

# MONETIZING SOMMALIFE'S SOCIAL AND ENVIRONMENTAL IMPACT

EXPLORING OPPORTUNITIES FOR SOMMALIFE TO SCALE ITS IMPACT AND DISTURB  
THE SHEA INDUSTRY

  
**TU Delft**

 **Sommalife**

**Master Thesis**  
Strategic Product Design  
Delft University of Technology

**Supervisory team**  
Jan Carel Diehl  
Jeroen Coelen

November, 2022

Willem Oomens // 4554051





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# Introduction



**A1**  
**Preface**

Akwaaba reader!

Meaning 'welcome' in Ghanaian, to my thesis for the Masters program Strategic Product Design. It represents the conclusion of my studies at the TU Delft. An experience I cherish but which makes way for a passion of mine, working full-time with Sommalife.

My studies started in 2016 and has been a time of great development for me, in terms of skills, interests, knowledge and friendships. Through my studies I even ended up in Ghana late 2019 where I met Johncar who later on asked me to help improve the livelihoods of children in Northern Ghana. A request that later turned out to be an invitation to the adventure called Sommalife.

I want to thank my supervisors, Jeroen and JC, who have been flexible with me throughout my thesis. Thank you for your effort in pushing me in the right direction, shaping the story I am telling with my thesis and overall feedback for the project. Seeing as you both already have

a lot on your plate, I am grateful for your time to fit me in. I believe, without assuming too much, that you will remain engaged in my future adventure at Sommalife.

\*insert nice bridge\* I would like to thank the Sommalife team. I feel incredibly blessed to have this opportunity to work on something and have a meaningful impact. I notice that writing this and being done with my graduation, having the feeling of weight lifted off my shoulders, that the opportunity to go and put my creativity and energy to good use generates a lot of happiness. I am extremely proud of what we have accomplished together and look forward to giving you guys all my time.

And finally, I want to thank my family and friends who helped me over the last months, who have kept an eye out for me during a period which sometimes felt endless.

**Enjoy reading!**

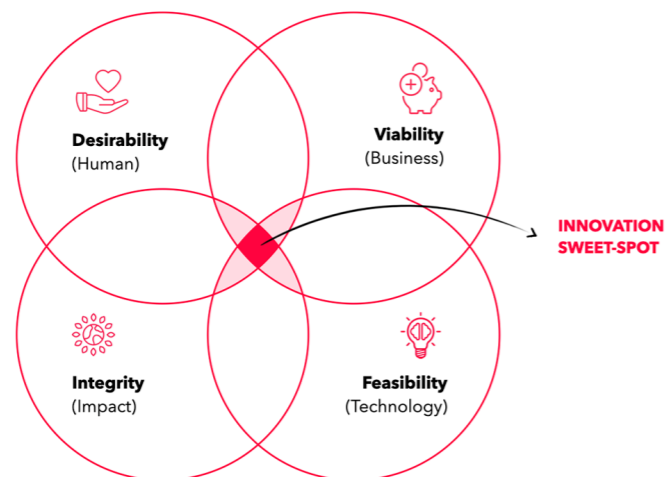
**Willem Oomens**

**A2**  
**Personal motivation as a designer**

For me as a designer it has been important throughout my academic studies to always consider the impact a created product or service has on society or the planet. Therefore the model of 'innovation sweet spot' resonates with me. [Board of Innovation] It is a model that ensures you satisfy the classic design criteria desirability, viability and feasibility but with an additional criteria of integrity. I believe if Sommalife strives to balance these 4 principles it is a recipe to win. Sommalifes competitors mostly balance two: desirability and viability.

This is something that I have prioritised in my design work throughout my academic career and in reflection

might be why the entrepreneurial opportunity of Sommalife resonates so much with me. I think we are extremely privileged in western society and part of this prosperity is due to the exploitation of the global South for centuries. How is it fair that big western corporations in the cosmetic industry profit from African resources? I believe that many consumers would make a difference if well informed and offered effective ways to do so. This way they can alleviate the suffering of people who create their day-to-day products. And do not forget the bonu(t)s: the environmental focus does not only make the farmers more resilient to climate change but helps combat global warming in general.



**A3**  
**Executive summary**

Smallholder farmers in the Shea Industry live a challenging life. From lack of economic opportunities to climate change, if they are not helped their already troubling situation will worsen. Sommalife is a social startup who strives to sustainably improve the lives of rural farmers in West Africa by helping with production, protecting lands from deforestation and having developed a software to improve operations. Sommalife has been successful at this to a small extent and has set the stage for an impactful act in West Africa. Sommalife currently does this with their own profits as the shea supply chain does not pay for impact at the moment. Without this support Sommalife will struggle to scale and improve its impact. Existing tools to monetize impact, such as Fair Trade, do not apply to the widespreadness of Sommalife's operations and the poverty level of the farmers as their operations have high monitoring costs.

Fortunately, the world is changing and a demand from consumers for sustainable products is affecting industries. Industries with similarities to the shea industry like the cacao industry. Sommalife has an opportunity to monetize their impact by advancing the industry and attempting to address the consumers. This can be supported by opportunities to monetize their social and

environmental impact through carbon credits and a form of storytelling driven by impact data. The climate projects are supported by partnerships and will provide additional social and financial benefits to communities, while also generating carbon credits. On the social side, Sommalife can monetize its impact through data-driven storytelling. This involves turning data into tangible narratives that build consumer trust and brand loyalty for Sommalife and its partners. In return Sommalife will expect these companies to pay an impact fee.

These services are by a brand strategy and roadmap to effectively execute and communicate Sommalife's mission to drive change in the shea industry.



2: During my trip to Ghana, 2022



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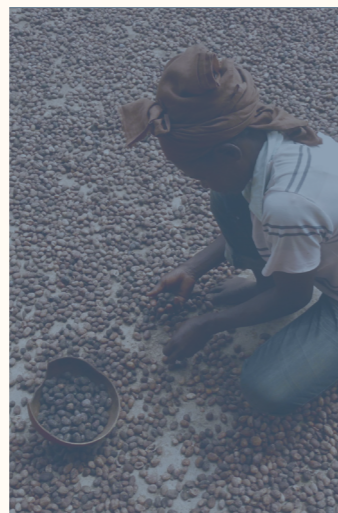
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2: Rural woman planting shea seedling

Before we get into the project we must get a fundamental understanding of context which this project is attending to. This is important because the project presents a solution that can be utilised by impact organisations in similar conditions, with similar problems, similar symptoms and similar consequences. Therefore we start by explaining what the Global south is. Here we will discuss the inequality between the world we know, the western world, and the global south. Then we dive into the specific context in which Sommalife operates, Ghana. Followed by what challenges are caused by the unequal conditions in Ghana.

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# PROJECT CONTEXT & PROBLEM





3: The orange area represent the global south

**B1**  
**Context: global south**

The Global South are countries which commonly have an underdeveloped economy. The phrase "Global South" refers broadly to the regions of Latin America, Asia, Africa, and Oceania. It is one of a family of terms, including "Third World " and "Periphery," that denote regions outside Europe and North America, mostly (though not all) low-income and often politically or culturally marginalised. (Connell & Dados, 2012)

With a poverty rate of 11.3%, meaning 11.3% lives under the poverty line of USD 1.90 per day per capita, Ghana is one of those countries. (Statista, n.d.) The farmers Sommalife is attending to all fall under this segment. Some of these

countries are considered emerging markets. Which means they still have a lot of low income households but have characteristics similar to developed markets and are showing rapid economic growth and development. In my opinion the best example of an emerging market that transitioned to a developed market is China. Ghana is an emerging market however it still has some difficulties, which I will explain in the next section.

**B2**

**Ghana: Rising inequality, challenging economy, failing agriculture**

To understand the precise context of where Sommalife operates in it is important to understand Ghana. Ghana can be considered an emerging market. Economic opportunities are clear: a lot of resources are available: Oil, gold and Agriculture. Furthermore, there is an increasing economic activity with the number of start-ups growing. (World Bank, 2020) However, in my opinion the unequal division of wealth across the country, rising inflation and corruption will make it a difficult road to becoming a developed market. Below I will take a deeper dive into this situation.

**B2.1**  
**Geographical inequality as a result of industrialisation**

The first two decades after the return to democracy in 1992, Ghana achieved significant economic growth and poverty decreased from 52.7% to 23.4%. This economic growth was related to newly emerged industries such as manufacturing, oil and services. (World Bank, 2020) The jobs that were created were around city areas Kumasi

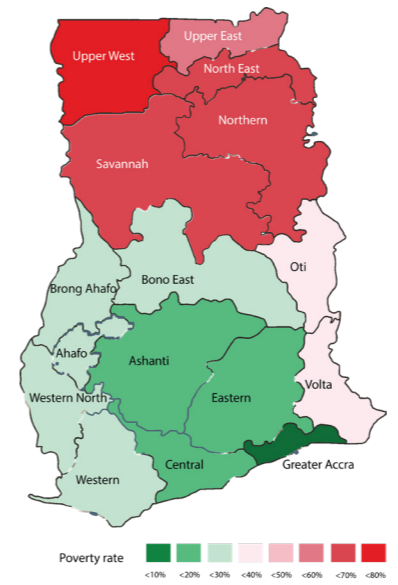


Figure B2.1: People living in poverty

(Middle of Ghana) and Accra (South of Ghana). Many households shifted away from agricultural businesses to these industries. People in the cities got wealthier. However, this highly capital-intensive sector did not increase general consumption in Ghana and thus the rural people did not benefit from this industrial development and even became poorer. Even though the rural people became poorer the overall poverty rate was dropping until 2012. In the period of 2012-2016 however, poverty rate and income inequality (Gini coefficient) began to increase and is currently at 0.43. With the Gini coefficient of 0 implying equality and 1 being total inequality. In

the visual of the map you can see the division of wealth within Ghana. Countries that do well on the Gini scale lie

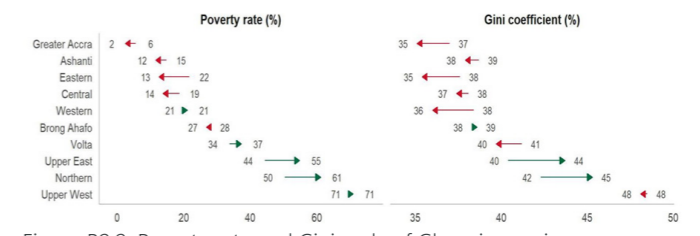


Figure B2.2: Poverty rate and Gini scale of Ghanaian regions

around 0.25(Slovenia) and the worst countries around 0.63 (South Africa). The Gini coefficient does not take into account the overall wealth of a country. (Gini Coefficient by Country 2023, 2023)

So this increased inequality was largely related to the influence of newly emerged industries and the location of residence in Ghana and the location of residence in Ghana. Furthermore, farmers in the Northern regions are even poorer than other farmers because the climate in the north does not allow for lucrative crops, such as cocoa, to be farmed. The graph below shows the poverty rate and inequality (Gini coefficient) in Ghana between 2012 and 2016. It can be seen that agricultural regions, such as the lower four Volta - Upper west, are growing increasingly unequal.

**B2.2**  
**Unequal value distribution among (Shea) supply chains**

Climate change is not the only struggle smallholder farmers in Ghana face. These farmers also face inequality



Figure B2.3: Shea industry end-to-end

in the supply chain of products. Products these farmers grow are often widely sought after internationally, for example Cacao and Shea Butter. The global demand for shea butter is growing. (Future Market Insights, 2022) However, the farmers do not profit from it as all this money is claimed by other stakeholders at every step in the supply chain.



To make it more tangible A raw kg of shea butter may sell for €106 at the Body Shop. (The Body Shop, 2023) It sells for \$1 per kg to aggregators. In chapter 'discover' more detail around this problem is demonstrated.

**B2.3**

**Inflation in Ghana**

Furthermore, Ghana is suffering an increased inflation in comparison to the Dollar and Euro.



Figure B2.4: Inflation of Ghanaian currency in the last year

The Inflation can be a reflection of the economic turmoil of Ghana and the world after the pandemic and the war in Ukraine. In times of recession it is also common that countries in the global south suffer more than in Western countries. (The New York Times, 2022) Inflation is especially tough for Sommalife as investments are mostly done in Euro's but our operations use the Ghanaian cedi. We have received the investment in Euro's transferred to cedi's and then inflation hit. The rates have hit a staggering 40.4% in October 2022. (Nairametrics, 2022) Since then the rates have returned to normal, however this uncertainty creates trouble for the business.

**B2.4**

**Corruption in Ghana**

Progression in Ghana is not an easy context as corruption is high in the governing institutions in the country. Even more worrisome is the increase of corruption according to the opinion of the public from 53% in 2019 to 77% in 2022. (Afrobarometer, 2022) At the top of the list you see police and political institutions. At the bottom of the list you see NGO's. With NGOs they refer to Ghanaian NGOs who are hired by International NGOs to create impact. However, most wealth ends up with the people

of the NGO. This is something I witnessed personally in my recent visit in July 2022 when travelling to the Upper

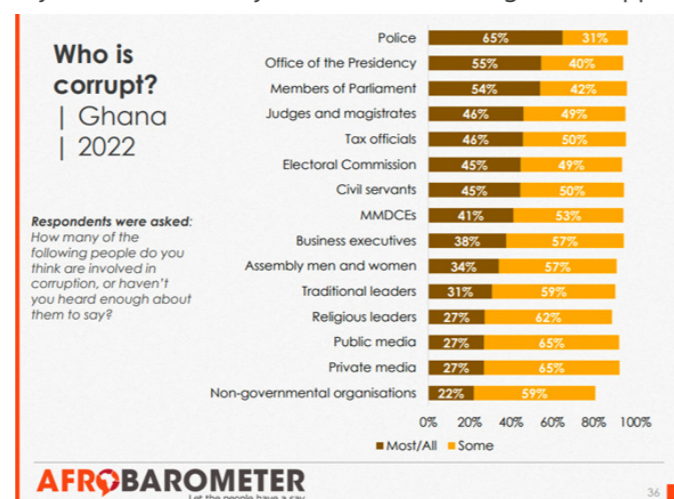


Figure B2.5: Public survey about corruption

West region in Ghana. Ghanaians at an NGO are often the wealthiest, having multiple pickup trucks, motorcycles and watches. All the corruption makes it difficult for the country to develop into a strong economy but at the time making it difficult for Sommalife to operate in.

**B2.5**

**Global warming negative effects on the climate**

'Agriculture' Agriculture is the backbone of Africa's economy and holds tremendous potential as an engine for future growth and job creation in the continent. (United Nations, 2022a)

This backbone is struggling because of the topics described above. These lead to a lack of financial support or opportunity for the farmers. To make the situation worse, this backbone is in danger because of climate change: changes in weather patterns, unpredictable rainfall, and the consequences of more frequent droughts. The agriculture industry is particularly exposed to climate-related shocks just because of these variables. (Seo, 2012) In other words it affects the major crops in Sub saharan Africa and endangers the livelihood of Farmers.



**B3**

**Manifestation of problematic conditions in Ghana**

As a result of the geographical inequalities in the countries, climate change and unfair supply chains, smallholder farmers live a difficult life. The most dominant problem is a lack of sustainable sources of income and especially in the poorest regions in Ghana, the regions where Sommalife aims to help. The manifestation of this problem will be explained in this section.

**B3.1**

**Extreme poverty**

As this project focuses on the agricultural regions of Ghana, we should understand the economics of being a farmer. At the moment the life of smallholder farmers in the north looks as follows: The farmers in the Northern regions grow groundnut, maize and soybeans they gather shea fruits and process them into shea nuts and butter which they can sell on local markets or to local aggregators. In addition to not having a lack of diversified income their farm sizes are small, meaning less yield and thus less income. Above that the costs of keeping the farm lands fertile is high, and these costs keep rising due to climate change. Lastly, they do not receive a sustainable price for products. This leaves them with an income far below the poverty line. In Africa, the poverty line is \$1.90 daily per person. The women Sommalife targets live on \$2 per household daily (Average household being 7 people). This extreme poverty is forcing them to find other short term incomes to survive.

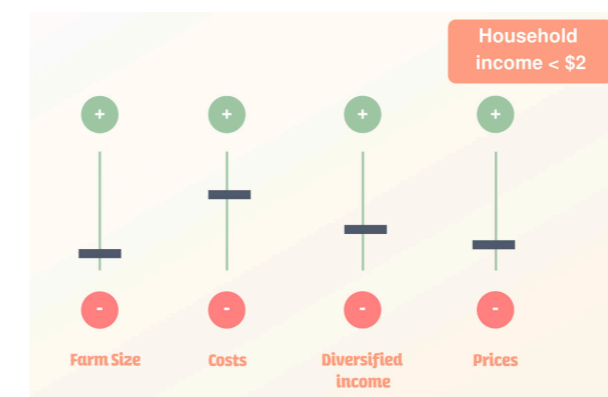


Figure B3.1: Slider showing the problems of smallholder farmers

**B3.2**

**Deforestation**

From 2001 to 2021 Ghana lost about 1.41Mha of tree cover. This is equal to 20% decrease of its total tree cover. (Global Forest Watch, 2022) This is partially caused by the cutting down of trees by smallholder farmers to increase income. They increase their income by turning the trees into charcoal and selling the charcoal. Sometimes, the trees they cut down are the ones they make a living from in the long term, such as shea trees. Shea trees take 15 to 30 years in the wild to grow before they produce shea fruits. Which essentially means they have to wait 15 years again to get those shea fruits back in their income. This inequality in the shea industry and the lack of economic aid or opportunities is tearing down an already descending environment. This is because the trees not only provide a source of income and foodstock for the women but they also protect lands from desertification as the trees keep the soil fertile. So if the farmers keep cutting down trees they will also indirectly influence the yield of their crops. This is a virtuous downward spiral which we must break.

To give you a tangible comparison, as recommended by the experts and consumers in the research of this thesis, the area of that tree cover loss is equal to 2/3 the size of the Netherlands (Excluding water area). (CBS, 2020) The loss of the forest is equal to 739 Mt CO2 emissions. To make it tangible again, according to the RIVM the Netherlands emitted 153Mt CO2 in 2019. If the loss of trees did not happen the carbon emissions of the Netherlands in 2019 would have been neutralised almost 5 times over.

Sommalife focuses on creating opportunities for the poorest farmers so that they do not have to resort to cutting down trees. In the next section the basics of Sommalife's operations are laid out.



**B4**  
**Sommalife's solution**

According to the World Bank, the Ghana situation can only be relieved by:

**“Key pathways for accelerating poverty reduction are job creation, human and physical capital development, and higher agricultural productivity, especially in lagging regions.” [bron, worldbank]**

Sommalife acts in line with this advice focussing on 'agricultural productivity, especially in lagging regions' and the environment. It does this by doing three things: Aggregating, planting trees and digitization.

**B4.1**  
**Shea nuts**

The product Sommalife works with derives from wild Shea Trees which are harvested for Shea fruits which are processed into butter for food and cosmetic manufacturers. The trees grow approximately around the equator which is called the Shea belt. Most Shea nuts derive from West Africa with Ghana and Nigeria being the countries that produce the most. (CBI, 2022)

Shea butter is becoming an increasingly requested resource for the food and cosmetic industry. In the food industry it has become a sustainable and healthy alternative to Palm Oil. You can see it in the Netherlands with companies such as Flower Farm. In cosmetics it is also in high demand for its nutty characteristics and high levels of vitamins.

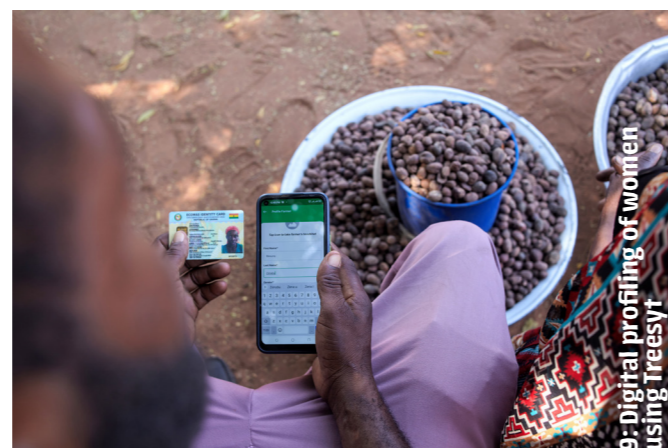
Smallholder farmers, mostly women, collect shea nuts and sell these to aggregators to generate income for their households. Sommalife business model cuts out endless middlemen, local aggregators, and uses direct community sourcing to increase the margins of the smallholders producers. We use our own software to ensure that our operations run more efficiently. At the moment we have increased the income of women with 22.75% above market price with our system. So as a consequence the livelihood of the women goes up as the women have more money they so desperately need. At the moment Sommalife has helped close to 3000 women and has registered close to 20.000 women needing their help in their system.

**B4.2**  
**Reforestation**

With the profits we make we make additional impact. The most important one might be Reforestation of the environment. Together with the women we plant trees. The trees do not only improve soil quality which increase crop yield and drive back desertification, they also provide women with fruits and nuts which they can eat or sell. At the moment we have planted 3500 trees and protected around 256 Ha of land.

**B4.3**  
**Digitization**

Sommalife has an internally developed software named Treesyt to monitor activities and transactions within our operations. Thus gathering data on communities, quality of product, pricing, and impact. This way we can efficiently run our operations and effectively make an impact.



**B5**  
**Sommalife's challenges**

Sommalife has been able to help 3000 women with an increased wage of 22.75% which we pay upfront, pre-financing. Normally the women receive money after they have sold the nuts. This pre-financing means the women can use the money for other economic activities. This is a good start but will not help the women get out of extreme poverty. To truly help these women we need to raise the 22.75% to a wage that is enough for them to have a relatively normal standard of living in comparison to what is available in Northern Ghana.

Hopefully this will release the need to cut down trees and stop deforestation. In addition, Sommalife is planning on training the women on the importance of conservation and planting trees relieving stress from global warming.

Lastly, Sommalife started its operations in the poorest region of Ghana, Upper West. Currently our operations spread over 4 northern shea producing regions of Ghana. Ultimately we aim to reach smallholder farmers in other shea producing countries in West Africa. Despite inflation and corruption Sommalife has managed to register over 300 communities.

Below you see a chart of Sommalifes goals. It is going to be a challenge to achieve these goals because at the moment Sommalife is paying for this impact out of their own profits. In the next section this problem is further explained and frames the overall challenge of this project.

	2020	2021	2022	2023	2024	2025
Smallholder farmers	500	2,483	20,000	65,000	100,000	150,000
Average income increase	-	18%	20%	23%	26%	30%
Shea Parklands demarcated	2	10	25	100	250	500
Trees planted and protected	0	500	10,000	30,000	75,000	300,000
Countries	1	1	2	2	2	3

Figure B5.1: Sommalifeimpact results and projections



## B6 Problem framing

Sommalife is a social startup who strives to sustainably improve the lives of rural farmers in West Africa. Sommalife has been successful at this to a small extent and has set the stage for an impactful act in West Africa. Sommalife does this with their own profits as the shea supply chain does not pay for impact at the moment. Even though the stakeholders in the chain find impact important they say they can not pay for the impact as the price is decided by the end consumer. (Appendix A) Without this support Sommalife will struggle to scale and improve its impact.

### B6.1 Need capital to scale and(or) improve impact

From my understanding a startup needs all its resources if it wants to scale up let alone make an impact. Sommalife manages to make an impact at the moment. However, Sommalife has the ambition to scale up operations and help farmers across West Africa. Scaling up will mean that they have to pre-finance more women and if we want to get to the 'living wage' we should also increase the amount we pay. Accomplishing ambitions requires a lot of capital which Sommalife does not yet have. Therefore, if Sommalife wants to scale up their business will have to

make a choice between quality and quantity of impact. This is a decision Sommalife does not want to make. Therefore Sommalife should look at ways to get financial support for the impact they make or in other words; monetize their impact.

### B6.2 Aim

There are a lot of organisations and consumers in the world who care for social and environmental impact. Buying products that are knowingly produced under sustainable circumstances are attractive for these people. (GlobeScan, 2021) The aim of this research project is to discover a way for Sommalife to monetize its Social and environmental impact through literature research, trend research, expert and consumer interviews to identify opportunities and discover shortcomings Sommalife needs to overcome to grab the opportunities. In addition, I want to define and develop a concept for impact monetization which is represented and supported by near future strategy.

## B7 Assignment

The assignment focuses on discovering interesting revenue streams for Sommalife to support their scaling ambitions. At the moment, Sommalife has already made use of selling commodities (shea nuts) B2B, investments

and donations on a small scale. The main direction I am going to explore is around impact monetization: How can Sommalife monetize their social and environmental impact?



Figure B7.1: Who will pay for impact and what does Sommalife need to deliver?



Figure B6.1: Sommalife's current model

## B8 CONCLUSION

In this chapter we wanted to discover more about the context Sommalife is working in, give an introduction on Sommalife's solution and challenges to frame the problem and give an aim to the assignment. Sommalife operates in Ghana, a country that can be considered to be part of the Global South. Sommalife works with farmers who live under the poverty line. Ghana is a country that faces many challenges and wants to truly become a developing country. It faces geographical inequalities caused by industrialization. In these industries, such as the shea butter industry it faces unequal value distribution among these industries. The country is also challenged with inflation and high corruption. Additionally climate change is negatively affecting the agricultural sector, which can be considered the backbone of Africa.

This situation manifests itself in more problems for farmers and in turn Ghana; extreme poverty and deforestation. The main problem is lack of sustainable income. As a result farmers are forced to cut down the very tree they live off in order to sell it as charcoal to generate a short-term income. This leads to further degradation of nature and loss of potential long-term income.

Sommalife focuses on helping these farmers by providing opportunities to promote sustainable

agriculture. Sommalife is focussing on the shea industry which is becoming increasingly in demand by the food and cosmetics industry. Sommalife cuts out middlemen, increases quality and quantity through training and increases the wages of the farmers. Sommalife also aims to improve the environment the women are living in through demarcation projects and tree planting. All Sommalife's activities are monitored through an in-house developed software, 'treesyt', which gathers data for efficient and effective operations

Sommalife faces the challenge of financing the scaling and improvement of their impact initiatives. Sommalife aims to expand its operations to other shea producing countries in West Africa. However, if they wish to achieve these goals they need to address their way of funding. The lack of funding from the stakeholders in the shea supply chain and the need for more capital to increase the impact has created the need for Sommalife to monetize its impact. The focus of the assignment is on exploring revenue streams for Sommalife to support its scaling ambitions, with a main direction being impact monetization. The aim of the next chapter is to discover ways for Sommalife to monetize its social and environmental impact through research, trend analysis, and expert and consumer interviews.

## Introduction to Sommalife context and challenges and the need for impact monetization





11: Cracking of nuts for shea butter production

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# DESIGN APPROACH



## Design Approach

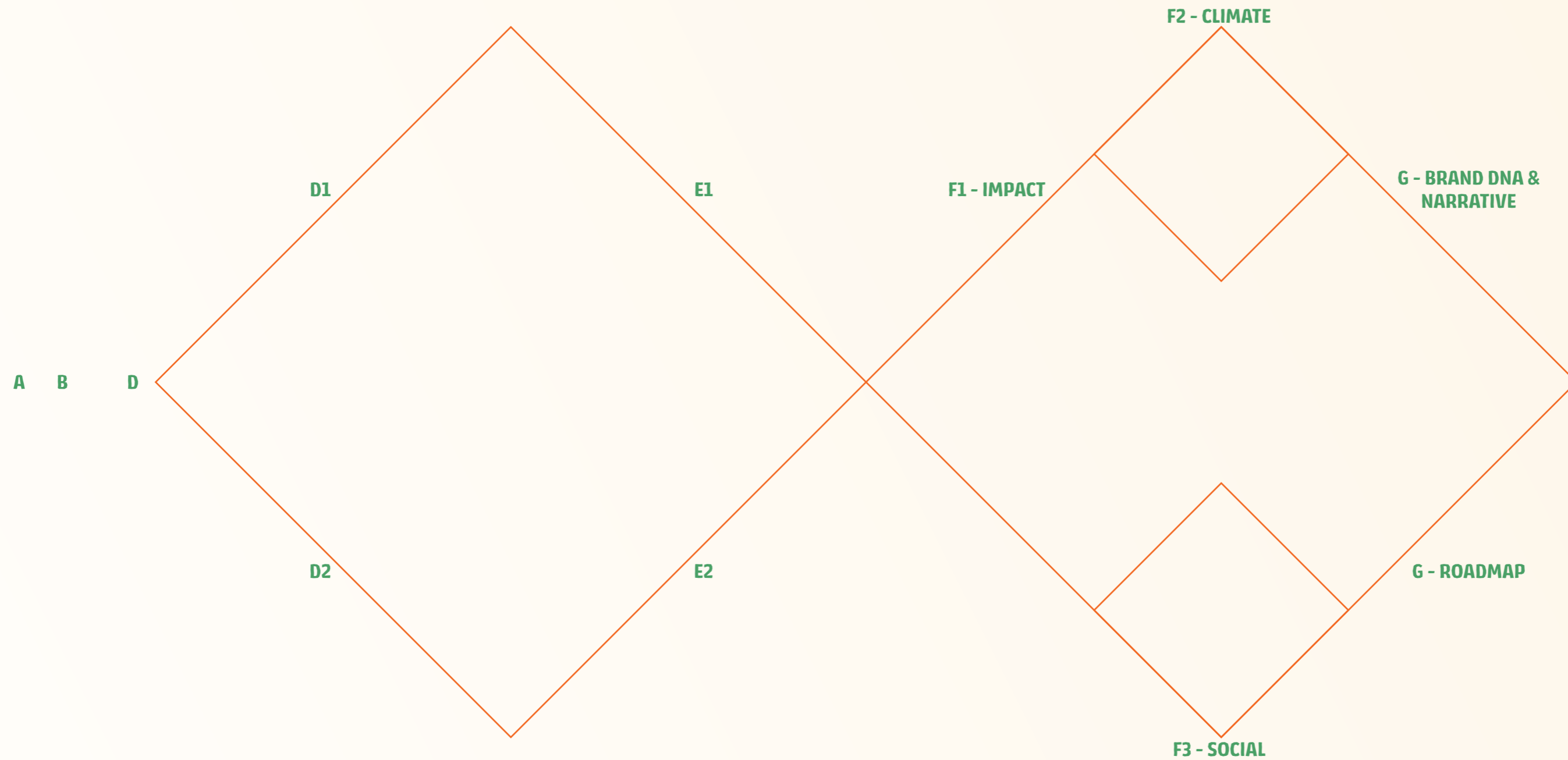
In the previous chapter the context research, problem exploration and assignment focus have been established. This was done by initial research, conversations with Sommalife and reiterated after conversations with stakeholders of the shea supply chain. This lays a foundation on which the design process can be engaged. The fundamental framework of the project is based on the model of the 'Double Diamond' (British

Design Council, 2005). It breaks the creative process down into four steps: Discover, Define, Develop and Deliver. At the end of the process it was important for me to reflect on the whole situation in order to learn from this last academic experience.

The goal of the research phase was to submerge myself in the world of Sommalife and impact making in order to find possibilities for Sommalife. Various challenges and

opportunities were discovered. And a consumer group was identified in addition to these discoveries. The opportunities were abundant and therefore an evaluation needed to be done. The opportunities were developed into concepts and evaluated. From this evaluation design direction was chosen. A new domain was developed which described Sommalife's new role within the industry and from this the design phase could start. First, a new approach for impact was designed

and afterwards new models to monetize this impact. This was complemented by a strategy and the concept and findings were translated into a new website. The graphic below showcases the breakdown of the process in a double diamond structure. The structure was adjusted to have two additional diamonds in the final diamond.



Getting started	Discover	Define	Develop	Deliver	Reflection
<ul style="list-style-type: none"> <li>Defining problem and aim</li> <li>Conversations with Sommalife</li> <li>Literature research</li> </ul>	<ul style="list-style-type: none"> <li>Expert interviews</li> <li>Consumer interviews</li> <li>Literature research</li> <li>Internal and external analysis</li> <li>feedback sessions</li> </ul>	<ul style="list-style-type: none"> <li>Swot analysis</li> <li>Formulation opportunity spaces</li> <li>Evaluation: desirability, viability, feasibility &amp; integrity</li> <li>Direction</li> </ul>	<ul style="list-style-type: none"> <li>Expert interviews</li> <li>brainstorming</li> <li>co-creation</li> <li>Wireframing</li> <li>Client validation</li> </ul>	<ul style="list-style-type: none"> <li>Brand Dna</li> <li>Brand Narrative</li> <li>Strategical roadmap</li> <li>Website</li> </ul>	<ul style="list-style-type: none"> <li>Reflect on pocess</li> <li>Prepare next research steps</li> <li>Prepare presentation</li> </ul>





11. The gathering place of a local community

In this chapter, we will examine Sommalife as a startup and its context through internal and external analyses. These analyses are based on literature research and expert interviews and are intended to provide a comprehensive understanding of Sommalife's strengths, weaknesses, opportunities, and threats. The resulting insights will be used to identify potential opportunity directions and develop a list of requirements for the design process.

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# DISCOVERING





D1

## Internal analysis

In this chapter, we will examine Sommalife as a startup, including its impact mission and the portfolio it uses to support it. We will also explore the benefits, challenges and opportunities presented by the portfolio.

### D1.1 Sommalife origin

Sommalife is a social start up which believes that in order to make an effective impact it needs to make profit to use for impact instead of relying on donations. Sommalife was founded in 2019 with the mission to create sustained income and impact for rural people in West Africa. Sommalife is focused on resourcing smallholder farmers, almost exclusively women, to become sustainable businesses. SL works almost exclusively with women because Sommalife believes it empowering women who are still suppressed by men in these farming communities. It has its benefits though as women tend to take better and longer lasting care of projects

### D1.2 Sommalife's Impact:

With the results from the efforts in Sommalife's portfolio they make the following impact which can best be summarised by the use of the United Nations Sustainable Development Goals (SDG). The Sustainable Development Goals (SDGs) are a set of 17 global goals adopted by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development. The SDGs are intended to be a blueprint for ending poverty, protecting the planet, and ensuring prosperity for all people. (United Nations, 2022a) For Sommalife, the SDGs can serve as a framework for environmental and social impact activities. By aligning

#### RESEARCH QUESTIONS:

- (1) What characterises Sommalife's current impact?
- (2) How does Sommalife support that impact?

their operations and strategies with the SDGs, Sommalife can demonstrate their commitment to making a positive impact in West Africa and contribute to the achievement of the overall UN goals. Additionally, by engaging with the SDGs, Sommalife can identify opportunities for innovation, growth, and differentiation in the marketplace. Below you see an overview of Sommalife's impact and its values categorised by SDGs.

	Current achievements	Current goals 2025
SDG 1	Increased income by 22.75%	Increase income by 30%
SDG 5	3500 women trained	150.000 women trained
SDG 13	3500 trees planted	100 000

Figure D1.1: Sommalife achievements and ambitions according to SDG's

**Weakness: Unstructured impact** Although these goals and efforts are a good foundation, and can be considered in my opinion impressive for a startup. However, they still lack the structured system and efficiency needed to thoroughly monetize and gain community loyalty. In order to achieve their impact goals Sommalife engages in three activities to support their impact and make a long-term and sustainable impact in West Africa.



**SD1 - NO POVERTY:** The first SDG sommalife contributes to is SDG1: No poverty. Sommalife supports the businesses of some of the poorest communities in West Africa. They have now reached 300 communities. Sommalife has already managed to increase the income of shea producers by 18% with a target of 30% in 2025. Sommalife's end goal is to provide the women with a 'living wage'. Living wage is the amount of income a farmer needs to receive to provide themselves and their children with a normal life.



**SD5 - GENDER EQUALITY:** The second SDG sommalife contributes to is SDG5: Gender Equality. 98% of the local partners are women. In total Sommalife has registered 18.500 women. By working with women the business empowers them, reducing gender inequality.



**SD8 - DECENT WORK AND ECONOMIC GROWTH:** The third SDG sommalife contributes to is SDG8: 'Decent work and economic growth. Sommalife's business operations are creating jobs and economic growth for women and youth in local communities. By increasing the value attached to Shea products Sommalife is improving the quality of jobs in the industry. Besides this it also aims to create new jobs surrounding the industry such as field officers.



**SD10 - REDUCED INEQUALITIES:** The 4th SDG sommalife contributes to is SDG10: Reduced inequalities. The rural communities Sommalife works in are no longer cut from resources because of location, literacy and gender. Furthermore, the business' impact closes the inequality gap within the Ghanaian landscape.



**SD13 - CLIMATE ACTION:** The fifth SDG sommalife contributes to is SDG 13: climate action. Sommalife's environmental and biodiversity protection activities are aimed at reducing GHGs and their impact on climate.



## D1.3

## Sommalife's portfolio

Above we summarised the impact Sommalife is making. Below I will give a detailed description of how Sommalife makes this impact possible. In this next section we are going to take a deep dive into Sommalife portfolio and impact values to get a better understanding of the foundation of the business. This is essential to understand for the new design direction. The portfolio is split up in three parts: Production, Reforestation and Digitization. To provide a thorough understanding of Sommalife's impact efforts, it is important to clearly explain how each activity works, as well as the benefits, challenges, and opportunities associated with it.

**Production** Sommalife resources smallholder shea producers and connects them directly to the international markets to improve the income of the producers. At the moment Sommalife operates at the beginning of the supply chain. It mainly sells shea nuts to international manufacturers who turn it into shea butter and oils for food and cosmetic production.

By cutting out unnecessary middlemen, Sommalife is able to pay the women an additional impact fee. The impact fee is currently 22.75%. In addition, Sommalife pre-finances the women. Pre-financing women farmers means providing financial support to women, who are smallholder farmers, before they are able to sell their crops or other agricultural products. This is beneficial because the women do not have to wait for the post-production season to earn money, and can use this for other economic activities. This can help them access the resources they need to produce and harvest their crops, and can also help them manage their financial risks and improve their financial stability. Lastly, it trains the women to produce higher quantities and quality of products. According to one expert of the shea industry. These practices are not necessarily unique in the shea industry. (Appendix A, E2)

**Benefits:** Sommalife increases its margins by optimising its aggregation process and cutting out middlemen. By streamlining its supply chain and reducing costs, further increases the profitability of its shea nuts.

**Challenges:** Sommalife faces several challenges in its efforts to work with and support the women producers who cultivate shea nuts.

1. One of the main challenges is **building trust** and maintaining long-term relationships with the communities, as many of them have had negative experiences with organisations that have made promises but failed to deliver on them. (Appendix C)
2. In addition, Sommalife still operates with relatively **low margins** (low margin = low capital) Low margin = low capital on its shea nut products, which can limit the company's ability to invest in and support the women producers.
3. Accessing very remote communities can also be difficult, as many of these communities are located in areas with poor roads and **limited infrastructure**. This can make it challenging to transport materials, equipment, and personnel to these communities and to establish and maintain effective communication and collaboration with the women producers. (Appendix C)

**Opportunities:** scale operations and improve value

The current system has already gained quite some traction with improved margins, although still low, and Sommalife has attracted initial clients. They can further improve this model to increase margins and scale this model with investments to scale the quantity and attract more clients.

Furthermore, Sommalife can potentially improve the margins by improving the value of the product. Sommalife is committed to producing high-quality, traceable commodities that meet the needs of manufacturers. By ensuring that its products are sustainably and ethically produced, Sommalife can differentiate itself in the market and potentially command higher prices. This focus on quality and traceability is not only good for our business, but also helps to build trust and credibility with manufacturers and other stakeholders. By demonstrating its commitment to sustainability and transparency, Sommalife can establish itself as a reliable and responsible partner in the industry. This is an important aspect that can help overall Sommalife's mission.



**Reforestation** As previously mentioned in Chapter B, smallholder farmers in low income areas may be forced to cut down trees in order to make a living. This not only negatively impacts their own livelihoods, as the trees are a source of income, but also has negative consequences for the environment. To address this issue, Sommalife offers training to smallholder farmers to become agents of environmental restoration. By helping these farmers to find sustainable ways to generate income, Sommalife can not only improve their own lives, but also contribute to the Reforestation and restoration of natural resources. This is an important aspect of Sommalife's mission and helps to ensure that the company's efforts are both economically and environmentally sustainable. It does this in the following 5 steps:

1. Educate communities on reforestation with trainings on:
  - The long-term importance of the trees
  - How to raise seedlings,
  - How to plant and manage the trees.
2. Create community owned reforestation parklands to protect existing trees from being cut down
3. Train local management teams
4. Provide tools for setup of nursery and seedlings
5. Monitor and support parklands and seedlings planted

**Benefits:** Planting trees, including shea, cashew, and mango trees, in Sommalife parklands and crop fields can have multiple benefits for the climate and the local community.

1. Agroforestry, which involves the integration of trees into agricultural and livestock systems, can improve the fertility of fields and provide a variety of food (**food security**) and economic benefits for the women who are responsible for cultivating and caring for the trees.
2. In addition, the trees that are planted through Sommalife's initiatives can produce extra fruit that can be sold on the market, providing **another source of income** for the smallholder farmers.



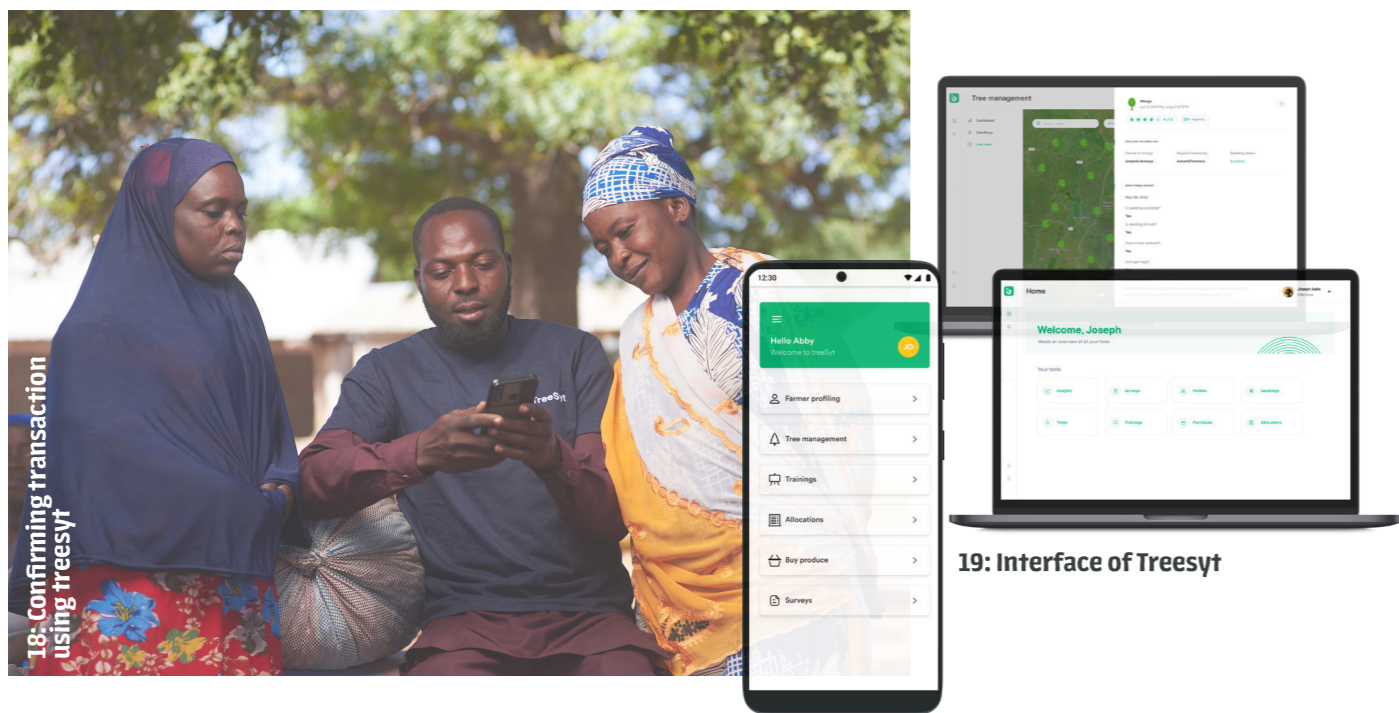
**Challenges:** Sommalife faces several challenges in its efforts to improve the environment.

1. There is a common **misconception** that the cost of growing shea seedlings is relatively low. However, in reality, the costs can be significantly higher. For instance, the company OneTreePlanted offers trees for \$1, but it can cost between \$4 and \$5 to grow shea seedlings. This limited margin leaves little room for financially rewarding the women who are responsible for growing and caring for the seedlings.
2. **Climate change** is also making it increasingly difficult and unpredictable to grow trees, which can further contribute to the challenges and costs associated with shea seedling cultivation. These challenges can make it more difficult to sustainably produce shea nuts and butter, which can have implications for the viability of the shea industry.

**Opportunity:** Carbon credits with agroforestry. Agroforestry has the potential to provide a number of environmental, social, and economic benefits, including carbon sequestration. For this carbon sequestration Sommalife can receive Carbon Credits. Carbon credits are a financial instrument that allows companies, governments, and other organisations to offset their greenhouse gas emissions by funding projects that reduce or capture carbon dioxide from the atmosphere. Sommalife's projects can register for carbon credits if they can prove that they are reducing greenhouse gas emissions or capturing carbon in a measurable, verifiable, and permanent way. By participating in carbon credit programs, Sommalife can generate additional revenue for the women, but also help support funding these initiatives and the maintenance of them. Carbon credits can also provide a financial incentive for framers and other landholders to adopt agroforestry practices, which can help to promote the adoption of more sustainable land management practices.







**Digitization** Sommalife enhances transparency and traceability throughout its operations with their inhouse developed software 'Treesyt'. Sommalife developed this software for internal reasons. The software is a mobile and web application that allows for offline data collection, and generates actionable insights. These help us run operations more effectively and efficiently. We have now been able to under 2 years scale up from one community to working with close to 300 communities.

Our network of field agents use the mobile application to record all field activities. The field agents start by creating digital profiles of all the smallholder farmers in their assigned area, and then record engagements and transactions with the farmers. Engagements include farmer training, tree planting and commodity sourcing which are explained in the table. The web application processes the data collected and generates important insights from the raw data. These are displayed on simple user friendly dashboards, allowing us to easily manage projects and track our impact in real time.

Data we can collect: The application is used to record the following data:

Community Profile	This includes data on the location, population and farmer group membership at the community level.
Farmer Profile	This captures farmer biodata such as name, age, sex etc. We also take data on their economic activities which include primary and secondary sources of income.
Engagement Records	Agents record highlights of all forms transactions and engagements with farmers. These include training participation and performance, sales volumes, tree planting and management, and disbursements of finances to farmers.
General Surveys	We use the Survey feature to collect almost any type of data i.e. images, voice, geolocation, date, quick selection questions etc. This is useful for general survey assignments outside our regular business activities.

Figure D1.2: Data Treesyt collects

**Benefit:** At Sommalife, we collect and analyse data about the context of our beneficiaries, the impact of our work, and the supply chain. This information can be used to optimise our services and improve their cost efficiency, impact effectiveness, quality, and quantity. In addition, by collecting data about a demographic that is currently underrepresented in terms of information, we are able to generate valuable insights that can be useful not only to us but also to other NGOs that are interested in setting up impact projects. By quickly detecting bottlenecks in the supply chain, faults in production, or issues with impact management, we can identify and address problems quickly, which can help to improve the efficiency and effectiveness of our operations.

**Challenges:** Ensuring the **credibility** of Sommalife data is important in order to gain the trust of the public and differentiate ourselves from potential competition.

**Opportunities:** Sommalife is seizing and lining up an opportunity with its data collecting software because according to multiple experts, transparency and traceability is becoming important to the general industry. (Appendix A) It allows for quality and quantity of sourcing to be improved but also helps with tracing the products back to its origins. **NGOs and SME** would be interested in these features. So sommalife could consider turning their software into an additional revenue stream. (Appendix C&D)

One way to enhance the **credibility** of our data is by making our data collection and analysis processes transparent. In addition, it can be helpful to engage external experts or third-party organisations to review and verify our data. This can provide an independent perspective and add credibility to our findings. (Appendix A, E5.2)

## Uncovering Sommalife's Business and Impact: Connecting Smallholder Shea Producers to International Markets, Reforestation and Digitization

### D1.4 Conclusion

Uncovering Sommalife's Business and Impact: Connecting Smallholder Shea Producers to International Markets, Reforestation and Digitization

In this section we wanted to discover what characterises Sommalife's business and impact. Sommalife is a company that works with smallholder shea producers, primarily women, in West Africa, supporting their communities socio-economical and environmental. The company does this through production, reforestation and digitization. First, Sommalife connects the smallholder farmers directly to international markets and cuts out unnecessary middlemen. Sommalife also pre-finances the smallholder farmers, provides training to improve the quality and quantity of their products, and pays an additional impact fee. The company faces challenges such as establishing trusting relationships with the communities and low margins on products, but has opportunities to scale its operations, improve the value of its products, and increase its impact.

Secondly, Sommalife works to improve the environment by offering training and tools to women to help them engage in reforestation efforts. Agroforestry can provide food security and additional income for the women.

However, Sommalife faces challenges such as the high costs of seedling cultivation and the impacts of climate change on tree growth. One opportunity for Sommalife is to participate in carbon credit programs, which can provide additional funding for their initiatives and incentives for the adoption of agroforestry practices.

Lastly, Sommalife has developed an in-house software called 'Treesyt' that allows for data collection and generates actionable insights to improve efficiency and traceability in the company's operations. The software is used by field agents to create digital profiles of smallholder farmers, record transactions and engagements, and collect various types of data. This data can be used to optimise Sommalife's services and improve their impact effectiveness. The company also has the opportunity to enhance the credibility of its data and potentially turn the software into an additional revenue stream by offering it to other organisations. Having a clear understanding of Sommalife's operations, challenges, and opportunities is essential for conducting an effective external analysis and identifying potential opportunities and threats that may impact the company. The insights from this section will also be useful for completing a SWOT analysis in chapter 5. But before SWOT analysis can be made we must first conduct an external analysis to gather more information about the external environment in which the company operates.







21: During my field research



22: Women with shea nuts

**RESEARCH QUESTIONS:**

- (1) What is the shea industry?
- (2) What does the competition look like for Sommalife
- (3) What challenges lie in the shea industry for Sommalife?
- (4) What opportunities lie in the shea industry for Sommalife?

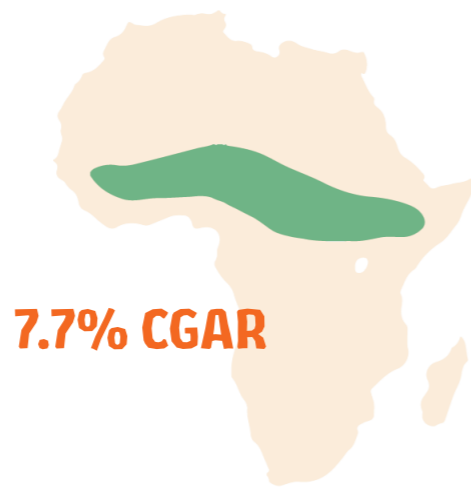
**D2 External analysis**

In this chapter, we will delve deeper into the shea industry to gain a better understanding of its competitive landscape and the unequal distribution of value in its value chain. In order to do this I conducted interviews with stakeholders of the industry and experts on monetizing impact. By identifying problems, we hope to discover opportunities for Sommalife to improve and grow. One such opportunity that has been identified is the impact market. We will also explore the impact market to identify potential opportunities and directions for this project to pursue.

23: Products made from shea



24: The shea belt



**D2.1 Shea industry**

**Growth of Shea industry** The global demand for shea butter is expected to be \$2.6 Bn at the moment with a projected compound annual growth rate of 7.7% between 2022 and 2032. (Future Market Insights, 2022) To my understanding there are a couple of reasons the shea industry is growing. The processed and refined version of shea nuts, shea butter, is used in a variety of food and cosmetic products. The increase in demand for these products could have impacted the growth of the shea industry. In addition, in recent years, there has been an increasing trend towards organic products with a low carbon footprint. Shea butter is a wild growing organic product that stimulates reforestation. It is seen as a good substitute for palm oil. The experts at Sommalif noted that the shea industry also faces challenges: Volatile pricing, women struggle with market access, and aggregators struggle with financing women.

25: Somma Supply chain



**Supply chain** The shea supply chain begins with smallholder farmers who collect the nuts from trees around their community. These smallholders farmers are active in an area around the equator in Africa, this area is called the 'Shea Belt'. Sommalife is involved at the beginning of this chain, working with smallholder farmers to aggregate and purchase shea nuts at a fair price. The aggregated shea nuts are then sold to international manufacturers, who process them into high-grade resources. These resources are then sold to private labels, who use them to create food and cosmetic products for retail sale to consumers. Through this supply chain, Sommalife plays a vital role in connecting smallholder farmers with global markets and enabling the production and distribution of sustainably-sourced shea products. An extended explanation of the stakeholders can be found in appendix E.

**Sommalifes primary buyer: International Oil & Fats manufacturers.** In the supply chain Sommalife primarily deals with international oil and fats manufacturers. Sommalife supplies shea nuts to international oil and fats manufacturers, many of which are listed companies with a global presence. These organisations are interested in sourcing high-quality shea nuts and butter for use in the oil and fats industry. They play a crucial role in the supply chain as they possess specialised machinery that enables the processing of nuts into resources for the food and cosmetics industries. While these manufacturers prioritise the quantity and quality of the products they purchase, they also prefer to source resources that have a positive social or environmental impact. (Appendix A, E2 & E3) However, it can be challenging for them to find such products that also meet their strict quality and quantity requirements. In addition, it is currently difficult for them to verify the impact of the resources they buy as they are not traceable.

**Competitive landscapes** The shea industry is best explained on 3 levels of competition. The first one being shea nut aggregation, it is the market it focuses on the most and is the direct market. The second level is manufacturing shea butter. Sommalife is in the future interested in moving towards this market. The third level is agritech. The section is based on the extended competition analysis which can be found in appendix F.

**Shea nut aggregation.** At the level of shea nut aggregation it has two competitors. The first one being the branch of a billion dollar Swedish manufacturer, AAK. Their biggest strength is its high capital but they lack a connection with the communities. The rest of the

aggregation market is filled with SMEs. In this market there is relatively little competition overall.

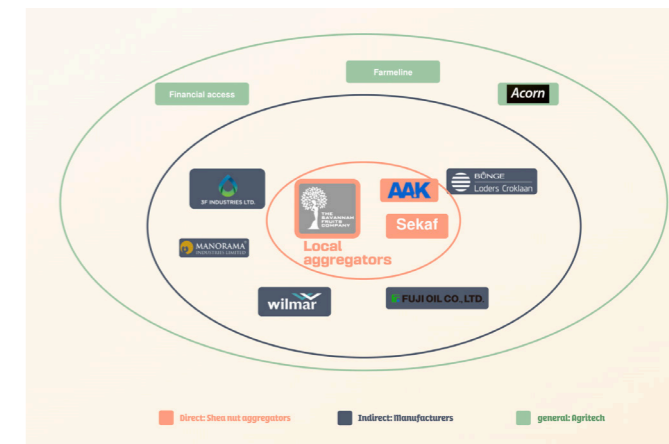


Figure D2.1: Competitor analysis

**Shea butter processing** At the level of shea butter processing there is more competition and most of them have high capital and one or multiple processing sites. This market is going to be more difficult to penetrate. At the level of Agritech, the competition does not have software with similar scopes. That is because the African agritech industry is relatively young. It is an important opportunity to look at these companies to learn from them. However, also to keep an eye as they could (re) develop software to be similar to treesyt as they already showcase to have strong inhouse development teams. They all have big teams of engineers and experience in turning software into a sustainable income. It is important to keep in mind that they are also not direct competitors of Sommalifes core model, shea nuts, and lack a connection to the women we have.

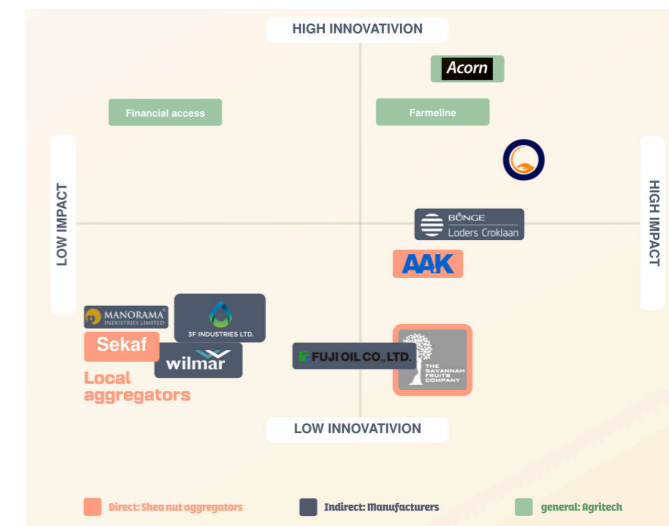


Figure D2.2: Competition axi: Impact & innovation



**Agritech.** To differentiate ourselves from other agritech startups and stay ahead of the curve, it is important to continue innovating and adopting new technologies that can improve our operations and impact. Some potential areas for innovation that have been mentioned by experts include drone image processing, AI recognition, and blockchain. (Appendix A, E10.10) In order to implement these technologies and achieve our goals, we may need to secure additional funding.

**Challenges in shea industry** The shea industry can be challenging due to the widespread nature of the shea trees and the lack of visibility and recognition for the women who work in the industry.

**Shea trees are widespread.** The shea trees grow in the wild and are found in a region known as the “Shea Belt,” which stretches around the equator in Africa and includes 21 countries. (CBI, 2022) As Sommalife experienced over the past years, collecting a large quantity of shea nuts requires visiting a variety of communities, making the aggregation process labour-intensive. The area that Sommalife works in alone is 2X the size of the Netherlands. **Lack of information on demographic and recognition.** These women’s communities lack visibility and recognition. There is limited information available about their location, population size, number of children, farm size, type of



crops grown, average quantity of shea nuts available for collection, access to resources, and challenges faced. The lack of this information not only makes it difficult to purchase shea nuts from these communities, but also to effectively tailor impact initiatives to meet their specific needs if you do not know what the needs of the women are.

**NGOs and SMEs struggle with operation with smallholder farmers.** NGOs often face challenges in delivering effective impact in regions where smallholder farmers live. These challenges may include a lack of information on the regions, communities and lifestyle of farmers, as well as the resource-intensive nature of such

operations. These challenges can lead to limited financial benefit for the women involved and a focus on training rather than income generation. Meaning, the funds invested in establishing these impact operations may not always result in successful outcomes. (Appendix E)

**Value chain inequality: farmers are abused.** The value distribution in the shea industry is unequal. In the case of the shea industry it means that stakeholders from manufacturing up until consumers profit the most from the final product. From my understanding this is exploitation: smallholder farmers being paid very low prices for their Shea and facing poor living conditions. For example, a kilogram of raw shea butter may sell for 106 euros at the Body Shop, but only 1 euro to aggregators. (The Body Shop, 2023) This means that the women who produce the shea butter are not receiving a fair wage for their work. It is important to ensure that these women are able to receive a living wage for their contributions to such a lucrative market. From a conversation with a private label a 100 ML product of shea butter can be made for €4,80. When looking at a product of €16, and when deducting taxes a company will receive €13,45 in value. They will have an average of 60% to pay for distribution and marketing and the rest will be profit. This amount is so substantial that in my opinion farmers should not have to live in extreme poverty. (Appendix A, E1.1) It is important to ensure that these women are able to receive a living wage for their contributions to such a lucrative market. There are several reasons that this industry is unequal:

1. First there are **geographical and structural inequalities:** Shea is produced in extremely poor areas, where farmers have limited access to resources, technology, and market information. This can result in low prices for their shea and a lack of bargaining power when negotiating with buyers. [FIXME, JohnCarl]
2. Secondly, they have **limited bargaining power.** Meaning, that the international companies have a stronger position to negotiate prices. If the women do not accept the companies could buy from a community that does.
3. Lastly, the **women have limited access to value-added processing:** Many Shea farmers do not have access to the infrastructure and resources needed to process their shea into cosmetic or food products. This means that they are unable to capture the value that is added through processing and are instead forced to sell their shea nuts at low prices.

**Industry does not reward impact.** Unfortunately, manufacturers, like many others in the shea industry, are not willing to pay significantly more for products with a positive impact. According to them the end consumer ultimately determines the price. (Appendix A) More information about these manufacturers and other stakeholders in the shea supply chain can be found in the appendix. (Appendix E) It is important to understand the reasons behind the reluctance to pay for impact in the shea industry and why in the shea industry they are motivated. Understanding these reasons can help to identify potential solutions and ways to promote more sustainable practices in these sectors.



27: Women with her shea nuts



28: Field officer educating women

## Opportunities in the shea industry

**Community loyalty.** By establishing a strong connection with these communities and demonstrating its commitment to their development and empowerment, Sommalife can differentiate itself from other players in the market. This can help to build trust and loyalty, giving Sommalife a strong foothold in the industry. It is something Sommalife is already attempting however they can improve by structuring their impact

**Moving up the supply chain.** In addition to representing smallholder farmers in the international market, there is also an opportunity for Sommalife to move up the shea supply chain by adding value through processing and other activities. By taking on these additional steps in the production process, Sommalife can potentially increase its profit margins and add value for its clients. However, it will be important to carefully assess the time and resources it will require.

**Position: Impact and innovation.** Sommalife can differentiate ourselves in the shea industry by prioritising its impact values and using software to efficiently engage and manage its relationships with smallholder farmer communities. This way they can operate and aggregate in the challenging shea nut industry and.

**Software as a service for NGOs and SMEs.** By making software, Treesy, to gain insight into our supply chain and impact we can effectively run our impact project and business operations. However, this knowledge and software can also be shared with other organisations. Well meaning International NGOs and SMEs struggle with making an impact. There is an opportunity here for Sommalife to make their Software available to these companies on a subscription basis. (Appendix A)



## D2.1 Shea industry CONCLUSION

In this chapter, I wanted to thoroughly investigate the shea industry, including its viability, competition, challenges, and opportunities. The shea industry is expected to have a demand of \$2.6 billion and a compound annual growth rate of 7.7% from 2022 to 2032. Shea butter is used in various products and there is a trend towards organic and environment-friendly products. However, the industry faces challenges such as volatile pricing, market access issues for women, and financing issues for aggregators working with women. This makes the supply chain of shea difficult to operate. Sommalife acts as an aggregator in this supply chain. Sommalife's primary buyers are international oil and fats manufacturers, who prioritise quantity and quality, but also prefer to source resources with a positive social or environmental impact. However, they may be unwilling to pay significantly more for such products, as the end consumer ultimately determines the price.

If we look at the competitive landscape presented in the supply chain for shea we see three levels; Aggregation, processing and agritech: In the shea nut aggregation market, Sommalife faces competition from a large Swedish manufacturer, AAK, and small and medium-sized enterprises. The shea butter processing market is more competitive, with companies that have high capital and multiple processing sites. In the agritech market, Sommalife has an opportunity to differentiate itself with its software and potentially adopt new technologies, but may need additional funding to do so. It is important to keep an eye on competitors in the agritech market as they could develop similar software in the future.

The industry also has some challenges for the stakeholders such as the widespread nature of shea trees, lack of visibility and recognition for women in the industry, and

difficulties faced by NGOs and SMEs in working with smallholder farmers. There is also a lack of willingness among manufacturers to pay more for products with a positive impact and value chain inequality, with smallholder farmers receiving low prices for their shea and limited access to value-added processing, while international companies and consumers profit the most from the final products. This results in exploitation and a lack of fair wages for the women who produce shea butter. Structural inequalities, limited bargaining power, and lack of access to value-added processing contribute to this inequality.

These challenges can also present opportunities. This can help to build trust and loyalty, giving Sommalife a strong foothold in the market. There is also the opportunity for Sommalife to move up the shea supply chain by adding value through processing and other activities, and to offer its software as a service to other NGOs and SMEs who may struggle with effective impact. By leveraging these strengths, Sommalife can increase its revenue and bring positive change to the shea industry. Sommalife can differentiate itself in the shea industry by prioritising its impact values and using software to efficiently engage and manage its relationships with smallholder farmer communities. They can take the position of impact and innovation. This raises the question: Which products or services can support this position?

Furthermore, It is important to understand the shea industry to be able to identify potential solutions to make stakeholders in the supply chain pay more Sommalifes sustainable practices. To discover examples and inspiration of these practices we are going to look at the impact market in the next section.

**An opportunity to become strong at the bottom of the pyramid and thus the industry through impact and innovation**



29: Sommalife soccer tournament



30: Woman looking for a place to plant

### RESEARCH QUESTIONS:

What is currently available in the world of monetizing impact?  
Is there a way to monetize 'social' impact?  
What impact monetization models work best for Sommalife?

## D2.2 Impact market

After conducting expert interviews and research, I conclude that there are opportunities for Sommalife to monetize its positive social and environmental impact. First, I define impact and show two forms of impact, social and environmental. Subsequently, I will show the challenges and opportunities for each of these.

**What is impact?** Impact refers to the effects of an action or event on people, communities, or the environment. Social impact refers to the impact on society, while environmental impact refers to the impact on the natural world. There are several ways that Sommalife can monetize its social and environmental impact, including through the use of carbon offsetting and through consumer goods. These strategies will be discussed in more detail below.

In this project, the goal is to make a positive impact in the lives of people in the Global South, specifically in Ghana. This impact can come in the form of reducing labour intensity, planting trees, and other activities that bring about positive change. There are two types of impact that this project aims to achieve: social and environmental.

**Social impact** refers to the positive changes that result from socio-economic activities that address pressing societal problems. In Sommalife's case these activities can range from providing communities with fair economic opportunities, to supporting education and training programs for children and youth. The goal of social impact is to trigger positive change in society and improve the well-being of individuals and communities. By measuring and tracking the social impact of their activities, organisations can better understand the impact they are having and identify ways to improve the quality or scale of their impact.

Whereas **environmental impact** is the positive effect that activities have on the environment. Examples of

environmental impact might include protecting natural resources, such as trees, or reducing or capturing greenhouse gas emissions. An example of environmental impact would be setting up parklands to protect trees from being cut down.

The importance of social and environmental impact can vary depending on one's perspective. For the Ghanaian communities, social impact may be more highly valued because it provides quick relief to their immediate problems. In the West, environmental impact may be perceived as more important because it addresses one of the most pressing issues of our time: climate change. Ultimately, both types of impact are important and should be considered in any project that aims to make a positive difference in the world. In the west environmental impact is perceived as more important in regards to social impact as it battles one of our generation's most urgent problems, climate change. This is supported by the insights from the consumer research.

**Why Should companies care?** Climate change. To 689 million people living in poverty it is even more disastrous than for us in first world countries. (United Nations, n.d.)

**Consumer** - This has not gone unnoticed by the consumer. Many consumers believe that they can have a positive effect on the climate with their consuming behaviour. Some even have a bad feeling if they do not make conscious decisions. (Appendix, B) 96% consumers believe their actions can help the cause, however they can not do it alone. (Futerra, 2018) Therefore they would like companies to help them live a more environmentally friendly and ethical lifestyle. According to a study by Futerra, 88% of the consumers would like this. Therefore it is also important for a company's brand image. In addition, research by FairTrade US, done with over 2400 consumers in over 15 markets internationally, discovered over 50% of consumers changed their purchasing choices in 2020-2021 to make a difference in the world. (GlobeScan, 2021) 87% of American consumers are more likely to buy from companies that communicate that they are purpose driven. (Whelan & Kronthal-Sacco, 2019)



**Positive brand reputation** - By prioritising the positive impact of its products, a company can enhance its brand reputation, which can lead to increased customer loyalty and positive word-of-mouth. This can be especially valuable in today's market, as consumers are increasingly looking for products that align with their values and that have a positive impact on society and the environment. (Appendix B)

**Competitive advantage** - By positioning itself as a socially or environmentally responsible company, a company can differentiate itself from its competitors and potentially attract more conscious customers. This can be especially effective if the company is able to communicate the positive impact of its products in a compelling way.

**Employees** - Besides strengthening a company externally it also strengthens a company internally. 93% of employees believe that a company should lead with purpose. (Harvard Business School, 2021) Making impact is also important internally as it is an opportunity to motivate employees. It allows employees to use company resources to make a positive impact. This increases productivity but also helps with attracting capable new employees. (Murphy, 2022)



**THE SUSTAINABLE DEVELOPMENT GOALS:** There are different ways to make an impact and get the previously mentioned benefits for your company. So many that it can sometimes be chaotic. Fortunately, there is a remedy for this chaos called the Sustainable development goals. Sustainable Development Goals: the universal language of impact

In order for different parties to understand what they are talking about they need to agree on a certain categorization of impact. This makes the process of making impact easier. There are many different categorization systems for impact but from my research one came out as a strong winner. This research was also backed by the advice of experts. (Appendix A) The 17 Sustainable Development Goals (SDG) of the United Nations. It can be seen as the most universal language used to communicate impact. According to the UN themselves it means the following:

"the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests."

**What is impact monetization?** For an organisation to make an impact it requires a vast amount of resources; time, people, data to name a few. All these resources cost money. Therefore the organisation should be financially supported to make this impact or impact monetization. I define impact monetization as the following: Impact monetization is when an organisation converts their positive social and environmental impact into financial value. This can be done through a variety of mechanisms.

Monetizing impact has been getting more and more traction. (Glenmede, 2022) Especially during the pandemic where we as a society and individually started asking the question "What kind of world do we want to live in after the pandemic?". This is something I personally strongly relate to. This answer is reflected in numbers. According to an impact investment firm, the United States sustainable and impact investing landscape doubled in funding between September 2020 and September 2021 from \$183 billion to \$330 billion. (Glenmede, 2022)

This might seem like a lot. However, it is projected that developing countries require \$3.9 trillion every year to invest in impact, from health and education to water and sanitation, to power their efforts towards the SDGs of 2030. Currently, there is \$1.4 billion dollars invested in development each year. If we as a planet want to achieve our Sustainable Development Goals we need to annually bridge a financing gap of €2.5 trillion. (World Bank, 2019)

### The world faces a financing gap of \$2.5 trillion in annual investments to achieve the Sustainable Development Goals (SDGs) - World bank

Impact monetization can be a way for companies and organisations to fund social and environmental initiatives and to demonstrate the value of their impact to investors and other stakeholders. It can also be a way for companies to offset the negative impact of their operations by investing in projects that have a positive impact on society or the environment. There are several approaches to impact monetization. The specific impact monetization model that works best for an organisation will depend on the nature of its impact and its business model. In the appendix an overview of impact monetization models are presented. (Appendix G) In the next section the most appropriate approaches for Sommalife are presented.

### Ways for Sommalife to monetize impact

There are several ways that Sommalife can monetize its social and environmental impact, including through impact investing, donations, grants, government funding, and funding from international NGOs. Additionally, Sommalife can monetize its impact through the sale of carbon credits and consumer goods.

Of these options, carbon credits and consumer goods may be particularly promising because they offer more sustainable solutions with a constant revenue stream.

However, the other monetization systems are also worth considering and can be included in the overall strategy. For more information on these options, refer to appendix G.

**Carbon credits** - Carbon credits are certificates that represent a reduction/capture of carbon dioxide or other greenhouse gases from the air. They are typically issued by governments or carbon certifiers as a way to motivate businesses and organisations to decrease their greenhouse gas emissions and promote the adoption of low-carbon technologies. More importantly for Sommalife, they can also be generated through projects that reduce greenhouse gas emissions or increase carbon sequestration such as Sommalife's reforestation project.

Carbon credits can be purchased by companies to compensate for their own greenhouse gas emissions by purchasing credits from projects that have a positive climate impact. This allows these businesses and organisations to compensate for their own emissions and meet emissions reduction targets. Sommalife is already busy with agroforestry projects so carbon credits is a promising opportunity for Sommalife.

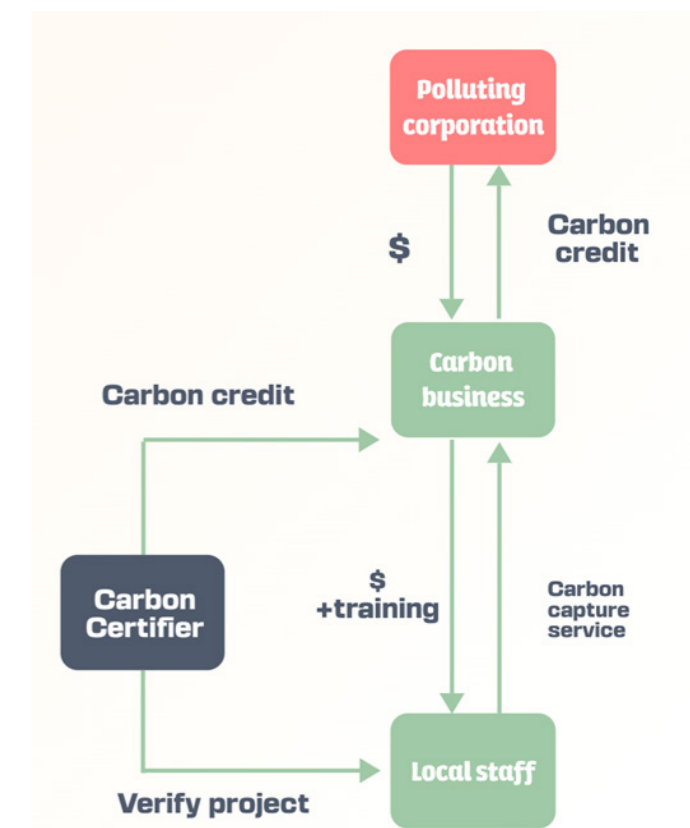


Figure D2.3: Carbon credit model

Another interesting opportunity for Sommalife would be cookstoves. This is an inefficient way to cook food as most of the energy of the fire women use to cook is lost to the open air. A cookstove focuses the energy and thus requires less wood and emits less carbon.





Figure D2.4: Impactful businesses

**Opportunity: monetize climate impact**

Due to the complexity and ongoing change of the carbon market, it is challenging to precisely estimate the demand for carbon credits. The demand for carbon credits can be influenced by a variety of factors, including government regulations, technological developments, and supply and demand for carbon credits. However, according to a provider of financial market data, the European Union Emissions Trading System (EU ETS), which is the largest carbon market in the world, has a value of approximately €683 billion. (Chestney, 2022) This demand is expected to rise at least 20 fold by 2035 according to the EY Net Zero centre. (Ernst & Young, 2022)

In order to fulfill the net zero pledges made by businesses and nations, carbon credits are essential. The market for carbon credits is anticipated to soar in the upcoming years in light of the Paris Agreement. Four scenarios for the future have been modeled by the EY Net Zero Centre, and they all lead to increased demand, competition for high-quality credits, and greater unit supply costs. In comparison to the current price of \$25, it is predicted that the cost of carbon credits per tonne will increase to anywhere between \$80 and \$150 by 2035. (Ernst & Young, 2022)

Sommalife has the opportunity to capitalise on the demand for carbon credits through its agroforestry project. An expert has indicated that it is possible for Sommalife to convert more of its impact projects into ones that can make a claim to carbon credits. By leveraging the demand for carbon credits, Sommalife can not only reduce its carbon footprint, but also potentially generate additional revenue. Later, in this project ways to obtain more carbon credits through other projects is explored.

credit is equal to 1 tonne of CO2. It can be difficult to plant a sufficient number of trees to generate a meaningful amount of carbon credits, especially if the company does not have access to large areas of land. It will be difficult for Sommalife to pay the verification costs of their project. Which raises the third concern, the costs of these operations. Sommalifes carbon credit projects must be independently verified to ensure that they are actually reducing or sequestering greenhouse gas emissions. This process can be expensive and time-consuming, especially as Sommalifes agroforestry project is widespread and increases the costs of validation. Lastly, the widespreadness of the operation is also a challenge for Sommalife as it makes it more difficult for them to monitor and maintain their projects.

**Consumer goods** - One key point that became clear from the interviews with experts is the power the consumer wields over the supply chain. The closer a Sommalife can get to the end consumer in the supply chain, the more effectively it can monetize its social impact. This is because consumers are often willing to pay a premium for products that make a positive impact, whether that impact is created directly by the company or outsourced to a partner like Sommalife. (Appendix B) There are multiple examples of successful impact products on the market. According to Fairtrade, Sustainable, ethical beauty is set to surge, from \$34.5 billion in 2018 to \$54.5 billion in 2027. (Fairtrade, 2022) The picture shows the Logos of brands that are considered purpose driven.

**Opportunities: monetize with consumer goods.** There are two ways that Sommalife can effectively monetize its social impact by getting close to the end consumer in the supply chain. The first option is for Sommalife to launch its own product line, which would allow the company to directly connect with consumers and communicate the positive impact of its products. The second option is for Sommalife to partner with a brand that is interested in improving its social impact. In this case, the brand could pay Sommalife an impact fee and use the association with Sommalife's positive impact to enhance its own brand image. Both of these strategies can be effective in helping Sommalife to effectively monetize its social impact and reach a wider audience of consumers.

**Challenge: Government & Scalability.** Unfortunately, it is not that easy to receive carbon credits. There are a couple of challenges Sommalife faces if it has the ambition to create a carbon credit system. First of all, it has to deal with government policies and as described in the introduction the Ghanaian government can be difficult to work with. The process of ensuring compliance of the Ghanaian government is going to be labour intensive. (Appendix A, E6.2) Secondly, scaling the projects is going to be difficult. A carbon

**Challenge: Resource intensive and credibility** ,However, approaching consumers is not simple. Selling consumer goods requires research and development of the product, formulating a recipe, manufacturing, marketing and branding, distribution and do not forget legal considerations. It can be a time-consuming and resource-intensive process. Sommalife has to be mindful of its time and resources.

Both of these systems rely on Sommalife's impact to be credible in the eyes of the consumer. In order for Sommalife to effectively monetize its impact and attract consumers and partners, it is important for Sommalife to be seen as credible. Credibility means that people believe your actions to be truthful. By building credibility, Sommalife can establish itself as a reliable source of impact and resources and build customer loyalty for themselves or their clients. Creating credibility is a difficult task. One way to build credibility is through the use of standards and their labels, such as Fairtrade. However, these come with their own restrictions which will be described in the next section. For Sommalife it would be interesting how they can create credibility around their products and add value to their business and that of its partners.

**Labels** - One way that Sommalife could consider building credibility and adding value to its business and that of its partners is by partnering with a label such as Fairtrade. Fairtrade standards are a way to certify that a product has been produced in accordance with certain social, environmental, and economic criteria that promote fair labour practices and sustainable farming methods. By partnering with Fairtrade, Sommalife can gain access to a widely spread recognized label that provides credibility and assurance to consumers about the positive impact



Figure D2.5: traditional labels

of its products. Fairtrade standards are centralised data sources that verify the data related to a product's impact through on-site assessments by representatives who ensure that operations are carried out according to their standards. By obtaining Fairtrade certification, Sommalife can demonstrate its commitment to creating positive impact and provide consumers with a trusted and reliable way to identify products that meet high standards for social and environmental responsibility. The Fairtrade

label can take away the need for consumers to do their own research about the impact of a product, providing them with a convenient and trustworthy way to support positive change.

- Challenges of labels: Transparency of work.** Lately, labels get criticised by consumers, companies and programmes, such as 'Keuringsdienst van waarde' for not being completely honest about the impact they make. (Appendix B) In the case of Fairtrade and Fair for life I can understand why. The Fair for Life label is handed out for fair production circumstances. One of our competitors has received such a label for their production facility. The facility is up to standard and the women working do have better production circumstances. However, it uses shea nuts from multiple communities. These communities are not checked by Fair for Life and do not get the benefits of the Label. Furthermore, big cosmetic companies such as The Body Shop and L'occitane get certifications such as Fair for Life and B corp and make huge amounts of profits whilst the majority of the farmers they work with live in extreme poverty..

**Costs of certification.** In addition, the cost of certification that a company has to pay to receive the certification is expensive. (fairtrade, n.d.) It will cost you €1650 annually and €360 per community every 3 years. As a start up these fees are expensive let alone for a farming community. €120 annually per community is enormous compared to the revenue it makes of shea butter per community.

**Exclusion poorest segments.** This excludes the poorest segments of farmers that do not generate a high revenue. This is something that Sommalife is strongly against. We focus on these poorest segments. Critiques argue that Fairtrade has a limited impact scope on the complete impact market and the impact on smallholder farmers is therefore limited. (Meemken et al., 2019) This can even lead to market disruption as the small scale farmers are unable to compete with the pricing and value of the Fairtrade supported farmers.

- Opportunity:** Despite all the critique, it is interesting to explore a partnership with Fairtrade or Fair for Life because they have a lot of knowledge and a good network of impact making. Furthermore, a representative of Fairtrade NL even mentioned their desire for improvement on impact monitoring through digitization and their dislike for the current system. Maybe we can investigate if we can work together with these standards to transparently and cost effectively improve the credibility of Sommalife.



**Cacao industry case study** After speaking with a FairTrade expert I came to an interesting conclusion: the cacao is more advanced and rewarding of impact than the Shea Industry. This has a couple of reasons. First, it is a concentrated industry as cocoa mostly comes from just two countries, Ivory Coast and Ghana. This helps set standard pricing and impact systems because the politics and cultures are limited to two countries. Secondly, the cacao industry has introduced more transparency and traceability of their products. According to experts the shea industry misses transparency and traceability that the cacao industry has. (Appendix A) The cacao industry has to thank not only Fairtrade for this, but also companies like Tony Chocolonely who have worked hard over the last decades to make this transparency and traceability happen. Thirdly, the cacao industry and its problems have the support of consumers because they created more awareness through marketing efforts of Fairtrade and Tony Chocolonely. This increase in awareness resulted in consumers showing willingness to pay a higher price for fairtrade products, resulting in impact towards the farmers. (Fairtrade, 2022)

**Tony Chocolonely as an example** Tony's Chocolonely is a Dutch chocolate company that is known for its commitment to sustainability and ethical sourcing practices. The company has taken a number of steps to create positive impact in the cacao industry and Sommalife can see these as exemplary, including:

- 1. Transparency:** Tony's Chocolonely is committed to transparency in all aspects of its operations, including its supply chain and implementation of their standard: 'Tony's 5 sourcing principles'. The company has published detailed information about its supply chain on its website, including information about the farmers who supply its cacao and the working conditions and the pricing. This insight was also confirmed during the expert interviews.
- 2. Traceability:** Tony's Chocolonely has built a 'Bean Tracker' which tracks the journey of cacao from farmer to store. With the insights they create a fairer supply chain and also create accountability. (Tony's Beantracker, n.d.) This insight was also confirmed during the expert interviews.

- 3. Accountability:** Tony's Chocolonely has also implemented various measures to ensure that its supply chain is socially and environmentally responsible. This also includes working with independent third parties to verify that its suppliers are meeting its standards, and taking action to address any issues that are identified.
- 4. Continuous efforts:** Tony's Chocolonely has consistently demonstrated a commitment to sustainability and ethical sourcing over the years, and has made a long-term commitment to improving the lives of cacao farmers and the sustainability of the cacao industry. This shows in the eyes of the consumer.
- 5. Storytelling:** Tony's Chocolonely has been effective in communicating the impact of its products and activities to consumers. Tony's has used a variety of marketing channels for this, including its website and social media to share information about their mission to create a sustainable and fair chocolate industry. This insight was also confirmed during the expert interviews.
- 6. Partnerships:** Tony's open chain initiative that helps chocolate brands improve the sustainability of their cocoa supply chains. Companies participating in this program are committed to 5 principles. The 5 principles which mostly overlap with Sommalife's current principles: A higher price, strong farmers, the long term, productivity & quality, and traceable beans. Companies have joined this ideology and accompanying marketing to strengthen their brand image and add value to their product. These companies include: Ben & Jerry's, Albert Heijn, Aldi & Flower Farm. Flower Farm being a company that primarily uses Shea butter in their products. (Tony's Open Chain, n.d.)

Overall, Tony's Chocolonely has used transparency, traceability, accountability, continuous efforts, storytelling and partnerships to create positive impact, or disturbance, in the cacao industry, and has been effective in communicating this impact to stakeholders.

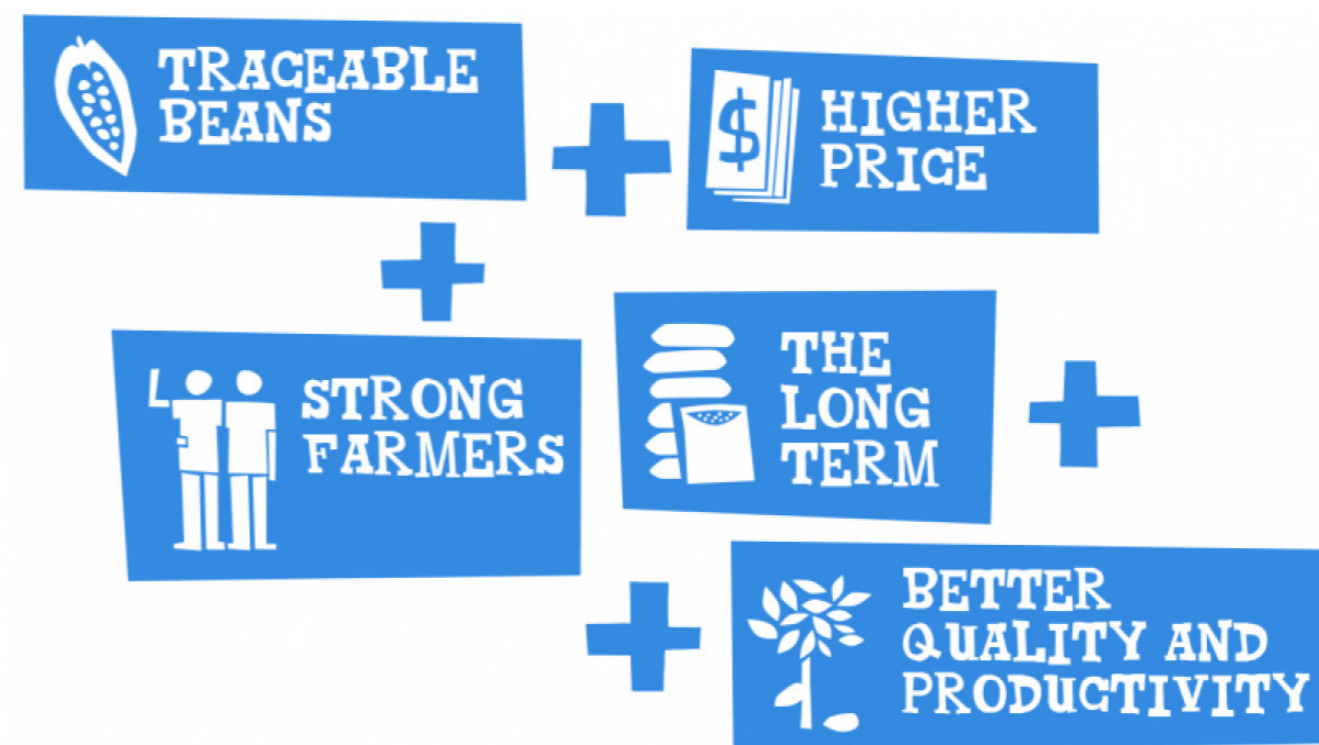


Figure D2.6: 5 principles of Tony Chocolonely

**Opportunity for Sommalife:** Disturb the shea industry I conclude that Sommalife can establish a strong footing in the shea industry by introducing their impact values and make a serious impact by further applying traceability and transparency to their supply chain and operations fair and credible from the consumers perspective. To introduce these new systems and support them they will need to gain awareness from the consumer. Sommalife should invest in strong communication. While the cacao industry may be larger and more recognized, the shea industry is growing and there is an opportunity for Sommalife to make a significant impact.

**Challenge for Sommalife: Raise awareness**

In order to effectively implement and support these new systems, Sommalife will need to increase consumer awareness. This will likely require additional resources such as employees and capital. It will be important for the company to carefully plan and allocate these resources in order to effectively communicate their values and establish a strong presence in the shea industry.





## D2.1 Impact Market CONCLUSION

In this section we wanted to discover what opportunities are available and suitable for Sommalife to apply to monetize their social and environmental impact. Social impact refers to the impact on society, while environmental impact refers to the impact on the natural world.

Impact is becoming important for companies because consumers are more likely to buy from companies that prioritise social and environmental responsibility and positioning oneself as such can differentiate a company from competitors, enhance brand reputation, and attract these conscious customers. Additionally, sustainability can be a motivator for employees and help companies attract new, capable employees. The Sustainable Development Goals can be a useful tool for effectively communicating and prioritising impact efforts. Sommalife can monetize its impact in two ways: carbon credits and consumer goods. First, Sommalife has the potential to monetize on the demand for carbon credits through its agroforestry project. However, the company faces challenges in obtaining carbon credits due to government policies. Additionally, the widespread nature of the project presents challenges in terms of monitoring and maintenance. Despite these challenges, it may still be worth pursuing carbon credits, agroforestry and other suitable options, as a way to monetize the impact.

Secondly, Sommalife can effectively monetize its social impact by either launching its own product line or partnering with a brand that is interested in improving its social impact. However, these strategies can be resource-intensive and require us to be seen as a credible source of impact in order to attract consumers and partners. Building credibility can be a challenging task, but it is important for Sommalife to establish itself as a reliable source of impact and resources in order to

build customer loyalty and add value to its own business and that of its partners.

Partnering with a label such as Fairtrade can be a way for Sommalife to build credibility and add value to its business and that of its partners. Fairtrade standards provide consumers with an easy-reliable way to identify products that meet high standards for social and environmental responsibility. However, there are challenges with labels such as high monitoring costs. Despite these challenges, it may still be worth exploring a partnership with Fairtrade or Fair for Life as they have a wealth of knowledge and a strong network in the impact market, and may be open to improving their impact monitoring through digitization.

Another example for Sommalife on how to monetize their social impact through consumer goods is the cacao industry and Tony Choclonely. The cacao industry is more advanced in terms of sustainability and rewarding impact compared to the shea industry due to factors such as concentration in just two countries, developed transparency and traceability, consumer awareness and willingness to pay a higher price for fair trade products. Tony's Choclonely is a good example of a company that has effectively implemented transparency, traceability, accountability, continuous efforts, storytelling, and partnerships in order to create a positive impact in the cacao industry. Sommalife can look to Tony's Choclonely and other companies as examples of how to effectively monetize its social impact through consumer products and partnerships.

To discover more about who could be Sommalife's end consumers, how consumers behave with shea products I conducted consumer research. The research and the results are presented in the next chapter.

## Sommalife can monetize its impact through carbon credits, consumer goods and partnerships

### RESEARCH QUESTIONS:

- (1) What is the consumer purchasing behaviour in regard to FMCG with impact?
- (2) What is the consumer's approach to identifying products with impact?
- (3) What is the relation between consumers and their preferred impact story?

## D2.3 Consumer research

**Interview study** **Sampling** - Sommalife target demographic would be sustainable consumers between the age of 24 and 39. I have chosen this because research suggests that Gen Y and Gen Z find impact more important than other generations. A survey from 'First Insight' concludes that 73% of Gen Z consumers surveyed were willing to pay more for sustainable products, a higher percentage than any other generation surveyed. (First Insight, 2019) I have chosen young people who are starting to work. This is because students in my expertise do not have the financial resources or need to buy impactful products.

**Recruitment and conducting** - I recruited the consumers by starting to ask friends who shop sustainably. They referred me further to people they knew to be sustainable consumers. A total of 18 interviews were conducted with a span between 30 and 45 minutes. The respondents were Dutch and all had a higher education. The interviews were conducted in a Semi-Structured way, an interview guideline was created beforehand and according to the flow conversation order of questions was slightly changed. The interviewees all shopped Sustainable Fast Moving consumer Goods. The interview guide and responses can be found in appendix B.

**Documentation and Clustering** - The interviews were recorded and simultaneously notes were made. Afterwards the answers were written, clustered and insights emerged.

**Insights** **Motivation** - The majority of consumers cited the environment as their primary motivation for buying sustainable products, with the goal of minimising their carbon footprint. Wanting to have as small of a carbon footprint as possible. Additionally, consumers cared about the production circumstances. Some said that they do it because buying sustainable products makes them simply feel better. Some consumers mention that their values and motivation to make a positive impact are altered by what they have seen in documentaries and other media.

**Product assets** - Consumers care if the product is minimal and efficient with its packaging in regard to environmental impact. Some consumers even take this further focusing on energy efficiency with transportation and production processes of packaging. Lastly, the consumers care that the products are biological and have a high quality.

**Type of product** - Many consumers reported firstly being mindful of the sustainability of their groceries, and then clothing and cosmetics, when making purchasing decisions.

**Willingness to pay** - The consumers expressed a willingness to pay more for products that have a positive impact. Thought the study was not quantitative and does not represent a large sampling, it is noteworthy that the average additional price the sustainable consumers wanted to pay was 40% on FMCG. Additionally, the students with low income are eager to start paying more for sustainable products when they start to earn an income.





32: Most consumers find their sustainable products at a supermarket



33: Example of sustainable packaging



34: traditional labels



35: Oatly products are praised by the consumers

**Where they discover and find sustainable products** - Consumers reported several ways they discover and find sustainable products. The majority discover products through word of mouth recommendations. Secondly, they find their products in the supermarkets. Some go to special local supermarkets or refill shops. Social media also presented itself to be a good advocate of sustainable products. Through advertisers or sustainable influencers they follow.

**Identification of sustainable products** - There are several ways they identify sustainable products. The product packaging is a good indicator for most, with a preference for as little packaging and earthy colours and simple. Some consumers recognize products as sustainable based on specific keywords, such as "green" or "eco", appearing in the brand or product name. Some also research products online to determine their sustainability, and some will avoid products if they suspect greenwashing by the company.

**Information they want to know about the product** - The consumers expressed their desire to have specific information presented in certain ways in order to make informed decisions. One thing they find useful is when the sustainable products show a comparison on impact against industry standard alternatives and clearly show that they are the better choice. Furthermore, they want to see and understand the impact of the products they are purchasing. For example, what percentage of the price goes towards planting trees. They also want to be informed about the origin of the products, the working conditions and the sustainability of the supply chain. prefer to see the profits from the product being invested into small businesses and local communities rather than large corporations. They prefer to see the profits from the product being invested into small businesses and local communities rather than large corporations. The consumers were generally attracted to companies

making clear statements about their commitments. They also appreciate playful but activist and hard statements that represent the mission of the company.

**Labels can be dismissed** - Labels were a controversial topic during the interviews. Even though some (1/3) saw them as a plus an equal amount did not care. The suspicion around labels was interesting. Many believe the labels can be bought and think they are not transparent on how they are awarded to companies.

**Types of impact interested in**

1. Environment
2. Production circumstance
3. Value changes according to media

**Exemplary companies** - The participants referred the following companies:

1. Oatly
2. Patagonia
3. Tony Chocolonely

**Consumer Archetypes** Based on the interviews with the target audience 3 consumer archetypes were developed. I have given them playful names in alignment with interviews:

**THE LAZY LINDA'S:** The lazy Linda's want to make sustainable purchasing and are willing to pay a premium of 20-40% more for products that they believe have a positive environmental impact. They do not do a lot of research beyond the packaging or advertisement and are easily convinced. They want products that are clearly the better choice, with playful yet simple packaging and a straightforward message with the mission. They mostly buy at the supermarket and are influenced by documentaries.

**THE FACT CHECKIN' CHUCKS:** The fact checkin' Chucks want to be sure they purchase what the products preaches, they do not want to be tricked. Therefore they are willing to do additional research. If they believe the product has a positive impact then they are willing to pay between 30% and upward of 50%. They want businesses to be open about their environmental and social practices, and they are wary of companies that use "greenwashing" tactics. Furthermore, they want to know more about the product, such as the sustainability of its manufacturing and supply chain, as well as the impact of their purchase beyond the company's mission statement.

**THE BARELY BUY BARRY'S:** They are super conscious about their footprint. Only buy what is absolutely necessary. Grow their own foods or buy them in bulk.

**Recommendation** I recommend Sommalife to always keep the chucks in mind and satisfying them should be the benchmark. That way Somali most likely pleases the Linda's as well. I do not recommend Barry's as they do not buy products.

**Conclusion** The interview study aims to understand the motivations and purchasing habits of sustainable consumers in the target demographic of young people aged 24 to 39. There were several insights discovered by recruiting participants through word-of-mouth referrals and conducting semi-structured interviews.

The majority of consumers said that the environment was their primary motivation to buy sustainable, with minimising their carbon footprint as a goal. They also cared about things such as the production circumstances and some stated that buying sustainable products made them feel better. The product assets that the consumers believe to be important include minimal and efficient packaging, energy efficiency in transportation and production processes, and the use of organic ingredients.

The consumers said they were willing to pay more for products that make an impact with an average additional price of 40% on FMCG products.

They mentioned multiple ways of discovering and finding their sustainable products. The majority discovers products through word of mouth referral or whilst shopping in the supermarket. Social media is also a good advocate for sustainable products, with consumers discovering products through advertisers or sustainable influencers.

In identifying the products themselves whilst shopping, consumers look at product packaging: Simplicity, sustainable words in the name, research online, and avoiding products from greenwashing companies. Furthermore, they want specific information presented transparently and tangible to make informed decisions: information on the origin, production process and ingredients of the products.

Overall, this study provides valuable insight into the potential end consumer. The advised end consumer Sommalife should keep in mind are the Lazy Linda's and fact checkin' chucks. This research can be used to develop Sommalife Narrative and as a basis to start developing their own cosmetic goods. But before sommalife can design their own cosmetics line it can be used to advise future clients of Sommalife on how to market their product or help persuade companies to partner with Sommalife.

**Researching sustainable consumer behaviour towards Fast Moving Consumer goods through an interview study with Gen Y and Z**



D3

## Chapter conclusion

Sommalife is an impact driven start up with a strong team and connection to the communities. In this chapter we explored Sommalife and its context in order to discover opportunities to support their ambition to scale and improve their impact. The impact goals it has now have to do with improving livelihood and environment in rural West Africa. At the moment Sommalife creates their impact through their business model on three engines: Production, reforestation and digitization. Sommalife currently operates early in the supply chain. Here lies a good opportunity to become the key shea nut aggregator by focussing on impact and innovation. However, according to experts if Sommalife is to monetize its impact it should move towards the end of the supply chain, consumers. Carbon credits for climate impact and helping NGOs and SMEs with management are other possible opportunities. Sommalife can benefit from making social and environmental impact and that there are various ways to monetize this impact, such as through carbon credits, consumer goods/ partnerships with brands or labels. However, there are challenges to these opportunities such as, building credibility and high monitoring costs. The cacao industry and companies such as Tony Chocolonely give examples of how to effectively monetize social impact through consumer products and partnerships. Furthermore, an interview study was conducted aimed to understand the motivation of Sommalife end-consumer. It was discovered that the majority of consumers had the environment as their main motivator. The study provides valuable insights for companies looking to enter the sustainable market

and advises to keep in mind the 'Lazy Linda's' and 'fact checkin' chucks' in the target market. With the analysis in the chapter, insights were gained into the strengths and weaknesses of Sommalife, as well as the opportunities and threats it faces. This information will be used to also later create new products and/or service and strategies for growth and impact. But first, in the next chapter I will converge the insights gained through a SWOT analysis and we will explore four opportunity directions and evaluate them based on their desirability, viability, feasibility, and integrity. From this 2 directions are chosen which are further developed.

### D3.1 Reflection

Much of this needed to be researched and written down even though I have already been working for 2 years on Sommalife. Besides, what was written down on a pitch deck was not directly available. In hindsight I assume this is not uncommon for startups. To clarify what was established required a lot of discussions with my Ghanaian team. This in the end was a good exercise because it was a good way to present new information, organise it and also come up with ideas. The scope of the project was wide and due to my personal interest in Sommalife it sometimes was difficult to organise the information and determine what was useful for the project. The point of the assignment was to monetize impact but speaking to industry experts presented many opportunities for extra revenue models with which we can make an impact. I reshaped my assignment a bit from there on.

**Maximising impact through industry and impact market opportunities utilising Sommalife strengths and targeting Gen Y and Z**



36: Field officers engaging with community





337: Some fresh shea nuts!

In this chapter, we will be exploring the strengths, weaknesses, opportunities, and threats (SWOT) facing Sommalife in order to gain a better understanding of the company's current position/foundation and opportunities for development. This will be based on the research from chapter 2 and 4. From the SWOT we will develop 4 concepts/directions for Sommalife. These will be evaluated and a final direction Sommalife should take in the future will be recommended.

**RESEARCH QUESTIONS:**

- (1) What is the SWOT for Sommalife?
- (2) What opportunities are there for Sommalife?
- (3) What direction should Sommalife take?

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# DEFINE



E1

## SWOT analysis

To get a better understanding of the strategic position of the company and to structure my research insights I made a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats). (Albert Humphrey, 1960) The SWOT analysis was based on 14 interviews with members of Sommalife, other startups, and stakeholders of the shea industry. Stakeholders of the industry included manufacturers, private labels, investment banks, and NGOs. They were interviewed during July- August 2022. The SWOT analysis provides a set of design guidelines from which the solution was developed. Because the appropriateness of a solution and strategy depends on the specific capabilities of a company and opportunities in its direct and indirect markets. In the next section you find a summary of the swot analysis with importance to the general scope of the thesis. Insights that are used in small decision making can be found in the extended SWOT in the appendix H.



Figure E1.: SWOT analysis

### E1.1 Strengths

Sommalife has a multinational team that creates a well-established connection to the Ghanaian communities. At the moment the company has 300 communities and 20.000 women in their system and requesting Sommalife's service. Sommalife is a company that is strongly committed to making a positive impact in the communities where it operates. Its headquarters is located in the region where it sources its shea nuts, which has helped to build strong relationships with the local communities. In addition, Sommalife has developed its own software, for internal use, that allows for efficient and effective management of both its business and its impact. This traceability system helps the company to run smoothly and ensure that its operations are as transparent as possible. Sommalife trades Shea, a product that is known for its many beneficial qualities.

### E1.2 Weakness

One of the main challenges facing Sommalife is limited capital and resources which can hinder its mission to achieve impact. This lack of resources also is the root of other problems such as lack of employees for specific

roles, lack of awareness of the company's mission, lack of desired impact quality and quantity. Moreover, their impact plan is not structured and it is uncertain whether the social or environmental impact is ready for monetization at this time. By addressing its limited capital and resources, Sommalife can better position itself to achieve its goals and make a greater impact in the community.

### E1.3 Opportunities

It has a couple of opportunity directions to support its impact mission financially. First, Sommalife can potentially increase its profitability by moving up the supply chain and selling shea products with higher margins. By positioning yourself higher in the supply chain as a manufacturer or private label, Sommalife can also attract brands who are interested in products with a positive social and environmental impact. If it wants to optimise its margins Sommalife could eventually target consumers directly through a consumer goods line. Secondly, Digitalization can greatly benefit NGOs and SMEs by providing them with access to demographic data and tools to manage their operations efficiently. Sommalife could potentially offer these resources to support the growth and development of these organisations. Thirdly, Monetizing their impact through carbon credits is an interesting opportunity for Sommalife. They are already piloting agroforestry projects, and could consider exploring other projects that would earn them carbon credits and ideally have social impact. Lastly, the direction of consumer goods. Consumers are becoming more attracted to sustainability and are wary of greenwashing. Sommalife can add value to their existing products by demonstrating transparency and traceability, as manufacturers and private labels are increasingly interested in the impact of their products. It can also add value to the products of their clients who sell products to consumers. Sommalife can use practices from the cacao industry for the shea industry to work towards a system that rewards impact by introducing traceability and transparency. Sommalife is a new player with a clean reputation which creates credibility as consumers do not trust companies that have engaged greenwashing.

### E1.4 Threats

The shea industry is growing rapidly and attracting more competitors, which presents a threat to Sommalife. One of the biggest challenges Sommalife faces is a lack of capital, which could make it difficult to compete with larger, international players who may have more resources and be able to temporarily offer higher prices. Sommalife's strongest advantage in the industry is its strong ties to local communities, which could be at risk if it is unable to compete with these high capital competitors. If Sommalife is unable to secure resources to sell, it could be left without a foothold in the industry.

E2

## Opportunities

In this chapter, we will explore how Sommalife can take advantage of these opportunities.

From the analysis of Sommalife and its context through research and expert interviews I found four promising opportunity directions: Moving up the supply chain, software as a service, monetizing climate impact and social impact. In this chapter, we will explore how Sommalife can take advantage of these opportunities. The chosen opportunities are evaluated on desirability, viability, feasibility and integrity as these are the 4 design criteria I use during my project.

E2.1

### Move up the supply chain with impact and innovation

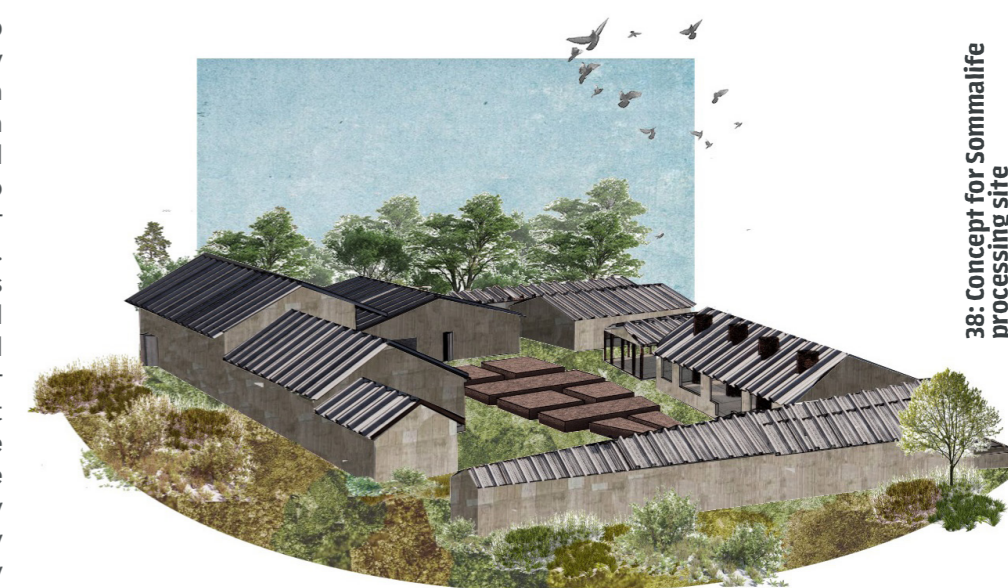
The shea nut market is booming. However, with the low margins on shea nuts Sommalife is not optimally seizing the opportunity. In addition, stakeholders and more importantly consumers are starting to care more for products with impact. If Sommalife were to move up the Supply chain towards the consumer it would be able to sell products with higher margins. They can use those margins to scale and improve their impact. The first step in this process would be to become stronger in the aggregating market. With their strong focus on impact supported by their software it should be relatively easy to gain share of the market as it is mostly filled with local aggregating SMEs. This step will require more tech engineers, impact managers and some additional investments. Using this strong basis they can try to move up the supply chain to increase the margins on their product. By moving up the Supply Chain they would become the manufacturers and supply impactful resources to private labels and brands. This would require additional capital to support the hiring of employees, buying machines and the development of processing sites/factories etc.

**Desirability** Moving up the supply chain is desired by Ghanaian women. Ghanaian women would be able to earn more for their products, and private labels would be able to tap into the growing consumer demand for impact products. According to private labels interviewed for this analysis and external research, there is a trend towards a shift in consumer demand towards products that have a positive impact. Private labels are interested in the impact of the products they sell and value transparency and traceability in their supply chains. By working together with

other stakeholders where necessary can create a more sustainable and equitable industry.

**Viability** We believe that a relatively small increase in margins could enable us to make a significantly greater impact. However, it will require significant investment to support the advancement of our supply chain. By investing in new machines and processes, we can improve the efficiency and sustainability of our operations and create a more positive impact. It is important to determine the cost-benefit ratio of these internal investments and how they contribute to Sommalife gaining control of the market. Early calculations based on conversation with a private label suggest that margins can be significantly increased. Looking at consumer goods, a 100ML product leaves the factory for a production cost of €4.80 and sells for a net price of €13.45. According to the private label retailers make a margin of 60% on products which they use for distribution, marketing and sales. Looking at processing, the private label buys 1 kg of shea butter for €7-8 Euros from a manufacturer. This is already a steep mark up from the €1 at the local market. However, additional research is being done by Sommalife to analyse the costs of setting up a manufacturing site. Therefore, this report will not touch on that.

**Feasibility** Moving up requires Sommalife to become strong at the beginning of the market. This is something Sommalife is planning on accomplishing through strong community ties. However, moving up the supply chain from here will require more machines and other investment in production processes. If they are to set up a cosmetic brand it will require marketing teams and logistic teams in the Netherlands. To achieve this Sommalife will need to gain more funding and hire experts in processing.



38: Concept for Sommalife processing site



**Integrity** Sommalife has the potential to scale up and enhance its impact efforts without relying on donations. Sommalife has the opportunity to disrupt the current industry standards for impact and create a more equitable and sustainable model for smallholder farmers. Sommalife can be the voice the women never had and distribute the value of the chain more equally. By receiving higher margins for products we can ensure that smallholder farmers earn a higher income and can improve their standard of living. In addition, the processing sites will be built in Ghana. This will create more Jobs and keep the value in the country but will also reduce pollution as less product has to be transported to be processed.

### E2.2 Commercialise software: 'Treesyt as a service'

There are big opportunities concerning data and software according to experts. (Appendix A) Many NGOs and SMEs experience difficulties with operations. These difficulties result in a loss of funds and time. To know more about these struggles read appendix C. This is an interesting opportunity as Sommalife has developed a software managing smallholder farmer projects. Sommalife could help these organisations by redeveloping their inhouse software to sell for external use: 'Treesyt as a service'. By leveraging digital Treesyt, NGOs and SMEs can streamline their impact initiatives, reduce costs, and improve their decision-making capabilities. Additionally, digitalization can enable these organisations to better find and serve the smallholder farmers and achieve their impact or business goals more effectively. By supplying NGOs and SMEs with management software through a subscription model so they can also spread their impact values widely. In addition with the money Sommalife earns they can scale their own impact efforts.

**Desirability** Based Based on expert interviews and a survey that was sent to SMEs and NGOs, it appears that there is a general feeling of desirability for the product or service being offered. The survey was completed by a total of 12 organisations (10 SMEs and 2 NGOs). Of

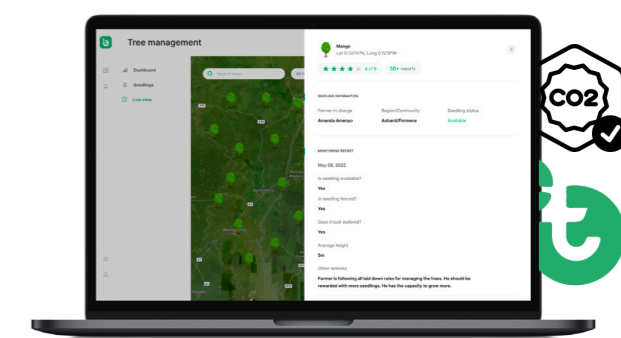
these respondents, only 3 were not willing to pay for the product or service, while 3 were willing to pay upwards of \$100 per month. More detailed information about the survey results can be found in the appendix D. After speaking with people of Fairtrade, they also believe that this application can apply to different commodities in the global south.

**Viability** Weestimate that this would be viable from 10 NGOs or SMEs onward. However, it is challenging to accurately predict the size of this market and determine how many organisations might be interested in using this product or service. It is important to continue gathering data and conducting market research to better understand the demand for this product or service and how it can be effectively marketed and sold.

**Feasibility** Sommalife is capable of offering this service, as the necessary software has already been developed for internal use and we have an in-house tech team that can create the subscription service. To fully realise this service, we will need to build a marketing team to sell it and, if the model grows, hire a manager to oversee the service. This will require some organisational changes and investments, but we believe that the benefits of offering this service outweigh the costs. By leveraging our existing resources and expertise, we are confident that we can successfully launch and manage this service.

**Integrity** Commercialising Sommalife's software is a way for the company to scale up and improve its impact efforts. By selling its software to the West African market, Sommalife can increase the reach and promote its impact standards and values to a wider audience. This could potentially involve partnering with international NGOs and SMEs or collaborating with key manufacturers to promote the adoption of Sommalife's software and impact standards. By expanding the reach of its software and values, Sommalife can increase the scope and impact of its work, and make a greater difference in the world. Furthermore, the operational cost Sommalife saves for NGOs and SMEs can be utilised for improving the quality and quantity of their impact activities.

39: Treesyt: agroforestry



40: Treesyt homepage

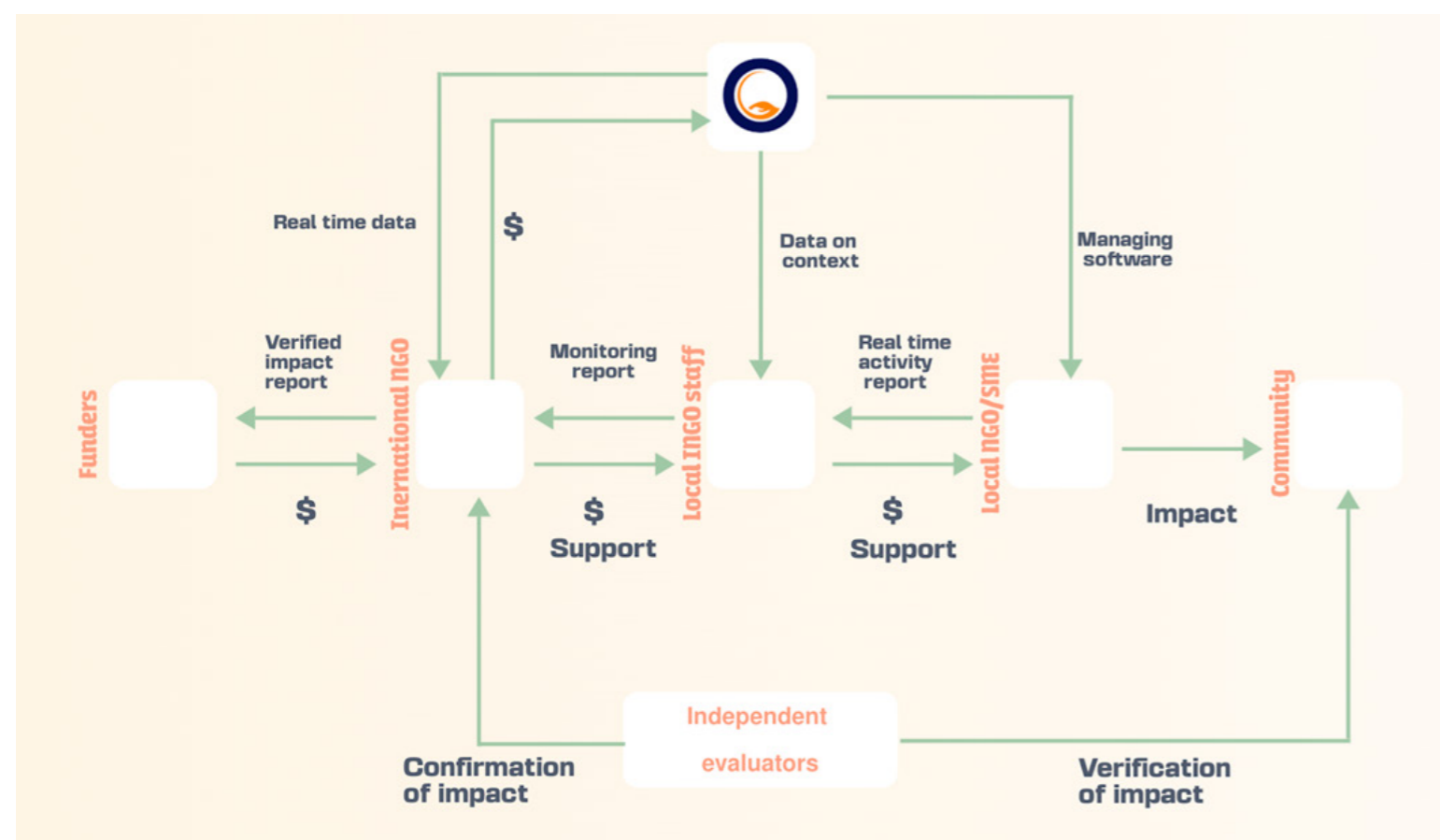
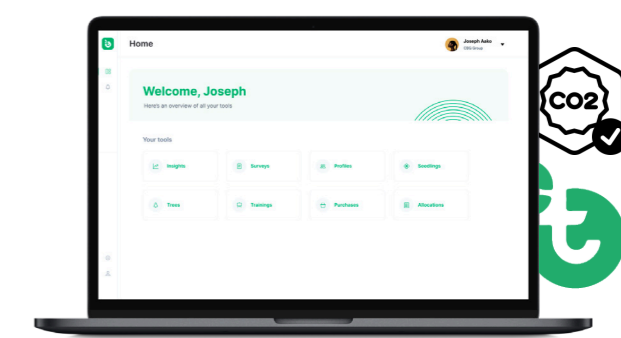


Figure E2.1: How treesyt could help NGO's and SME's

### E2.3 Carbon credits

It appears that the market for monetizing environmental impact, such as through the carbon credit market, is well-established. In this market, organisations that start initiatives to positively impact the environment can earn credits which can be sold to companies seeking to offset their negative environmental impacts, such as carbon pollution. Given that Sommalife is already engaged in environmental initiatives with communities, exploring participation in the carbon credit market may be a worthwhile direction for the organisation to consider. At the moment Sommalife is already doing agroforestry but it is interesting to investigate if other carbon credit operations apply to their situation.

**Desirability** The demand for carbon credits is expected to increase as more and more companies, particularly those that are major polluters, make commitments to achieve net zero emissions. (Owen-Burge, 2022) By participating in programs that generate carbon credits, organisations like ours can not only generate revenue, but also contribute to the global effort to combat climate change and achieve a more sustainable future.

**Viability** From early conversation with experts it seemed viable for Sommalife to enter the carbon market. The biggest threat to the viability is going to be the costs of certifying the carbon projects. the more over this in

chapter F.

**Feasibility** The environment is an important issue for Sommalife and they are already running climate projects such as agroforestry and building community based nurseries. Based on expert interviews I assume it would require minimal effort to convert into a revenue stream. It does face some challenges mentioned in chapter D. To overcome these challenges mentioned in chapter D, Sommalife may need to consider a variety of strategies, such as partnering with other organisations, seeking funding from external sources, and developing innovative approaches, within treesyt, to measuring and verifying their projects.

**Integrity** On a planetary level, more carbon being captured will be captured which is good for the battle against global warming. On the level of communities it has three benefits. First, it increases soil fertility which will also increase crop yield. Second, it will make the environment around the communities more resilient to global warming. Third, the planted trees can provide a source of food for the community or be sold as a means of income.





41: Partnership Tony's and Bne & Jerry's

42: Sommalife cosmetic product concept

E2.4

Consumer goods

According to industry experts in the supply chain consumers determine the final price and therefore what is paid for impact. (Appendix A) According to an expert from a private label, both the company and its clients (consumer brands) are interested in making a positive social and environmental impact. At the moment Sommalife is already making a positive social and environmental impact. The potential monetization of this impact would be a valuable opportunity for the company to continue its efforts in sustainability while also generating revenue. However, the monetization of impact is proving to be difficult. It should look at the examples set by the cacao industry and Tony Chocolonely. Sommalife should utilise its technology to bridge the difference fast, taking the standard set by Tony Chocolonely and other initiatives as an example. It would be valuable for Sommalife to consider how it can build credibility around its products and add value to its own business and that of its partners. One way to do this would be to focus transparency, traceability, accountability, continuous efforts and storytelling to strongly communicate the impact of its products and activities to stakeholders.

**Desirability** From research we can conclude that impactful products are becoming important in the eyes of the consumers. Furthermore, we see that consumers and

businesses start to see the flaws in traditional centralised standards. (Appendix B)

**Viability** While a more detailed analysis is needed to fully understand the viability and potential risks and rewards of this opportunity, my initial research suggested that there are many companies that are successfully monetizing their social impact.

**Feasibility** Sommalife is already engaging in social impact activities. A marketing team will be needed to sell it, and if the model grows, a manager will be hired to oversee the service. This will require some organisational changes and investments, but we believe the benefits will outweigh the costs. Approaching consumers can be a time-consuming and resource-intensive process. Sommalife has to be mindful of its time and resources. I advise looking into options to strike partnerships.

**Integrity** Approaching consumers is an opportunity which allows the scaling and improvement of Sommalifes social impact efforts directly. Furthermore, it creates awareness of Sommalifes mission of supply chain fairness. This would have the most effect on improving the livelihood of women and their children. Which is the main goal of Sommalife.

To read about other opportunities such as impact investing, donations, grants etc. visit appendix G

E2.5

Evaluation opportunities

All three of these concepts are interesting for Sommalife. To assess if they should be done and if so how in what order should they be done strategically to accomplish Sommalife's final goal to monetize its full impact. I used a model which assesses the initial knowledge of the opportunities according to the 4 design circles; Desirability, viability, feasibility and integrity.

With desirability it raises the question if there is a demand from a large enough market for the product or service. I raised the questions:

1. Is this service wanted?
2. Why would people in the shea industry want it?
3. How many people want it?

With viability is this a revenue stream from the product that can potentially sustain the business. We looked at:

1. Are there enough people who can pay?
2. How much are they willing to pay?
3. Are the additional costs not too high?

With feasibility we looked at if Sommalife has the ability to create and deliver the product/or service. We looked at our swot model and simply asked:

1. Can we pull this off?
2. How quickly?

With integrity we tried to understand how it would lead to positive change.

1. What is in it for the smallholder farmers?
2. What is in it for the environment?

**MOVE UP THE SUPPLY CHAIN: 29/40** - Moving up the supply chain towards consumers would be the most viable revenue stream. Sommalife is planning to do the first step to become strong in its direct market. It has already calculated that it will need a high investment to accomplish this. Therefore the second step will become a challenge as it will require another significant

round of investment. We estimate it will take more than 2 years before we can start setting this trajectory in motion. Therefore, in this research I will not focus on this opportunity but will include it in the strategy.

**COMMERCIALISE SOFTWARE: 28/40** - Although 'treesyt as a service' is a good revenue stream to support Sommalifes mission it is out of the scope of the project because It does not directly reward making an impact. Furthermore, according to my calculations the revenue stream will support Sommalife as a company but is not substantial enough to support our impact ambitions. However, because the concept is promising I have further developed it. To read more about how it works, is desirability, viability, feasibility and integrity visit appendix [FIXME, ref]

**MONETIZE CLIMATE IMPACT: 34/40** - Monetizing Sommalife's climate impact could be a viable way to address our financial struggle to make an impact. As Sommalife is already running climate-related projects, the next step would be to explore how these projects can be adapted or developed to meet the requirements for generating carbon credits. This will require additional research and analysis to determine the feasibility and potential risks and rewards of this approach. By carefully evaluating the options and developing a clear strategy as a strong partner for communities in the Shea industry.

**MONETIZE SOCIAL IMPACT: 33/40** - Monetizing social impact could be a promising opportunity for Sommalife to generate revenue while also making a positive impact in West Africa. However, the process of monetizing social impact does not have a straightforward answer and will require further research to determine the feasibility and potential risks and rewards of this option. In the next chapter, it will be important to explore the different ways in which Sommalife can monetize its social impact and to develop a clear strategy for how to successfully implement this approach. By carefully considering these issues, Sommalife can position itself as a strong impact partner in the Shea industry.

	Move up the supply chain	Commercialise software	Monetize climate impact	Monetize social impact
Desirability	7/10	8/10	10/10	8/10
Viability	9/10	3/10	8/10	8/10
Feasibility	5/10	9/10	7/10 (?)	7/10 (?)
Integrity	8/10	7/10	9/10	10/10
SCORE:	29/40	28/40	34/40	33/40



E3

## Direction

**Direction: Sommalife to move up the Supply Chain supported by different monetization models to build towards direct monetization through consumers.**

Based on the conducted evaluation, it appears moving up the supply chain is the most viable model for Sommalife and also scores high on integrity it should be Sommalife's final goal. But will require a high level of additional investment to succeed and time to succeed. Therefore, I would recommend this to be the long-term goal of Sommalife. The other solutions present interesting ways to support this goal. The commercialization of Sommalife's

software, while being a promising feasible option, will not be further developed in this project because the other option scores better and also fits the scope of the project better. The concept has been further developed (appendix x.x) and added to the strategy if Sommalife later decides to use it or the other options deliver an effective enough support for the final goal. Monetizing climate impact and monetizing social impact score best on this evaluation. Given that both directions scored almost identical they were both further explored. A new question arises: How can Sommalife utilise Social and Environmental impact to support their goal of moving up the supply chain?

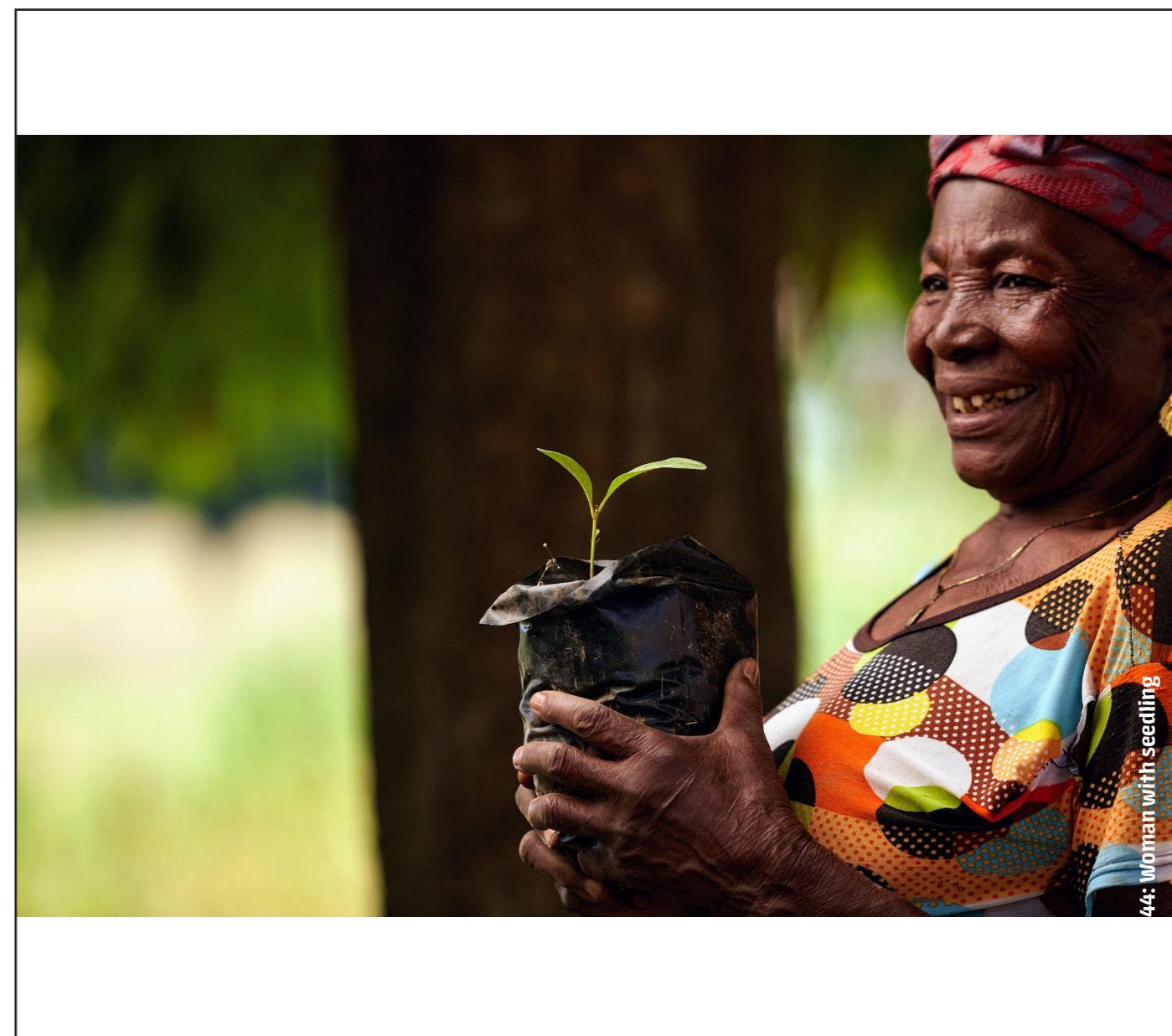
E4

## Conclusion

**Exploring the SWOT analysis and evaluating opportunity concepts for growth opportunity and strategy**

We wanted to discover what the SWOT analysis was of Sommalife in order to gain a better understanding of Sommalife's positions and opportunities to develop. We have now determined that moving up the supply chain should be the ultimate goal of Sommalife as it is the most viable option for Sommalife to generate revenue. Unfortunately, it will require significant additional investment and may take more than two years to

implement. Therefore the new goal is to move up the supply chain supported by different monetization models. monetizing Sommalife's climate and social impact are also promising opportunities, but they will require further research and analysis to determine their feasibility and potential risks and rewards. In the next chapter we are going to develop the concepts of climate and social impact monetization.







45: Sommalife field officers at a nursery

#### RESEARCH QUESTIONS:

- (1) What is Sommalife new strategic position within the industry?
- (2) What steps should Sommalife take to create impact that can be monetized?
- (3) What systems can Sommalife develop to acquire carbon credits?
- (4) What systems can Sommalife develop to sell its social impact ?

It is established that the most viable opportunity for Sommalife is to advance in the supply chain. This transition will need time and resources. Sommalife should develop other models to support the transition. These models are focused on carbon credits and monetizing social impact. In the next chapter the concepts for these models will be developed using expert interviews and consumer interviews. For these models to be successful, Sommalife needs to improve its approach to creating impact. This approach was created using expert interviews, field research, and co-creation sessions.

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# DEVELOP



## F1 A New Domain

These new concepts put Sommalife in a new position in the shea industry.

**Mission Statement** Sommalife wants to become a **self improving impact business**, by monetizing their impact with **data driven storytelling** and **carbon credits**.

**Sommalife's new positioning statement** For [companies that want to make an impact and increase their brand reputation]<sup>1</sup>, Sommalife offers [impact focused partnerships through products and services]<sup>2</sup> which are supported by [transparent and tangible storytelling based on real-time data]<sup>3</sup>. These products and services [strengthen the environment and improve the livelihood of smallholder farmers]<sup>4</sup>.

- 1 → Target audience
- 2 → Product that make impact
- 3 → Delivery of products and services based on research
- 4 → This has always been Sommalifes mission and can now be a Unique Selling Point

I have used a positioning statement to express the difference Sommalife has in the industry and who they will be attending. This positioning statement is effective

because it clearly communicates Sommalifes new value proposition and addresses the needs of the new target audience. It also clearly states the key features and benefits of Sommalife's proposal for partners, including impact focus, transparency, tangible storytelling and real time data support. Furthermore, the statement emphasises Sommalifes impact on the environment and smallholder farmers in West Africa. This resonates with/attracts consumers and businesses who are increasingly looking for ways to make a positive impact and contribute to sustainable development.

**Competition axis** Reflecting on the competitive landscape drawn in chapter 4.3 we can now devise an ideal position in the market. The position represents an ambitious pursuit for Sommalife. Being an innovator and focusing on impact can help Sommalife stay ahead on trends and developments in the shea industry and make Sommalife more agile. This is a good opportunity for Sommalife to become the original impact company in the shea industry. This can attract investors, grants and NGOs. (Appendix F)

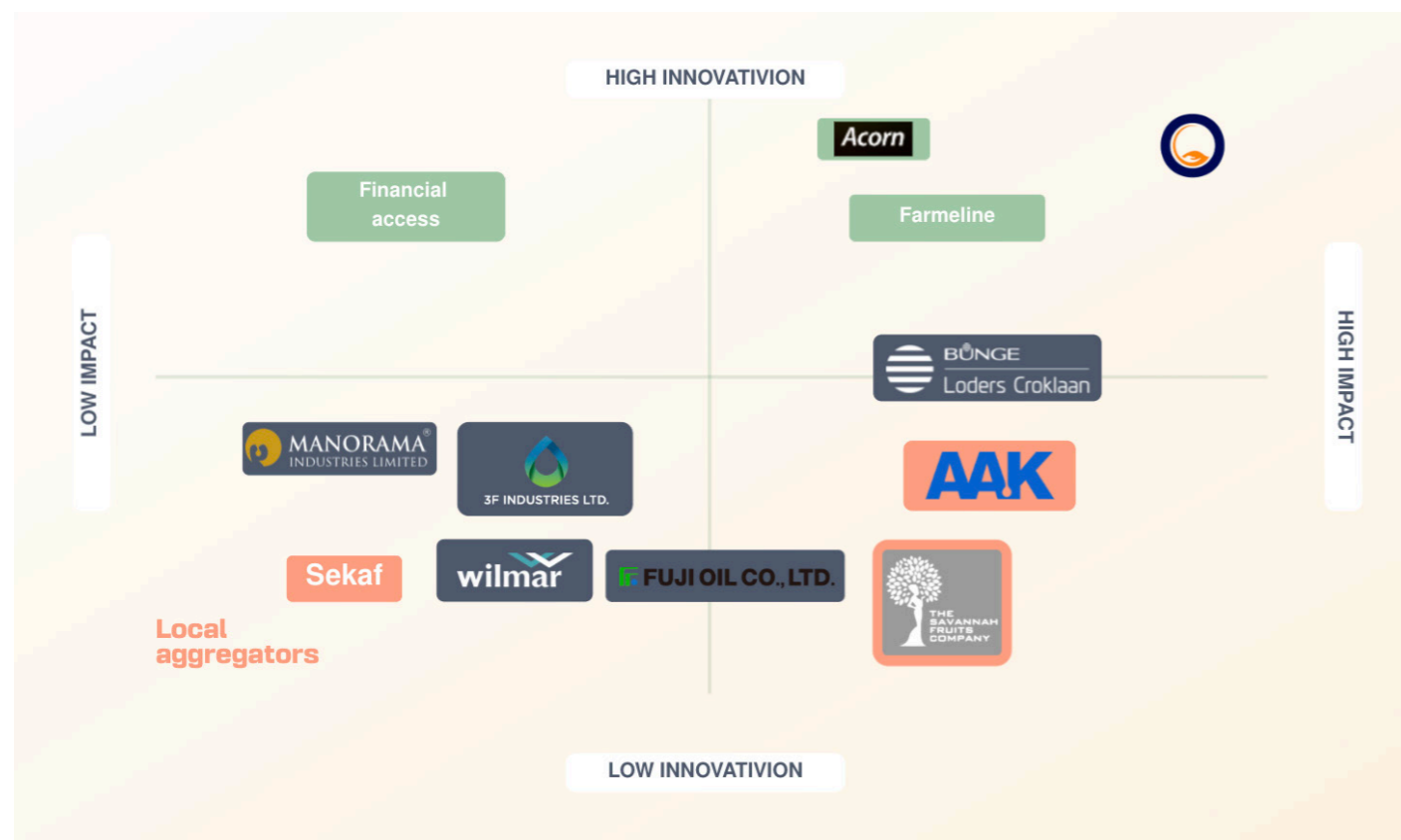


Figure F1.1: Competition Axis



## F2 Designing Impact

**Before Sommalife can effectively monetize its impact, it must first establish a clear and structured plan for creating that impact. In my experience, the mindset of an entrepreneur can often be to take action instead of thinking it through. However, impact is complex and anyone wanting to create meaningful and sustainable impact would be wise to design for the specific situation. The internal analysis has shown that Sommalife's current efforts in this regard are lacking in structure. To develop a new approach I conducted interviews with experts from charities, foundations, NGOs and data startups. In addition, I travelled to Ghana to do Field Research to get a better understanding of how it should work.**

**Making impact is a two way stream. On the one hand you need to satisfy the party or person funding your initiative. This can be done by measuring and reporting the impact. On the more important side you need to ensure that the impact is beneficial for the recipients of the impact. This can be established by identifying and designing the impact. Over the years some methods have been developed to ensure that the impact is designed effectively. These methods will be applied over four steps:**

- Identify
- Design
- Measure
- Communicate

### F2.1 Identify: Field research

Field research is important to conduct before designing impact for rural farmers. This is because Sommalife needs to understand the needs of the communities and the challenges they face to do the fitting impact activity. In addition, it can unveil potential opportunities and constraints for impact activities. (Appendix A) The long

term engagement with field officers can also build trust and credibility with the communities as they feel that they are being listened to. Long term should be stressed as from my own field research it became apparent that communities are sceptical of people coming and promising help in the past. (Appendix C)

The field research itself should also be carefully thought through. First, the team must determine the information they need to collect and the accompanying questions. Using surveys and interviews the information will be collected. For the collection of the data the field officers should be trained. Three things are useful from my experience. Treat the communities with respect (and bring gifts/aid), talk with the men and chief first and then with the women and lastly ask them what they think are possible solutions.

### F2.2 Design

To design the impact based on the field research Sommalife should apply the 'Theory of change'. Theory of Change is a method that shows how a certain impact activity can lead to a specific development change. It is based on analysis of available cause-effect evidence. An articulated theory of change illustrating the link between intention, action and outcome becomes the centrepiece of impact due diligence and a useful rule of thumb. (Jackson, 2013) According to the United Nations it can be seen as the "mother of all impact systems". (United Nations Sustainable Development Group, 2017) Sommalife would be wise to ask their impact partners or other NGOs for input and/or feedback when designing their Theory of Change as they have knowledge and experience.



An example would be, Sommalifes pre-financing. Sommalife observes that women are struggling with their income and sommalife intends to relieve the burden (Intention). Paying the women in advance allows the women to use the money for other economic activities instead of waiting for the money to arrive (action). They know from evidence of other pre-financing projects that the project works and that also establishes trust with the communities which is needed to start other impact projects (Outcome). By observing a problem and finding a suitable proven solution the chance of Sommalifes plan being effective is higher. Other benefits are that establishing a theory of change is inexpensive and adaptable to a wide range of investment tools. For a theory of change to be proven effective the change must be observable. In order to do so, the situation before the impact activity must be established. This is done with a Baseline.

### F2.3 Measure

After having designed the theory of change, it is time to develop an accompanying set of metrics. These are important to be able to track progress, assess impact, create insight for re-design and to communicate results. By measuring and tracking the impact of their activities, organisations can better understand the impact they are having and identify ways to improve the quality or scale of their impact. Therefore a set of metrics must be developed and implemented in Treesy for field officers to use.

**Metrics** If the SDG is the language to speak impact then metrics are the words to give meaning to your project. Metrics are in the end what make a valid claim in order to monetize your impact. A metric is a way to

quantifiably measure the performance. Metrics differ per standard but they are all similar topics such as Poverty, climate and equality. A good example of a project and the impact explained in metrics are cookstove initiatives. I will explain it according to the SDGs.

When installing a cookstove at a household family you replace the alternative which is cooking with wood. Cooking with food has bad consequences on health, time and carbon offset. This is how it could be turned into a metric:

- **Health:** It can be measured by averted disability adjusted life years (ADALY). Cooking on firewood is similar to smoking two packs of cigarettes a day for the women. So providing cookstoves can increase the quality and longevity of life for these women. The measurement of this is ADALY and it has a monetary value. The standard for this is SDG 3, Good health and well-being. (Worldbank, n.d.)
- **Time:** If a woman cooks with firewood it often needs time to collect the wood. In addition, the smoke often makes the house dirty which takes time to clean. If you can prove that a cookstove decreases time spent on cooking and cleaning and uses it to educate herself or pursue other economic activities then you can monetize this impact. The standard for this is SDG 5, Gender Equality.
- **Carbon:** Cooking on firewood is way less efficient than a cookstove. We will calculate how much carbon using a cookstove saves. The carbon emissions that it reduces can then be monetized through carbon credits. The standard for this is SDG 13.

These are not all metrics available as it can also be expressed for example income, women empowerment (amount of women, increased income of women),

children education (Amount of smallholder children in school, amount of smallholder children with good school supplies), job creation to name a few. Furthermore, a metric set can also be influenced by the stakeholders Sommalife works with as they need to verify specific types of impact to assess if it aligns with their standards.

**Metrics to be developed** Earlier it was established that Sommalife is not capable of paying the Fairtrade premium to get a label on their product due to the scale of its operations. However, after speaking with the fairtrade director he mentioned they can help Sommalife with designing the impact metrics. One of the most important metrics is the model to establish the living wage of the smallholder farmers. This model is called the living income pricing model. (Appendix A)

Another notable metric Somalife should develop is the anti-deforestation metric. To measure how much deforestation is happening in an area. This is interesting as there is an upcoming EU legislation in which companies have to prove that no deforestation is happening around their production, called the Human Rights and Environmental Due Diligence (HREDD) legislation. (United Nations, 2022)

**Baseline** A baseline is a survey that collects data about the status quo of the context. What to include in the baseline is based on the chosen metrics for the impact actions. Establishing a baseline is crucial in any impact project to be able to reflect on the effect of the impact intervention by comparing the situation before and after the project. This is because it is impossible to know if a project has impact without establishing a baseline of the conditions before the project. (Appendix A)

Let's say we want to make children go to school more. Poor children avoid going to school because they lack money for proper uniforms and school supplies. (Appendix C) The lack of clothing and books results in the children being bullied by children who do have uniforms and books. To establish a baseline we will need to gather information about how many days a week children skip school in a certain community per year. Due to bullying. This data can be collected through school or through community level interviews. Then an impact activity is done, for example providing the poor children with new clothes and books, and the new collected data can be reflected against the baseline data. This way it can be seen if the actions had the desired outcome and other insights for improvement can be generated. A tool for this reflection is evidence gap mapping which will be later discussed. A baseline is intensive work. Sommalife should leverage its network of field agents and make an additional feature with Treesy.

**Evidence gap mapping** It is a tool used to redesign the theory of change. It analyses the strength of evidence based around impact projects. It reflects on what activities work and what effect they have. For example, we want to see what the influence of our impact is. We measure its effect on amount of children going to school, amount of child labour and amount of trees cut down. We look at how much evidence/data we can collect on these indicators. If we see a significant increase or decrease we can generate a cause-effect relationship. With this information we can re-adjust our theory of change.

How to make sure the information put in the baseline is perceived as credible depends on the communication.



49: Field Officer engagement



## F2.4 Communicate

After the impact is made and measured the impact will be communicated to stakeholders: investors, carbon credit institutes, partners and consumers. Communication is an important final step because it convinces for example investors or consumers to support Sommalife's way of working through investments. A way to convince investors would be the Social Return on Investments. Which is comparing the impact made against the amount invested. In order to effectively communicate and demonstrate the impact of carbon credit systems, it is important to provide regular reports on operations and collaborate with stakeholders to develop relevant metric sets. This helps to ensure that all parties have a clear understanding of the progress and effectiveness of the carbon credit system. With consumers communication is more challenging and the relation with credibility is more important. (Appendix B) Traditional impact communication has relied on third party auditing and labels. However, these have been under critique from both consumers but also companies. A reason for that is institutions require every location to be audited and are therefore ineffective and inefficient with their resources. Sommalife has over 320 communities and we would be unable to certify them all. New techniques used by other companies have proven to be more effective: Storytelling and Supply chain transparency.

**Storytelling** Storytelling is a way to connect with consumers on an emotional level and communicate a mission, values and ideas. According to David JP Phillips, who bases his definition on neuroscience, storytelling is about using words, images, characters and emotions to create hormones dopamine (Focus, motivation and memory), oxytocin (Generosity, trust and bonding) and endorphins (Positive, creative, reduces stress, laughter). These hormones form an 'angels cocktail' that can bind a consumer to a brand. (Phillips, 2017) Below I have established the steps you need to take in my opinion to properly tell a story.

### Steps:

1. **Identify:** Identify target audience and establish understanding of their needs
2. **Create narrative:** Align product and its narrative to the brand narrative
3. **Storytelling:** Create a relatable story that connects with the audience
4. **Communicate:** Choose and communicate through right channels and medium (social media, advertisement spaces, ambassadors and product packaging)
5. **Re-design:** Measure response and re-design storytelling



### Supply chain transparency

Supply chain transparency means the ability to monitor all the stages of the supply chain, from source to client. The goal of supply chain transparency is to ensure accountability in companies, promote ethical businesses and increase the overall effectiveness of the supply chain and thus the potential impact. An important part of supply chain transparency is communicating the collected information on stakeholders, practices and social and environmental impact. This can be used internally and strengthen companies logistics by helping identify and address risks and challenges in the supply chain. But to communicate more externally allows companies to build customer trust and build relationships with other partners within the supply chain.



**CASE STUDY STORYTELLING - JUSTDIGGIT:** I have interviewed the global director of business development and partnerships of JustDiggIt. JustdiggIt is a NGO that is on a mission to regreen Africa. From this interview the following became clear. Impact does not always require third party verification or certification. It depends on the way an organisation is able to tell a story. Storytelling is a form of marketing used to inform the public or institutions on impact that is made. It utilises marketing channels such as social media, TV, billboards etc. Instead of using certification it uses pictures, video's, accounts of beneficiaries and influencers to make their impact credible. They believe that if an organisation can make their story compelling and believable through visuals and relatable data a consumer might donate or buy their products or another brand might invest in a partnership in order to improve itself by associating itself and its products with this story. The rise of technology brings new opportunities: Social media, visualisation and animation, remote sensing, real-time data gathering and blockchain. These technologies can add to the credibility of impact and thus to new ways to monetize impact. It has made room to monetize impact through storytelling and supply chain transparency.

JustdiggIt is very effective at using storytelling to communicate their message and engage their audience. JustDiggIt is a company that is on a mission to regreen Africa to cool down the planet. They do so by using traditional restoration techniques, data and communication (Storytelling). The latter drive the funding for their impact initiatives primarily. Like Sommalife their operations are widespread and storytelling allows them to scale and improve operations quickly. Furthermore they say that standards are a rigorous system. (Appendix A, E10.2) Storytelling sort of kills two birds with one stone as Sommalife would already need an impact and marketing team. However, the main difference between Sommalife and JustdiggIt is that JustdiggIt is a foundation. Which helps with their credibility.



Tips from JustDiggIt themselves:

- Don't use standards as it is a rigorous and expensive process. In their opinion you do not need standards to prove your impact. Make the impact transparent. Make the impact visible.
- Make the impact tangible and relatable for consumers. Example: the size of land restored is as big as 10x central park

**CASE STUDY STORYTELLING - FLOWERFARM:** When presenting your impact story it is important to keep it easy to understand according to a co-founder from Flower Farm I spoke with. (Appendix A, E5.1) Flower Farm is a company that replaces destructive palm oil with shea. He recommends the KISS principle: Keep It Simple and Stupid. (K. Johnson, 1960). By using plain language and avoiding unnecessary complexity, you can effectively engage your audience and make them feel involved.

**COMMUNICATING SUPPLY CHAIN TRACEABILITY AND TRANSPARENCY - TONY CHOLONELY:** A new upcoming impact reporting system is Supply chain transparency. Using software to collect data on all the transactions and activities in the supply chain and thus track the resource and its story, from source to store. The story can be used in marketing campaigns.

A good example of an application would be the company Tony Cholonely. They developed Tony's open chain which tracks beans from source to bar. The initiative has 5 principles which mostly overlap with Sommalife's current principles: A higher price, strong farmers, the long term, productivity & quality, and traceable beans. Companies have joined this ideology and accompanying marketing to strengthen their brand image. These companies include: Ben & Jerry's, Albert Heijn, Aldi & Flowerfarm. Flower Farm being a company that primarily uses Shea butter in their products. Showing it can also work for companies active in the shea industry.



**Persuading companies** After speaking with an expert from Tony's Open Chain team she revealed how they manage to get companies to join their chain. (Appendix A, E5.2) She mentioned that most companies are not early adopters and want to wait until it becomes a trend in the industry. Below I have highlighted a few ways Tony's Open Chain persuades companies to partner with them and use their chocolate in their products. The pictures showcase some of their partners.



Figure F2.1:

The companies have joined Tony's because:

- They can use Tony's impact and data to improve their overall brand image through association
- Improve consumer perception of products through addition of labels
- Target companies for partnerships that claim to be sustainable
- They have signed statements such as the Dutch Initiative on Sustainable Cocoa (DISCO). (Dutch

Initiative on Sustainable Cocoa (DISCO), n.d.) If they join Tony's Open chain they instantly comply with all the standards

They present their data using:

- Transparent measurable impact metrics so it is easy for their partners to report
- Companies can use their reports and metrics to market their own organisations
- PWC verifies the data in their reports

**STORYTELLING - OATLY:** A brand that has done extremely well for itself is Oatly. The brand is impact driven, similar to Sommalife. They are on a mission to replace dairy products as cows emit a lot of greenhouse gases. From my analysis of the company, consumers resonate because of the following reasons.

- **Fun:** They do not take themselves too seriously. (Appendix B) They use humour and relatability to make it easy for consumers to connect with the brand. For example, their video 'what have we here'. An original take on when a parent catches a child doing something they should not. (Oatly, 2021))
- **Impact:** They highlight their environmental impact clearly and compare it to industry alternatives, Milk.
- **Simple messaging:** Clear and simple messaging highlighting quality, making it appealing to try
- **Innovation:** Constantly thinking of new ways to reach and connect to their audience. (Oatfinder, n.d.)



### F2.5 Recommendation

In order for Sommalife to successfully execute this new approach I recommend they do the following:

**Hire impact team:** Sommalife should hire employees with the specific task of overseeing the design and management of social and environmental impact. Based on the size of the ambition of the goals I would recommend two separate managers, working together, each responsible for one branch. These managers will also be responsible for training the field officers on implementing and measuring the impact and reporting to Sommalife's impact stakeholders.

**Develop impact standard:** It is important for Sommalife to develop an impact standard on which to base their impact activities. Sommalife can work together with an institution such as Fairtrade for this or take Tony's 5 sourcing principles as an example.

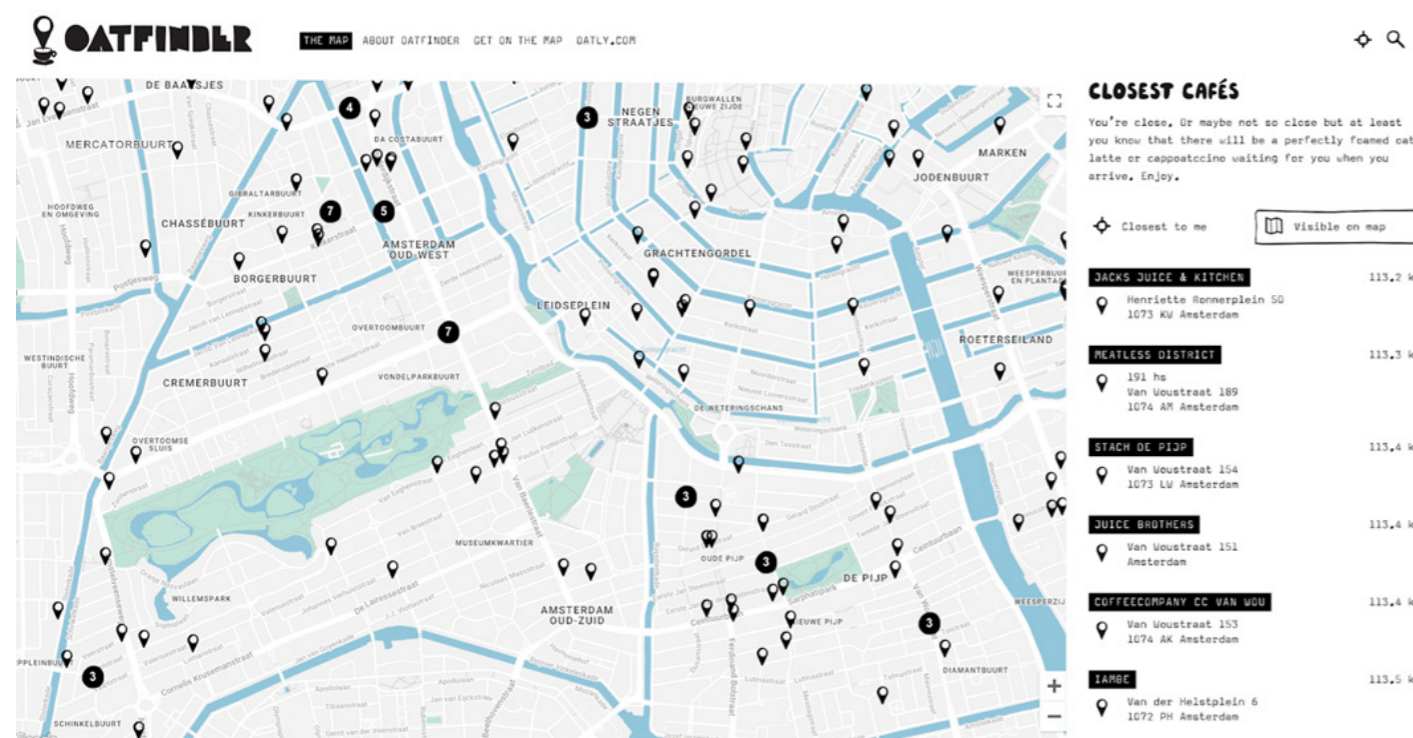
**Measurement development:** Sommalife should start developing their metrics sets as soon as possible. The metric set should be based on their theory of change but must consider the needs of the stakeholders. It should be designed to effectively reflect the progress caused by the impact. Sommalife can work together with Fair Trade Netherlands and Fairtrade Africa to develop this standard. Once this is developed they should set a baseline by collecting data through surveys and interviews, along with establishing visual documentations of the

communities. These visual documentations will help with the credibility of the impact in the future

**Develop a clear impact narrative:** Sommalife should develop a clear impact narrative for a couple of reasons. First, it will help Sommalife to align the employees internally and will help with decision making throughout the levels of the company. Second, As mentioned in D2.2 it will both motivate our employees but will also help with attracting new talent. Third, It will help sommalife with obtaining resources through investments, consumers and carbon credits. In order for Sommalife to make the KISS principle and use Tony Chocolonely, JustDiggit and Oatly as an example. Last, apply the SDGs as it is the most used 'impact language'.

**Hire marketing team:** This will help Sommalife with spreading their mission and develop and maintain the narrative. Their jobs will entail activities such as overseeing marketing campaigns, collecting visuals from communities, translating data to tangible stories, setting up a team of ambassadors. This will strengthen relationships with stakeholders.

**Data storage and software upgrades:** measuring and reporting will require a significant amount of data storage. Furthermore, I would recommend the Treesynt engineers to develop an analytical feature based on the principles of evidence gap mapping to provide Sommalife and their partners with insights.



53: Oatfinder





56: Rural women

## F2.6 Conclusion

### Structured Impact Approach: The Key to Monetizing Sommalife's Social and Environmental Impact

In this segment we wanted to discover how Sommalife can create impact which can be monetized. A structured plan was designed which includes four steps; Identify, design, measure, communicate. Sommalife first needs to identify the needs of communities and can later apply the 'Theory of Change' to design an effective impact making system. Measuring and tracking the impact projects is crucial to its effectiveness. This can be an addition to Sommalife's treesyt. To make an honest claim for monetizing its impact, Sommalife should develop a set of metrics that quantify the performance of its activities. This will help in communicating results and provide insights for re-design. Sommalife can communicate using Storytelling and Supply Chain Transparency.

The case studies offer information on the function of transparency and storytelling in impact reporting. Instead of depending on third-party verification to demonstrate the credibility of their impact, JustDiggIt employs storytelling as a type of marketing to spread awareness of their objective to regreen Africa. Following the KISS principle, Flower Farm keeps their audience's ability to understand their impact story simple. Tony tracks its cocoa beans from the farm to the store using supply chain transparency, and has utilised this information to

boost its reputation and draw in business partners. To make it simple for their partners to report on and sell their own organisations, the company uses transparent, measurable impact metrics that have been validated by PWC. Oatly has utilised relatability and humour well in their marketing to connect with consumers and communicate their mission to replace dairy products to reduce greenhouse gas emissions.

Sommalife can successfully execute the new design approach and learn from the examples set by the case studies. Sommalife should follow the recommendations: hiring an impact team to oversee the design and management of social and environmental impact, developing an impact standard, developing metrics for measurement and tracking progress, creating a clear impact narrative, hiring a marketing team to spread the mission, and upgrading data storage and software to support tracking and analysis. These actions will help align the employees, attract new talent, and effectively communicate impact to stakeholders.

This sets a good foundation for the concepts which are developed in the remainder of the chapter. Monetizing climate impact does not need much further development on the impact design side. However, further development is required to explore the integration of storytelling and supply chain transparency to monetize social impact.

F3

## Concept: Climate Impact Monetization

From the analysis it became evident that carbon credits was a big opportunity for Sommalife. Sommalife already does Agroforestry on a small scale. However, carbon credits did pose some challenges such as scalability and government. Therefore, I went to look for partnerships with Sommalife to collaborate with. I identified two who match well with Sommalife: FairClimateFund (FCF) and Acorn. In this chapter I will first explain how the concepts work independently. Afterwards I will go into the viability, feasibility and integrity of the concept as a whole.



Figure F3.1: FairClimateFund Logo

### F3.1 Cookstoves

Early in the interviews one of the experts informed about the use of cookstove programmes. Women in communities traditionally cook on open fires. This is an inefficient way to cook food as most of the energy of the fire is lost to the open air. A cookstove focuses the energy and thus requires less wood and emits less carbon. For this programme we are going to build cookstoves in homes. We are choosing to build these cookstoves from clay instead of buying them as we are dealing with the poorest of communities and this allows us to scale faster. For this we are going to train the women. Besides reducing carbon emissions the cookstove reduces time needed to gather wood, cook and clean and less wood or charcoal is needed to cook. We monetize the carbon reduction through carbon credits with our partner FairClimateFund.

**FCF as Partner** Sommalife would work together with FairClimateFund. FCF is a not-for-profit organisation that works to reduce greenhouse gas emissions and mitigate the effects of climate change. They have already set up cookstoves programmes in Burkina Faso and are willing to partner with Sommalife for a cookstove programme in Ghana. Besides providing Sommalife with their knowledge and expertise they will set up the carbon certification process and together with Sommalife deal with the Ghanaian government. In return, Sommalife will oversee the operations and implementation of the cookstoves. We need at least 3.000 women to start and 21.000 to become viable.

**Conclusion** In conclusion, Sommalife has a significant opportunity to lower carbon emissions and enhance the lives of women in the communities through the cookstoves program with FairClimateFund (FCF). FCF will contribute knowledge and experience, and Sommalife will be in charge of managing the cookstoves' use and implementation. The approach is viable, and there are many advantages for women's health, time spending, income and the environment. The collaboration with FCF will enable a successful certification procedure and result in a win-win situation for all parties.

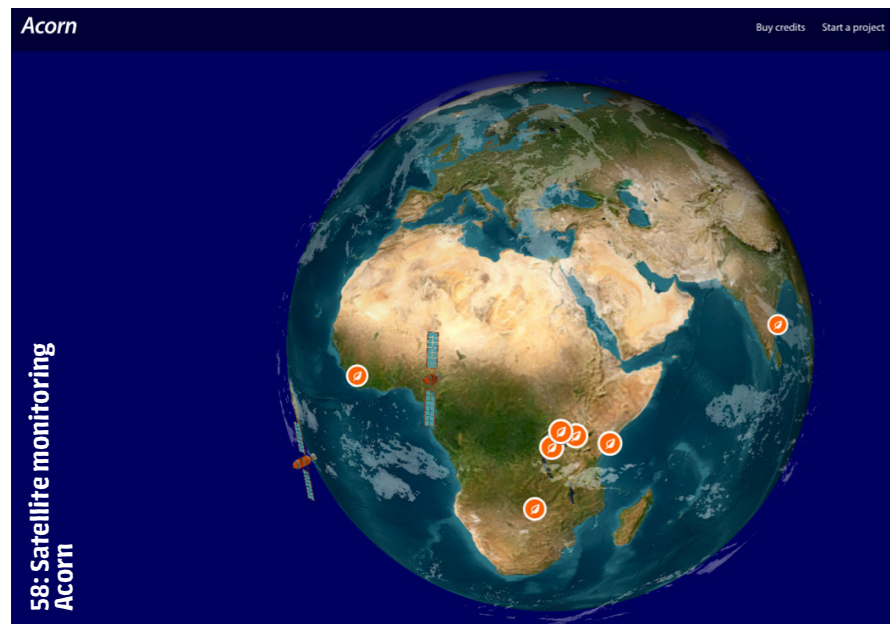
### F3.2 Agroforestry

Carbon credits for our tree planting efforts sounded as a suitable way to monetize. However, carbon credit tree planting projects are typically implemented on large plots of land where a high density of trees is planted, rather than through agroforestry methods such as those used by Sommalife. The problem with the widespread use of agroforestry is that it significantly drives up the costs of carbon credit monitoring. Add the governmental problem and it seems like a shut closed case. However, agroforestry has some great benefits for the communities.



57: Cookstoves made from clay





Agroforestry is the strategic planting of trees in between farm land. It will provide extra food for the communities to sell and eat, it will improve the fertility of soil and the resilience against climate change and serve as an additional income. The trees will be planted 6.5 metres and as they grow they absorb carbon during the photosynthesis process. A tree consists roughly of 50% carbon. (Acorn, n.d.)

**Acorn as partner** Fortunately, after researching for possible solutions I have found a partner who can help Sommalife: Acorn. Acorn is Rabobanks response to the climate crisis. They recognise the importance of helping smallholder farmers as they are disproportionately disadvantaged by climate change. Acorn uses satellite imagery to monitor the biomass growth of the planted trees. Acorns use of cutting-edge remote sensing technology and AI significantly reduces the cost and resources required to measure biomass and monitor progress. This makes the agroforestry project a cost-effective and profitable service. This biomass value is multiplied by a factor to also include the belowground biomass. Through that it can calculate the amount of CO2 sequestered by the trees and turn those into carbon credits that they can sell on the voluntary market. They have a partnership with Plan Vivo who provide the carbon credits. This again means that Sommalife has to take care of the operations.

**What it isn't** As mentioned earlier, this is not the typical carbon credit project. Normally, projects include huge pieces of degraded land being restored all at once. Which means a much higher density of trees being planted on fertile land. Meaning it grows more easily, monitoring costs are lower and amount of carbon sequestered is higher and thus the revenue of carbon credits is higher. With our project the planting of trees is more widespread on lands struggling with climate change.

**Conclusion** In conclusion, it has been determined that Sommalife can profit from its tree-planting initiatives by selling carbon credits. However, conventional carbon credit tree planting initiatives are frequently carried out on large pieces of land and might not be appropriate for agroforestry techniques. Thankfully, Sommalife can partner with Acorn, who provides a solution to this difficulty. Acorn tracks the biomass growth of the trees using satellite imagery, calculates the quantity of CO2 absorbed, and creates carbon credits with Plan Vivo that can be exchanged on the voluntary market. Despite being unconventional, this strategy has the advantage of assisting smallholder farmers who are disproportionately impacted by climate change. Additionally, the trees will increase soil fertility, increase food production, and give an additional source of revenue for the communities. Overall, this project represents a unique solution to the challenge of balancing cost-effectiveness and community benefit in carbon credit projects.

### F3.3 Viability, feasibility and integrity

**Viability** FairClimateFund applies the Fairtrade climate standard, which is developed by Fairtrade and Goldstandard and is the most valuable credit available for cookstoves. A comparison of the credits can be seen in the visual. Another benefit of the cookstoves programme is that it immediately reduces carbon emissions and thus the credits can be paid within a year.

FCF has calculated that together we can remove 1 tonne of CO2 per household annually. The carbon credits, which equal a per tonne CO2 captured is \$16,50, is a revenue for the women. I have calculated that women will receive €5,40 per household annually. This is not a high increase on a daily income. However, it is an option to bundle the payments into a community fund. This way they can contribute €269 annually to the fund if we take a community of 50 households. Which can be used to loan money to individuals of the community for economic activities or a community can take this money and address their needs as a collective. From field research it became apparent that challenges are also different per community per area. Examples of challenges can be found in the appendix. (Appendix C)

In the early years the operation was not viable and Sommalife will initially need to invest money to get it financed. However, the operation can be supported with "Carbon Receivables Finance" according to an expert. (Appendix A, E7.1) "Carbon Receivables Finance" is a type of results-based financing which means that after certain agreed-upon results are achieved and verified, in this case

carbon decrease or households helped, a financial reward is given. This contract can be used to go to banks to apply for loans to support the structure. case carbon decrease or households helped, a financial reward is given. This contract can be used to go to banks to apply for loans to support the structure.

		CDM	VCS	SD VISTA	GOLD STANDARD	CCB STANDARD	PLAN VIVO	FAIRTRADE
Reliability and transparency	★★★★	★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★
Labour conditions	★★★★	★★★	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★
Democratic procedures	★★★	★★	★★★	★★★★	★★★★	★★★★	★★★★	★★★★
Protecting and enhancing biodiversity	★★★	★	★★	★★★★	★★★★	★★★★	★★★★	★★★★
Local capacity building	★★★	★	★★	★★★	★★★	★★★★	★★★★	★★★★
Local producer organisation is owner of credits	★★★	★	★★	★★★	★★★	★★★★	★★★★	★★★★
Opportunities for addition to climate change via premium	★★★	★	★★	★★★	★★★	★★★★	★★★★	★★★★
Project covered by minimum price	★★★	★	★★	★★★	★★★	★★★★	★★★★	★★★★
End-layer emissions reduction plan	★★★	★	★★	★★★	★★★	★★★★	★★★★	★★★★

Figure F3.2: Comparison of standards according to FCF

The trees take some years to grow before the credits can be issued. This can be 3 years. Therefore it should be seen as a longer-term investment for Sommalife. The first years it will only cost Sommalife money. However, Sommalife can again apply financing structures such as "Carbon Receivables Finance" to support the investment in agroforestry. In addition Sommalife is currently busy applying for grants that can support the investment instead of the "Carbon Receivables Finance". The trees sequester CO2 whilst growing. 50 trees sequester 1 tonne of CO2, or one carbon credit, until they stop growing. According to Sommalife experts, that can take over 15 years. ACORN can currently promise to sell for €20. This is expected to rise. ACORN recently auctioned Credits for a value of €31. Sommalife can plant 200 trees per community (50 households per community). This will give a community €156 annually to put towards a fund.

Combining the profits from the projects results in a 1.17% increase in daily income and a community fund of €426. This fund can be used for various purposes, such as financing water wells or buying school supplies for children.

**BASE CASE 2035:** The situation above can be described as the base case. Which means the scenario I project with the current conditions. However, the carbon market is expected to increase in value exponentially as mentioned in D2.2. By 2035 the value will at least be \$80 per tonne. Which currently translates to about €75, which is a minimum increase by a factor 3.75. If we know, look at the fund and assume we do not work with any more women and have planted any more trees. We see that the daily income per household will increase by 16.92% and the community fund will grow to €6176 annually. Therefore this project can be seen as an extremely interesting long term investment.

The full financial models behind the carbon credit projects can be found in appendix J.

**Feasibility** Sommalife is definitely able to realise these services. On the technical site, the software only needs to be updated with new metrics. On an organisation level we shall need to train our field officers to implement the cookstoves in their communities and train the women to make and to use the cookstoves. Furthermore, the field officers shall need to train the women on agroforestry. The Field Officers will be trained by FCF and Acorn to build this training capacity. This can fit in the already existing logistics as an addition to the Field Officers responsibility. However, with Sommalife might need to consider the ratio of women Field Officers are attending. Which is currently 1 field officer per 1000 women. The FCF will provide support with knowledge and expertise, empowering women and helping them to succeed. Based on the Field Officers current payment of \$4800 I advise Sommalife to raise this amount by \$500. Lastly, the trees for the agroforestry will be gathered from the Nurseries Sommalife has built and is going to build.

**Integrity COOKSTOVES:** The benefits of the programme are numerous and impactful concerning health, time and environment. The cookstoves provide a clean cooking solution which is good for the health of the women and their family. It reduces the time needed to cook and the time needed to gather wood, freeing them up to focus on other important aspects of their lives. It will require less trees to be cut down for firewood and the cookstoves will emit less carbon. Farmers participating in the program are paid on a short-term basis and receive valuable credits, improving their financial stability.

**AGROFORESTRY:** The establishment of the agroforestry project in collaboration with Acorn will significantly improve local livelihoods and show Sommalife's dedication to halting climate change. The agroforestry systems' increased revenue will increase the sustainability of these techniques.

In addition to giving farmers a second source of income, the project will also result in improved yields and better-quality agricultural output. This strengthens Sommalife's farmers network. The additional income from the trees can be roughly estimated as €800 annually for 200 grown Shea trees. In this estimation we took the yield of grown shea trees which is €4 per tree x amount of shea trees per community. However, not all trees will be Shea. They will also be mango and cashew. Shea, cashew and mango are all fruits when they fall from the trees and this will also provide an addition to their foodstock.

**Challenges** The initial expenditures for gaining carbon certification start at \$90,000, and they are rather expensive. Despite this, the purchase is worthwhile due to the many advantages it offers and can be managed with "Carbon Receivables Finance". It can be challenging for Sommalife to manage the tight regulations and standards that local governments frequently impose on carbon credits. However, FCF and Acorn are prepared to support firms through this procedure. The last challenge is the difficult financing structure. However, impact investing institutions can help Sommalife with that.



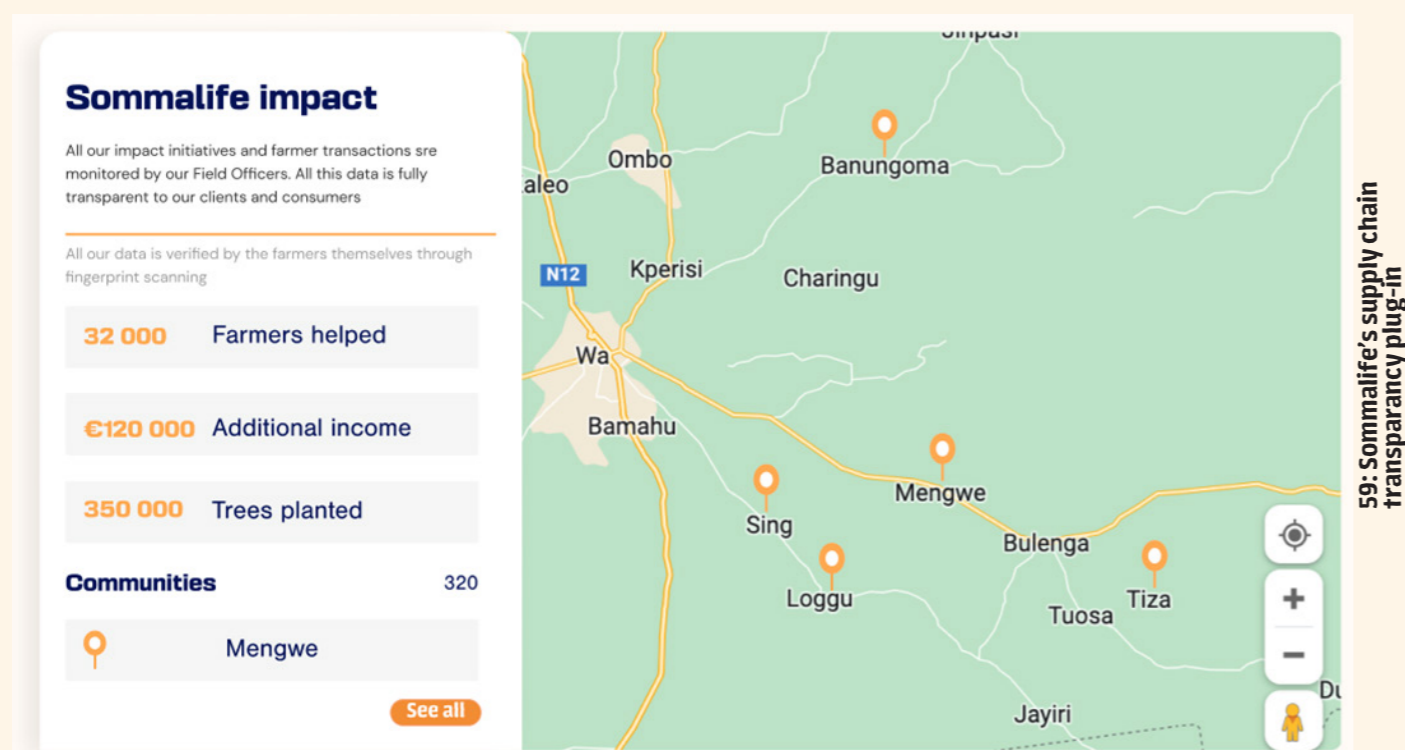
## Next steps

The following steps should be made in order to improve the model's viability and start the climate monetization project:

- First, efforts should be taken to increase income and decrease costs.
- The second priority should be concluding agreements with FCF and Acorn and starting discussions with the Ghanaian government.
- Finally, a set of metrics should be established and field officers from Sommalife should be trained accordingly.

## F3.4 Conclusion

In conclusion, the implementation of the agroforestry project with Acorn and the cookstove program with FairClimateFund can have a positive effect on the Ghanaian communities. The community fund may be supported by the carbon credits obtained from the agroforestry project and the cookstoves program. The program will need a start-up investment, but grants and "Carbon Receivables Finance" can fund it. Sommalife is technically capable of implementing the projects and will need to train its field officers and women in the community. The benefits of the program include increased income, improved health, time savings, and reduced carbon emissions. The long-term investment potential of the project is high, with the carbon market expected to increase in value by 2035. This covers the sustaining climate impact Sommalife is making. In the next section, it will be demonstrated how Sommalife can monetize their social impact.



F4

## Concept: Data driven storytelling

Commonly, the best known way of monetizing its social impact is through utilising certification labels, such as Fair Trade, on their products. However, this approach has a couple of downsides making it unsuitable for Sommalife. Downsides such as high-certification costs per location, Sommalife being a widespread operation and the women Sommalife are among the poorest and do not generate enough revenue.

However, based on my research and the analysis, a new promising opportunity came to mind: **Data driven storytelling**. Where Sommalife utilises its strengths, with its software being the #1, to monetize its social (and environmental) impact by translating data of their impact into a Unique Selling Point for themselves and their partners. The concept was developed on the research done in chapter D and brainstorming and essentially combines storytelling with supply chain transparency.

It can be used to either create partnerships with companies using Sommalife's resources for their consumer products or to help strengthen Sommalife's own cosmetics line.

**How it works** It translates data on Sommalife impact and products that field officers collect using Treesyt and translates it into insights that can be used for marketing. In other words, Sommalife uses data to create compelling stories and narratives that help illustrate complexity of the farmers' situation, the urgency of the mission and Sommalife solution in a tangible and engaging way. To hopefully engage with the audience better. These stories and campaigns are supported by tools web plug-ins such as source tracking and impact calculator. In essence it is a form of marketing. Taking activities of a company and turning it into marketing. The real difference is the new external use of treesyt: an application that manages supply chain and impact that provides real time data for internal use

### Steps:

1. **Identify:** Identify target audience and understanding needs and values: Lazy Linda's and Fact Checkin' chucks
2. **Create a data driven narrative:** Create a story around Sommalife products based on real-time data using visuals
3. **Data driven storytelling:** Use data to tell stories and create impact plugins on Sommalife website
4. **Communicate:** Promote these stories through the right channels; Ambassadors, social media, physical advertisements and packaging
5. **Partnerships:** Find partners whose mission and values align with Sommalife
6. **Deliver:** Give them storytelling guidelines, metrics packages and plug-ins as well as labels they can use on their product
7. **Re-design:** Measure consumer response and re-design

Sidenote: Environmental impact can also be a metric: Expected trees not cut down because of increased income or parklands protected for example. However, they can not claim the tree planting as those rights are bought by Carbon credit initiatives. Sommalife as a company can still claim responsibility for the planted trees. As a company partner with Sommalife they are associated with Sommalife which will rub off some of the environmental impact on them. However, if they want to directly link their products to environmental impact Sommalife and the client have to set up agroforestry projects themselves. These can be monitored using satellites, drone imagery and Treesyt



**Marketing** There are multiple appliances of impact and real time data as a marketing tool.

- **Personalised to client:** After Sommalife has built its metric sets. It can discuss with its partner which metrics they want to show. It can be used to personalise the highlighted data and narrative to the specific audience of the client.
- **Compelling story:** The impact creates a compelling story and a sense of purpose which consumers see as a preferred trait.
- **Highlighting impact accomplishment:** By highlighting the accomplishments the company can build trust and credibility with the consumers.
- **Brand loyalty:** The story differentiates the client from its competitors and the impact can build loyalty with the consumers.

Sustainable influencers, visual documentation and testimonials of the smallholder farmers can be used to market and increase the credibility of the story. Furthermore, Sommalife should apply the communication techniques presented in chapter F2.4.

**Toolkit** The toolkit provides traceability and transparency in a playful way. The toolkit database is connected to the Treesyt database. Thus presenting impact data in real-time.

- **Personalised impact dashboard:** A dashboard for on a homepage of a company showcasing the most important impact metrics.
- **Supply chain transparency:** provide detailed information about the supply chain of the product. From sourcing the nuts, to processing the nuts and payment. The supply chain should be visually mapped and interacted with in a playful way. Presenting visual and testimonials along with data.
- **Impact calculator:** Calculate the social and environmental impact you have by buying a product.
- **Compare to industry standards:** A feature that showcases the consumer how their money is spent in comparison to other companies.
- **Shea nut journey:** Allow the consumer to visually track the journey of the nut to the final product. With the impact made along the way presented visibly.

The toolkits are better shown in the final chapter Deliver.



Figure E2.1: Somamalife impact dashboard for cosmetic company Weleda

**Metrics** Sommalife should develop impact KPIs which the companies can use along with the marketing tools presented above. Below are examples of interesting KPIs based on the consumer and expert interviews.

- **Living income:** Sommalife needs to establish the living income to be able to decide the premium their clients need to pay.
- **Deforestation:** Sommalife must establish a metric on deforestation happening in their area.
- **Climate:** Showcase other climate metrics such as land protected through demarcation, trees planted and biodiversity.
- **ADALY:** Sommalife has to establish the ADALY value of their impact which showcases the health improvement of their beneficiaries.
- **Education:** Sommalife can develop metric sets showcasing the educational progress

**How to persuade companies to join Sommalife**

For this to work Sommalife should target companies that claim to be sustainable. The transparent and traceable impact should be attractive USP for them. However, most companies are often not early adopters. It is important to get the first ones as this will motivate other companies to join as well and create a domino effect. (Appendix A, E5.2) In addition, what could help

persuade, according to Tony's expert, is the pressure of promises companies made are laws they have to abide with. This is a big opportunity for Sommalife with the upcoming deforestation legislation.

**Credibility of Data** There is always a question with the credibility of the data. Who puts in the numbers and how can it not be tempered with. A future solution to the latter could be blockchain. However, the usability of blockchain on impact is complex and could be a thesis on its own.

The solution we have thought of to improve the credibility of the data put into treesyt is implementing voice confirmation to the transaction process. We have piloted this whilst I was in Ghana. The next step Sommalife is working on is fingerprint scanning, as fingerprints are more unique than voices. Sommalife has already purchased the hardware for this. Speaking with the director of Fairtrade Netherlands was impressed by this solution.

Whilst Sommalife is unable to get Fairtrade certification it can get its numbers audited. A company like PWC could audit our numbers and verify we spend a certain amount of money on impact. This would verify our business as a whole as an impact business. (Appendix A, E5.2) However, they will not be able to verify all our operations itself. Nevertheless, this is something I advise Sommalife to do. Together with being completely transparent why we can not be fairtrade and what our solution is: transparent and traceable operation.

**Impact partners**

We have aligned ourselves with the United Nations' Sustainable Development Goals and are steadfastly committing our resources, technology, knowledge and creativity to fast track their achievement in our operational areas. Join our mission.





**Privacy** The solution also raises some questions around privacy. As the information about the identity of the women and the impact can raise security issues. Personally, I know Ghana to be a peaceful country. However, this is a personal opinion and the same can not be said for the other Shea producing countries. Therefore, the extent of detail of the farmer data Sommalife is intending to share should be thoroughly thought through.

**What it isn't** Data driven storytelling is not a bulletproof way to add value to your product. But so isn't Fairtrade labelling. It is important to remember for Sommalife to be honest about their actions and to not pretend or hint at things they do not do. I believe that if they are transparent and get third party authentication within their possibilities, such as a less expensive B-corp certification, Fair for Life on future processing sites and an audit of their business by a company such as PWC it is possible for them to be believable as an impact company and add value to their products.

#### F4.1 Viability, feasibility and integrity

**Desirability** The first question is, how will consumers learn of it? Sommalife will target consumers that care for impact through social media marketing channels, ambassadors and word of mouth. Also, the website and toolkit provided by partner companies will inform the consumers.

The second question is, What motivates companies to use Sommalife resources?

From research, it can be concluded that consumers are more likely to choose for products with impact. This is interesting for companies as it gives them a competitive advantage. Furthermore, companies claim that they are sustainable, this will showcase their sustainability. Lastly, it will help them with any future legislation. I have already spoken with a manufacturer and commercial company who were both interested and enthusiastic about the product. Although they did not want to sign a letter of intent they did want to continue the discussion.

**Viability** Based on the fact that consumers are willing to pay 40% more for FMCG that makes impact interesting for Sommalife to explore. With this increase in margins Sommalife can pay a marketing team (2) and advertisement spaces. Seeing that even a 20% increase in margin can easily cover that the solution can be considered viable. The amounts are left out due to confidentiality.

**Feasibility** Sommalife already has a team of full time engineers which they are planning to expand. With the technical infrastructure in place it will require the marketing side to be developed. It is important for Sommalife to avoid reputational harm which can result in distrust and decrease in credibility. Sommalife should be focused on fulfilling their commitments and delivering on promises. This can be avoided by setting realistic and calculated goals. They should be strict on the management of funds and should always be transparent about their operations. In order to avoid reputational harm Sommalife should start with setting high impact standards.

**Integrity** The use of Data Driven Storytelling will enhance the reach of Sommalife's impact values. Hopefully, spreading a wave of awareness that can disturb the current shea industry and provide an example to other companies. The marginal gains from strategic partnerships will increase quality and quantity of impact.

#### Next steps

- Make sure impact is strong and firmly rooted in company documentation
- First implement Data Driven Storytelling on Sommalife platforms and create demo's of the features and approach the client
- Start approaching clients using the technique of Tony's Chocolonely persuasion

#### F4.2 Conclusion

In conclusion, Sommalife has a great possibility to monetize its social effect by transforming its data into engaging stories and narratives through data driven storytelling. For Sommalife and its partners, the idea mixes storytelling with supply chain transparency to offer a unique selling point. Identifying the target audience, developing a data-driven narrative, spreading the stories via various channels, locating partners with compatible goals and values, distributing storytelling guidelines and metrics packages, and gauging consumer reaction are all steps in the data-driven storytelling process. The promotion of Data Driven Storytelling draws attention to Sommalife's impact achievements and creates consumer loyalty and trust. The toolkit that will deliver the impact in a traceable, transparent and playful way to consumers. Sommalife should also develop impact KPIs such as Living Income, Deforestation, and Climate to be used along with the marketing tools.

Due to the rising demand for products with impact and the potential competitive advantage it could give businesses, Sommalife's solution is desirable. Consumers are willing to pay more for FMCG with effect, which can raise margins and cover marketing costs, indicating the viability of the solution. The feasibility of Sommalife's approach depends on preventing reputational damage by establishing reasonable objectives and being open and honest about how things are going. Through strategic partnerships, data driven storytelling may expand the impact values of Sommalife and improve the impact's quality and quantity. The next steps for Sommalife involve reiterating the impact values in business documentation, putting Data Driven Storytelling into practice on platforms, and utilising persuasion to approach clients. In the next chapter we will see how the monetization services will fit into a Business model.





## F5 Business model

The business model works as follows: Sommalife will provide the women with the cookstoves, agroforestry and accompanying training. This will save the women time, improve health and income. This will strengthen the bond with the community and in return Sommalife receives loyalty in the form of that they will keep delivering shea to Sommalife instead of other competitors. Sommalife will take on the management of operations for FairClimateFund and Acorn, and in exchange, they will provide Sommalife with expertise on training women, provide accompanying metrics, and support the

certification and verification process for carbon credits. This mutually beneficial arrangement will ensure the success of the program and drive positive change for all involved.

Sommalife will provide their clients with shea in combination with data driven storytelling. This will drive up the value of their product and reputation of their brand. In return Sommalife expects the companies to contribute to their mission through impact fees.

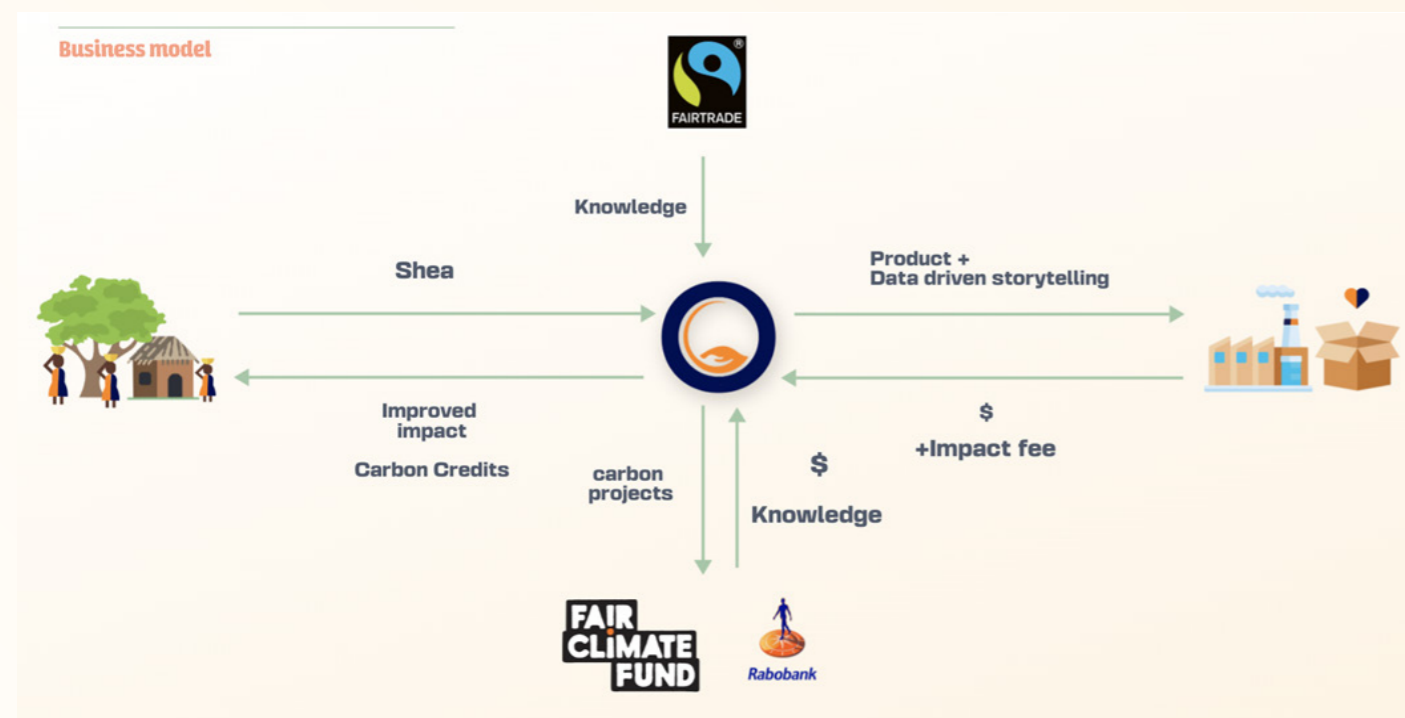


Figure F5.1: Sommalife's new business model

## F6 Chapter Conclusion

In this chapter we wanted to discover how Sommalife can monetize its social and environmental impact. Before Sommalife can monetize its impact its first must learn how to make it. For this a new approach was designed with four steps: Identify, Design, Measure and Communicate. The last step is mostly important for social impact as the stakeholder paying for the environmental impact is mostly concerned about the metrics. These stakeholders are willing to pay for the environmental impact of cookstoves and agroforestry projects. For this Sommalife will have to partner with FCF and agroforestry. Communication addresses the Social Impact more as one of the Stakeholders would be the sustainable consumers. For this step Sommalife combines storytelling and traceable and transparent data, and translates data into a service called Data Driven Storytelling. Through this service they add value to their product which companies using Sommalife's product will reward with an impact fee. It will be important for Sommalife to carefully consider how to implement the opportunity and to thus develop a clear strategy for how it can be successful in this market. The strategy will be further explored in the next chapter.

**The Path to Monetizing  
Sommalife's Impact: new  
impact approach, cookstoves,  
agroforestry and data driven  
storytelling**





In the previous chapter, it was established how Sommalife can make and monetize impact. This chapter will deliver accompanying Brand DNA, Narrative, Strategy and website, so that Sommalife can successfully act with their new services.

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# DELIVER



G1  
**Brand DNA**

Sommalife is about improving livelihood and environment with a focus on innovation. Sommalife wants not only to help the smallholder farmers but also show to the industry and public that things can be done in a different way. To effectively spread Sommalife’s cause and mission, ensure it resonates with consumers and establishes credibility I have designed a Brand DNA. Hopefully this makes them appear trustworthy and suitable partners for change for stakeholders in the industry and consumers.



**TONE OF VOICE:** Sommalife tone of voice should be a mix of positivity, simplicity and straightforwardness. The message is serious and activistic but will be delivered in a playful way. The emphasis will be on the environment and livelihood of farmers and the impact will be presented in a tangible way.

**GUIDELINES**

**Straightforward** We present straightforward and tangible results

**Activistic** Bold statements and actions to effectuate change.

**Transparent** Be truthful about all activities and results. Keep yourself in check to the public.

**Innovative** It’s apparent that the solution does not lie in the past. We are always looking for new innovations to address problems.

**Positive confidence** We believe we can make a change



**PERSONALITY:**

1. Optimistic: Truly believe that our systems can make the change!
2. Honest: Honest about our achievements and also honest about the severity of the situation. We won’t sugarcoat.
3. Caring: We care for our women and we care for our consumers. We want to present them with the best sustainable product, our high quality Shea.
4. Fun: We present our information in a playful and tangible way.
5. Teamplayer: Always looking for partnerships to achieve its goals.

**PURPOSE:**

Transforming the Shea industry for a greener West-Africa and improved livelihoods of smallholder farmers.

**POSITIONING:**

Sommalife positions itself as the impact maker in the shea industry targeting key stakeholders and consumers to partner towards change.



G2

### Brand Narrative: The sheavolution

If companies are to align themselves with Sommalife's their narrative must be strong. Furthermore, consumer research shows that most products get spread through word of mouth. I believe a good narrative will make consumers

free advertisers of your product which is backed up by research from Brand24. (Brand24, 2022) Based on research from chapter 4.3 and 6.1 a new narrative was developed. The narrative highlights Sommalife's sustainability and

the quality of shea which is accomplished by Sommalife's unique approach. It showcases the three pillars of Sommalife: Reforestation, Fair production, Digitization. I have created a second narrative that can be used when Sommalife focuses

more on commercial traction in Horizon 2. It is based on consumer interviews in chapter 4.3 and inspired by Oalty.

#### OPTION 1 - HORIZON 1

You might know that most of your beauty products are made from Shea butter. A beautiful product also known as Women's gold for its high levels of vitamins and fatty acids good for the skin and body. And the most beautiful part, it grows in the wild. Which means no nature has to be destroyed to grow.

You probably did not know that the women who grow these products on their lands are extremely poor and as a result they have to cut down the trees on their land and sell them as charcoal to make a quick income. Even the Shea trees. This makes them even more vulnerable to climate change and at risk of desertification.

Here are some numbers. On the local market 1 kg of shea butter sells for €1 whilst on the European market it sells for €100. Meaning that big corporations make big profits, whilst the women live in poverty whilst their land slowly turns into desert.

We promote the use of shea butter against fair payment. Better for the women and their environment. Sommalife was started from Ghana itself. Our Founder Mawuse. It's a Dutch Ghanaian operation with operations and headquarters are located in Wa where the poverty is the most extreme. We are a new vehicle of change in the shea industry. Keeping the value of the product in the country of origin.

We are not another company in the shea industry nor are we another charity - we are the voice of smallholder farmers. We believe that by working together with them, as if to form one big community, we can deliver high quality products and improve the environment for our partners by introducing our living standards to the chain and applying our digitization. We help you and you help us. That is precisely what Sommalife means in the Ghanaian language: "Help Life."

Join our mission and together we can restore life in West Africa.



#### OPTION 2 - HORIZON 2



Shea butter, baby. You might not know it but you love it. Big chance that it is in the favourite jar of cosmetics in your bathroom. But let us ask you, do you really know where it comes from?

Sure, you know it's packed with vitamins and fatty acids that are good for your skin and body. And yeah, it grows wild, so no need to chop down trees to make it. But what about the people who actually grow it?

You see, these women, they are living in extreme poverty. And to make ends meet, they are cutting down the very trees on their land and selling them as charcoal. Even the Shea trees. It's a vicious cycle that leaves them more vulnerable to climate change and the continent of Africa at risk of desertification.

And the inequality? It is a real kicker. These women are selling 1kg of Shea butter for €1 on the local market, while it's being sold for €100 in Europe. Big corporations make big profits, while the women who grow it are living in poverty.

That's where we come in. Sommalife, started by our founder Mawuse, is a Dutch-Ghanaian based in the poorest region in Ghana. We're not just another company in the Shea industry or charity - we're the voice of smallholder farmers. We believe that by working together with them as a community, we can deliver high quality products and improve the environment by introducing sustainable living standards and digitization.

It's important to remember that being in it for ourselves is short-term. We're in it for each other, long-term. That is what "Sommalife" means in the Ghanaian language: "Help Life." So join our mission and let's restore life in West Africa, together. It's a win-win situation.





# Disturbing the Shea Industry

	2023-2024	2025-2026	2027-2028
<b>Phase</b>	<b>Protect the seedling</b> Becoming strong at the base of the pyramid focusing on impact creation	<b>Growing the tree</b> Advancing the supply chain	<b>Branching out</b> Advancing the supply chain
<b>Comunnication External</b>	(1) New impact partner with HQ imapctful products (2) Combining reforestation, fair production and digitization (3) Social media and website to spread message	(1) Advance industry to retain more value in Africa (2) Introducing cosmetic line to provide farmers with greater benefits	(1) Sommalife has a winning formula and is seeking for partnerships to drive change in West Africa
<b>Products &amp; services</b>	(1) Traceable and transparant resources (B2B) (2) Carbon credits (B2B) (3) Data driven storytelling (B2B2C)	(1) Scale products and service from phase 1 (2) Start selling traceable and transparant shea butter (B2B) (3) Start exporting resources (4) Cosmetics line (B2C)	(1) Scale products and service from phase 1 & 2 (2) Treesy as a Service
<b>Impact</b>	(1) Develop impact standards (2) Develop new metrics, baseline and evidence gap mapping (3) Increased income, educaiton and cookstoves (4) Verify company as impact oriented with third party	(1) Scale impact operations from phase 1 (2) Provide educational support for children (4) More value to smallholder farmers through industy advance-ments (5) Processing site will decrease transportation pollution	(1) Scale impact operations from phase 1& 2 (2) Introduce Beekeeping projects (3) More value to smallholder farmers through industy influence
<b>Partnerships</b>	(1) Climate impact: Acorn and FCF (2) Research: TU Delft & Wageningen (3) Other Environmental impact institutions: Jusdiggit?	(1) Fair for Life for processing site (2) Flexport for exporting goods	(1) Partner with mulitnational food and cosmetics companies
<b>Hires</b>	Marketing team (2)      IT engineers (5)	Marketing and sales (+2)      Impact team (+2)	Marketing and sales (+6)      Impact team (+8)
<b>Assets</b>	Fingerprint tablets      Community nurseries	Processing site	Phones for farmers
<b>Countries</b>	Netherlands      Ghana      Burkina Faso	Nigeria	Mali      Ivory Coast



G3

## Roadmap for the sheavolution

The final goal of Sommalife was described in chapter 5.3. Advancing in the supply chain to reach consumers. This goal can be seen as a beautiful wild growing shea tree that provides farmers with life. However, this tree does not exist yet. I have devised a strategy for Sommalife to grow this tree and plant more trees. The following section will describe the path towards this goal in three steps based on the “three horizons” model. (Curry and Hodgson, 2008).

I have focused the Roadmap on internal use for Sommalife so that it aligns the progress for the employees but also considers what value our partners and consumers will receive. This will help understand, coordinate and execute the steps ahead.



64: aA seedling protected from goats

G3,1

### Horizon 1: Protect the seedling - Stronger at the base

2023-2024

**Communication internally** Sommalife becomes strong at the bottom of the pyramid (Shea nut market) by introducing their improved impact approach, carbon credit projects and Data Driven Storytelling. They will strike partnerships to accomplish this. This will create an impact for the communities and strengthen the ties between Sommalife and communities. Focus on improving its core features: production, reforestation and digitization.

**Communication externally** Sommalife positions them as a new impact partner in the industry started from the desire to make a change in the lives of rural women. Sommalife highlights the selling of high quality shea which they aggregate in an innovative way combining reforestation, fair production and digitization. They will use their own website and social media marketing channels to

spread the message.

**Products and services** Sommalife will introduce traceable and transparent high quality shea nuts to other businesses. This will include a complementary Data Driven Storytelling toolkit which adds value to the product. In addition, Sommalife will develop carbon credit programmes which will support their environmental goals.

**Impact** Sommalife should enhance its impact standards by taking inspiration from the principles of Fair Trade. The company should create an accompanying set of metrics and integrate them into the Treesyt platform. In addition, Sommalife aims to establish a baseline for measuring its progress and conduct an evidence gap mapping to identify areas for improvement; these features should also be integrated into Treesyt. The Initial impact includes increasing wages, providing training, planting trees and promoting the use of efficient cookstoves. Sommalife will get third party verification on business level by for example PWC or EY to enhance its credibility.

**Partnerships** To strengthen its relationship with communities and achieve a positive impact, Sommalife plans to join forces with companies that share its vision. Sommalife aims to carbon certify its initiatives in partnership with companies such as Acorn and FairClimateFund, and will look to expand its network of environmental partners by partnering with organisations such as JustDiggIt. In order to create a research division, Sommalife will also collaborate with esteemed academic institutions like TU Delft and Wageningen University. This will allow them to take advantage of TU Delft’s expertise in innovation with Treesyt, products, and logistics as well as Wageningen’s expertise in agriculture. The research department will help Sommalife to become more effective at creating impact.

In order to demonstrate its commitment to sustainability, Sommalife will first implement some of the data driven storytelling plug-ins on its website, showcasing its metrics and preparing demo presentations to approach potential partners. Sommalife will engage with clients by highlighting the benefits of its initiatives and highlighting relevant

legislation and other factors to persuade them to join the cause.

**Hires** Sommalife will strengthen its efforts by making several important hires in order to effectively navigate this phase. Two marketing professionals should be added to the team, and their job is to improve and advance Sommalife’s data-driven storytelling initiatives. Additionally, Sommalife will employ a two-person carbon credit staff to ensure smooth operations. Five skilled engineers will join Sommalife’s team to advance data-driven storytelling and treesyt.

**Assets** Sommalife will be obtaining necessary assets in order to meet its new goals. To increase the legitimacy of its business practices and guarantee great levels of security, the company will invest in fingerprint tablets. In order to sustain its Agroforestry activities Sommalife will also build community-based nurseries.

**Countries** Countries Sommalife will operate in in this phase are The Netherlands, Ghana and Burkina Faso.





65: Growing shea tree

G3,2

## Horizon 2: Growing the tree - Advancing in the industry

2025-2026

**Communication internally** Sommalife will advance in the shea industry by setting up a shea butter processing site, export products themselves and start piloting a cosmetic line. This will be supported by the services and partnerships set up in Horizon 1. These services will be scaled in the next phases as well if they keep being impactful and viable.

**Communication externally** Sommalife is keen on changing the industry and will advance the industry to retain more of the value in Africa. Sommalife will also start introducing their own cosmetic products, thereby

enhancing their profit margins and providing greater benefits to local farmers.

**Products and services** Sommalife will scale and improve the services from the previous phase. In addition, it will be able to start selling shea butter. In addition to selling shea butter they will also export the butter instead of selling it in the harbour to increase the margins made on the product. Additionally, the company will introduce a cosmetics line to capture more of the market and boost profits which can again be used to better the lives of farmers.

**Impact** Sommalife will scale the impact operations from the previous phase and thus improve the benefits for rural farming communities. To further improve this impact Sommalife will look at new trajectories. One trajectory is helping families with financial support for education.

As from my field research it became apparent that many children struggle with that. (Appendix C) Another impactful decision of Sommalife is that of a processing site in Ghana which will increase the value kept within Ghana while reducing transportation pollution.

**Partnerships** To further improve the impact Sommalife is making and driving positive change in the communities it serves. Sommalife will seek out partnerships with like-minded organisations and businesses to make impact, sell resources, and spread their mission.

To further enhance its credibility, Sommalife will work with Fair for Life to verify its processing site and demonstrate its commitment to sustainable and ethical operations. Additionally, Sommalife will team up with Flexport, a shipping company that offers favourable deals to impactful

companies. (Flexport, 2022)

**Hires** Sommalife will support the commercial goals in this phase by hiring additional marketing and sales individuals. According to one of Sommalife advisors they can also hire a marketing consultancy for additional support. As our impact grows, we will hire two additional impact managers.

**Assets** The processing site is currently being developed by two Ghanaian consultants who have already been tasked with ensuring that all necessary elements are in place for its construction.

**Countries** Nigeria is the next country Sommalife will pilot in this phase as it is one of the bigger shea producing countries.





### G3,3 Horizon 3: Branching out -

2027-2028

**Communication internally** Becoming the Tony's of shea nuts. In this period, Sommalife seeks to become an influential agent of impact in the shea industry. Additionally, successful product and project pilots from the previous phase are being scaled reaching more partners and generating. The company gains enough market share and reputation to contribute to foundational changes in the interest of smallholder shea producers across West Africa.

**Communication externally** Sommalife has discovered a winning formula for creating positive change

and is seeking partnerships with companies that share its vision of making a significant impact in West Africa.

**Products and services** Sommalife will scale the successful models from the first two phases to new heights. To achieve this, Sommalife will be introducing Treesyt as a Service to support, which has been rigorously iterated over the past 4 years and is now ready for wider adoption. Our goal is to provide other companies in similar situations with this service and extend its positive impact. Additionally, we plan to develop a version of Treesyt specifically designed for farmers, offering them valuable insights on how to manage their farms, agroforestry and communal investment opportunities.

**Impact** Sommalife will keep scaling their impact operations from the previous phases and thus improve

the benefits for rural farming communities. One additional initiative Sommalife will be piloting is beekeeping which will provide an additional source of income for women through the sale of honey and also contributes to the preservation of biodiversity. Sommalife will also increase the impact that smallholders experience through the influence that Sommalife has in the shea industry. Hopefully, besides becoming stronger as a company, other companies will adapt to Sommalife's impactful ways of business.

**Partnerships** At this stage, Sommalife is seeking to partner with larger and more influential organisations to expand its impact, with a focus on multinational food and cosmetic companies.

**Hires** At this stage it becomes a bit more difficult to tell what hires we need as it is quite far away. Based on the

activities in this phase I made the following assumption. Additional 6 people to the marketing team and an additional 8 people to the impact team.

**Assets** To make sure that smallholder farmers can fully benefit from Treesyt, Sommalife is going to too provide them with smartphones, allowing them to easily access and use the platform.

**Countries** In this phase, Sommalife plans to expand its operations to neighbouring countries such as Mali and the Ivory Coast. Additionally, the company intends to start selling its cosmetic products in international markets, such as Belgium and Germany, to reach a broader audience and further increase its impact.



G4

## A refreshed Sommalife

To efficiently execute the strategy I believe that Sommalife should be more commercially understandable. If you look at Sommalife, its story and website. It feels outdated and does not even concisely represent Sommalife and its mission. An individual can not understand the essence of Sommalife and re-explain it by looking at the website. Therefore, I feel that it is important for Sommalife to update its website in order for them to more efficiently engage new potential partners and clients. In the diagram you can see the main themes of the website:

**REFORESTATION:** Sommalife communicates its environmental efforts more. By planting trees Sommalifes battles climate change and provides the women with an additional income.

**FAIR PRODUCTION:** Sommalife sells a beautiful product, Shea. However, this product comes from African women living in poverty. Sommalife is on a mission to keep the value of this product in Africa and improve the lives of the farmers through fair wages and education.

**DIGITIZATION:** Technology is becoming increasingly interesting to stakeholders in the industry and investors. It allows Sommalife to efficiently make an impact and run its operations but also transparently showcase it to the outside world.

It is about a new approach to resourcing from West Africa and sets an example for the whole of Africa if not the whole of the global south. It showcases how we should actually embrace nature to fight climate change and create a better life for farmers. It says that people in the west are not alone in the battle against climate change, we are in it together. It showcases our approach to technology to increase efficiency and effectiveness in a way that is not only transparent to others but also understandable.

The refreshed website will embody the principles learned during the report in order to tell Sommalifes Story:

**Environment should be highlighted more**

**Impact should be told in a tangible way.  
Apply the KISS principle**









**Transparency of operations**

**Earthy and simple colours, something Sommalife was already using. But I slightly modified them**

A refreshed brand kit can be found in the appendix I.



**Color**

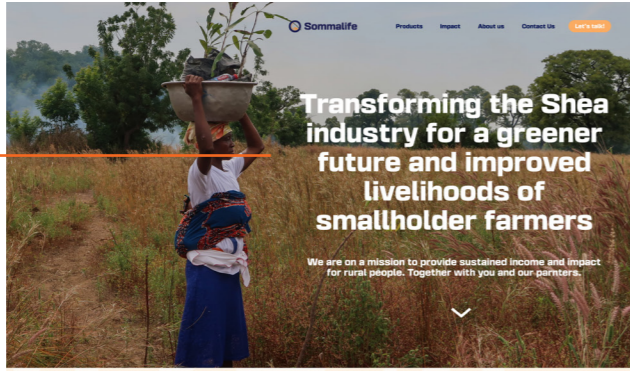
 1D2051 Typography	 619D6B Typography, shapes	 A0C8A6 Shapes
 4F596D Typography and Shapes	 f6871f typography	 E99A82 Typography & shapes
 FFFAF4	 FFF3E2	

66: New Logo and colors

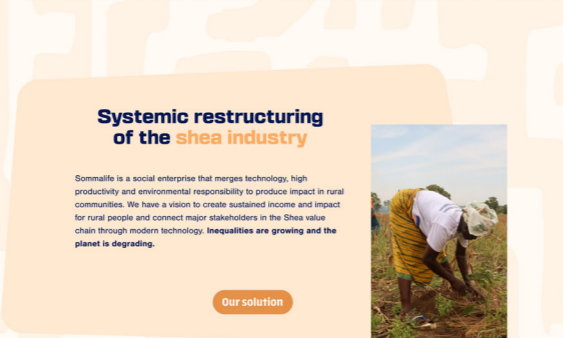
### G4.1 The website

The website is the manifestation of Sommalife's new Brand DNA, Narrative and Data Driven Storytelling. It should be seen as a representation of Sommalifes vision and mission, with an attempt to start conversations and connect with consumers. A first version of the website will be launched early in horizon 1, and will continuously be updated with the latest impact, products and stories. The impact will and stories will be supported by plug ins from the toolkit and will showcase real-time data from treesyt. The website consists of three pages: a "homepage," "product page", "impact page" and an "about us page". The "homepage" shows the overall mission of the company and how we are planning on accomplishing it. The homepage is meant to interest the consumer and redirect them to the other pages. The "product page" showcases Sommalifes high quality products, their impact and demonstrates how the toolkits work. The "impact page" tells the story of our impact in more detail and adds credibility to our business. The "about us" tells the story and team behind Sommalife. On the next pages the flow of the web of the web pages is shown. The fully exported website can be found in the Appendix.

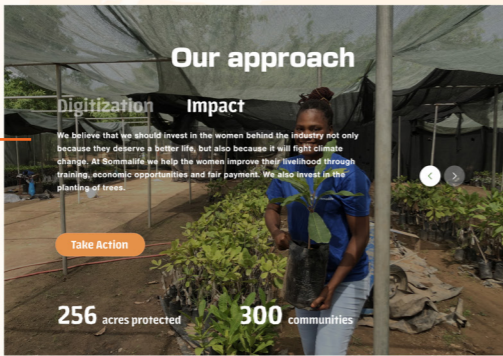




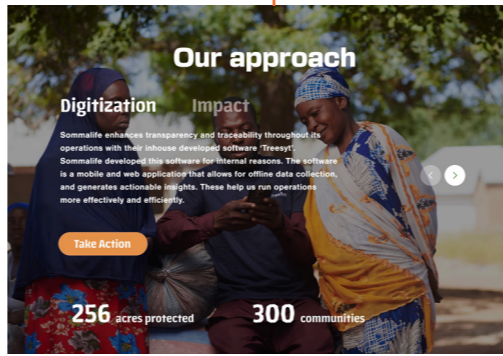
New Narrative



Simple explanation supported by metrics



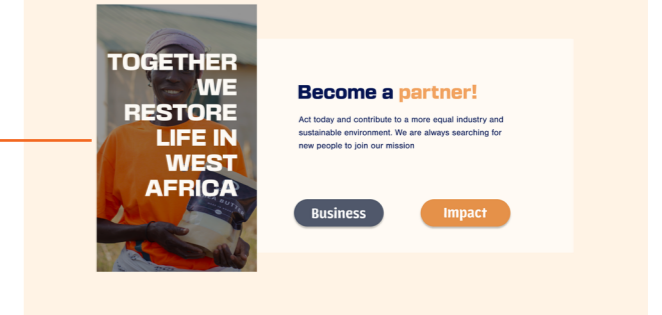
Simple explanation supported by metrics



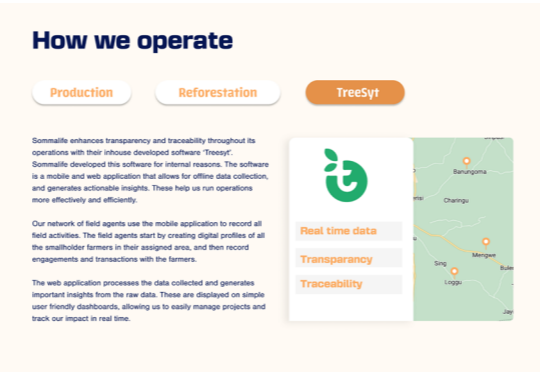
Clear call to action



Showcasing impact partners



Three pillars of Sommalife



Impact dashboard






Impact mission

Sommalife Products Impact About Us Contact Us Let's talk

## Resourcing rural communities to re-green our earth




### The Challenge

Unfair Industry  
Short-Term Mindset  
Deforestation

From 2001 to 2021 Ghana lost about 20% of its total tree cover. This is partially caused by the cutting down of trees by smallholder farmers to increase income. They increase their income by turning the trees into charcoal and selling the charcoal.



Impact supported by metrics

### Our Solution

Since 2001 to 2021 Ghana lost a 20% of its total tree cover. Smallholder farmers cut down trees for quick cash, turning them into charcoal. But they do not realize in the long run, long-term income through fruits (shea, cashew and mango) and preserve fertile land, preventing desertification.

That's where Sommalife comes in... we protect vast areas of land from deforestation and educate women on the value of these trees. And we're making the deal by resourcing their efforts in preserving them.

Take Action

256 acres protected 320 communities

### Our Solution

Protection Restoration Cookstoves Income

Shea trees traditionally take about 30 years to mature. Oh, and global warming makes it even more difficult to replant trees.

We have got a plan! Sommalife has collaborated with Acom and J&J Digital to raise shea seedlings that take 3-5 years to mature. Sommalife educates rural women in Northern Ghana on the method of grafting and how to nurse and plant these seedlings. We are on a mission to plant 100,000 beautiful trees before 2027, and that is just the beginning.

To make this possible we build shea seedling nurseries where we grow seedlings. We use a grafting technique which allows the tree to produce nuts within 5 years.

The trees increase soil fertility, improve crop yield and produce fruits which the farmers can eat and sell. The tree also captures carbon which we monitor using satellite imagery and monetize with our partner Acom.

Take Action

3500 trees planted 320 tonnes of CO2 sequestered

### The Challenge

Unfair Industry  
Short-Term Mindset  
Deforestation

Sometimes, the trees they cut down are the ones they make a living from in the long term, such as shea trees. Shea trees take 15 to 20 years in the wild to grow before they produce shea fruits. Which essentially means they have to wait 15 years again to get those shea fruits back in their income. This inequality in the shea industry and the lack of economic aid or opportunities is leaving down an already descending environment.



### The Challenge

Unfair Industry  
Short-Term Mindset  
Deforestation

The value distribution in the shea industry is unequal. In the case of the shea industry it means that stakeholders from manufacturing up until consumers profit the most from the final product. From my understanding this is exploitation: smallholder farmers being paid very low prices for their Shea and facing poor living conditions.



### Our Solution

Protection Restoration Cookstoves Income

Women in communities traditionally cook on open fires. They have been doing this for centuries and it is not the most efficient way to heat up food: with all that heat just going straight up in the air, it takes a lot more wood to get the job done. Fortunately, we have got a solution that's going to make their lives a whole lot easier: Cookstoves.

A cookstove focuses the energy and thus requires less wood and emits less carbon. For this programme we are going to build cookstoves in homes. We are choosing to build these cookstoves from clay instead of buying them, as we are dealing with the poorest of communities. For this we are going to train the women. Besides reducing carbon emissions the cookstove reduces time needed to gather wood, cook and clean and less wood or charcoal is needed to cook.

We monetize the carbon reduction through carbon credits with our partner FairClimateFund. Join our mission and let's get cooking!

Take Action

21000 cookstove installed €380 000 additional income

FAIR CLIMATE FUND

### Our Solution

Protection Restoration Cookstoves Income

Listen up shea lovers. The world of shea production is plagued by a major issue - the local producers, who are mostly women, aren't seeing their fair share of the profits. But that's where Sommalife comes in, hustle hard to make a change.

See, these local producers are often illiterate, meaning they miss out on crucial financial and economic skills that could grow their businesses and improve their lives. But the Sommalife squad is on it, educating them on financial literacy, from digital transactions to bank accounts for savings. This gives these women a digital and financial identity, making them eligible for loans to expand their businesses and increase their income.

And for me just you, our pre-financing is a game changer: Rural women now have access to capital at the start of the shea season, maximizing their production. Don't just take my word for it, hear it straight from the women themselves.

Take Action

32 000 Women registered €180 000 additional income

Using video's for credibility



What our women have to say

Aside everything, they have helped us to open bank accounts, to save some parts of our profits from sales.

### Sommastories



**Soccer championship**  
In Northern Ghana we already see the next-generation of Maradona's and Beckhams!

Initiative - January 2022



**Soapmaking trainig**  
We teach our women ways to add value to their crops. And as a bonus everybody in the office smells like coconuts!

Initiative - May 2022



**Prototyping nurseries**  
We are always learning ways to get the Job -Done with equipment available in the communities.

Project - March 2022

Storytelling

### Our impact goals

We have aligned ourselves with the United Nations' Sustainable Development Goals and are steadfastly committing our resources, technology, knowledge and creativity to fast-track their achievement in our operational areas.



Playfull wrting



**Our products**  
High quality products that increase the wealth of smallholder farmers

Shea nuts      Shea butter

**Benefits**

- No deforestation as a result to our approach, we plant trees
- Directly connect to local women and pay fair wages
- Make impact your USP as we present traceable products

22.75% Additional Income for Local Producers | 630 Acres of Shea Trees Protected | 7500 Rural Women connected to markets

**See where our products are from**

**Sommalife Impact**

- 32 000 Farmers helped
- €120 000 Additional income
- 350 000 Trees planted
- 300 Communities

**TOGETHER WE RESTORE LIFE IN WEST AFRICA**

**Let's get in touch!**

Act today and contribute to a more equal industry and sustainable environment. We are always searching for new people to join our mission.

Business

**Sommalife**  
0322 Madi Street Sombu, Wa, Upper West Region, Ghana  
+233(0) 546 558 379  
team@sommalife.com

**Quick Links**  
Our impact  
Terms & Policy

**Company**  
Our products  
Contact us

**Social Media**  
Facebook  
Instagram  
Twitter

**Stay Updated**  
Enter your email

Benefits

Supply chain transparency

**Shea butter**

**Description**  
You know it's packed with vitamins and fatty acids that are good for your skin and body. And yeah, it grows wild, so no need to chop down trees to make it. But, we go a step further and also plant trees.

- Fair wages
- Promotes reforestation
- Traceable
- Sustainable packaging
- No deforestation

Get a quote

**Qualities**

**Benefits for farmers**

**Certificates**

**Impact**  
16 million women in the shea industry are living on less than \$2 a day with their whole families. That's a tough lifestyle, especially when you consider this industry is worth billions. Too make things more difficult, these women are often illiterate and don't have a power to negotiate for better opportunities. Enter Team Sommalife, ready to tackle this injustice head-on. We're giving these women the tools they need to succeed and improve their standard of living. Want to know more about the impact we are making? Just hit the link below, folks.

**IMPACT CALCULATOR**  
Calculate the impact you have when buying our resources

1500 Metric tonnes X Shea nuts = 3815 Women helped

**TOGETHER WE RESTORE LIFE IN WEST AFRICA**

**Let's get in touch!**

Act today and contribute to a more equal industry and sustainable environment. We are always searching for new people to join our mission.

Business

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**Quick Links**  
Our impact  
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**Company**  
Our products  
Contact us

**Social Media**  
Facebook  
Instagram  
Twitter

**Stay Updated**  
Enter your email

playful language

Impact calculator

**Let's talk**  
We can give you more information and talk about what we have to offer.

Name  
Enter name

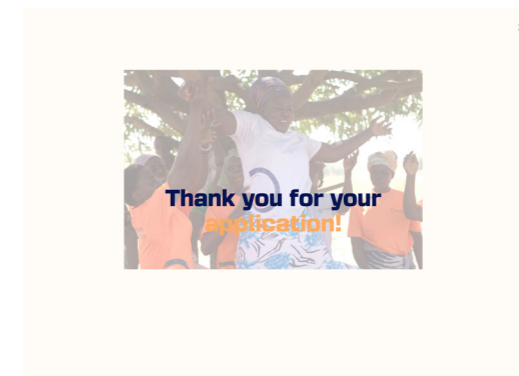
Email  
Enter email

Phone  
Business

Product you are interested in  
 Shea butter  
 African black soap

Message  
Enter message

Send





## About us



**We value rural women**  
Our hearts are deeply knit with the hearts of rural women and we understand what they are going through.

### Sheavolution

You might know that most of your beauty products are made from Shea butter. A beautiful product also known as Women's gold for its high levels of vitamins and fatty acids good for the skin and body. And the most beautiful part, it grows in the wild. Which means no nature has to be destroyed to grow.

You probably did not know that the women who grow these products on their lands are extremely poor and as a result they have to cut down the trees on their land and sell them as charcoal to make a quick income. Even the Shea trees. This makes them even more vulnerable to climate change and at risk of desertification.

Here are some numbers. On the local market 1kg of shea butter sells for €1 whilst on the European market it sells for €100. Meaning that big corporations make big profits, whilst the women live in poverty whilst their land slowly turns into desert.

We promote the use of shea butter against fair payment. Better for the women and their environment. Sommalife was started from Ghana itself. Our Founder Mawuse. It's a dutch ghanalian operation with operations and headquarters are located in Wa where the poverty is the most extreme. We are a new vehicle of change in the shea industry. Keeping the value of the product in the country of origin.

We are not another company in the shea industry nor are we another charity - we are the voice of smallholder farmers. We believe that by working together with them, as if to form one big community, we can deliver high quality products and improve the environment for our partners by introducing our living standards to the chain and applying our digitization. We help you and you help us. That is precisely what Sommalife means in the Ghanaian language: "Help Life."

Join our mission and together we can restore life in West Africa. Je is a social enterprise that merges technology, high productivity and environmental responsibility to produce impact in rural communities. We have a vision to create sustained income and impact for rural people and connect major stakeholders in the Shea value chain through modern technology.

Our vision is driven by empathy and the critical need to empower hard working rural women in Ghana and other parts of West Africa who are still plagued with poverty and struggle daily with their children.

Sommalife has carved multiple innovative ways to tap into the Shea business. We have implemented workable solutions that will give local producers financial freedom and make them major benefactors of this billion dollar business. We are deeply committed to protecting our environment in partnership with rural people. This is demonstrated through conservation parklands and restoration projects.

Our team of young and enterprising experts are passionate about our vision and mandate to fulfill multiple Sustainable Development Goals (SDGs) and transform lives throughout Africa.

**Our team**  
We are an international team operating from Ghana and the Netherlands. It allows us to efficiently connect to the rural women and ensure impact. In addition, it allows us to effectively oversee the whole supply chain, from raw ingredients to the customer.

**Mawuse Gysisun**  
CEO

**JohnCarl Dony**  
COO & Commerce

**Tom Savalle**  
CFO

**Willem Oomens**  
Development & Partnerships

## G5 Chapter Conclusion

### A Comprehensive Brand Strategy for Sommalife: Driving Change in the Shea Industry for a Greener West-Africa

In this chapter we wanted to deliver accompanying Brand DNA, Narrative, Strategy and website, so that Sommalife can successfully act with their new services. In summary, I have designed a comprehensive brand strategy for Sommalife to help the company achieve its mission of changing the Shea industry for a greener West-Africa and improving the livelihoods of smallholder farmers. The strategy includes the creation of a Brand DNA with a purpose, positioning, personality, tone of voice and guiding principles. Additionally, I have created a brand narrative to effectively communicate Sommalife's sustainability and quality to key stakeholders and consumers, and to align Sommalife internally towards the goals of advancing in the supply chain to reach consumers and improve the life of smallholder farmers.

**Horizon 1** In this phase Sommalife will strengthen and support its impact by introducing a new impact approach and carbon credit projects. The company will strike partnerships to support their impact standard and carbon credit models. Sommalife will also expand its team and assets, operating in The Netherlands, Ghana, and Burkina Faso.

**Horizon 2** In this phase Sommalife aims to n the shea industry by setting up a processing site, exporting shea butter, and launching its own cosmetic line. Sommalife will scale its services and partnerships from Horizon 1

to increase its impact on rural farming communities. Sommalife will also seek out new partnerships with like-minded organisations and businesses to increase its impact and credibility. To support its commercial goals, the company plans to hire additional marketing and sales individuals, as well as two additional impact managers.

**Horizon 3** Between 2027-2028 Sommalife will be focused on scaling its impact in the shea industry and expanding the reach of its products and services. The company aims to lead the wave of change in the shea industry and to partner with larger organisations to expand its impact. Sommalife will be introducing Treesyt as a Service to support, which they have been iterating over the past 4 years, and is now ready to spread to similar companies. They will also pilot beekeeping projects and provide smartphones to smallholder farmers to help them benefit from Treesyt. Sommalife intends to expand its operations to neighbouring countries such as Mali and the Ivory Coast, and to sell its cosmetic products in international markets such as Belgium and Germany.

Lastly, Sommalife's website will serve as a platform to communicate its brand, vision, mission and impact to clients and consumers. The website will showcase the Data Driven Storytelling toolkit and will be vital to engage companies for potential partnerships





67: Shea seedlings

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# CONCLUSION & FURTHER RESEARCH



## H1 Conclusion

The aim of this project was to discover a way for Sommalife to monetize its social and environmental impact in order for them to scale and improve their impact. In my experience from the project, the world of impact is complex. However, the shea industry trends and the growing demand for sustainability among consumers quickly gave the feeling that Sommalife's timing of Sommalife is right.

That is important as the climate problems are urgent and if rural farmers are not helped their situation will dire fast. From research information on the Sommalife, the shea industry and consumers was uncovered. In addition, several opportunities were found to help somalife address this problem. The most viable proved to be for Sommalife to move up the supply chain to increase the margins they make on their products and also target sustainable consumers. The other opportunities were to develop projects that generate carbon credits. A direction was chosen for Sommalife to move up the Supply Chain supported by different monetization models to build towards direct monetization through consumers.

But before Sommalife can monetize their impact it must know how to make an impact. A new impact approach was structured with four steps: Identify, Design, Measure and communicate. After this step, new product services were designed for Sommalife Climate impact and social impact respectively.

On the climate side, the collaboration with FairClimateFund (FCF) on the cookstoves program will provide social and financial benefits to the communities. Additionally, the partnership with Acorn on the agroforestry initiatives will allow Sommalife to sell additional carbon credits, while also improving soil fertility, food production, and the livelihoods of smallholder farmers. With the additional income generated by the carbon credits the farmers can also choose to put it in a community fund which can be used for individual loans or investments. Looking at the trends for the carbon market, these projects will only become more and more lucrative.

On the social side, Sommalife has the potential to monetize its impact through data-driven storytelling. This approach, which involves turning data into tangible and playful narratives, has the advantage of building consumer trust and loyalty while also promoting the impact achievements of Sommalife. To successfully implement this strategy, Sommalife should focus on identifying its target audience, developing impact KPIs, and targeting the right 'sustainable' companies with persuasive arguments.

Lastly, a strategy was designed supported by a brand DNA, brand narrative and website that communicate Sommalife's impact and products to key (potential) partners and consumers. The strategy consists of three horizons that support Sommalife's new direction.



67: Rural farmer

## H2 Further Research

This project sets a good foundation for Sommalife to build on. However it will require some additional research to support the concepts and strategy.

I would advise researching the following topics:

### Desirability

- Conduct continuous qualitative consumer testing on data-driven storytelling
- Recommend conducting a quantitative study to understand consumer behaviour when developing marketing campaigns and product lines
- Test which Impact KPIs consumers respond to the most
- Investigate consumer reaction to products without a label and Sommalife partnerships
- Study consumer response to products utilising blockchain technology to prove impact
- Identify potential partnering companies for Sommalife

### Viability

- Identify and prioritise ways to improve community loyalty and prevent being outcompeted on the short term by capital intensive competitors
- Develop a business case for Data Driven Storytelling
- Research and compare impact financing institutions to determine the best option for financing new services
- Consider partnerships or collaborations to enhance offerings and competitive advantage
- Conduct market research to understand and address any potential threats or areas of weakness
- Utilise data analysis and customer feedback to continuously improve and evolve the business strategy

### Feasibility

- Investigate different auditing companies and their certification processes to determine the best fit for Sommalife's needs
- Research various certification programs that align with Sommalife's brand values and widespread mission within Sommalife
- Explore alternative legislation that can support Sommalife's efforts to sell their products at higher margins
- Study the potential for developing a blockchain for Sommalife's services
- Assess the internal benefits of implementing a blockchain, such as increased transparency and efficiency
- Consider the potential external benefits, including improved trust and accountability for stakeholders and customers.

### Integrity

- Develop metrics and standards based on Tony Chocolonely's example and Fair Trade
- Investigate ways to prove no deforestation is occurring using satellite imagery or drone imagery
- Conduct further field research to identify needs of farmers and ways to support them more effectively
- Create a theory of change to guide Sommalife's impact strategy
- Develop Sommalife Impact strategy in more detail
- Explore impact organisations and companies for new partnerships opportunities



### H3

## Overall reflection

The project began from my personal motivation and interest. The goal was to further educate myself and to put my skills that I learned during my Masters to the test and create something that can help Sommalife make an impact.

If I reflect on using the skills learned in Msc I think it is a success. I have analysed internally and externally and found opportunities. I have developed these opportunities with respect to desirability, viability, feasibility and my personal addition, integrity. Lastly, I have prototyped features based on consumer research and built a strategy. What I unfortunately ran out of time to do was to validate using consumers. Which was a personal ambition and missed learning opportunity seeing as Jeroen was my mentor.

If I reflect on the result, it has indeed become something that has a potential to make a strong impact. I have a strong feeling that a good foundation has been set for

Sommalife to move forward with. And from my early assumptions, we probably will to a large extent use this research and execute the plans made.

My overall reflection of the process is to be more decisive and focused. This was a passion project of mine and therefore I often went exploring multiple directions. This led to an extension of the project. One thing I learned from this is to work more with others to remain on track. During my graduation project, Sommalife team was extremely busy with ending the season and preparing for new investments. This limited the opportunity for me to collaborate on the project as much as I would have liked. I have learned that I should also take more time for the analysis part of my research and to structure key findings better to form a red line.

My overall conclusion is that I am extremely happy and proud with the end result. I have learned a lot during this project and am looking forward to implementing it during my future work at Sommalife.



68: A beautiful Ghanaian sunset





69: Sommalife soccer tournament

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new-value-in-rapidly-changing-world

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