

M-KOPA: Lowering the Barrier to Solar Energy in Kenya

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The power struggle in Kenya



74% Live in rural areas



44% Population under poverty line



Power outages 33% of the time



45% Off-grid (6 million people)

Significant part of the population has no access to electricity

M-Kopa is a solar kit microfinancing company



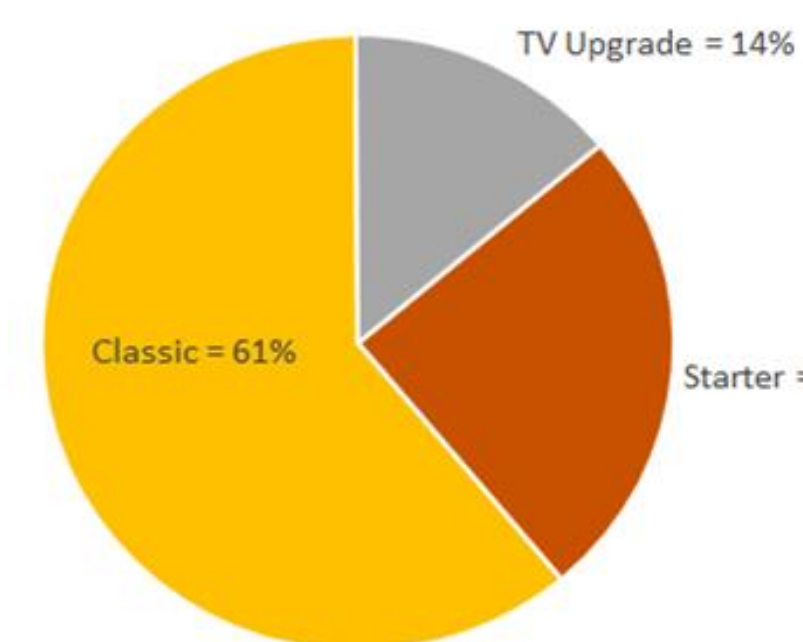
Starter



TV



Classic



- Used for residential off-grid homes
- Paid in over a year in installments
- All kits include a solar panel, battery, lightbulbs & phone chargers

~ \$60M in revenue in 2016

M-Kopa's value proposition is affordable solar energy and empowerment of customers



Ownership of the solar kit



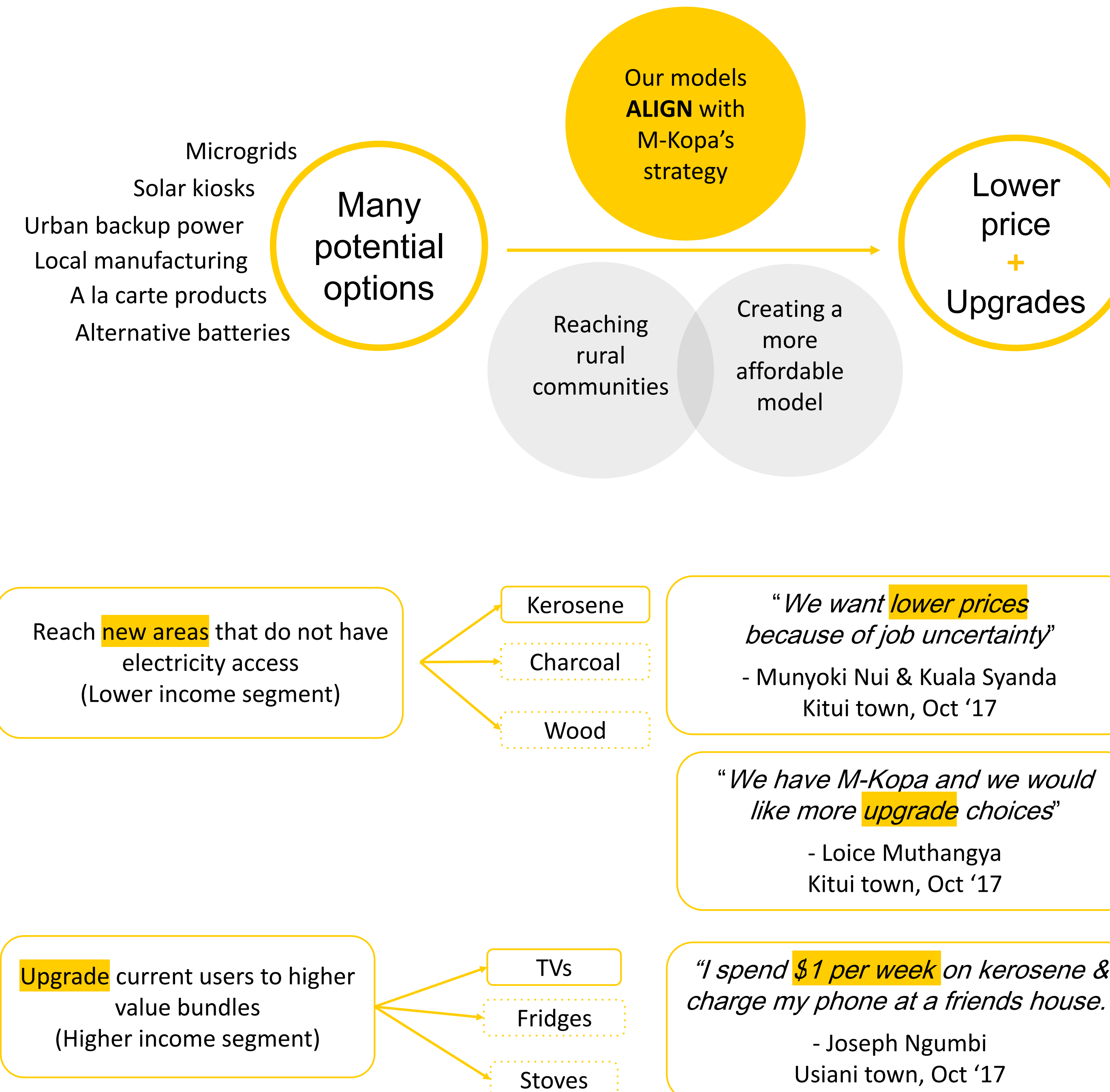
Use of mobile money to microfinance



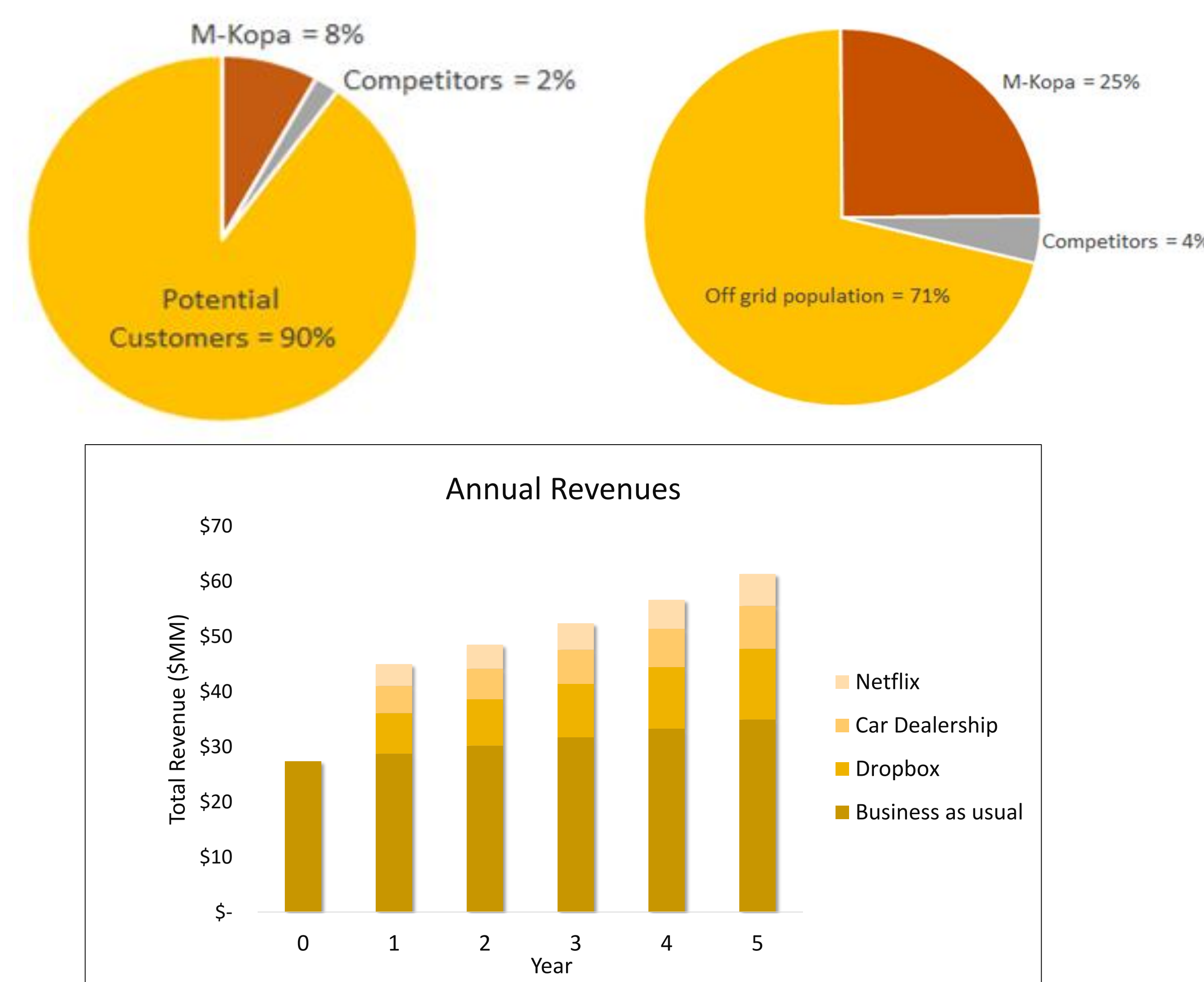
Strong sales staff & customer service

M-Kopa is a household name with 500K customers across 3 countries

Our model for change focuses on lower prices and upgrades



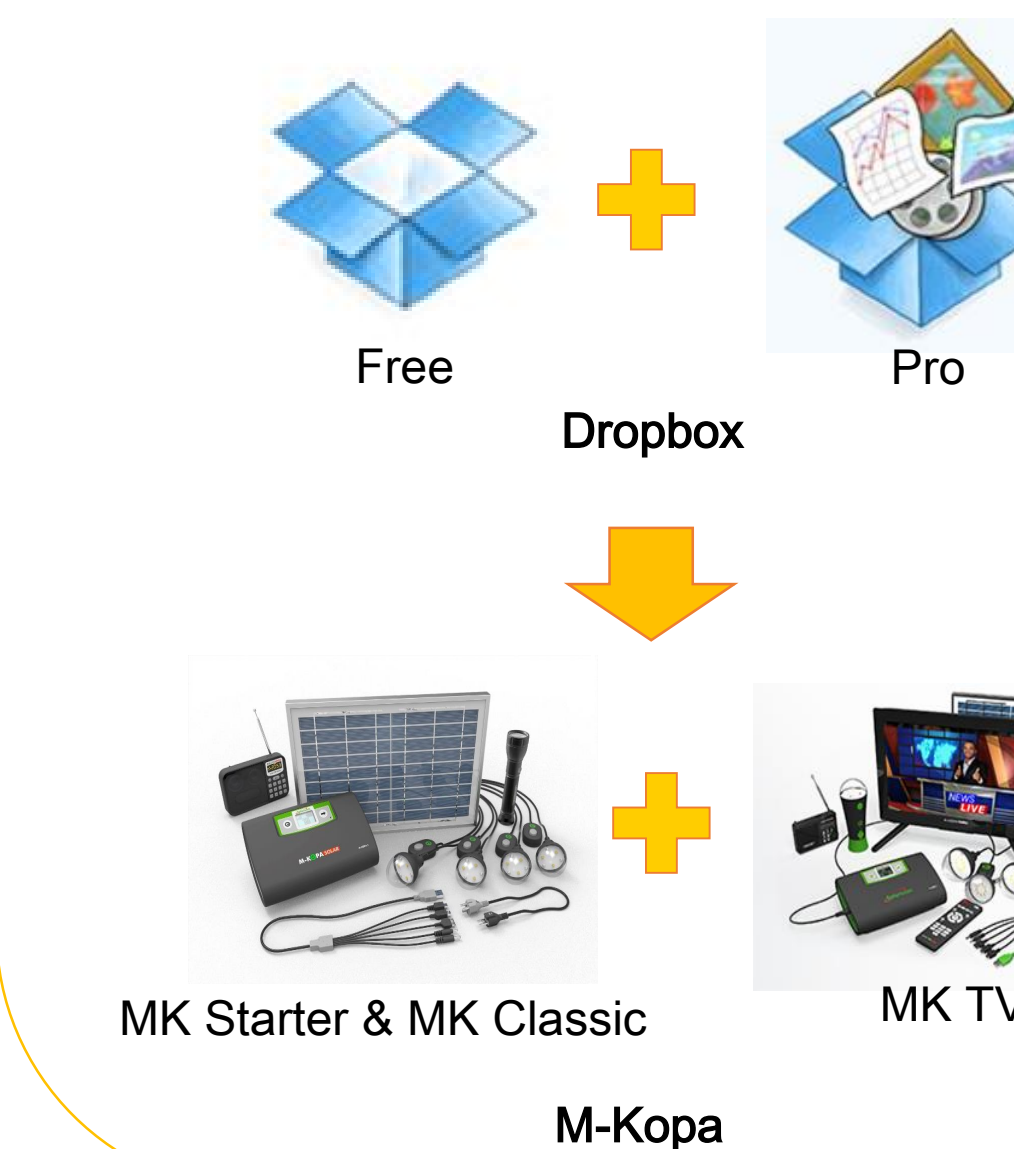
Our business strategies will capture 25% market share in 5 yrs



Three proposed business strategies for M-Kopa

1. Dropbox Model

Reducing the price for starter kits makes M-Kopa accessible to lower income customers, through cross-subsidization.

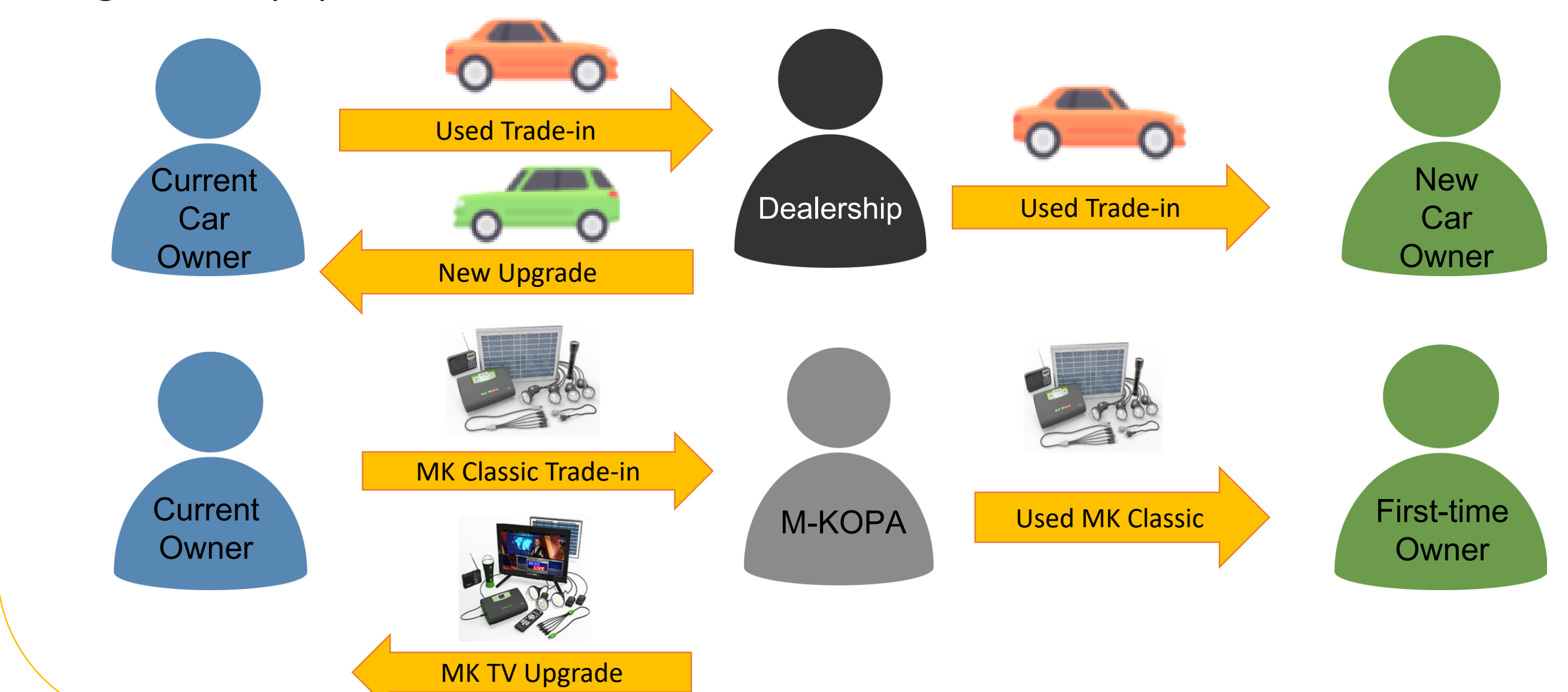


	Current initial price	Proposed initial price
MK TV	\$ 80	\$ 80
MK Classic	\$ 30	\$ 20
MK Starter	\$ 15	\$ 5

- Minimum customer growth in number of customers of 4% needed for break even
- Expected growth rate of 10%

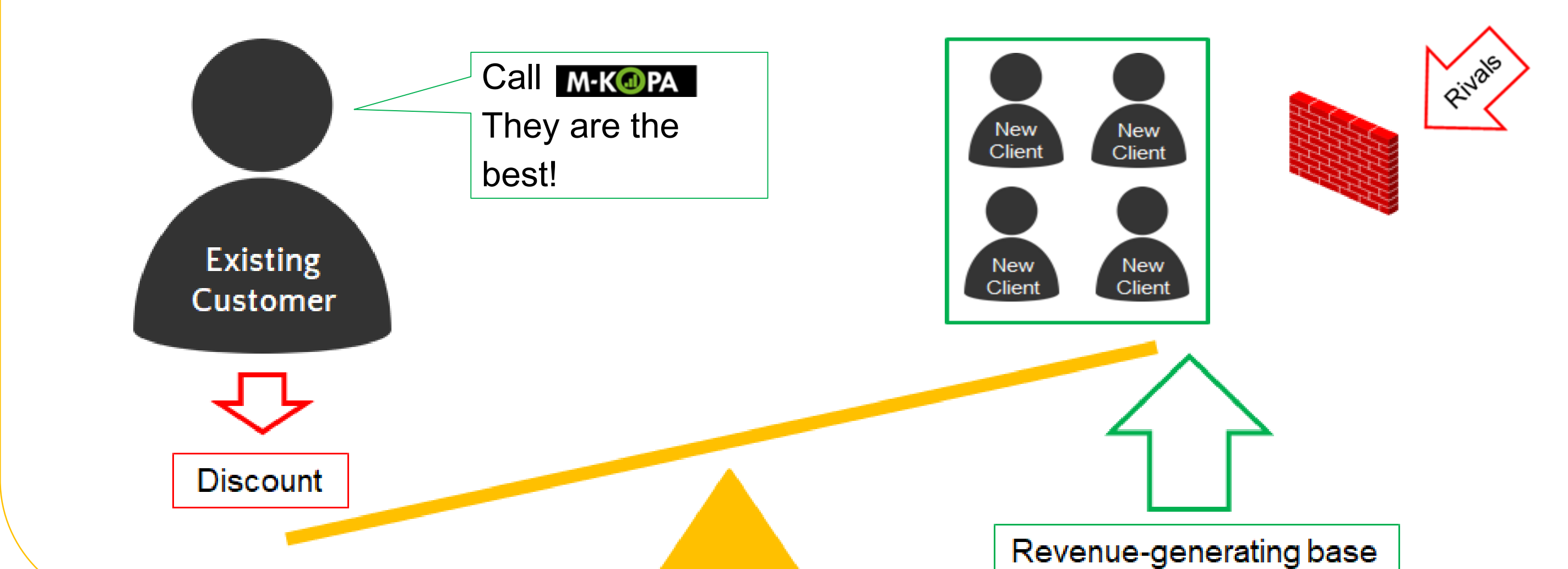
2. Car Dealership Model

Trade used-kit for discounted new-kit. The used-kit is reconditioned to reach even poorer segment of population.



3. Netflix Model

Uses the existing customer base as a leverage to foster growth through referrals



References

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