

UWEAL SUCCESS STORIES – Sandra Letio’s Well Invested Pocket Money Matures into a Successful Business

Her plan was to start a temporary “little” business to generate funds for her daily needs while she looked for a job in her field - physics. At the time, she had no idea that her “little business” would save her from the frustrating search for elusive jobs that so many graduates experience. Today, 29 year old Sandra Letio owns Pelere Group Limited, a multi-million detergent and cosmetics manufacturing company located at Nakabugo Bbira, off Mityana Road.

Ms. Letio’s entrepreneurial journey began after she graduated from Makerere University with a Bachelor of Science degree in Physics in 2011. She unsuccessfully combed Kampala streets for a job for six months before returning to her parents’ home in Jinja for the Christmas holidays.



While at home, she narrated her frustrations to her mother, who told her to ask a neighbour who used to make liquid soap to teach her the skill. After experimenting for 30 minutes, Sandra grasped a few key steps. When she returned to Kampala in January 2012, she spent the Ushs 30,000 that her mother had given her as pocket money to buy soap-making ingredients from the nearby market in Masajja, a Kampala suburb, where she lived with her aunt.

At 23 years old, her first production of 18 litres of liquid soap launched her business. She sold the soap from door-to-door in her neighborhood and earned Ushs44,000. Her first customers loved the product, asked for more and even referred their friends.

The desire to expand her market drove her to the nearby shops where she received a hostile reception. She recalls a downtown Kampala shopkeeper telling her that no shop would buy her products because they did not have a brand name or the Uganda National Bureau of Standards (UNBS) quality mark. The shopkeeper’s words gave Ms. Letio food for thought. After consulting Enterprise Uganda, Ms. Letio wrote to the Uganda Industrial Research Institute (UIRI), seeking help to improve the product and create a brand. With UIRI’s help, Ms. Letio improved her product formulation and thus her product quality.

In 2013, she registered her company - Pelere Group Limited. In just five years, Pelere Group has grown into a multi-million shilling detergent and cosmetics manufacturing company. Pelere manufactures ten cosmetics and detergent products including Pelere multipurpose

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liquid detergent, Pelere antibiotic liquid detergent, Pelere hand wash and Pelere shampoo. Other products include Embrace petroleum jelly, Embrace herbal jelly, Shea butter, Pelere bleach and Pelere bar soap.



High Quality Raw Materials

Ms. Letio sources her detergent raw materials from Desbro Uganda and Desbro Kenya, who sell French raw materials including chemicals used to manufacture detergents. She buys the raw materials for her cosmetics products such as shea nuts and herbs from farmers in Northern Uganda.

To ensure high quality raw shea nuts, Ms. Letio has mobilized and trained 150 women in the districts of Kitgum, Lamwo, Adjumani, Pader, Moyo and Nebbi. The women have been trained on how to grow and harvest quality raw materials. Training covers good hygiene and safety measures as described under the Hazard Analysis and Critical Control Point (HACCP) procedures. HACCP is a global system that guides food and cosmetics business operators in the introduction of safety procedures for the handling of food and cosmetics. Ms. Letio has her eyes glued to the export market and wants to ensure that her processes meet the required standards.

Markets

Ms. Letio sells her detergents to organisations like Uganda Women Entrepreneurs’ Association Limited (UWEAL), Enterprise Uganda, bus companies, petrol stations, schools, wholesale traders in Kikuubo (Uganda’s business hub), a few supermarkets outside Kampala as well as to some individual buyers. She has three distribution centres in Kampala, Jinja and Adjumani. She also exports a few products to South Sudan through informal channels. In 2015 and 2016, her sales to South Sudan fetched Ushs2 million and Ushs15 million respectively. The on-going insurgency in South Sudan has affected her exports to Africa’s youngest nation.

Pelere Group Limited is in the final stages of acquiring the UNBS Q-mark for all its products. The Q-mark is awarded to products that meet the safety and hygiene standards for export. Once the products are certified, Ms. Letio plans to aggressively venture into the regional markets of Kenya and Rwanda.

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Training

Although she did not have any business training prior to venturing into entrepreneurship, Ms. Letio has attended several trainings organized by Enterprise Uganda on financial management, effective marketing and customer care service. She has also attended various technical and business management trainings run by Uganda Women Entrepreneurs Association Limited (UWEAL, supported by TradeMark East Africa), Uganda Revenue Authority (URA), UNBS and the International Trade Center (ITC). Additionally, she continues to improve her knowledge about soap making by conducting online research.

Challenges

Limited access to affordable credit: Limited access to affordable credit has slowed down Ms. Letio’s expansion plans. She, however, says that through UWEAL’s Women Investment Club, she has obtained funds to keep her business running.

Youthful age: Ms. Letio joined UWEAL in 2012. She however remained inactive until 2015. As a young entrepreneur, she always felt out of place mixing with already established women entrepreneurs. “Whenever I attended UWEAL meetings, women spoke about investments and expansion while all I could think of was where to get the money to pay for my ride back home. I only renewed my membership in 2015 after a UWEAL employee looked me up and encouraged me to return. She even made a point of introducing me to other members who supported my business by buying my products,” she recollects. Since then, UWEAL has both provided a market for her products and a boost to her self-confidence. Additionally, instead of considering the quality of her products, some people tell her to her face that they will not award her contracts because she is simply too young to produce a decent product.

Unskilled workers: Finding skilled employees, especially for the Jinja distribution centre, is a big challenge. To solve the problem, Ms. Letio now conducts trainings for all new employees, especially marketers, before deploying them.

Theft: In the past, Ms. Letio was aware that her employees were pilfering products but, she lacked the means to stop them. Recently, the company launched a procedure that requires every employee leaving the business premises to undergo a thorough check. Individual recruited to the salesforce must present endorsement letters from their respective local council authorities so that in case members of the salesforce are thought to be involved in theft, they can easily be tracked down.

Achievements

A growing business: “When I started, many people laughed at me because I carried jerry-cans around, hawking soap. I could not even afford to use a motor cycle taxi. My mother complained that I had brought shame on the family and made us a laughing stock. But I told

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her that she would one day be proud of me. And it has come to pass,” she recalls. Ms. Letio adds: “Seeing the business grow and watching the brand gain popularity are such fulfilling experiences. I hope that by the time I am 30 years old, my business worth will be over Ushs30 billion from the current Ushs2.5 billion. I give glory to God.”

Increased production capacity: From her first production of just 18 litres of liquid detergent, Ms. Letio now produces 800 kilogrammes of shea butter cream a month, 120,000 litres of liquid detergent, 60,000 litres of shampoo, 40,000 litres of hand wash and 2,000 litres of bleach.

Profitability: The company’s turnover has grown from Ushs2 million in the first year of production to Ush108 million (\$30,000) in 2015 and Ushs180 million (\$50,000) in 2016. The entire business is valued at Ushs2.5 billion (\$700,000) according to last year’s audited financial records.

Created employment: Pelere Group employs 20 workers. “I am happy that my employees are able to take care of their families because they have a steady income,” she says with pride. Twelve of her workers are female while eight are male.

Award winner: Ms. Letio won two awards last year - the United Nations Conference on Trade and Development (UNCTAD) award for the best pitch in July 2016 and the UWEAL Youth Employer of the Year award in November.

She was one of 240 global start-ups competing for for the UNCTAD award and emerged the winner at a ceremony in Nairobi, Kenya. Ms. Letio notes that running a successful enterprise has won her great respect from her family and other people around her. She is also an inspiration to other aspiring young entrepreneurs.



Success factors

Ms. Letio attributes her success to God’s grace, her own persistence, hard work, listening skills and willingness to learn. “When I first started out, no one thought I would succeed. Many people refused to take me seriously or give me contracts because I was young. Some men harassed me; saying they would give me business if I married them! But I persisted.”

Advice to potential entrepreneurs

Begin where you are: She advises potential entrepreneurs to start with whatever resources they have and to keep focused on their goals. “Do not wait for tomorrow or to raise millions

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of shillings to start a business. Just start with the little you have. And never give up; let the challenges faced along the way be learning points,” she says.

The young entrepreneur advises budding entrepreneurs to register their businesses formally in order to access the benefits of running a formal enterprise like building a brand and bidding for contracts from companies and organisations that prefer to deal with registered companies.

Install effective systems: Ms. Letio says entrepreneurs should endeavor to put effective systems in place early on, to facilitate business continuity even in their absence. This has served her well, given that she operates in three different locations.

Future plan

Ms. Letio’s plan is to transform Pelere products into international brands over the next five years. She also plans to widen her product offerings to include lotions and create employment for 2,000 people by 2020. To enable her achieve her dream she is currently pursuing the UNBS Q-mark for quality, to clear her products for sale in Uganda’s supermarkets and across Uganda’s borders. She also hopes to start a foundation to give scholarships to under privileged children in the regions where she sources raw materials. The education foundation will be part of Pelere’s social responsibility commitment.