

Ideas at Work (IaW) – Overview 2009



Highlights

- **864 water pumps sold** (32% more than in 2008)
- **Distribution Channel working in Kampong Chhnang, 68% more direct sales**
- **In total 2093 water pumps are installed in 15 provinces in Cambodia.**

Pumps		
Total 2007 ROVAI pump	547	
Total 2008 ROVAI pump	657	20% incr. since '07
distr. channel 2008:	40	
Total 2009 ROVAI	864	32% incr. since '08
distr. channel 2009:	67	68% incr. since '08
community Rovai pump	19	
family Rovai pump	48	
Total pumps installed in 2006-2009		2093 pumps

The 'Family-Rovai' pump is suitable for use with 3 families, instead of 20 families.

In Kampong Chhnang province, we have seen a growing interest in the 'Family Rovai' pump.

PUM expert Ad de Beer has visited IaW again in June. He was positively surprised about the progress IaW has made compared to his previous visit

(early 2008). One of those key observations was that the production rate has increased to 80-90 pumps per month.

Factory

2009 has been a special year, our first year under full Cambodian production management.



This year a new pump was taken into production: the '**Family Rovai**' pump. This smaller and lighter pump has a lower cost of US\$85 fully installed.

The pump is similar to the 1st community model 'Rovai' which is suitable for use up to 20 families.

Customer satisfaction

In April 2009 we conducted a 2nd customer-satisfaction survey. The outcome is that practically 100% of customers are satisfied with the pump, even after 3 years use.

On the technical side we found hardly any noticeable wear on the pistons but did see a lower yield in litres/minute. The current 30 litre/minute (instead of 40) is still regarded as satisfactory by the users.

Focal points

IaW is an intermediary for improving the quality of life in Cambodia. We increase local capacity so that Cambodians can reduce their dependence on foreign aid. We do this by:

- *direct collaboration with Cambodian people, organisation and companies.*
- *guiding groups or individuals with ideas to improve Cambodia and helping to realise these ideas.*



Distribution Channel

After two years working in Kampong Chhnang province on finding the right infrastructure to sell water pumps directly to the rural people we still experience a real challenge. We have seen improvements with a 68% sales increase but we are still far of the independent and profitable channel that we would like to establish.

However the new Family Rovai pump suits people's budget better, because the price is substantially lower than the communal Rovai pump.

Our "Tupperware" - approach will present products in the villages. Besides two pump models there are also water filters and solar energy products being launched.

Results 2009:

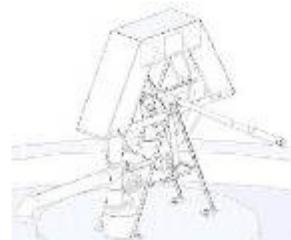
- 797 pumps sold to independ pump installers contracted by organizations such as PLAN Intl, Red Cross, World Vision, LWF, EU / ECOSORN.
- the pump can now be found in 15 provinces throughout Cambodia.
- 67 pumps (8.5%) were sold directly to the people.
- 79 water filters sold.
- in 90% of the 100 villages that had demonstration pump, the demo-pump pump was sold after the demonstration period expired.

Since the start of the factory in 2006 in Cambodia a total of 2093 pumps have been sold. More than 110,000 people now have a better and easier way to obtain cleaner water.

There are villages where there are as many as 50 families using a single Rovai pump; more than double than we expected a pump could handle.

Rovai and Micro Credit

It remains a challenge for products like water pumps and water filters to be available directly to the villagers where there is little money to buy such products. As in 2008, 2009 has showed us that our microcredit partner PRASAC, like all other MFIs, is still not serious about credit applications for pumps and filters. Despite all the training and supervision from IaW to PRASAC in 2009 not a single pump was sold through this channel. Yet we know that people in villages are keen to get credit to buy a pump. However banks are more focused on providing loans for business activities. It is still a relatively unknown activity to obtain household appliances through a credit loan. We are currently considering alternatives to find a way around this barrier.



Other products

Besides the water pump we are actively working to introduce a new type of water filter.



The **Tulip filter** is small and very effective filter that works on a siphon principle. It is produced in India and is small enough to fit in your hand. It is very robust and is easy to transport for example to the rice field. The water containers used to store the clean water can be made in Cambodia.

We are also looking into solar energy systems, however many were tested and were generally of poor quality. One exception is products from 'Tough Stuff'. Currently, the sales potential is being tested.



With a variety of products IaW aims to offer solutions for a variety of problems. This will provide a positive impact on health and improve the income situation for rural families and at the same time could lead the distribution channel to a healthier future.



Working on the Future

The main aim of IaW in 2012 is for it to stand on its own feet, without the need for donor assistance.



Huy Dara became the first Cambodian General Manager of IaW in December 2009. Dara has been with IaW since the summer 2007 and worked as the Sales & Distribution Channel Manager. He has shown drive and commitment and wants IaW to achieve more than before.

In a brainstorm weekend with the whole team in Ho Chi Minh City the new management and new work approach was welcomed.



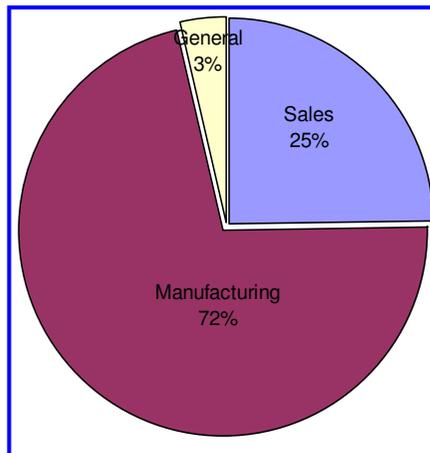
It is very motivational to see that Western involvement is needed less and that the Cambodian skills are growing.

Finance

Total revenue: US\$ 134,731
of which US\$ 83,438 product sales (17% more than in 2008)

Total expenditure: US\$ 135,073

Sales	US\$ 33,289
Production	US\$ 97,082
Other	US\$ 4,781
total expenditure	US\$ 135,073



In 2009 we achieved 17% more sales, which was very encouraging. If this trend continues in 2010 we could be at our break-even point for the factory. The distribution channel is only at about 25% of break-even point and will need more attention and donor support.

Thankfully the global economic crisis did not affect IaW in 2009 but we may have to see if this is true throughout 2010 as well. We recognise that the average Cambodian has less to spend on goods this year. The same goes for NGO partners, as such as Red Cross, who have been important in a large number of sales of our pumps. These NGO's have experienced the economic downturn and this may show in 2010.

IaW has recognised the need for the financial support to get our projects off the ground and running. However it is hoped that we can work towards more self dependency in 2012. We owe so much to the private donors who have sympathized with us! Financial support is still needed and always very welcome.



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