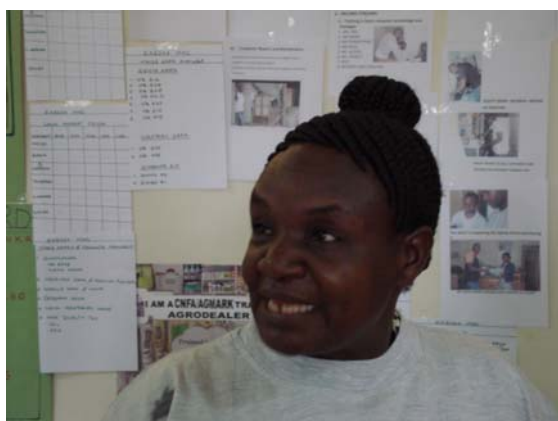


**Challenges with a RAVI Loan and Hard Lessons Learned about Deal Making**

*By Susan Nduku<sup>1</sup>*

In an interview at the AgriTrade Trade Fair 2009, Susan shared with us her experience with a RAVI loan and what she has learned from the mistakes that she made in deal making.



*Susan Nduku, Yanse MAC, Busia, Kenya*

**A RAVI Loan**

I was among the first people to be given a RAVI loan. I was given a total of 890 Euros which was supposed to be paid over a period of one year. Essentially the loan was to set up three Information Boards (IBs), buy tea and build my business. I scaled up my tea selling business; I bought bicycles to help me move faster with the sales of the tea. I was also able to buy two mobile phones and get a licence for the IBs.

**Building up the Business**

Before I got the loan I was selling a total of between five and ten packets of tea per day and when I was given the loan it increased the number of packets I was selling because I had the power to employ two more people where before it was only me working with one of the other directors. The bicycles helped us move faster, cover

a wider area and sell up to 40 packets of tea per day.

**Deal Making**

When we had the Trade Fair last year (2008) I learned about deal making and when I got back home I started very well with sunflower; I made a good deal and I got a commission. Then I also made two deals for maize with a trader. When we made the third deal, instead of me working to make a commission, the agreement was that I should buy the maize and then sell it to him. This meant that I used a lot of money which I needed for my other businesses of the tea and milk and so a lot of money went into the maize deal. I sent that maize and the man never paid me so a lot of money was lost. That made it very hard for me to pay back the loan.

**Starting Again on the Repayments**

I had to start building up the business again. I have two cows and I am bulking and selling milk. I have now increased my tea leaves stock which had gone down after the bad deal. I went from selling 40 packets to 15 packets of tea per day and now I am selling between 15 and 20, so that is income and I have the milk sales too. So I am able to get some money and repay the loan. I am comfortable with that.

**Learning from Mistakes**

I have learned a lot of things and I have shared these on the LLL Internet platform ([www.linkinglearners.net](http://www.linkinglearners.net)). One of the things I learned when I was dealing with the trader was that I should have made a written contract. The deal was on trust, we never made anything written, we were just talking and making deals. I realised later that had we made some written contract then I would have had something to support me and then I would probably have taken some legal action. **So I learned that if I am making a deal I have to do it in writing.**

<sup>1</sup> Interviewed by Anne Dennig in November 2009

The other thing I have learned is that if I make deals I will do it to make a commission. **My advice is if you are in deal making, go for the commission on a marketing service – work on that and improve from there. Don't go into the actual buying unless you are one of the big, big traders.**

### **Managing the Loan**

I have had a lot of support, even when I was down and unable to pay the loan my Regional Manager Solomon Mulindi would call me and encourage me a lot- he would even come and see me. In other places I would have been harassed so much, but there was no harassment. There was only encouragement.

From the LLL I got a lot of encouragement; especially from Clive Lightfoot and Ueli Scheuermeier. With loans from other places they would have demanded why I was delaying and complained that the money was not paid back so that other people couldn't use it. But everyone showed understanding; that encouraged me to put effort into getting money and then to start repaying the loan—otherwise it would have been very bad on my side.

Contact: Susan Nduku  
Email: nduku\_susan@yahoo.com  
Mobile: + 254 720235877