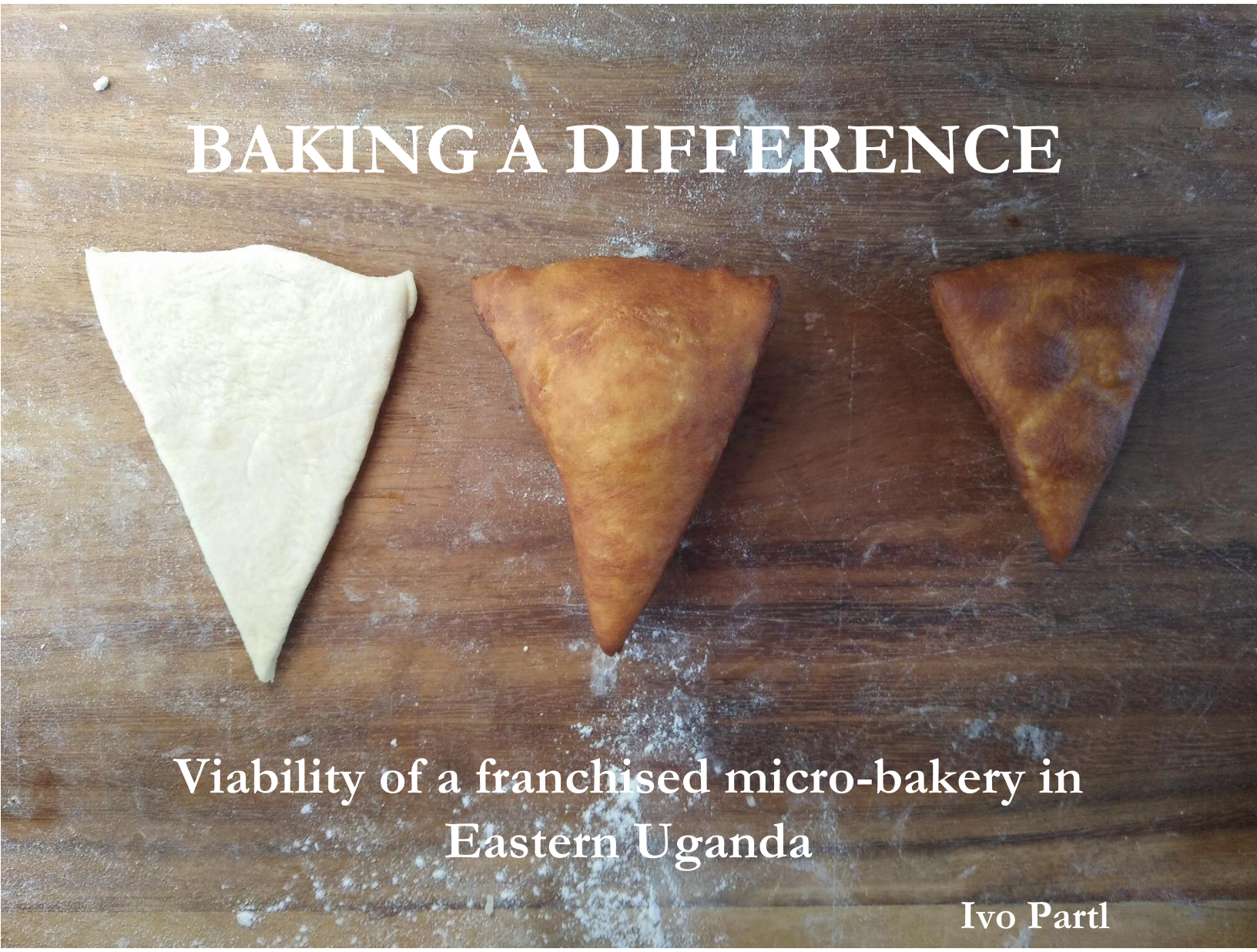

BAKING A DIFFERENCE

Viability of a franchised micro-bakery in Eastern Uganda

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Abstract

The purpose of this thesis is to provide an insight into the viability of micro-bakery in Eastern Uganda. The emphasis is on the capacities micro-entrepreneurs use to navigate challenges they face in their everyday practices.

I've collected my data by combination of observation, participation and interviews during a 10 week stay in Eastern Uganda, mostly focusing on one micro-enterprise and the network surrounding it.

The study finds that micro-franchise does influence the way micro-entrepreneurs navigate challenges in their everyday practice. It is difficult to state that it is enough to make their small businesses viable, but being part of the micro-franchise allows them to tackle challenges which they would previously not have capacity to deal with.

This thesis provides information on how business development programs are done outside of international development sector and further discuss how franchising can play a positive role as a provider of entry jobs.

This paper brings empirical evidence to the studies of micro-entrepreneurs within the micro-franchise networks, specifically in the food sector.

Keywords Micro-enterprise, micro-franchise, everyday challenges, employment, business development programs, Uganda

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1 Introduction

Before being a micro-franchise baker, Issa was self-employed entrepreneur, buying paraffin in bulk and reselling it in the slum in small bottles. He was doing that for almost 5 years, having enough income to get by, to survive (Issa interview, 21-3-2017). In literature, he would be accordingly labeled as a survivalist or necessity entrepreneur, e.g. person who has to opt for self-employment because regular employment is not available (Schoar, 2010, Bannerjee and Duflo, 2011, Diochon et al., 2017). Eventually, inflation put him out of the business (Issa interview, 21-3-2017). That could happen again, but the situation is different now and so is the nature of his micro-enterprise. He is technically self-employed again but this time he's not doing it only on his own. As one of the 3 bakers of BISS team number 29, making deep fried snacks every day to sell in the schools or just on the streets. And this team number 29 is one of the hundred plus microbusinesses started under the BISS micro-franchise.

The project is called BISS, Baking It Smart and Simple, and was started by Bake for Life, a foundation from the Dutch bakery industry. Originally, the foundation started a college in Tororo, Uganda, offering vocational training for bakers. Afterwards, they set up 4 large bakeries in Uganda and 1 in Kenya. BISS, the foundation's latest endeavor, offers people an opportunity to start their own business in the form of a small-scale bakery franchise. Currently, as part of BISS, there are around 100 small-scale bakeries running in Central and Eastern Uganda, selling common snacks like mandazi and samosa.

And this program seems to work. But the program it's not just a business development program. It is the basic education part in the beginning, it's the material and know-how support. But as importantly, it is the whole network and the way how is the microbusiness embedded in it. Project managers, educators in the college, local supervisors and all the other microbusinesses. They all play their role in making it work, both the franchise and bakery microbusinesses.

From all the bakeries that started over the course of the last 4 years, 75% were able to repay the initial loan (project leader interview, 31-5-2017). In other words, these newly created microenterprises are stable and viable. They won't make anyone rich overnight but it provides a source of income for the micro-entrepreneurs affiliated with the bakery. This is a remarkable achievement given the volatile environment they often operate in. How is it possible? Why is a micro-entrepreneur with a micro-franchise arrangement able to achieve viability?

There are several papers which explain intellectual narrative leading up to this thesis.

Firstly, delving into the literature on micro-entrepreneurs I quickly found out that they are hardly a homogenous group. Schoar (2010), amongst others, made a clear distinction between necessity and opportunity entrepreneurs (subsistence and transformational in her writing). These two groups, in very short, differ in their motivation to be self-employed, one who choose to do so and one who don't have any other option. Accordingly, they differ greatly in their economic objectives, their skills and their role in the economy. That led me, ultimately, to settling on viability as a notion of success for necessity entrepreneurs.

That viability could be potentially influenced by micro-franchising. Christensen et al (2010) argues that micro-franchising provides job opportunities to those who lack fundamental entrepreneurial skills by

replicating a proven business model. That is a common theme in micro-franchising literature but Christensen et al (2010) were first to make the clear connection between micro-franchising and necessity entrepreneurship.

Lastly, paper of DeBerry-Spence and Elliot (2012) helped me with narrowing down my scope and with my methodological choices. It brings the notion of everyday challenges to micro-entrepreneurship as a concept complementing long-term barriers to micro-entrepreneurship (institutional, economical, technological etc.). While effect of micro-franchising on those has been covered in the past, micro-franchising's role in the everyday challenges of micro-entrepreneurs is not an issue explored. Methodologically it is also something I could explore in detail in a several weeks' time as oppose to more long-term issue of barriers.

To sum it up, first paper helped me with describing the theoretical construct of the thesis, viability of micro-enterprise. Second paper helped me with identifying the micro-franchising as a variable, condition potentially affecting the viability of micro-enterprise. Last paper on challenges in everyday practices then narrowed down my focus from the methodological perspective.

Value added by my thesis is two-fold. Bringing the notions of micro-franchising and everyday challenges together in the context of starting micro-entrepreneurs is a new, complementary perspective. Where Deberry-Spence and Elliot (2012) looked at the everyday challenges of individual artisanal craftsmen, I look at the case where given entrepreneurs are part of a franchise, adding an extra layer of context above Deberry-Spence and Elliot's actor-challenge setting

Besides that, my thesis puts a spotlight on a project like BISS: an industry-backed foundation passing on a know-how of their trade in the form of a development project. As mentioned above, BISS project is only continuation of more than 20 year presence in the country, which I think is very important notion for intervention project like this, it allows for tailor it precisely for the local reality and context. I have not found many similar projects and think it deserves more attention of development practitioners.

In terms of organization, in next chapter I'll present necessary concepts, introduce relevant literature followed by research design, where I present my single case study. Further, the results section is divided into 3 parts, where first two parts deals with different practices – practice of making and of 'doing business' respectively. Last part briefly presents my own intervention experiment, building of a low-cost oven. In last chapter I provide further analysis and discussion with literature.

2 Conceptual framework

2.1 Concepts

2.1.1 Micro-entrepreneurship

In my introduction I state the interest in understanding the viable nature of the microenterprises under the BISS project. But who exactly are these micro-entrepreneurs and what is the viable nature of their business?

A microenterprise is the smallest subset of a business enterprise, it is mostly informal and employs less than 10 people (Robson, Haugh, & Obeng, 2008). Within this segment we have to distinguish necessity entrepreneurs (Mead and Liedholm, 1998, Bernet et al, 2012, Rogerson, 2001), who do business because more conventional employment is not available (Banerjee, Duflo, 2011). These micro-entrepreneurs are mostly individuals and mostly vendors (Deberry-Spence, Elliot, 2012). The other group consists of opportunity micro-entrepreneurs who seek to expand (McPherson, 1996; Mead and Liedholm, 1998) and employ usually between 4 and 10 people. In the context of BOP (Bottom of the pyramid), necessity entrepreneurs are the biggest group (Diochon et al, 2017). Both groups are important in terms of poverty alleviation and economic growth but in different proportions (Mead, 1998). The idea of a successful business is accordingly different for these two groups (Fig 1).

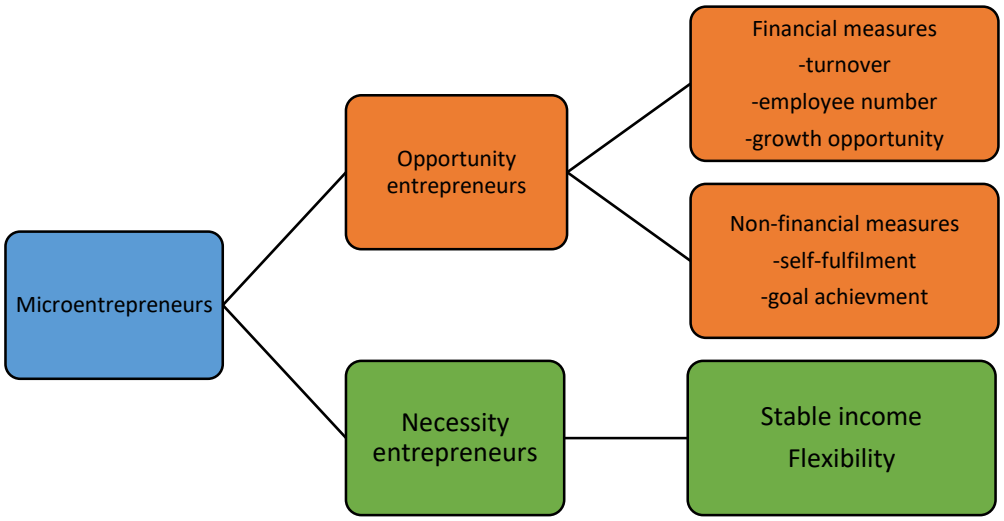

Figure 1 Types of micro-entrepreneurs

Opportunity entrepreneurs, i.e. growth oriented or transformational micro-entrepreneurs, and their success is traditionally judged by hard financial measures, like turnover or increase of employees (Gray, 2002). These were eventually expanded with many non-financial measures like self-fulfillment, goal

achievement and pride in the job (Walker and Brown, 2004). On the other hand, majority of micro-entrepreneurs are self-employed and their businesses are rather means of sustenance than an engine of growth. It is a way of buying oneself a job in an environment where none is available (Banerjee and Duflo, 2007). So when we talk about success in terms of necessity entrepreneurship, it is actually mostly about necessity, having a dependable income from a certain entrepreneurial activity for as long as it is necessary. Given that most of these people are self-employed, working from home and likely to have other matters to attend (like family) the other most important measure of success for this type of entrepreneurs is flexibility (Schoar, 2010).

If being a viable necessity micro-entrepreneur means to have a steady and reliable income while maintaining enough flexibility to attend other important matters of your life, then you already have quite a task at your hands. There are over a hundred of such microenterprises within the whole network of BISS Bakeries and most of them seem to have reached this level of success. And that is the entry point of my inquiry. Does their success have something to do with the fact that all these little bakeries are part of a micro-franchise? I try to answer that question by looking at the way they deal with their everyday challenges.

2.1.2 From barriers to everyday challenges

The concept of everyday challenges was introduced for the first time by DeBerry-Spence and Elliot (2012) to highlight the importance of the practical problems micro-entrepreneurs face when conducting daily business. Here's how DeBerry-Spence and Elliot (2012, p. 2) define them:

"Everyday challenges are problems, including events, conditions, and people, that impair the ability to conduct daily business operations. These challenges are characterized by frequent occurrence, disruption and idiosyncrasy."

Concerning idiosyncrasy, the challenges vary greatly depending on the context and nature of the business, although most likely street food vendors will be dealing with similar issues. In the case of a BISS baker, these issues could be wood and water shortages, hawking difficulties, coworkers' unreliability etc. As DeBerry-Spence and Elliot (2012) point out, these problems seem trivial but their recurring nature takes a sizable amount of time and energy, which the entrepreneur could use to deal with more strategic issues like exploring new markets.

The main difference between barriers and everyday challenges is in the nature of the goal they are obstructing. Barriers deal with long-term issues like credit access or lack of training which are indeed an obstruction to business growth. Everyday challenges on the other hand deal with the short-term goals, like managing to get through production on time. Some issues fall into both categories, DeBerry-Spence and Eliot (2012) point out. Water shortages are an infrastructural barrier, yet for a small-scale bakery it can be a daily disruption if that means getting water from some more distant source.

The second difference DeBerry-Spence and Elliot (2012) mention is in the way entrepreneurs tackle barriers and everyday challenges differently. Barriers need to be removed in order to achieve one's goal. For example, the lack of access to capital could be overcome through getting loans or micro-

financing. Everyday challenges, on the other hand, are challenges something which impact you try to limit as much as possible, as permanent removal is either very difficult or even impossible. DeBerry-Spence and Elliot (2012) give the example of textile merchants on an open market where the dust levels are so high they have to pack and iron the textile every day. That takes them 2 extra hours every day they could otherwise spend on more strategic business issues.

The importance of everyday challenges according to DeBerry-Spence and Elliot (2012) is threefold. First, there are financial implications. Second, everyday challenges take a significant amount of time. In the study of DeBerry-Spence and Elliot (2012), up to 30% of working time was dedicated to matters related to these challenges. Lastly, everyday challenges have an effect on the entrepreneur's goals and motivations. As will be discussed in the next chapter, the main motivation for most of the starting entrepreneurs is to get an extra income to support themselves and their families. Accordingly their business goals are very short-term oriented. Therefore, DeBerry-Spence and Elliot (2012) conclude that any long-term approach to the micro-entrepreneurial success has to take short-term goals into account and address the related challenges.

2.1.3 Micro-franchising

Micro-franchising is a term describing a market-based solution within BOP markets, combining the model of traditional commercial franchising with the social element of 'micro', referring to microfinance, a well-known system of monetary services in BOP markets (Fairbourne, Gibson and Dyer, 2007; Magleby 2007).

In mature economies franchising models are often opted to increase profits and pursue growth (Elango and Fried, 1997). Micro-franchising in development economies aims primarily at creating a sustainable income through a systematized and proven process (Fairbourne, 2007) while generating social benefits in BOP markets (Christensen, Parsons and Fairbourne, 2010), or as some put it "intent to alleviate poverty" (Fairbourne 2006, Kistruck et al. 2011). Micro, apart from its social element, also refers to the actual size of the micro-franchise. In most cases they have no more than 3 employees and their start-up or replication costs can range anywhere between $25 to $35,000 (Gibson and Fairbourne 2005, Fairbourne, 2007). On top of that, the choice of products and their price range cannot be too high as the customers are generally low-income (Lehr, 2008).

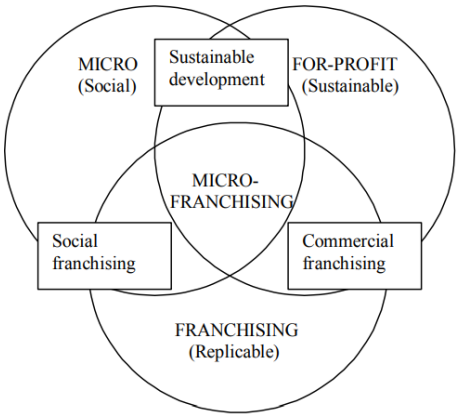

Figure 2 Micro-franchising matrix (Fairbourne 2007)

Third element of micro-franchising, for-profit, is rather self-explanatory. Micro-franchises are not charities, they are built with the intent to generate income (Fairbourne, 2007). Real micro-franchise business has to include all three elements - micro, franchising and for-profit (Fig 2).

In spite of some growth in popularity and practice, micro-franchising didn't gather a lot of research attention, especially not one grounded in theory (Christensen et al., 2010). Of the research that has been done, most of it focuses on the micro-franchisee and the benefits, barriers and drawbacks of micro-franchising on their businesses and lives in general. According to Fairbourne (2007), the most important benefits of micro-franchising are job creation, specific training and effective delivery. This is exactly what a micro-franchise can offer to the 3 main challenges for entrepreneurs in emerging markets, which according to Fairbourne (2007) are a shortage of competence to develop a successful business, a shortage of jobs in developing countries and a shortage of commodities and services available to the poor. The problem with this type of research on micro-franchising seems to be that it's not critical enough nor grounded in any kind of theory. Sigue (2012) is describing these studies as promotional literature and argues they mostly discuss the potential of micro-franchising instead of doing a critical examination of how it really works in emerging markets.

There are a few exceptions of course and one of them is the work of Christensen et al. (2010), who were comparing franchised and not franchised microbusinesses. They found out that the franchising had some positive impact on profits and savings. The main positive finding, however, was that micro-franchising creates starter jobs, which are especially important in emerging markets with very high rates of unemployment.

Kistruck et al. (2011) share this positive view, especially regarding the social benefits of micro-franchising. They are, however, skeptical about the long term effects due to the weak institutions in the emerging markets, especially the financial ones. On the other hand, Diochon et al. (2017) show that in their case the institutional and resource barriers to business success are difficult to deal with in the beginning, but they saw them being tackled over time. Due to the longitudinal nature of this study, they were able to witness the birth of a business under a micro-franchise and study its impact. Mainly, they've seen a positive impact of the micro-franchise structure on the entrepreneurial behavior. Their evidence suggests that certain threshold levels of knowledge and resources are necessary so one can practice entrepreneurship. In their case the micro-franchise provided franchisees with the skills, knowledge and support they needed to reach those thresholds. And once these threshold were reached, they've noticed that the people were able to make the transition from necessity to opportunity forms of entrepreneurship.

Two aforementioned studies of Diochon and Christensen shows that if anything, micro-franchise arrangement have some influence on overcoming barriers to entrepreneurship, which are more long-term issues and shortcomings entrepreneurs have to deal with in the context of emerging markets. On the other hand, effect of micro-franchise arrangement on the way how micro-entrepreneurs deal with the challenges in their everyday practices is not yet explored. But as DeBerry-Spence and Eliot (2012) showed in the neighboring field of microenterprise research, studying everyday challenges can be as important, especially due to its effect on the entrepreneurial motivation.

2.2 Research objective and research questions

As mentioned in the introduction, the research puzzle here lies in offering an explanation as to why newly created businesses under the BISS project do not only survive but actually do well. They make enough money from the sales to have a side income and are able to repay the initial loan. In other words, the businesses seem viable. Does this have something to do with being part of a franchise?

Most likely, and that is what I'm trying to find out, how does that work in reality. Therefore, my **research objective** is to **gain a deeper understanding of the viable nature of micro-entrepreneur with a micro-franchise arrangement**.

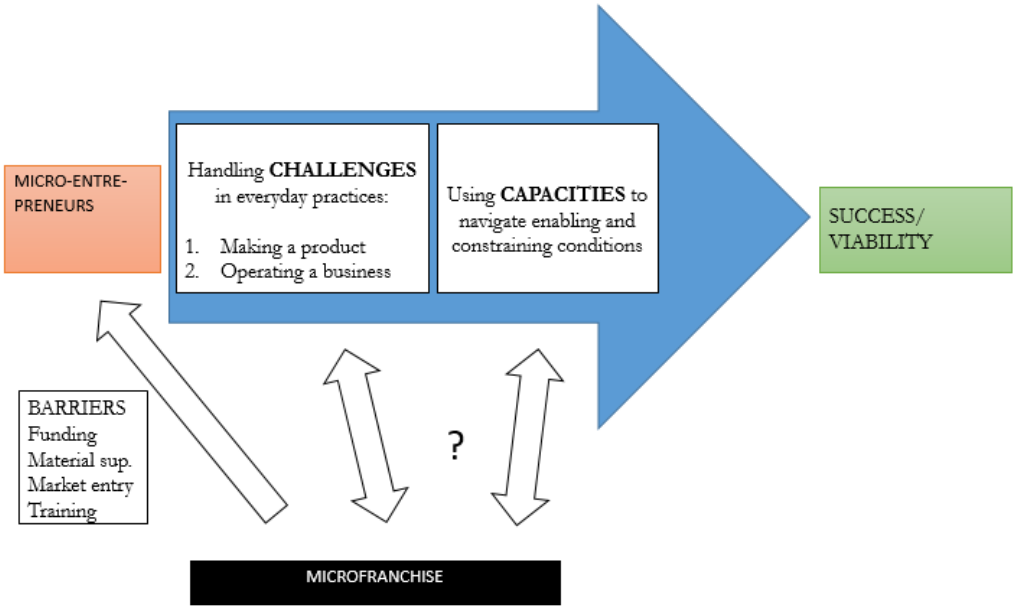

Figure 3 Conceptual framework of the research

To gain this understanding, I investigate the relation between the micro-entrepreneurs and the micro-franchise, in the form of capacities micro-entrepreneurs have to their disposal to deal with their everyday challenges (Fig 3). Thus, in translation to my **general research question**:

What capacities do micro-entrepreneurs use to navigate the enabling and constraining conditions affecting their business viability?

To understand the capacities of micro-entrepreneurs with micro-franchise arrangement in play I chose to study their everyday practices using a lens of technography as an appropriate study of practices. Furthermore, concept of everyday challenges and its attempted mitigation is identified as a relevant indicator of capacities in use.

Therefore my **specific research questions** are as follows:

1. **What are the everyday challenges BISS bakers face?**
2. **How are these challenges addressed within the BISS micro-franchise?**

3 Methodology, methods and context

3.1 Methodology

The research design is based on interdisciplinary approach of studying various practices - technography. Technography is an integrative methodology that can be described as a descriptive social science of technology, where the usage of skills, tools, knowledge and techniques to achieve certain ends are trying to be understood. It is not only about the simple materiality of technical objects or artefacts but about their use, therefore a technography research must look at the processes, knowledge and skills involved (Jansen, Vellema, 2011).

The methodology has three main dimensions - making, distributed cognition and construction of rules. Making is about combining technical and social elements, usually in the process of material transformation. In my case I study the making of a fried snack made from freshly made dough.

Distributed cognition refers to the fact that nobody has the complete knowledge about the process of making. In the case of a small business within the bigger network of micro-franchise, multiple groups are involved in the actual process of making the business work.

In my result section I will be using mainly the notion of making to understand the process of material transformation in the case of mandazi making and notion of distributed cognition to make sense of practices in operating business, specifically in dealing with volatility of prices.

To complement methodology of technography, Jones and Murphy's (2011) approach to studying practice was adopted to help explain relevant mechanisms and tie everyday practices with high order phenomena, in my case micro-franchise network. Jones and Murphy (2011) define socioeconomic practices as "the stabilized, routinized, or improvised social actions that constitute and reproduce economic space, and through and within which diverse actors (e.g. entrepreneurs, workers, caregivers, consumers, firms) and communities (e.g. industries, places, markets, cultural groups) organize materials, produce, consume, and/or derive meaning from the economic world." For the purpose of research, Jones and Murphy (2011) stress relevance of practices from an analytical point of view. It can reveal complexities of economic organizations and "provides an 'object' whose study can demonstrate how higher-order phenomena such as institutions, networks (…) are enacted, reproduced, and/or transformed through the everyday actions within them." They argue that conceptually, focusing on practice gives us more detail about agency then for example institutionalism yet let us also "generalize beyond the idiosyncrasies of micro-social behavior." (Jones and Murphy, 2011).

Jones and Murphy's approach to practice is relevant mostly for 2 reasons. First, it justifies the use of practices as an "object" my research enquiry. Only by looking at the everyday practices of micro-entrepreneurs I can then identify the challenges in play and continue unravel the puzzle of micro-entrepreneurship in a franchise setting. And second, it is relevant due to the relational approach and special interest in intra-firm practices, which then help me explain the relationships that shape production, knowledge transfer or learning in BISS franchise network.

3.2 Research context

The big picture of my research context is Uganda, East Africa. A subsistence market with a population of 43 million and an annual GDP of $25.89 billion. Entrepreneurship history is long and rich as is the present, Uganda records the highest number of youth entrepreneurs, with 55.6% of the youth population involved in new or established businesses (GEM, 2015). Same study also states on the other hand that the impact entrepreneurs have on job creation is amongst the lowest in the sub-Saharan Africa.

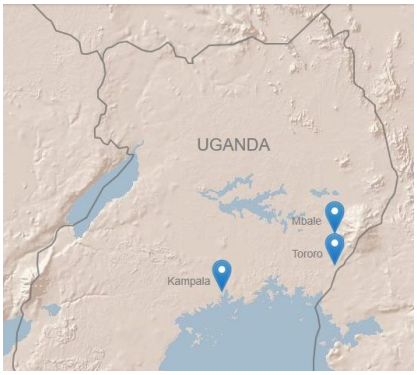

Figure 4 Map of Uganda (Google Earth)

Figure 7 Mbale and Namatala location (Google Earth)

Figure 6 Location of research site (Google Earth)

Figure 5 Research site with neighboring elementary school

Case selection was influenced by the fact I make my living outside of studies as a baker and through the general knowledge of this field in The Netherlands I became aware of bakery branches of BBROOD bakery in Uganda and Rwanda. And from there it was only few steps to the Bake for Life foundation and its BISS project.

Bake for Life foundation, under which BISS project exists, has its main facilities (college and bakery) in the Eastern Uganda, in Tororo. That is where I met with Lukas, one of the project managers. With him we decided that the ideal research site would be one of the BISS bakeries in Mbale, larger city north of Tororo. Mbale is an administrative and commercial center of the Mbale district, one of the 32 districts of Eastern Uganda region. My stay in Mbale was mainly selected due to the language issues

when all the participants including the bakers and supervisor spoke good enough English so I'd not have to rely on the translator.

In Mbale I met with Juma, school principal and teacher as well as local supervisor for BISS. In the first week we visited all of the bakeries, to find out which one would be willing to work with me for the coming weeks. Based on the English proficiency and reachability I end up working in a small bakery in Namatala, Mbale's poorest neighborhood and still one of the Uganda's biggest slums, where most of the buildings are semi-permanent but where new developments are taking place as well. People here mostly brew sorghum beer, local gin, selling charcoal or food or drive a boda. On the edge of the slum, Juma's primary school was situated and close by was the site of makeshift BISS bakery, which end up being my research site for the following five weeks.

3.3 Methods

Data for this research were obtained in 4 different ways, observation, participation, interviews and experiment. Observation and participation are methods crucial for technographic methodology. As mentioned above, technography is concerned with human interaction with material, e.g. how mandazi is made. Such process can be only partially understood through observation. Therefore more participative method is necessary to understand this material dimension as well as skill formation. Observation then complements participation by looking at the social groups surrounding the transformative process of making.

In more practical terms, I've spent in total 5 weeks of working with same group of people in one of the BISS bakeries, first week as a passive spectator and after that actively participating in all parts of the process from obtaining the ingredients to selling the finished product. This was complemented by 10 semi-structured interviews, ranging from 1 to 3 hours (some of them multiple time), with all participants involved: bakers Isa and Zabinah, local supervisor Juma, baking college teacher Mathilda, project managers Lukas and Marten and head of the project in Netherlands, Teun, to triangulate the observed information, understand people's own narratives and reconstruct past developments or important events.

In addition to these, a spontaneous socio-technical experiment was conducted in the end of my stay when I felt I had enough information for the main part of my research. Baker Isa, supervisor Juma and myself carried on with my plans of building a low-cost earth oven for the purpose of baking breads, cakes and pizzas to extend the range of the existing business. Oven was successfully built and well tested, but unfortunately lack of time meant the experiment was not finished in its entirety. That ultimately provided me with useful reflection on the nature of such interventions in general.

4 Results

At the same time for the last two weeks, I met with bakers Issa and Zabinah in the center of Namatala, in their improvised bakery set up. It's a roofed extension of a small clothing workshop and one room apartment building. It can't be bigger than 4 square meters and there is nothing but a simple fire pit with an extension to put the big wok pan on (Fig 8). Normally, Issa works closer to his home in a group with two older ladies, but the rooftop of their workplace got damaged in a storm a few days before my arrival. So, their work is on hold there and Issa now works with Zabinah at this place which is neighboring Juma's home and his elementary school which he is a principal of (interview Issa, 7-3-2017)). As much as this space is temporary, it is similar to the other BISS bakeries I've seen elsewhere: a few square meters of flat ground, tiny roof, table and a fire pit. (Fig 8, 9)

Figure 9 Working table

Figure 8 Fire pit for cooking

In the beginning of my stay I worked with Issa only, as Zabinah had to do exams at school (she studies on distance). Once she was back and Issa left to work on the roof repairs of his regular working place, I continued working alongside Zabinah this week. I was already familiar with the process by then so I expected I will be able to compare notes on the workflow of these two bakers. They joined BISS at the same time and went together to do the course in Tororo. Afterwards, both of them continued working with different local BISS branches, so they have roughly the same amount of work experience. (Interview local supervisor, 21-3-2017)

Their everyday practices concerning BISS work are twofold - first are centered on the production, i.e. making of mandazi. The second everyday practice is everything related to "doing business"; from sourcing to bookkeeping and most importantly, selling of their products.

Figure 11 Issa cleans working surface

Figure 10 Issa cleans working surface

4.1 Making mandazi

Figure 12 Adding margarine to the flour

Figure 12 Making a "volcano"

Figure 14 Mixing the dough from the inside of the "volcano" out

It all starts with bringing all the necessary equipment and ingredients to the table, which gets cleaned extensively before the actual work begins. Then, flour is weighed, usually in multiples of kilos. Baking powder is weighed and mixed with the flour. Then, the margarine is weighed and patiently worked in the flour by squeezing it so the margarine chunks get as small as possible (Fig 12). Subsequently, salt and sugar are mixed and dissolved in the weighed amount of water. Depending on the amount of dough, Issa mixes it either in the big plastic container or on the table.

Figure 15 Kneading the mixed dough

Figure 14 Finished mixing

Figure 13 Weighing individual dough balls

If on the table, he makes a volcano out of flour (Fig 13), pours water in the middle and slowly mixes it together from the center out (Fig 14). Everything gets mixed just to combine. It does not get kneaded extensively as the desirable texture of the mandazi is as soft and fluffy as possible (Fig 15, 16). In the meantime, the other member of the team starts with the setting of the fire. Firewood is scarce and pricey so it is used rather efficiently.

Back on the table, the dough is getting divided into desirable sizes (Fig 17), depending on the size of mandazi being sold. They go for 100, 200, 300 and 500 shillings. These chunks are then rolled into balls which are left rested for a minute on the table. This is the part where the dough gets pinned and divided (Fig 18-20).

After, the mandazis are left to rise a little on the table while the frying oil is getting heated to a frying temperature. There are no thermometers here, so Issa is putting a little piece of dough in the pan to see how quickly it browns and accordingly adjusts the flame, and starts to load the pan. The frying

takes a few minutes on both sides and when finished, the mandazis are put on a plate to cool down before selling (Fig 21, 22).

Figure 16 Measuring the right size

Figure 17 Pinning the dough balls

Figure 18 Cutting into pieces

That is the process in a nutshell. Not overly complicated and in general easy to learn. I'm told not to get too romantic about the craft in the first phase of BISS. It is all very simple and designed in a way that one can start a simple business after two weeks of training without any previous experience (interview project head, 31-5-2017)). There are however two parts of the process which require a certain skill level which subsequently affects the speed of the whole process.

First, this applies to pinning, which means taking a single dough ball and stretching it with a rolling pin to the appropriate size. The goal is to create a circle of 14 cm in diameter of an even thickness (Fig 18, 19). One needs to be both delicate and resolute with the pin to not overdo this. When I first started doing this, my first circles were too big. The next batch was not circular at all, and the third had the right size but of uneven thickness. It takes me more than ten rolls in the beginning to get close to the desired shape. Issa and Zabinah can do this in half the movements and half the time. I did get better at it over the course of my stay, but to get on their level I'd have to stay weeks longer.

Figure 21 Zabinah frying mandazi

Figure 22 Juma frying mandazi

Second, the aforementioned cutting into the right shapes is affected by the skill level too. Cutting the dough into the right shape means dividing the flat round of dough into eight pieces, as evenly as possible (Fig 20). Tools available for this are a basic ruler and a pizza cutter. The idea is to mark the cutting lines with the ruler and then go over the marked lines with the pizza cutter. Some people do this just with the pizza cutter as they are accurate enough to cut the dough evenly. Most of the people aren't, though, and have to rely on the ruler. But that is an extra few seconds for every of the four lines one has to make. This extra time becomes apparent when processing larger amounts of dough.

Yet it's not only about saving time, because cutting is also important in terms of consistency of the size, which makes the ruler more favorable if the skill level is not yet high enough.

The tool

One day, Issa, the baker I spent the most time with, was gone attending his family in the countryside, so I got to work with Zabinah, the other baker, for the first time. We made the dough, and after the dough balls had rested a bit, we pinned them into flat circles ready to be cut into eights, making the final triangular shape of a mandazi before baking. But before using a pizza cutter to cut the dough, Zabinah brought out a simple metal tool. It was round and connected over the middle into perfect eights (Fig 23, 24). She took it, aligned it with the flat piece of dough, marked the eights and then cut it accordingly with the pizza cutter. Quick and precise. Zabinah said Issa was not using it as he's more skilled with the cutting 'by eye'. But she said she was not and this helps her with the consistency of the mandazi size (interview Zabinah, 15-3-2017). It also saved her not a negligible amount of time (observation). And "time is of the essence when one makes an instant mandazi" (Interview Mathilde,

Figure 23 Cutting tool on a table of Agnes from Degeya (BISS website)

Figure 24 Cutting tool in the hand of a baker from Namatumba (BISS website)

24-3-2017).

It all comes down to the recipe. Instant mandazi is what all BISS bakeries are doing but it is not a standard in Uganda. The BISS recipe comes originally from Kenya, as the first teachers in their college were Kenyan (Interview Mathilde, 24-3-2017). In Uganda, most of the mandazis are overnight mandazi, which got their name from the fact that they are left to slowly rise overnight and fried in the morning. They are also shaped individually by hand and that's where the production times differ greatly between the two; overnight mandazis are divided and shaped individually, whereas the instant version is divided into parts which are then pinned and cut into eight mandazis alone. Scaling up the production of instant mandazi is much more realistic than with its overnight counterpart (interview Mathilde, 24-3-2017).

What makes the instant mandazis really instant is the much higher amount of a leavening agent, in this case baking soda. So, while overnight mandazis need to rise for at least several hours before being fried, instant mandazis are ready to fry in a matter of minutes after they were cut into their final shape. The downside of using a large amount of baking soda means that mandazi tends to overproof (rise too long) quickly which means they end up hollow after frying. And this is where either the lack of skills or just the inability to perform certain actions (some of the bakers within BISS have varying

degrees of physical disabilities) become apparent. Sometimes, dough is not processed in time and that critically affects the quality of the end product (interview Mathilde, 24-3-2017). Subsequently, there are financial implications to that and that is what makes this relevant in terms of everyday challenges. The cutting tool BISS developed mitigates the challenge of a skill difference and thus makes the *making* both easier and faster to get through.

When I asked about the tool, project manager Maarten told me that Lukas, the other manager, came up with it, as a lot of people had problems cutting the dough into even pieces (interview, 24-3-2017). When I checked with Lukas on its origin, he told me it came about on a request of one bakery (interview, 27-3-2017). The lady running it was complaining about her workers and their inability to cut dough nice and regular. Lukas confirmed my theory that it was supposed to be a cutter too, but due to uneven surfaces it only marks the dough and it still needs to be cut with the pizza cutter. Nonetheless, next to the size consistency, the tool helps with making the cutting much faster compared to using a ruler. And as mentioned before, time is of the essence – and not for the reason of finishing work earlier. Quick processing of the dough for instant mandazi is a necessary feature of the success of the mandazi making.

As mentioned above, the cutting tool is the ultimate result of an effort to mitigate certain challenges in the *making* process. But the tool itself is only a manifestation of the underlying processes in the network itself.

The tool was designed and created on request from one of the bakeries with less-able workers who were lagging behind the rest of the team. Due to the fact that BISS uses a particular recipe for their mandazi (instant mandazi), speed in processing the raw product is essential. That particular bakery communicated this time-related challenge to their local supervisor who then passed it on the project managers when they were in town next time. So, there were two channels for them to go to with their issue. Local supervisor couldn't do much more than pass the information on, but project managers were the ones who could turn the idea into an actual thing. **That is the first capacity the franchised micro-entrepreneurs possess over their non-franchised counterparts; there are channels for them to go to, and there is a structure of support around them**.

But the franchise itself, BISS, has to be flexible and open to these ideas to make them happen. Which was the case here. Lukas told me if it was something that "makes sense", and is financially possible, they are not afraid to do so. A simple tool like this is not an expensive thing to develop nor to make 100 pieces of and distribute within the network. **So, the second capacity in play is the responsiveness or flexibility of the network to be able to turn it into the reality.**

Lastly, I want to put more emphasis on the fact that the tool is now part of every BISS Bakery. While they could have simply made a tool for that one bakery and leave it at that, they decided not only to do the former, but also update the inventory of all bakeries, and with that make the whole network working a tad more efficiently. The feedback loop was complete here. Something which started as a big issue for one bakery, and was further identified as a smaller or bigger challenge in all other bakeries, turned into an improvement for a whole network. **And we can look at this as an emergent capacity of the franchised micro-entrepreneurs. If their innovation idea is worthy, its impact can literally be felt across half of the country.**

In the end, the everyday challenge here was not necessarily an external factor (which they often are). It was a challenge that, in a way, was self-inflicted as it stems directly from the fact that the actual training is very short and doesn't give enough time for people to develop their skills well. If the bakeries exist for years and years, the need for a tool may become less and less. But every new micro-entrepreneur who starts with BISS Bakery will have it a tiny bit easier because of this tool.

4.2 Doing business

"You can't change the price, you just can't". (Issa, interview 21-3-2017)

Doing business is an amalgamation of different regular and irregular practices. It consists of sourcing the raw ingredients, marketing and selling their products, and looking for new wholesale customers or possible market spots. But it's also customer care, keeping books, managing the capital within the group and going to the bank to pay loan installments.

While there is a number of challenges within 'doing business', one which stood out for me had been the volatility of the market; shifting external conditions affect their business and demand a reaction or adjustment from their side. Having the ability to do that is often described as of the most important capacities of entrepreneur of any scale (Rogerson, 2001).

In this case, the condition was the weather and its impact on the food prices. Due to an exceptionally dry year, there was only one harvest instead of the usual two, and prices of various commodities went up. "So you raise the price of mandazi?" I ask Marten, one of the project managers, thinking of the logical solution. He just laughed at me explaining. People are so used to pay certain amounts for products that changing the price is virtually impossible. Most of the food products cost a certain coin and it never changes. "You try to raise prices," he says, "and people say no, this is the coin I pay you." (Interview Marten, 30-3-2017).

Initially, though, they did try to raise the prices but almost all bakeries were registering sizable losses on sales and had to start making significantly less dough. That is why the project manager laughed at the idea of raising prices. They got burnt on this issue in the past. Understandably, though, raising prices of the end product because of more costly raw inputs is often the right thing to do. Not in this context, however. In Uganda, the majority of small foods or snacks have a set price which is linked to a coin of denomination 100, 200, 300 or 500 (less often 50 and 1000), which makes price maneuvering difficult. There is no 400 or 600 shilling mandazi, "they would laugh at you", says Maarten (interview, 30-3-2017).

Juma told me that this was dealt with during the last BISS days (an annual meeting of all program participants in Tororo, Fig 19). All the groups sat down and decided to lower the weight of the dough ball, which gets eventually rolled into mandazis. Consequently, the recipe had to change to cover for the losses. In the case of the smallest mandazi, which go for 100 shilling, it translated into 26 mandazis out of a kilo of flour instead of 24. But people would notice that, I reckon. Teun, the Dutch head of the project, tells me the difference is "not conspicuous", but both Maarten and Juma disagree, they hear people complain (interview Juma, 21-3-2017). But as long as you explain the reasons (and not cut the weight to the limits), you won't lose customers (interview Maarten, 24-3-2017). And in the end that's the only thing you can do. "If the costs are higher", says Isa, "you put the grams down but you can't change the price, you just can't". (Interview, 21-3-2017)

This is just one of the illustrative examples of a situation where none of the groups involved in the whole project has a complete knowledge on how the "business" part should be done. There are multiple groups involved who all make these businesses work. Obviously, there are the bakers, the main actors in their small franchise branch. In most cases, they had no previous experience with either the craft of baking or entrepreneurship and they got to start a small business after just two weeks of training. So, their knowledge is limited to only the bare essentials about being an entrepreneur. On the other hand, however, they know plenty about the place, the people, the customs and the realities. They were well aware of the challenge of the price change for example, yet, as mentioned earlier, their knowledge was not reflected until the annual meeting of the whole project.

Figure 19 All BISS members during the first BISS day event (BISS website)

The other group of people playing a role in the businesses consists of the local supervisors. They act as the middlemen between the project managers and the franchisee. They supervise around 10 bakeries each, visit them regularly and, once a month, organize a meeting for all of them together. Their knowledge is rather general and mostly related to local networks. Supervisors are usually people with good connections in a given place and are able to see the bigger picture, as their goal is to help all of their bakeries do well. Take Juma for example, a BISS supervisor and my fixer in Mbale, whom I was in daily contact with. As head of an elementary school, he was well known and established in his neighborhood, with plenty connections beyond it. If there was a school which needed a new supplier or a stall available at the market, he'd know it first.

Another important part of the franchise is Mathilde, teacher at the Bake for Life College in Tororo. She is a former student herself, but after a few years of practice she was quickly spotted as an exceptional talent and was offered a teaching position after the original teaching staff of the college retired. Her expertise is both local and technical. She also acts as a translator of knowledge of sorts. If there is an idea for a new product coming from either one of the bakeries or maybe from a visiting Dutch baker, she is ultimately responsible for turning it into a manageable and scalable recipe which is then taught at the college and available to the whole franchise.

The next group consists of two Dutch project managers Lukas and Maarten. Their expertise is in business know-how, as they both have an entrepreneurial education and retail experience. They are

mainly responsible for setting up new bakeries and give support to the existing ones in terms of advice, finances or material. They are embedded in Uganda for a long time. (Interview project head, 31-5-2017)

The head of the project, Teun, has technical knowledge about the craft, as he was born to a traditional baker's family and worked as a baker himself for many years. After some years in retail, he ended up as a managing director for all food production in AH. Based on mainly this experience, he chose the franchise model for the project. "It will only work if you run it as a McDonald's; straight recipes, straight yields, straight profits", he says. (Interview 31-5-2017)

So, this is the general type of knowledge and expertise available. But what knowledge is being used in the example of price fluctuation and the subsequent reaction to it? Let's go back to the beginning.

One out of two yearly rain seasons never happened and prices of various commodities went up. So did the price of flour – the bakeries' main ingredient. But in terms of everyday challenges, rising costs of inputs can be caused by many factors. Water is shut down and had to be bought from elsewhere, firewood gets stolen, and so on. In this case, though, it was the flour. The information about prices goes from the bakers who purchase the ingredients, through the supervisors, to the project managers and so on. These project managers then reacted accordingly to their best knowledge, reasoning that higher costs have to reflect in higher prices. And so, they did. But the sales went down dramatically and the losses were even greater than just the losses from more expensive flour. As Issa said in the beginning of this chapter, "you just can't change prices". What the bakers themselves knew already, that certain foods cost a certain coin and "that's it", non-locals did not. But the bakers themselves did not know how to react to the price fluctuation either. They had the idea of changing the recipe but they did not know how to do it, none of them can do baker's calculus on such a high level, calculate the price difference and reflect this in the recipe proportions.

YIELD = OUTCOME/ NUMBER OF PRODUCTS

Instant Mandazi

Ingredients	0,5 KG	1 KG	1,5 KG	2 KG
Flour	500	1000	1500	2000
Margarine	40	80	120	160
Sugar	90	180	270	360
Baking powder	20	40	60	80
Water	250	500	750	1000
Weight of dough	900	1800	2700	3600
Yield 100 UGX(26 balls of 140 grams - 16cm)				208
Yield 200 UGX(13 balls of 275 grams - 20cm)				104
Yield 300(8 balls of 450 grams - 27cm)				64
Yield 500 UGX(5 balls of 700 grams - 29cm)				40

Doughnuts

Ingredients	0,5 KG	1 KG	1,5 KG	2 KG
Flour	500	1000	1500	2000
Margarine	50	100	150	200
Sugar	90	180	270	360
Baking powder	20	40	60	80
Water	250	500	750	1000
Weight of dough	910	1820	2730	3640
Yield 200 UGX	24	48	72	96
Yield 500 UGX	10	20	30	40

YIELD = OUTCOME/ NUMBER OF PRODUCTS

Bagiya

Ingredients	0,5 KG	1 KG	1,5 KG	2 KG
Cassave flour	300	600	900	1200
Soya flour	200	400	600	800
Salt	5	10	15	20
Royco	10	20	30	40
Water	500	1000	1500	2000
Weight of dough	1015	2030	3045	4060
Yield 200 UGX(20grams)	30	60	90	120
Yield 500 UGX(50grams)	10	20	30	40
Yield 1000 UGX(120 grams)	5	10	15	20

Figure 20 Adjusted set of recipes

Figure 21 Raw 200sh mandazi, fried 200sh mandazi, fried 100sh mandazi

Jumping forward a few months, all bakeries, teachers, supervisors and project managers meet up in Tororo for the annual get-together. A joint decision is made to do the weight adjustments, as that is the only way to mitigate the money loss from more expensive flour. Head teacher Mathilde, together with project manager Maarten, do the adjustments of the recipe (Fig 20). Where one would make 24 mandazis from a kilo of flour, they now make 26. That is for the smallest, 100 shilling mandazi. Changes are done for the other sized mandazis too, and now bakers know exactly what they can do when there are price fluctuations. We can see different types of knowledge in use here and see how they are transmitted over time. And because feedback in the baking business is very direct, with the cycle of making and selling every day, you can react to these challenges instantly.

To summarize, in the studied practice of "doing business" I identified fluctuating prices of raw ingredients as an important challenge with serious implications, especially because of the set prices of popular local food products like mandazi. In addressing this challenge, different sets of knowledge by different group of actors within the franchise network were used. Ultimately, the mandazi recipe was adjusted to count for higher prices of raw ingredients. But the process leading to the recipe adjustment revealed the capacities at disposal for the micro-entrepreneurs within BISS.

Firstly, similarly as in the previous chapter**, it's the capacity of having a network around and being able to make use of it**. Unlike their non-franchised competition, micro-entrepreneurs here have someone whose job is to help with addressing any challenges, including those of everyday nature. For that there are two main channels; first the institution of a local supervisor who visits franchisees in his region and organizes monthly get-together for all. Second is the aforementioned bi-yearly network-wide forum of all actors involved in BISS. **These two communication channels I understand as a manifestation of structural embeddedness, a capacity stemming from the configuration of the whole network**.

The second capacity is related to the quality of the network. Its openness, flexibility and variety of different actors within, allows for different knowledges to be used in addressing given challenges. The notion of distributed cognition helped also understand that no group of actors have complete knowledge of anything and challenges can only be dealt in relation to others.

This **relational embeddedness** plays also role in an emergent capacity of learning as a network. As in the previous chapter, dealing with the challenge manifests itself in reality. There is a set of new recipes at the disposal of all micro-entrepreneurs within the network which makes them better equipped and more knowledgeable about the entrepreneurship in general.

Following this chapter is the part where I introduce an experiment in a business intervention of my own.

4.3 Experiment

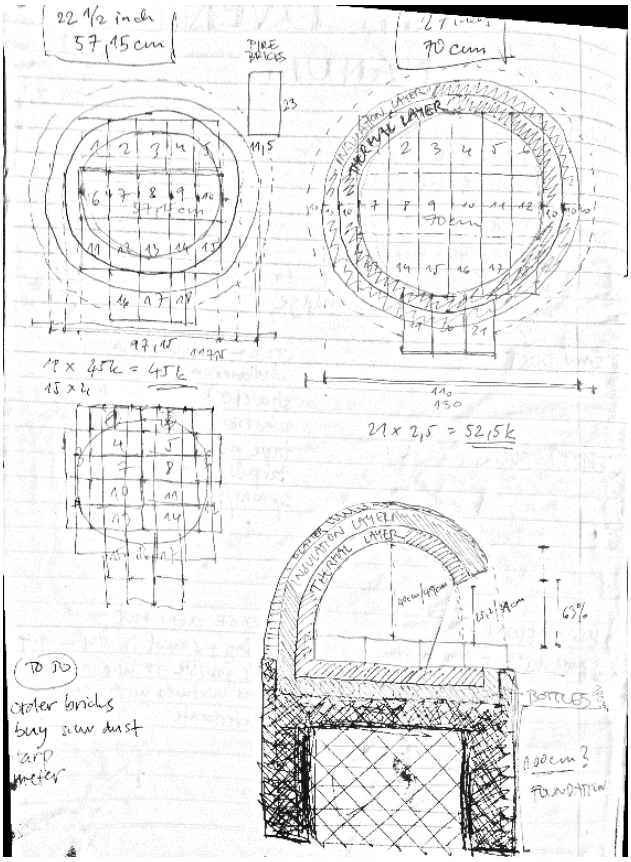

Figure 22 Oven blueprints

While I was in Spain for my internship many moons ago, one of my leisure time projects was building an earth oven. We never finished it due to the severe winter, but the idea of a well-functioning oven made out of either cheap or trash materials was always intriguing. Little did I know how it will come in use while finishing my stay in Uganda and how it will put my research findings into a more personal perspective.

In between work, during the lunch break or when we drank overly-sweet tea after work, we would always talk about what is possible for an area like Namatala, especially in terms of food production or food market. There was a general curiosity in other products like bread or cakes. But with BISS, their main customers were fellow inhabitants of the neighborhood who couldn't afford more expensive products aside from mandazis, samosas or the occasional cake.

But what about a product which would be either possible to deliver to the customers downtown or which would be so good people would come from more affluent neighborhoods all the way to Namatala? Kilometers away up the dusty road there is local market with its famous pork barbecue, which attracts people from all Mbale to come. So, what could we make to attract the office workers and foreigners? Pizza, that was.

By then I've spent a month in Mbale and ate pizza (for research purposes) in as many places as possible, seeing that the overall quality was very bad. It was mostly made out of frozen dough and in bad ovens, often resulting in still raw dough – even after baking. Even not so great fresh pizza from wood fired oven would be 100 times better than anything I've tasted. And that wood fired oven would not only bake pizza, it could bake bread, cakes or basically anything else.

As said above, it's a low-cost oven made from cheap and available materials. Clay, sand, sawdust and empty soda bottles for isolation. The only thing we had to buy new were refractory bricks for the oven floor. Luckily, there is a brick factory on the edge of Mbale where we could get almost exactly what we needed. We collected the saw dust at a furniture maker for whom it is a byproduct with no value. Empty soda bottles we bought by sacks in the beverage wholesaler. Suitable clay and sand we found within sight of the bakery. Total costs were around 200000 shillings, which is roughly 50 euros.

Figure 26 Building foundation

Figure 25 Isolating the oven floor

Figure 23 Prepared for the floor

Figure 28 Laying refractory bricks

Figure 27 Building oven door

Figure 24 Adding isolation layer

This is how we built it (Fig 22-28, 31). One weekend, we laid down the foundations and first layer. We let it dry for a week, and we finished it on the second weekend. I ran a few pizza workshops, we baked breads, cakes and pizzas (Fig 29, 32, 33). The oven was working great and the pizza was unbelievable, given where we were and what the standard for pizza was in that town. I could even get low moisture mozzarella cheese in a local supermarket.

So, the production aspect was basically secured. Now, the distribution. There were two options. Either we would take orders by phone and delivered downtown, or set up few tables and made an impromptu eating place for some nights of the week. Or do both. But both options come with their own set of obstacles, which we didn't think through.

First, packaging. We needed pizza boxes. After some search and few phone calls we could find a packaging company in Kampala which could make them but the minimum order was for 500 pieces. And that would cost us 500 000 shillings minimum. For context, that is two and a half times the price of the whole oven. An additional issue was finding storage space for 500 boxes.

Second, the delivery itself. Let's say we would manage to get the boxes and found the place to store them securely. How were we going to get the pizzas to the customers? For anyone who has been in Uganda and East Africa in general, the delivery vehicle for the task is clear - boda boda, they're everywhere. But in Mbale they don't come with the thermo-box extension in which we would pack six pizzas, and they would stay warm until delivered, let's say 10 to 15 minutes. Before we could investigate this issue further, my stay in Mbale and Uganda was coming to an end. I've left with only an oven behind me. Juma still sends me messages that they put it in a good use for their own cooking or baking, but the potential of building a small business around it remained unfulfilled.

Figure 31 Before adding finishing touches

Figure 30 Up and running

Figure 29 First pizza coming out

Figure 32 Juma stretching pizza dough

Figure 33 First pizza on the oven floor

Thinking about it on my way back, I could identify the issues. First, the ability to finance the thermo box development or arrange its import from abroad. Second, there are infrastructure issues; the ability to store large quantities of whatever are an issue. Purchasing ingredients or pizza boxes in bulk is impossible for a small business.

All this relates mostly to the various entrepreneurial barriers, where sustained support for two years, like in the case of BISS, would have likely solved all the above issues and make the business viable – and potentially profitable. The difference and the opportunity here is that pizza is a product with higher added value, and customers are wealthier and able to afford to spend 15000 to 20000 for a pizza. All ingredients (including firewood) would add up to around 5.000 to 8.000, depending on the pizza toppings. Potential profits, though, increase roughly tenfold compared to selling samosas and mandazi (although it would be fairer to compare it to other baked products and not to fried snacks).

The idea is as simple as BISS, it is a business in a box. An oven could be arranged as a refundable loan too. Ideal for franchising due to its easy replicability but also because the initial investments are not generally high (though they are very high for an average Ugandan). And that makes it interesting for an external intervention. The idea though might be limited to bigger cities with more wealthy class who can afford to spend 20.000 for a meal.

Overall, there is a somewhat classic development lesson learned here. Purely technical interventions will always come short if they are not accompanied by more sustained effort with more long-term perspective in mind as well as deep knowledge and respect for the local context.

5 Discussion

This chapter will start by recapitulating the research objective and sub objectives, presenting main results and discussing them in relation to the research objectives. Afterwards, discussion chapter will follow where I will discuss my findings with the existing literature and explore further research possibilities.

My main objective was to gain a deeper understanding of the viable nature of micro-entrepreneur with a micro-franchise arrangement. I looked closely on what capacities micro-entrepreneurs use to navigate enabling and constraining conditions affecting their business viability. That question was then specified into these sub-questions:

1. What are the everyday challenges BISS bakers face?
2. How are these challenges addressed within the BISS micro-franchise?

PRACTICE	CHALLENGE	MITIGATION EFFORT	CAPACITIES IN PLAY	
Making mandazi	Quick and precise cutting of the dough	Cutting tool	-Support network (personal - supervisors, project managers, material – to make the tool) -Openness and flexibility (to the idea of the tool and actual making, network is not run merely top-down) = **STRUCTURAL EMBEDDEDNESS** as a capacity stemming from the configuration of the network	**=NETWORK-WIDE INNOVATION** -as an emergent capacity -cutting tool originated in one bakery and end up as a standard tool in whole network -lowering the weight of the raw product materialized in an updated set of recipes for all products, adjusted for possible price changes, also distributed within whole network
Operating business	Dealing with price volatility	Lowering weight of the raw product	-Support network and channels for communicating and resolving any issues (monthly local and bi-yearly network-wide meetings) -Different knowledges and expertise available = STRUCTURAL AND **RELATIONAL EMBEDDEDNESS** as a capacity stemming from the quality of the network, allowing for knowledge transfer and learning within	

Figure 34 Result matrix

To explain better the result matrix - in the first practice of making mandazi, the everyday challenge identified was the level of skill or ability in the process of making, more precisely measuring and dividing the dough. This challenge was eventually mitigated by the use of simple tool which marks the exact size and shape of mandazi. The idea for the tool came from one of the franchisees and subsequently spread through the whole network and now the tool is part of the equipment of every franchise branch.

In the second practice, doing business, the challenge observed was price fluctuations. Due to the customers' unwillingness to pay more for certain products, other solution than raising the prices had to be discussed. Eventually, it was decided to slightly lower the weight of the products. Most importantly, it was a joint decision, which was reached by using different types of knowledge by different actors within the network.

In mitigating the challenges in everyday practices, lacking individual capacities of entrepreneurs to deal with these issues are substituted by the capacity of the network. **Structural and relational embeddedness is thus revealed as a capacity micro-entrepreneurs use to navigate constraining conditions affecting their business viability. In other words it is the configuration and quality of the network from which these new businesses can profit.** It is important to realize that these bakeries get started after two weeks of training with often no previous entrepreneurial experience. Being then able to deal with various challenges not only affects their entrepreneurial motivations moving forward, it also substitutes the short education by the prolonged period of learning-by-doing, e.g. having a small business as a flexible side job with potential to focus on it full-time after the first 2 year period.

On top of these two capacities, **innovation** was identified as an emergent capacity. In reaction to the challenges, both the new tool and new recipes became a standard within the whole network, thus innovating the project setup and helping all existing and future micro-entrepreneurs in making their businesses possibly little more viable.

Reflecting on the **concepts** I used, first the issue of micro-entrepreneurship in relation to micro-franchising. I've mentioned the existing dichotomy in categorizing micro-entrepreneurs in terms of their goals and motivations. On one side we have necessity or survivalist entrepreneurs, who turn to entrepreneurship out of necessity as conventional employment is not available for them. On the other side we have growth-oriented, traditional entrepreneurs who are running a business by choice and who seek to expand over time.

Banerjee and Duflo (2011) dismantle the belief that everyone in developing countries wants or should be an entrepreneur. Stability of a job is often more desirable than unpredictability of a business in its infancy. BISS project in my view bridges these two notions and brings the possibility of a job in an already functioning business, as well as infrastructure, staff and resources which act as a safety net, which they would lack if they start a similar business on their own. And that goes beyond survivalist entrepreneurship.

While most of the literature operates only with the survivalist-or-for-profit dichotomy, BISS project clearly third category in between, and does it, possibly, because of the micro-franchise model. This goes in line with the preliminary evidence of Christensen, Parsons and Fairbourne (2010), that micro-franchise creates starter jobs, when comparing similar size micro-franchise and non-franchised business.

But we can think of the project as an extension of only 2 week long training in the beginning. Diochon et al. (2017) witnessed positive impact of micro-franchising on entrepreneurial behavior. Their evidence suggested that certain threshold levels of knowledge and resources are necessary so one can practice entrepreneurship. And they argue micro-franchise arrangement can, through initial training and later training-by-doing, provide enough skills, knowledge and support that the micro-

entrepreneurs can reach those thresholds. I do not have enough information to confirm or deny their argument, unfortunately, second phase of BISS project started only after I left Uganda. In the second phase the micro-entrepreneurs can expand, hire more staff and turn their starter job into full-time occupation and their micro-franchise business into standalone bakery. If this second phase is successful as Diochon et al. (2017) imagine, it would make for a very interesting research topic.

In reflection to my **methodological** choices, value of studying practices is twofold in my opinion. First, practices are not just practices. They are manifestation of people's knowledge, experience, social and cultural environment. In other words, people do what they do because of many reasons, some of those reasons might be less obvious and become visible only after we look more closely. Because on surface, practices might look very mundane and inconsequential. And for me that is as well an obvious limitation, as a practice on its own is still very big and vague concept. It was instrumental for giving me research object, but only after combining practices with the concept of everyday challenges I was able to delve deeper and start to solve my research puzzle. My recommendation would thus be to combine study of practices with another phenomenon, which is very much in line with writing of Murphy and Jones (2011).

Now, to the insight from my **intervention experiment**. Overall, it was very valuable to experience the transformation of the idea into something real and then realizing why it can or cannot happen. Looking back, if the idea was less spontaneous and more thought out, it would never happen. This intervention end up being purely technical (we built an oven) and for the rest there was no time and resources left. If only there would be a project I could have used as an example. In short, such intervention would enjoy the same treatment as the starting micro-enterprises under BISS. Loan for necessary equipment, close supervision and necessary help in the start and all this sustained for at least 2 years. Experiencing shortcomings of this experiment on a very small scale made me think about development interventions in general. I've seen worse versions of those when I was in Mbale too, when I met Western volunteers working on a micro-finance projects which were limited in time and funding and created dependencies in the places where there were none before. Project then stopped, English and US volunteers moved elsewhere. Those getting the "help" could not. My experiment luckily did not leave such dent in the place but it illustrates huge shortcomings of a top-down interventions often perpetrated by development "experts" as would Easterly (2014) call them, ironically.

That brings me to my last point - BISS project don't have any development professionals involved and yet it seems to be working. People involved on the donor side are professionals from their field and have years and years of experience of running baking businesses. And that is what they do in Uganda, nothing more and nothing less.

6 Conclusions

To conclude, the main objective was to try understand the viable nature of the micro-entrepreneurs' businesses. By looking at the way they deal with challenges in their everyday practices I wanted to identify capacities they use to achieve the viability of their businesses. What I've found out is that individual capacities of the micro-entrepreneurs are complemented and enhanced by the capacity of the whole network they are part of. In that way the challenges in their everyday practices are addressed and their effect mitigated. Making and selling mandazis is not very profitable in the first place. What BISS does is make the process easier, more time efficient, cheaper and give an opportunity to sell as much as possible. In other words, make their businesses more viable.

My main implication for practice is to accentuate big potential in BISS and projects like this. Even though it was set up as a small business development program, it does not necessarily only makes new micro-entrepreneurs, it makes them better entrepreneurs and provides wide range of training in general. All that by setting up simple and reliable businesses. For a country with such high unemployment rate this seems like a good match as you are creating few jobs with every small bakery started.

My recommendation for research practice is to focus more on micro-franchising as it is still very much neglected phenomenon comparing to the other business organizations. Its success worldwide suggests potential for BoP (bottom of the pyramid) markets as well.

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