

SUCCESS STORY: Kenyan Credit Unions help Women Turn Entrepreneurial Dreams into Reality

June 2023 - Nancy Kariuki was a licensed pharmacist who wanted something more: she dreamed of becoming an entrepreneur. Eight years into a career in sales for drug companies, at age 40, she finally took the plunge. Keenly aware of the challenges women-owned businesses face, Nancy had been saving money over the years, and by 2020 had amassed KES1 million (approximately \$7,300) in start-up capital. She opened her business, Essos Pharmacy, in the central business district of Kerugoya, a town of 15,000 in central Kenya.



Nancy Kariuki providing services to Essos Pharmacy's customers.

Nancy was successful for two years in establishing and growing the business. But, in 2022, Essos was struggling to meet increased demand caused by the COVID-19 pandemic. She needed capital and turned to Fortune SACCO. SACCOs, savings and credit cooperatives, are a popular financial-services option in Kenya. Members of SACCOs invest in them or make deposits and can use that value as collateral when borrowing from the institution. They often can borrow more from a SACCO than from a bank, and at a lower interest rate.



Nancy in front of Essos Pharmacy.

Fortune SACCO is one of ten SACCOs participating in a USAID-funded World Council of Credit Unions project under the Cooperative Development Program (CDP) called [Technology and Innovation for Financial Inclusion \(TIFI\)](#). The project seeks to enhance the capacity of SACCOs to lend to micro-, small- and medium-sized enterprises through improving credit risk management, streamlining and simplifying the lending process, and increasing the number of quality financial products available to these businesses.

Fortune granted Nancy a loan sufficient to do what she most wanted – create new jobs. She hired a staff of four, after previously relying only on her husband for extra help. She also enrolled her employees in the National Housing Insurance Fund and the National Social Security Fund, which provide them with healthcare, a pension and social protection.

Nancy also used the money she borrowed to upgrade her point-of-sale and inventory system. She now has more visibility over the operations and financial position of the business. The data also enhances her ability to borrow money in the future, and at a lower cost, because she can now provide reliable financial statements to lenders.

Within a year, the business tripled its revenue and now competes with larger pharmaceutical businesses as a key player in the market. Nancy's success not only contributes to the economic growth of the community but also provides a source of inspiration for other women entrepreneurs in the area.

The USAID/CDP-TIFI project is transformative because it unlocks the potential of SACCOs such as Fortune, improving how they lend to micro-, small- and medium-sized enterprises. SACCOS in turn help unlock the potential of those businesses, such as Essos Pharmacy, and people like Nancy, who turned her dreams into reality and improved her community in the process. She is a shining example of what can be achieved with the right resources, determination, and support.

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