

## **"Setting up a business"**

### **EPISODE 6: "Distribution"**

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### **Characters / Episode 6 :**

Narrator

Daniel Huba (Man, 29 years old)

#### **Scene 1 :**

**KOSSI** : (Man, 18 years old)

**ABBAS** : (Man, 21 years old)

**MARIAM** : (Woman, 19 years old)

#### **Scene 2:**

**KOSSI** : (Man, 18 years old)

**ABBAS** : (Man, 21 years old)

**MARIAM** : (Woman, 19 years old)

**Mr MASINGA**: (Man, 57 years old)

## **INTRO :**

### **Host :**

Hello and welcome to Learning By Ear and another episode of our series about setting up a business. Our friends, Mariam, Abbas and Kossi, have decided to set up their own design agency, and they've chosen a name for it - Young Design. However, when they did their market survey they found out that there was plenty of competition. In today's episode, which is called "Distribution", they'll be trying to figure out how best to reach their target audience. Our expert Daniel Huba, a lecturer at the Regional Center for Enterprise Development at Inoorero University in Kenya, has a few words of advice on the subject.

### **1. Daniel Huba 1'02**

*Distribution is basically about the channel you will use to bring your product or service to the final consumer, the person who needs your product or service. So what channel are you going to use? When I make my products, do I need to sell them directly to the consumer or should I sell them via some outlets. For example, I am in the cereal business. Now if we have a big farm, and I'm planting maize or have a plantation, I have to ask myself: How can I distribute this maize from my farm to the final consumer? There are ways. One way is that you may want to sell this maize to particular groups of wholesalers. Wholesalers buy in bulk from you and sell it to outlets who then sell it to the final consumers. Retailers are closer to the customer. They actually break the commodity into quantities that the customer wants. So if you choose that route, you know that you may not be gaining the maximum profit. You don't see your customers. But it's less tedious, it doesn't involve much.*

2. Narrator: **Let's see how our friends approach the question...**

**Scene1 : At a park**

3. **ATMO : Outside, leaves rustling, birds, traffic in the distance**

4. **ABBAS :** **(Sitting on the floor)** Right, the question now is how to approach potential clients. Directly, or via an already-existing structure? If we work with a big agency, for example, and tell them they can sub-contract some of their orders, then we can accumulate experience and get some of their clientele, which would make the bureaucracy easier and keep advertising costs down...

5. **MARIAM :** Yes, but the other company will want a big commission. If we stay independent we can keep all the money for ourselves... **(Kossi interrupts so these last words cannot be heard)**

6. **KOSSI :** **(Seriously)** Stop it, both of you! Come back down to earth! Don't you think you're going a little too fast? We haven't even looked for our customers yet. We don't have any start-up capital, and we haven't even finished working out what all the investment is going to cost. We can't afford to use middle-men at this stage. Let's not go too fast, shall we?

7. **MARIAM :** **(Stubbornly)** Yes, but if we don't start straight away we'll never start at all! We can't let ourselves be

inhibited by all the problems, otherwise we'll never do anything!

- 8. KOSSI :** OK, but this is business, it's not a walk in the park. Listen! I understand your impatience, and that you're keen to get this project off the ground. It's true that nothing happens until you take action, and we won't be able to test our skills until we've launched our company, but I'm just saying we should keep it simple. Let's stick with the people we know. I think we should talk to my cousin Anthony...
- 9. MARIAM :** How can he help?
- 10. KOSSI :** Abbas knows him. He's a young businessman and he's about to get married. I think we should use his wedding to test our skills.
- 11. ABBAS :** Do you think he'll let us?
- 12. KOSSI :** I'll meet him, sweet-talk him so to speak. It should work. He listens to me. But we might have to do everything on our own or sub-contract some things out.
- 13. ABBAS :** Let's get the job first.
- 14. KOSSI :** You're right, but it doesn't do any harm to prepare in advance in case we get it. It'll be a lot of work – we'll have to hire the cars and the reception space, decorate it, organize the wedding dress, the catering, the music, a DJ for the disco...

- 15. MARIAM :** Oh my god, how will we manage all that? We're going to organize *everything*? Didn't we say we were going to start off just doing interior design?
- 16. ABBAS :** **(Getting up)** Don't panic! We'll just be providing advice. We can concentrate on that and get other professionals in for the rest! Right, let's get the motorbikes, go home, and put it all down in writing. Are you coming, Mariam?
- 17. Kossi :** **(Walking away)** I'll try to contact Anthony now, or maybe I'll even bump into him. See you later. Bye!
- 18. ABBAS and MARIAM :** Bye, Kossi ! See you later!

<b>19. SFX : Sound of fast steps, motorbikes starting</b>
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- 20. Narrator :** **It seems our friends have rejected the idea of getting a third party in to sell their services. Our expert Daniel explains the advantages of doing it this way.**

**21. Daniel Huba 45''**

*The other route you may choose is that I want to be selling my products directly to the consumer. So I avoid using any middle person on the ground. So if you choose that you enjoy the maximum gain in terms of maximum profit, but you're supposed to bear the cost of bringing this product to the final consumer. The advantage of that is that you're in direct contact with the consumer and you can talk to them and understand their fears and their likings. You can convince them and create a longer bond with them. But if somebody else is doing it, you don't know how they handle your customers.*

**22. Narrator :** Our entrepreneurs got put all their effort into convincing their first potential client Anthony to organize his wedding. He agreed and they had a lot of work to do. Two months later, Anthony's wedding is a great success. While the party is in full swing at the newlyweds' villa, Abbas, Kossi and Mariam are in the kitchen, taking stock of the event.

**Scene 2: At Anthony's villa on the wedding night**

**Abbas, Kossi, Mariam, Mr. Masinga**

**23. ATMO :** Festive indoor atmosphere, music for dancing (salsa...)

**24. ATMO (to be recorded during production) :** laughter and animated conversation

**25. SFX :** crockery being washed up and put away

**26. ABBAS:** (Loud, to be heard over the music) I think we can congratulate ourselves, don't you?

**27. KOSSI :** Yep, it's a total success – apart from a few hiccups at the beginning, but that's only to be expected!

**28. MARIAM :** Kossi, have you checked how much drink is left?

**29. SFX :** Sound of bottles in a crate

**30. KOSSI :** No worries! There are still about 20 bottles of champagne, 20 bottles of spirits and some 30-odd crates of beer and soda.

- 31. ABBAS :** Isn't that too much?
- 32. MARIAM :** No! The night is just beginning! And anyway, the bride and groom will be able to provide people with drinks for the rest of the week. Well done, Kossi, on all your hard work.
- 33. ABBAS :** It's great success. You're a master!
- 34. KOSSI :** Okay, okay, don't exaggerate. The worst thing was that we didn't think about power cuts. We could have rented generators just in case – that would have prevented the delay at the beginning.
- 35. MARIAM :** Yes, but now that the party's started, everyone's happy – see for yourself – it's going really well!
- 36. ABBAS :** Especially as you chose the right sub-contractors. They were all very efficient, and all of them were on time!
- 37. KOSSI :** Yes, but the decorator, on the other hand – never again! We should have chosen someone who had more experience. I didn't like his color scheme.
- 38. MARIAM :** But that's what the bride wanted. There wasn't much he could do once she'd chosen red and green as her basic colors!

- 39. ABBAS :** Yep, this is a problem that'll come up a lot. We're just consultants; we can't decide for the clients. We can try to put ourselves in their shoes and make suggestions, but that's all. Maybe we just didn't have the tact and experience to know how to persuade them to choose nicer colors.
- 40. MARIAM :** That's true but in the end it's not so bad. And the DJ is great! ...
- 41. ABBAS :** Let's propose a toast – to us! Long live Young Design!
- 42. MARIAM and KOSSI :** Long live Young Design!

**43. SFX :** Chin-chin sound of glasses as they toast

**44. ATMO (to be recorded during production) :** the protagonists drink as they talk

- 45. ABBAS :** Listen, what did you think about the wedding ceremony?
- 46. KOSSI :** Err, yeah, that was our fault! We didn't co-ordinate the time when the bride and groom were arriving properly, and we should have done more to make sure the best man and the bridesmaids got there on time.
- 47. MARIAM :** The mayor was angry that he had to wait. That's something we have to get used to as well – hassling people on the phone to make sure they stick to the timetable.
- 48. Mr. MASINGA :** (coughs to indicate he is there) Hm hmm !
- 49. KOSSI :** Ah, hello, Uncle Masinga, I didn't see you there...



50. **Mr. MASINGA** : It's a very nice party, children. I have to congratulate you. Well done!
51. **TOGETHER** : Thank you, Uncle!
52. **Mr. MASINGA** : It's perfect. The timing was great, everything looks beautiful, and your DJ knows what music to choose to get people onto the dance floor...
53. **ABBAS** : We wanted you in particular to dance!
54. **MR. MASINGA** : Well, you managed to get me out there! But now you should also make the most of it!
55. **MARIAM** : Don't worry, uncle. We were just taking stock. But then we're going to go PARTY! I hope the DJ has got some reggae music!
56. **MR. MASINGA** : **(laughing)** Oh, I'm sure he does. Have you got your business cards with you or brochures or something like that?
57. **KOSSI** : Of course we have, but what for?
58. **MR. MASINGA** : Well, now's the time, of course! Hand them out! Sell yourselves to potential clients! All the guests have got your product right before their eyes - you don't have to work to convince them. You just need to leave them your details. You have to think quickly in business – that's what it's all about, thinking on your toes, reacting fast to opportunities...
59. **MARIAM** : **(Captivated)** Uncle, you're a genius! **(throws her arms around his neck and kisses him)**

**60. Narrator :**               **So our friends’ first experience of organizing an event seems to have gone very well. The party’s a big success, and it means that the three young people also have the chance to meet potential clients. This is what our expert Daniel advises, too.**

**61. Daniel Huba 48’’**

*But again, dear listeners, this depends on the business you’re dealing with. So in the service industry, working closely with the customer directly is more preferred because you can win loyalty. Loyalty in business is whereby you have a commitment, not a written one, but a commitment of your customer being with you for a longer time. For example if you are doing a salon business, if you are in the transportation business, or in the ICT business. These are what we call the service industries. But when you are dealing with the products, in the trade industry for example, cereals or clothing business, there you can use middle people, because sometimes you cannot reach all market and you depend on existing distribution channels.*

**OUTRO:**

**HOST:**

That was the sixth episode in our Learning by Ear series on setting up a business, featuring Daniel Huba from Inoorero University in Nairobi. How are the affairs of Mariam, Kossi and Abbas going to develop? Find out by tuning in to the next episode. If you would like to hear this episode again or any other Learning by Ear series, go to [dwworld.de/lbe](http://dwworld.de/lbe)

Bye for now, and don't forget to tune in next time!

**END**