Presentation Velo-City 2018

CHANGING LIVES ONE BICYCLE AT A TIME

June 2018
Introduction

Mission and Impact
About Mozambikes
Advocacy for Inclusion
Who is Mozambikes?

Company: Mozambikes | Location: Mozambique

Mozambikes seeks to transform the lives of rural Mozambicans living on less than $1 per day with a uniquely designed, higher quality bicycle with an innovative branding model that leverages the public and private sectors to enable mass distribution of bicycles across various channels.
Mission and Impact
Problem – Need for Transport

90% of rural trips are made on foot. Walking between 1.5–40Km and carrying at least 20Kg of load.

EVERY YEAR

40 billion hours are traveled on foot by Africans looking for water.

3000 die from malaria every year because they can’t access proper treatment.

1/3 of Mozambicans live 30Km from a Health Unit.

16km by Bicycle saves 3 hours walking on foot.

1 Bicycle means a lot for Rural Mozambican Communities.

Only 8% of Mozambicans have bicycles.
Power of Bicycles

Access to education, health, clean water, agriculture and employment

- Education - Improve transport to schools, reducing illiteracy (48.1% in Mozambique)
- Healthcare - Reduce infant mortality (42%) and deaths from entirely treatable diseases such as malaria (#1 killer of children) with transport to clinics
- Billions of Hours are spent walking every year in the Africa just to find water, a bicycle can fix that.
- Almost 80% of people works in the informal sector, such as farmers. For these people and their communities, their daily income and productivity is determined by how much they can carry, how far and how fast. Bicycles can make a real impact in their lives and help lift them out of poverty.
Resilience and Adaptation to Climate

**Less Vulnerability to Increasing Cost of Fuel**

Users of bicycles do not need to purchase fuel for personal cars.

Bikes are alternative transportation to public transport, as mini-buses also raise prices along with fuel increases.

**Adaptation Measures related to Increasing Scarcity of Water**

Sources of water are already far for many Mozambicans, and climate change will only exacerbate this situation. Bicycles assist to access water, even if it is no longer within walking distance. Mozambikes has already noted cases of its bicycles being used to assist drought communities in the Gaza Province.

**Climate Change Prevention**

Bicycle lane network to make cities more environmentally-friendly → Phase I study completed for Maputo City
About Mozambikes
Building a Better Bicycle

- Strong
- Lighter
- Reliable
- Cargo Bike
- Durable
- Eco Friendly
- Branded
- Gender Free
**Business Overview**

**Sales channels**

**Branded Bikes**
- Companies & organizations
  - Transport (employees, field workers)
  - Promotion of store opening
  - Bonus for workers
  - Incentives for new clients
  - Prizes during marketing contests
  - Community Relations

**Ad-to-retail**
- Companies & Organizations pay fee to have bicycles branded
- **End-Users** buy them at reduced rates from retail market
- Two revenue streams turning the bikes affordable for low-income consumers

**Direct-to-consumer**
- Mozambikes-branded bikes sold directly to consumers at full price
- Current sales in Maputo through word of mouth
- Micro-loan offering to pay in installments

**Donations**
- Donations from around the world via our website and other platforms
- Bikes given away to people earning <$2/day
- Non-profit affiliate, though many benefits for social business
Moving advertisements have been proven more effective than static ads.

When we think about mobile Advertising, we think about Cars, Buses, Taxis and a few others. Using this type of Advertising has a 45% higher brain engagement and a Subsequent brand recognition 2x higher but these still cannot reach most Mozambicans!

In Mozambique using a bicycle in the Rural Communities is a perfect way to Advertise a Brand, a Company, a Product or even to spread a message.
INVESTMENT OPPORTUNITY

Experienced and Motivated Team

Rui Mesquita
Co Founder - Operations

Lauren Thomas
Co Founder - Finance

Matateu Ubisse
Communication Team

Pedro Ezequiel
Factory Supervisor

Aarão Rafael
Supervisor & Logistics

Nilza Bento
Human Resources

Elio Pais
IT Support

Zaina Dimande
Donations and Partnerships

Mozambikes Factory Staff
Bicycle Mechanics & Painters
Value Chain and Relationships

Component Sourcing

Other Procurement (Local)

Local Assembly and Customization

Program Design and Distribution

After-Market Services and M&E

KEY PARTNERS:

• Suppliers – Kespor International, Pintauto paint supply, Lumikor branding materials
• Donation facilitators – Ministry of Women and Social Action, Helpo, Casa do Gaiato, Peace Corps
• Previous grant funders – USAID, SEED, Mentor Capital Network
• Micro-loan partners – IDE/Cava, MozaBanco, Elephant Pepper
Development Milestones

**Pilot Phase Proven Success**
- Team hired/trained
- Aggressive sales and Marketing
- Tested components and designed THE MOZAMBIKE
- Imported/sold 1st container
- Positive net margins even with “test” sales rate showed SUCCESS OF BUSINESS MODEL

**2013-2015 Ongoing Growth**
- 9,000 bicycles sold
- Brand development
- Moved into 500sqm warehouse
- $150,000 in grant funding,
- Won SEED Awards and other competitions

**MOZAMBIKES today**
- Importing 14th container
- Run-rate to exceed 20,000 bikes by end of year
- New facility with optimized assembly line, capacity, storage
- Fundraising for GROWTH

**Pipeline orders**
- Rural NGO – 150 bikes
- Mobile co. – 400 bikes
- Food company – 100 bikes
- Quotes out for nearly 800 bikes
These communities live in extreme conditions, exacerbated by a lack of transport to reach their basic needs.

Students walk to school and women have to walk to their small plots (machambas) on foot and come back with the weight of the products and tools in their own heads.

This campaign provided bicycles for 68 people from 5 communities, largely women and students who walk more than 2 hours every day each way.
Advocacy for Inclusion
**INVESTMENT OPPORTUNITY**

**Topic**

**Structure as a Social Enterprise**

For lack of social entrepreneurial structures in Mozambique, we are a hybrid for-profit social venture with a non-profit. This has led to numerous ongoing challenges, but we believe in the sustainability of our impact.

**Role of Private Sector**

CSR is growing in adoption globally but businesses often consider it separate from core business. The Mozambikes model and our solution for our clients shows how impact should be incorporated into all businesses, in publicity/marketing, internal cost reductions, etc.

**Financing and technical collaboration**

Daily challenge in lack of financing for initiatives in Mozambique. We grow bike by bike but with financing we could grow community by community.

**Discussion**
IN MOZAMBIQUE, A BICYCLE IS SO MUCH MORE THAN “TWO WHEELS”.