought she would receive as credit. Today when she gets loans ranging into millions, it is no big deal. As a businesswoman who flies out of the country to bring in merchandise that she sells locally, she is used to handling that kind of money. These days, she does not get her stock from the local supermarkets or farms; she travels to Asia to order goods that are brought into Kenya by sea.

The humdrum life of sitting patiently in a small shop in rural Kenya praying and waiting for the next customer to come and buy goods is a thing of the past. These days, she imports assorted merchandise and distributes it to her buyers directly as well as selling to others at her Mwagu Agencies shop in Nyamakima in the city of Nairobi.

Her journey to the city began when she attended a function at which Equity Bank Group Chief Executive Dr. James Mwangi was a speaker. She listened to the talks and when the function was over she went directly to Dr. Mwangi with two other women traders tagging along, and asked him, “What is this Equity that you are talking about?” She informed Dr. Mwangi that she was a shopkeeper and would surely make do with a loan. Dr. Mwangi listened to her request and she later obtained Ksh10,000 from Equity Bank.

“I repaid that loan fast,” she says proudly. “They were impressed and recommended me for a Ksh50,000 loan which I went on to receive.”

Rahab’s respect for borrowed money has helped her grow in business and she does not hesitate to explain this. “I knew that what I had been given was a bank loan and so I watched over it carefully. I knew that what I remained with after repaying the loan is what would be mine.”



Rahab Karanu

Her ‘road to Damascus’ moment had arrived because, as she herself explains, “I moved to Gikomba in Nairobi after seeing the light with Equity. I started selling mitumba (used clothes).”

With the savings she accumulated from the business, she bought land in Wanjohi, Nyandarua.

As her business thrived, she met a lady who interested her into thinking about travelling to Dubai to buy goods and sell them in the country. She got a Ksh350,000 loan from Equity Bank.

Rahab’s account of the experience of obtaining a passport and boarding a plane for the first time is as hilarious as it is poignant. Her naivety when she entered the plane to Dubai matched her excitement and describes that memorable moment as being akin to “landing in heaven and leaving my relatives in the land below. I had never, while in Gatanga, imagined that I would ever have a passport, board a plane and land in a place like Dubai. Never!”

Later, she obtained another loan which she used to buy a *matatu* from Dubai. She took yet another and bought her second *matatu*.

When she was told of a shop in Nyamakima that was being sold, she rushed to talk to Equity Bank. Merchandise that she had ordered from China was in the high seas and she did not have cash on her.

Says she of that instance: “I told them, you know how well I repay my loans. Give me a loan of Ksh4 million.” Rahab got the loan and bought the shop.

Her admiration for Equity and appreciation of how it had lifted her socially moved her

to volunteer in the year 2000 to recruit members on behalf of the bank so that they too could “benefit like I had.”

To-date, her compelling story touches many people who get to hear her and they proceed to open accounts. She has convinced many to seek financial intermediation with Equity Bank.

She explains:

## Exemplary service works



Millicent Oreta at her salon

Millicent Oreta had been in several businesses for more than twenty years before she settled for her lifelong passion: hair and beauty.

“I dealt with second-hand clothes and cereals distribution for a number of years; was in the transport business as well, but all along, I knew I wanted to get involved in the beauty industry”, says Millicent.

But, Millicent adds, she didn’t just want to start any hair salon or barbershop; her focus was on a modern, fully-fledged establishment with an edge.

Sophisticut Executive Barbershop and Salon is Millicent’s labour of love. Located in the heart of Kisumu City’s business district, it has been in operation for close to twelve years now during which it has established its market presence.

“I have constantly looked for ways to better my business, especially in customer satisfaction”, Millicent tells *Equity News*, as she interacts with customers in the salon. Watching the employees busy at work, it soon becomes apparent that Millicent has imparted her zeal for the industry in her workforce.

Like many upstart businesses, getting established wasn’t easy. “It’s expensive to start a business, especially with the standards that I wanted to attain”, says Millicent.

With a business model driven by volume and paralleled by customer

service, Millicent started seeing results.

“I have been an Equity Bank customer since the Kisumu branch opened, and when my business needed financing, they were there for me”, she says. Over the years, a good rapport with the Bank has enabled her business remain on a growth trajectory.

Sophisticut also operates a hair and beauty training school which opened in 2000 and trains close to twenty students at a time.

Millicent recently opened a second shop and college at Kendu Bay. “I appreciate what Equity Bank has done for my business and the support I have received; enabling me to keep expanding”, Millicent acknowledges. She now plans to open a cosmetics shop, which will complete her triumvirate dream of a barbershop/salon, college and cosmetics outlet.

The training school has especially brought tremendous fulfillment to Millicent. “some of the young people we are training are destitute and have been referred to us by NGOs. It’s a great thing to see them learn and acquire skills that will help them in the future”, Millicent says.

Millicent advises that dedication to any chosen field of business with a deliberate bend to exemplary customer service can never be overstated.



Cont. pg. 14



# Don't sell, give an experience

When she first opened her meat shop, Phoebe Nyangweso had an amusing experience. "Customers would walk in, look around, and ask, 'Are you sure your matumbo is okay?' ", Phoebe laughs. "They couldn't believe you could sell this type of meat without flies buzzing around!"

As the owner of Ruby Meats in Kakamega town, Phoebe has been guided by a simple theme: give your customers what they can't find anywhere else. Give them an experience. Indeed the immaculate interior, electronic weigh scale and uniformed staff all indicate a distinct brand.

"A satisfied customer is your best asset in any business", says Phoebe as she mans the till.

A career secretary, Phoebe believes in order. On the shelves, files are arranged neatly, giving her business a professional look but yet maintaining friendly warmth.

"All the customers walking through that door should be able to get what they want. If someone wants meat worth Ksh40, that is what they get. This is the reason we introduced the electronic scale and people like it".

Phoebe's entrepreneurial journey has been one of discovery. After years in public service, she knew she was meant for something else. "I enjoyed working in the government but over time I felt the need to move on", she says.

Her introduction into the meat business came by happenstance. Phoebe had a friend who was in the business and after observing the daily running and culinary aspect of the industry she decided to take the plunge.

"I am very particular about standards", Phoebe says. "And that is the one edge I wanted to introduce as soon as I got started".

Starting off while creating a unique business model didn't come easy. "I began by taking samples of our



**"All the customers walking through that door should be able to get what they want"**

**- Phoebe Nyangweso**

meat products to schools and other institutions in Kakamega. It was discouraging at first and business was slow in coming but eventually we started seeing results", she says. "We were the first to introduce minced meat in the town, and we got a very good market".

The opening of Equity Bank Kakamega branch helped spur Phoebe's business. "Operational capital was a challenge at the beginning; but I got a boost from Equity Bank", says Phoebe. An increase in the number of customers led Ruby Meats to open an additional branch in the town. Poultry meat is supplied from her farm which is located a few kilometers from Kakamega town where she has a private abattoir.

"Eventually I want to replicate my model in every town in Kakamega County", Phoebe tells *Equity News*. "I believe that will be my legacy".

As the interview is going on a young man walks in back from a delivery. "Oh, that's Kelvin, a University student. He works here and then we pay for his college tuition", Phoebe explains. "I got the idea after I heard (Equity Bank CEO) Dr. Mwangi explain the Bank's university sponsorship program during the launch of Kakamega branch".

## "We are making big strides, we are focusing on the East African region"

In industrialist Francis Githinji, workers and friends have a mentor who lives by the adage that teaching a man to fish is better than giving him fish. The beauty care products manufacturer and supermarket owner sings praises of the benefits of financial literacy. He has in the past obtained numerous loans from banks to build several businesses and they flopped. But nothing stands out to him like the knowledge he has gained in money management.

Eight years ago, he went to Equity Bank which had just opened a branch in Kerugoya town. "They promised us account holders big things," he recalls. "At that time we could not envision what they had in store for us. I have since confirmed what the promise was all about." In eight years, he has learnt so much about the little things that make the difference between success and failure.

"Equity gave me a small loan of Ksh100,000 eight years ago and that marked the beginning of my growth," he says. He later borrowed



Francis Githinji

several loans before crossing the Ksh1 million mark. "Being in Equity, I have experienced a comfortable working relationship," Githinji gushes. "For a growing businessman, Equity Bank is convenient

in all ways. The bank has branches all over and what I need to carry is my card. If I travel from Mwea or Kutus, Kerugoya or Kagio, I know I will find a branch there and do my business. Even my customers – those who buy my products – can bank money for me in the branches near them anywhere in the country. The managers are highly accessible and will fix your problem within a short time."

When he speaks of the journey he has made, his happiness is carried in his words and voice. "When we started making petroleum jelly products, our capital was less than Ksh100,000. We have made great strides. Now we write to our clients a cheque of

even Ksh1 million. We have constructed a building that has provided us with working space and where to store our products before we transport them to our distributors.

"When we started, I used to rely on one old vehicle for transport. Today we have three new vehicles that help us to transport our products throughout the country. I started with five employees and today I have 60. Equity has helped us to grow in a big way.

"We have stabilized financially over the eight years and want to automate our operations and expand so that we can take our products to the East African region," says a determined and focused Githinji.

He has seen people who were earning more than others amount to nothing while their contemporaries have flourished and attained financial security. He emphasizes on the importance of discipline in managing one's finances. "There are people who receive their salaries directly into their hands and do not have bank accounts. Within a short time, they spend their earnings

Cont. pg. 13

## Determination saw him transform from an IDP to a successful businessman



James Ndung'u Ndiga outside his shop

Like the proverbial phoenix, career businessman James Ndung'u Ndiga rose from the ashes of post-election violence to epitomize the Kenyan success story.

Before March 2008, businessman Ndiga, 42, believed that four years is a short time in a person's life. If you sought his opinion on this today, he would, unequivocally, tell you that four years is a long, long time in a person's life. In those four years, his life has been transformed tremendously. In only 48 months, his life's pendulum has swung from the lowest of lows to the highest he has ever risen in life.

The businessman's revised opinion is based on his amazing and inspiring four-year experience. The transition in his life has been like watching the petals of a flower open.

Ndiga's life took a different turn when the post-election violence of late 2007 to early 2008 that rocked parts of the country uprooted him from his Rumuruti home. In the blink of an eye, he had lost the wealth he had patiently accumulated through sale of cereals. He sunk into the depths of despair. From being a wealthy man in society, he was reduced to (in his own

words) a 'hustler' struggling to make ends meet. In search of solace, he fled Nyahururu and landed at Loitoktok in Kajiado County, one of Kenya's southern border points, a distance of 450km from his rural home.

He landed in the town on 13th March, 2008 and his life changed for ever. In this quiet town, he wanted a fresh start but little did he know just how much his life would be transformed. By then the Loitoktok area had received a bumper maize harvest and the grain was selling at low prices. Spotting a business opportunity, he began buying and selling cereals.

When he arrived, he had little money. He had to use his vehicle as a taxi ferrying people across the town to earn his daily bread. With the little capital he had, he could only buy a few bags of maize and beans.

Ndiga confesses that those who used to see him in early March 2008 driving passengers in his personal car to get survival money cannot believe he is the same man.

Comparing the nearly 20 years he had been in business before 2008 and the last four years, he says life over the latter period has been 20 times better!

He is the proud owner of Mjengo General Store, a popular retail hardware outlet and has ventured into other lines of business.

His lucky break arrived when, during his second week in Loitoktok, he sought a Ksh100,000 loan with which to boost his cereals business. He approached the local branch of Equity Bank.

"The branch had opened three months before my arrival and I did not have an account there," he recalls. "I had an account with the Nyahururu branch

Cont. pg. 13



## Hairdresser invests in tourism



Part of the villas in Mtwapa (inset) Farida Katsusu

**F**arida Katsusu, a hairdresser by training and a resident of Mtwapa decided to change her career and venture into tourism.

A simple market research indicated to her that rental income from tourist accommodation is more rewarding than the monthly rent paid for housing for long term stay. The research also showed her that demand for tourists' accommodation far outstrips supply especially in the peak season.

As a first step, she spruced up a bungalow within her compound as a pilot to what she intended to venture into. The success was so overwhelming that she put up three villas which she tastefully finished and furnished to offer comfortable accommodation for tourists looking for a home environment during their holidays. "When I have visitors and they look happy in a clean and inviting environment I feel happy too. It is not about me, it is about those who come to stay in my Villas and that makes me want to go on and on", Farida says.

Over time Farida realized that although

the accommodation has a home feeling her clients also needed laundry, shopping, catering, and transport service. The investment in the cottage tourism business became even more viable for Farida as she lives within the business premises enabling her to provide the value added services at an extra charge.

Farida is now in the process of accessing a credit facility to open a hotel service within her villas. "Equity Bank has really supported me since the days I was operating a hair salon. They are part of my business. They really made me want to venture into the business".

Farida has since closed the salon to concentrate on the villas business and hopes to later expand the enterprise by opening similar outlets in Nairobi and Kisumu. "I work hard and with passion to build what I can say is my empire. This is my empire ... for me and my family," says Farida. "I am glad I have created employment for others and in the December festive season when we are fully booked for three months, I engage many part time workers", she says.

From pg. 12 and turn to others to ask for soft loans believing that the others have more money than them."

To such people, Githinji does not tire to preach the gospel that it pays to have your income pass through a bank. It pays to have a bank account. It pays to save even whatever little amount one can. It pays to take loans and invest in economic activities that will help you to create and amass wealth.

"With a good bank which knows you well, you can't fail in business," Githinji intimates.

A reliable bank aside, one "must be persistent," advises the entrepreneur who has experienced the highs and lows of business. "Business," he explains, "has good and bad times. If you start with a bad experience you might think that things will be bad all the way."

Githinji attests to the fact that when people choose to keep going no matter what, life has a way of celebrating their decision by meeting them halfway. New opportunities seem to materialize out of thin air. Things they never saw before spring to life.

Says he of what he has gone through before finding success: "For every success we achieve, we usually experience a multitude of failures along the way. Each failure has the potential to teach us something. Each failure brings us a little closer to our goal."

Githinji is convinced that he has taken care of the small details that used to derail him and prevent him from moving forward in business.

From pg. 12 and it was not very active. The branch's officials asked for referees at my branch. Satisfied, they gave me the Ksh100,000." He could not believe that the bank had granted him his request. He was thrilled and considers this the second chance that God gave him to improve his life.

He repaid the loan in six months and took another. Then the low maize season arrived and he pondered returning to Nyahururu. But he decided against that and opted to open a hardware store in January 2009. From his maize



James Ndiga inside the hardware shop

business he had saved Ksh600,000 and needed Ksh500,000 more. He went to the bank and obtained the loan. Ndiga struggled with the business up to August 2010 when it showed signs of success.

With this new success came the need for a vehicle to assist in transporting wares. He settled for a truck that cost Ksh2.4 million. In his account, he had Ksh1 million. So he asked Equity Bank to lend him the balance of Ksh1.4 million.

Casting his eye over Loitoktok, he saw how people were suffering for lack of clean water. He

took a loan from Equity to buy a tanker which he mounted on his mini truck and started supplying the town's residents with water.

As his hardware business thrived, he saw another opportunity: the possibility of engaging in the building and construction business. He obtained tenders from institutions in the locality. In March 2012, he identified a Ksh7 million Mantrac earth-moving machine for his construction work. This made him return to Equity for a loan which he needed to top up the amount he had.

"I was told to return after three days after submitting several documents," he narrates. "On the third day, I was told there were possibilities of me getting the loan. Equity gave me the loan and in May 2012, my earthmover arrived."

His business is now stable and has enabled him to buy a plot where he resides now.

He says a good relationship with society and your financial partner is very important to succeed in business.



Evans Nyagaka

From pg. 6

I provide a good quality life to my family and to cushion them from the misery that I experienced when I was growing up.

But a better life does not stop there. My success has elevated me to a person with a profile. My family and society are proud of me for educating my children, my siblings and establishing a home and giving back to society. We have provided a livelihood to many families through employment. Better still we donate to children's homes, schools and churches as part of our charity work. We feel we should appreciate them because we have been helped as well to get where we are and also because all these people are our customers. As a matter of fact when decisions are to be made in my community I am consulted even by those who I previously consulted as my mentors. I am now respected and every other school proposes me to join the board of governors. The award the Equity Bank CEO Dr. James Mwangi received as Ernst & Young World Entrepreneur of the Year has been quite encouraging to me. It is an example I want to copy.

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# Master Fabricators: Ingenuity in bus body building

**K**enyans have lofty business ideas and dreams but they need people and institutions that would empower them.

That is the observation of Dharminder Singh Virdee Bobby, a University of Nairobi trained engineer who plans to be the first in Kenya and this part of the world to start building choppers. Yes, helicopters. That is what he would like his company Master Fabricators Ltd to start making, and help the country to achieve the vision of becoming a prosperous, industrializing middle-income nation by 2030.

When referring to the ability of Kenyans to build enterprises, Bobby knows what he is talking about. He is living testimony of what one can achieve with the right focus and a helping hand.

Master Fabricators has already made a name in the bus and coach body building industry in sub-Saharan Africa. You will find buses built by the Likoni Road based firm serving the transport needs of people in Kenya, Uganda, Tanzania, Congo DRC, Namibia, Malawi, Botswana, Rwanda, Zambia and Burundi. Courtesy of one of the firm's Tanzania-based bus operator, buses fabricated by Master Fabricators travel all the way to South Africa.

Riding the crest of innovation, Master Fabricators has introduced many unique safety features in bus and coach body

building in sub-Saharan Africa. For willing bus companies, Master Fabricators incorporates anti-roll cages, glass splinter protection, driver impact zone and side impact protection features. It is also the only bus body building firm that undertakes installation of air-conditioning on the vehicles in-house and does not go for outsourcing.

Yet when people talk of companies being built from humble beginnings, they could as well be referring to Master Fabricators. This is a firm that traces its background to 1995. That is when a youthful, just graduated Bobby, inspired by his father who was a bus body building expert, incorporated the firm and opened an office in a container.

So much water has passed under the bridge and Master Fabricators has remained on the growth path.

The statistics tell the story: A container for an office, a godown of 3,000 square feet just enough to accommodate three buses and a staff of eight. That would not have impressed many outsiders. Neither would that have served as an indication of where the firm would be today.

"We started the company with a little capital and in a small way," Bobby remembers how it all began. "We have come a long way."

Master Fabricators currently stands on 40,000 square feet premises that comprise offices, six godowns and workshop and has 300 people working for. The company has



Dharminder Singh Virdee Bobby

grown over a short span to become one of the market leaders in supply of various types of bus and coach bodies through innovative design and concept in the industry.

Bobby reveals that even better and bigger things are in the pipeline. This will depend on how fast the firm is able to quickly tie up a credit facility arrangement which is being discussed with Equity Bank.

For four successive years, Master Fabricators has been nominated the Best Bus Coach body building Company by the National Road Safety Agency in Kenya, East Africa.

Winning such awards, seeing bus firm customers delighted with Master Fabricators work and daily interacting with 300 staff who support families courtesy of their earnings is a source of happiness for Bobby.

"I retire, I want to build choppers in Kenya."

Just like it happened in 2007 when Master Fabricators received a credit line from Equity Bank, Bobby is banking on the bank to support this dream. Then, the bus and coach body building firm sought a bill discounting facility.

"Equity Bank was willing to support our dreams and that marked the beginning of a strong relationship that has remained intact to-date," he says. Master Fabricators still enjoys this kind of facility. "Equity is a willing and supporting partner in business. Kenyans have business ideas and Equity Bank has helped to empower many of them by offering them credit," says Bobby.

Bobby notes that, although his firm has built its reputation on the back of quality work, emphasis on safety, clear branding of its products for greater consumer awareness, perseverance, excellent customer relationships, innovation and minding the welfare of staff, Equity Bank's credit line was the catalyst.

He advises aspiring entrepreneurs to focus on a specific project, carefully weigh the risks involved and then give it a shot. "When they receive loans for their businesses, they should not rush to buy the most expensive TV or four-wheel vehicles in the market. Instead, they should invest the money in the business and achieve the goals they had set before applying for the loan," cautions Bobby.



He says the passion to do more is there. "We want to build a modern assembly line for buses," he reveals and adds that, "before

A bus at the Master Fabricators factory. (Inset) A completed bus

**G**rowing up in Manyatta Burgi in Moyale District, Shone Aide knew he had limited opportunities. The fourth born in a family of eleven, Aide saw his family struggle to get by. He dropped out of school in standard four due to poor health.

But even at that early stage in his life, an entrepreneurial spirit burnt inside him. Aide took up a variety of casual jobs to support himself, while putting away small savings. Soon enough, he had squirreled away enough to start a small shop in his town. "It wasn't easy growing up, and that caused me to be very diligent, even as a young person", says Aide. "Somehow, I believed I could make it in business".

Aide's big break came nine years ago when he decided to enter the soda distributorship market. Due to a proven record and capacity, Aide was awarded the

## Be involved to succeed



Shone Aide

tender to distribute soda for the Coca-Cola soft drink company in the expansive Moyale District.

When Equity Bank opened its doors in Moyale, Aide was among the first customers to open an account. Over the years, he has seen his opportunities grow in his journey of success. "One of the main challenges we had here

was banking. I couldn't travel with huge amounts of money due to security concerns. But now, I do my cash transfer here at the branch and in no time the people at the depot have the payment", he says.

A father of three, Aide says he gains immense satisfaction in giving back. He has managed to

educate his nieces and nephews while seeing his own family flourish.

As the sole distributor of soft drinks in Moyale, Turbi and Sololo districts, Aide has cast his eyes wider. He now wants to open additional depots in the hot expansive the northern counties.

"You know, entrepreneurship is the way out of poverty", says Aide. "This is my fight; a fight against poverty".

Aide believes an exceptional commitment to the daily running of his distributorship, keenness to customer service and a scrupulous work ethic have contributed hugely to his success. "You have to be involved. You have to make sure the business is a part of you and you have to be passionate in what you do", he advises. "That way, you build trust".

From pg. 11

"When people hear that I started from scratch with a small loan and know where I am today, they think hard. I speak only the truth and tell them: 'If you link up with Equity, you will not regret.

"People call me 'kairitu ka Equity' (Equity's lady ambassador) and I am proud of that. My children have gone up to university and college because of Equity. I have also bought land in Kasarani, Nairobi."

Rahab hails Equity as being "not like a bank but something more. They care for us and have lifted our spirits. Their staff listen to me well and I know the bank respects me."

The seasoned entrepreneur says success is possible for anyone so long as "you do not use loans for purposes other than why you borrowed. Don't use a business loan carelessly thinking that you are now rich. You will be rich only after repaying. Equity can lend me more than Ksh10 million because I have been repaying my loans."

She advises traders who want to buy goods abroad to first establish the cost of the goods they want to buy, factor in tax and arrive at a reasonable selling price so that they do not make losses.



## Sticking to a dream: Adhesive Solutions tapes way to success

It takes a lot of courage to retire early from a permanent job and plunge into the uncharted waters of self-employment. It takes a lot of faith to bank on one's savings as the capital that will build a brand new company.

Dan Warutumo is one such man of big faith and courage.

It is his willingness to take risks that saw him quit his job to found Adhesive Solutions Africa Ltd in November 2003. With the savings he and his fellow directors had set aside, they began operations in January 2004.

There is a firm that specializes in adhesives technology. They are distributors of adhesives and related products in printing, packaging, bus body building and other industries. Their main product lines include: Adhesive tapes, Printing Plates, Adhesive Sealants, Teflon, and Doctor Blades among others. Their business network covers Kenya, Uganda, Tanzania and the greater East Africa. Adhesive Solutions are the authorized distributors of the major quality adhesives brands including Tesa tapes, Sika Flex, ThreeBond, Printing plates Flint Printing Plates.

They started in a simple way by acquiring distributorship of branded Germany tapes. They were trained by the manufacturer and returned into the country to start offering solutions.

The firm then ventured into the importation and sale of sealants which it sold to bus body builders who relied on welding, and sensitized them on how to fabricate bus bodies without using heat. They broadened their scope to include sale of tapes to printers for production of sharper images. The firm then brought in plates "to give printers a wide basket of tools they could use in their job," says Warutumo. "Normally, we approach bus body builders, printers and packaging firms and get to understand their current processes. We then suggest improvements and offer to train them for free."

And so, Adhesive Solutions became established. Come August 2005 and they needed Ksh450,000 to import stock to service a big order that they had obtained through a tender. But then they had exhausted the savings they had invested at the Nairobi Securities Exchange (NSE).

In less than two years, the reality of how risky and precarious entrepreneurship is sunk in.

Warutumo says business is not as easy and smooth sailing as many would imagine.



Dan Warutumo (R) displays adhesives

# Equity Scholar bags Young Entrepreneur's Award



**D**iana Mong'are's passion for a clean environment has placed her amongst Africa's rising young entrepreneurs. Diana, 18, is behind the Planet Green concept that bagged her the 1st Runners' up award at the 2012 Anzisha Prize awards held in South Africa in June.

"I am very passionate about the environment", Diana told *Equity News*. That passion took root while Diana was still in primary school, and bloomed when she joined secondary school at Kenya High School. "I was a member of the Environmental Club in school; taking part in clean-ups and tree planting", she reports.

The idea for Planet Green began innocuously enough. Diana realized that the huge garbage mound near her residential home in Nakuru was not only an eyesore, but that if the garbage could be separated into recyclable and non-recyclable refuse, it could net in an income.

"I used some of my money to hire people to clear the garbage, and also paid a watchman to ensure people didn't dump any more garbage at night", says Diana. Plastic bottles and other recyclable material were sorted for sale.

To dissuade her neighbours from dumping at the site, she launched a campaign to educate them on the need to properly dispose of their garbage through use of polythene bags that would be collected regularly from their homes. Thus Planet Green was born.

Diana's work drew the interest of the African Leadership Academy-

the organizers of the Anzisha prize. In February, officials from the Academy visited Diana in Nakuru. They were impressed.

"When I started out, I was just following my passion", says Diana. "I never knew it would turn out this big". Four months later, she was on a plane to South Africa.

With continental cachet and a cash prize of USD 20,000, Diana, who admires the work of the late environmentalist Prof. Wangari Maathai, says she hopes to spread her campaign to schools; inspiring

youth to be conscious about the environment.

"I want to have visited 40 schools by December 2013; helping found environmental clubs", Diana says adding that she has experienced apathy from her peers. "At times, I see my friends disposing litter carelessly, and I have to remind

**"What I have learnt mostly is about being the best I can be...I want to be the Professor Wangari Maathai of my generation"**

them of their responsibility. We need a different mindset".

As the fourth best student in the 2011 KCSE examinations, and the top student in Westlands district, Diana was selected to join the Equity Bank University Sponsorship Program. She says the Program has mentored her to reach out for greatness. "What I have learnt mostly is about being the best I can be; achieving my goals and being responsible", she effuses.

Diana plans to pursue a degree course in environmental engineering; a pursuit that she says will enable her transform the society's attitudes on environment. "I want to be the Wangari Maathai of my generation".

There are opportunities out there but to get to them you must be prepared to climb a mountain. It is hard work. Every day we get up early, pray to God for wisdom and do the hard work.

"Competition is stiff in business," he acknowledges. "Capital and its cost is expensive, you need leadership and entrepreneurship skills to manage staff, money, customer relationships and to build a reputation so that people take you for your word. Even more importantly, you have to run your business with integrity.

When the time arrived for Adhesive Solutions to seek a loan of Ksh450,000, Warutumo and his fellow directors went to their branch. They were not disappointed.

They were granted their wish,

repaid the amount and took more loans to service their clients.

"Equity is highly flexible," Warutumo shares his experience. "I believe Equity was set up to support growing small and medium enterprises (SMEs). You know, the requirements of SMEs change as they grow. You need a bank that will accommodate you. Equity leaves the door open for you.

"We would not have grown without Equity Bank's support and particularly that first loan. I can say that the bank is the foundation of our financial success."

Over the last seven years, Adhesive Solutions has enjoyed various credit facilities at Equity that include loans and overdrafts. He particularly appreciates that it is easy to approach the bank's branch managers – the decision makers in the bank. "The people who are responsible for dealing with us are approachable," Warutumo concedes and

adds that when his company presents a request, it is dealt with expeditiously.

Warutumo hails a new product that Equity Bank introduced to allow businesses to borrow without presenting security. Invoice discounting is a welcome product. "This will help SMEs that have exhausted their security," he contends. "It will support them to grow."

Warutumo says credit is vital in their kind of business and the bank is the bridge that links his firm to the customers it supplies products to. Most customers request for credit periods of 30 to 60 days with a few requesting for a 90-day grace period before they pay for the goods delivered to them. "Equity has bridged this gap well for us," he notes. His firm is aiming at joining the club of Top 100 mid-size companies in Kenya by 2013.



# Congratulations Equity scholars for joining top world varsities

21 scholars in the Equity Bank university sponsorship program have so far received global scholarships in 2012 by world leading universities to pursue various courses of study. This brings the total number of scholars studying abroad to 69 under this sponsorship program.

Various universities where scholars have received scholarships include Aberdeen University, Amherst College, Bowdoin College, Brown University, Columbia University, Cornell University, Duke University, Harvard University, Massachusetts Institute of Technology, Middlebury College, Princeton University, Seoul National University, Smith College, Swarthmore College, University of Cape Town, University of Manchester, University of Pennsylvania, Williams College, Karolinska Institute, Yale University, and Ashesi University in Ghana.

The scholarship award comprises of: tuition and books, accommodation, meals, campus work allowance, living expenses, transport back home for holidays, student and medical dues. The initiative is part of the Equity Bank

University Sponsorship and Leadership Program which benefits the top performing boy and girl in the high school leaving/university entrance exams in Kenya in every district where the bank operates.



Dr. James Mwangi CEO, Equity Bank Group Ltd and Ivy Mwai, GM-Education, Equity Group Foundation pose with some of the students awarded university scholarships.

## Equity Bank University Sponsorship Program

The program rolled out in 1998 with the aim of empowering young academically gifted scholars by supporting their access to education in public universities in Kenya, as well as equipping them with leadership skills. The sponsorship is awarded to the top boy and top girl in each year's KCSE exams in the districts where the Bank operates. The objective is to develop a generation that will think globally be inspired to fight poverty in the African continent, embrace sustainable development, improve living standards and coexist peacefully as a people while being fully committed to giving back to society; servant leaders.

The program runs upto 18 months between secondary school completion and enrollment to university. It rewards the top boy and top girl in every district in Kenya where Equity Bank operates. So far, the program has benefited more than 1300 scholars who have interned at Equity Bank before joining the universities and also during university holidays.



**Allan Machuka Marube**  
Princeton University, Engineering degree  
Former student Alliance High School  
*"I will take this opportunity to use knowledge attained to eliminate the African paradox of being the poorest in the world, yet the richest in natural resources. I encourage other young people to also capitalize on various opportunities presented to them."*



**Anthony Kinyanjui Macharia**  
Karolinska Institute, Sweden Master of Science degree in Health Economics.  
Former student Nyeri High School  
*"I want to work with decision-making and policy developers in health and health care in my country within the context of the ethical principles of society, by giving them a global perspective on health economics."*



**Beatrice Migaliza Lung'ahu**  
Ashesi University, Computer Science degree  
Former student Starehe Girls Centre  
*"I am determined to make a positive impact in the ICT industry in Kenya."*



**Benson Murimi Wachira**  
Ashesi University, Computer Science degree  
Former student Don Bosco Secondary School  
*"I want to give back to society by providing efficient softwares which will in turn empower the people of Africa."*



**David Ngugi Wainaina**  
Ashesi University, Computer Science degree  
Former student Mpeketoni Secondary School  
*"The exposure to a new culture and environment will position me to be relevant globally."*



**Davis Muthoka**  
Duke University  
Former student Alliance High School  
*"I had chances to speak to fellow youth especially those in secondary school and I tell them to keep working hard as there is always a reward to whatever effort you put into your work."*



**Francis Warukira Wachira**  
Ashesi University, Business Administration degree  
Former student Mathakwaini Secondary School  
*"My dream is to become a CEO of a leading company and a champion of the welfare of the underprivileged as a way of giving back to a society which has given me many opportunities."*



**Fridah Nyamu Karwitha**  
Ashesi University, Business Administration degree  
Former student AIC Moi Girls Samburu  
*"I aspire to run a successful business consultancy whose CSR arm will focus on the girl child empowerment from my experience while growing up in Samburu County."*



**Harriet Kariuki**  
Harvard University  
Former student Kabare Girls High School  
*"I am a beacon of hope to my peers and will use my knowledge to positively influence them."*



**Javan Felix Oluoch**  
Yale University, Engineering degree  
Former student Kericho High School  
*"With this opportunity, I hope to cultivate a global competitive edge which will in turn help me develop my country."*



**Joan Jebet Yego**  
Bowdoin College  
Former student Singore Girls Secondary School  
*"I am grateful for this opportunity and I hope to come back and give back to my society."*



**Joshua Getega**  
Harvard University  
Former student Maranda High School  
*"I hope to use my knowledge to socially and economically empower my society."*



**Leboo Viona Shina**  
Harvard University  
Former student Moi Girls High School Eldoret  
*"I come from Maasai land, knowing that some girls from our community don't get the opportunity to study, most of them undergo Female Genital Mutilation, FGM and then go for early marriages which is depressing but I know for someone like me to see that I can go to such levels will even encourage the parents of these girls to educate their children because we are the change our community needs."*



**Lydia Katini Mwangasha**  
Harvard University, Oncology degree  
Former student Kenya High School  
*"I want to make a positive contribution to Kenya's health sector by imparting knowledge acquired on modern medicine."*



**Lydia Kemuma Kinyari**  
Ashesi University, Computer Science degree  
Former student Kapropita Girls' High school  
*"I am very determined to accomplish my dreams after overcoming life's challenges at a young age."*



**Mercy Cheptoo**  
Brown University, Economics degree  
Former student Moi Tea Girls High School  
*"I will use my knowledge in economics to help transform Kenya into a "middle-income country providing a high quality life to all its citizens in line with Vision 2030."*



**Rahab Wangari Wairimu**  
Ashesi University, Business Administration degree  
Former student Kibutha Girls Secondary School  
*"I would like to commit a large part of my life empowering the African child as a way of giving back to the society that has done so much for me."*



**Steve Kipruto Cheruiyot**  
Columbia University, Architecture degree  
Former student Kapsabet Boys High School  
*"I hope to work on some of the best architectural designs in Kenya."*



**Sylvia Nashipae Mosiany**  
Smith College, Architecture degree  
Former student Menengai High School  
*"I aspire to be an Architect. I'd love to pioneer in building sustainable housing for Kenyans, not just those who can afford but if we can turn our slums into sustainable housing where lighting, energy and water is all able to sustain itself through recycling and using clean energy."*



**Trevor Mokaya Omangi**  
Seoul National University, Mechanical and Aerospace degree  
Former student Maseno High School  
*"I am fascinated by rockets and will want to pioneer in space exploration in Kenya."*



**Victoria Kiplagat**  
Brown University  
Former student Buru Buru Girls High School  
*"I am glad to attend one of the best universities in the world. And I hope to improve my society with skills and knowledge that I will attain."*

## Message from the Equity Bank Group CEO



We are proud to witness another group of students being airlifted to leading world universities after a year's mentorship among 250 other gifted scholars admitted to the Equity Bank University Sponsorship Program this year.

In cognizance that these are Kenya's best scholars, the program has encouraged our scholars to also seek admission to some of the best universities in the world. As we send off the scholars, we urge them to take advantage of the sponsorship by striving

to be innovative thinkers, ready to develop creative solutions. To seize the opportunities at these leading universities to develop an entrepreneurial mindset and help Africa's public and private sectors thrive.

We urge them to be women and men who can be relied upon and to remember they are great children of Kenya. They will carry the image of our country in their new environment abroad. I trust that they will play a positive role in creating a healthier, more productive, and more just future for

Africa while also molding strong ethics and a concern for the greater good, regardless of ethnicity, religion, gender, or class. We are proud to say that these scholars among many others hold the promise of being agents of change in the economic and social state of Africa, so as to solve the African paradox of a continent endowed with resources, human capital and yet weighed down by abject poverty.

**We at Equity Bank wish them the very best!**