

# FRENCH PASTRY

## BAKERY

Hargeisa, Somaliland



### OVERVIEW

French Pastry is a commercial bakery established in 2012 that manufactures and sells baked goods to restaurants, retailers, and residents in Hargeisa, Somaliland. The bakery is owned by Yahye Yousuf, an entrepreneur who realized there was growing demand for fresh, high-quality baked goods in restaurants and homes throughout Somaliland. The bakery's main customers are predominately small shops owned by women. French Pastry has thus created a positive impact in the markets where it works, generating income opportunities and jobs for women and small-scale entrepreneurs. Mr. Yousuf got a grant through the World Bank's Somaliland Business Fund project, which gave the company the seed money it needed to start operations.

***"We learned a lot from the trainings, especially the marketing lesson. We learned how to promote our products and expand our market reach."***

***Yahye Yousuf***  
*French Pastry Founder*

### THE CHALLENGE

Most bakeries in Somaliland are small-scale businesses that manufacture only traditional-style breads and cannot produce baked goods at a commercial volume. The baked goods market in Somaliland also lacked variety and quality as there was little training available to develop baking skills and test new products. French Pastry recognized these market opportunities and came up with a business plan to meet market demand. The bakery soon started producing baked goods on a daily basis and even introduced new products to the market, including cupcakes, sliced bread, croissants, and other sweet bakery products, to massive success. Because of their unique approach using quality ingredients to produce a variety of products at a high volume, the demand for French Pastry's goods grew at a fast rate. Mr. Yousuf soon realized that to successfully meet the growing demand and scale the business, he needed more expertise organizing the business structure and developing management skills. French Pastry wanted to improve its overall business strategy by increasing revenue and production capacity to meet consumer demand in Hargeisa and beyond.

### THE SOLUTION

French Pastry applied for the Oxfam-funded and Shuraako-managed Work in Progress! (WIP!) program, a management skills development program that helps entrepreneurs like Mr. Yousuf professionalize operations, develop skills, and execute business plans. The program offered French Pastry's management staff consultation with mentors and technical support from experts to improve French Pastry's business model.

The WIP! program helped French Pastry grow operations by providing technical support and improving processes, resulting in greater output of products and expansion of the customer base. The program addressed challenges and offered solutions to improve its sales strategy, product and package development, and management skills. With that, the WIP! program got the bakery ready for investment.





## RESULTS

French Pastry's expansion plan was pitched to investors in June 2017. After receiving an investment, the bakery purchased a dough mixer, commercial oven, packaging and marketing materials, and a van to increase production capacity and expand its market outside of Hargeisa. The loan also enabled the bakery to move to a bigger location with a specialized production plant, allowing the bakery to increase its output.

The management training received from the WIP! program has enabled the bakery to improve its relationship with its retail customers, giving the company a competitive advantage over other local producers. The investment in the bakery increased its sales by **43%** and its profits by **107%**. The investment also had a positive impact on the community by creating **6 jobs for women and youth**. French Pastry now offers affordable products to the community thereby reducing Somaliland's reliance on imported products.

