

## **M-KOPA Solar: Our Path to Sustainability**

Jesse Moore, CEO, M-KOPA



## **M-KOPA Solar: Our Path to Profitability**

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At M-KOPA we have always said that we aim to build a profitable business, because we want to build a company that will last for a long, long time and attract enough capital to upgrade the lives of tens of millions of low-income customers.

### **Getting leaner, for the right reasons**

At the end of 2017, following seven years of growth and reaching over 1,000 direct employees, M-KOPA reduced headcount for the first time. This was a difficult and painful process for the company to go through, and not something that I or anyone around the business had hoped for. But, given that we did not grow as fast as we had planned in the previous two years, it was equally important to reduce our cost base so that we could continue to track towards profitability and sustainability.

Those who have spent time in the private sector know that company restructures are unfortunate, but not uncommon. In M-KOPA's case, we cautiously decided to reduce our headcount across Kenya, Uganda, Tanzania and UK by 18%, from a little over a thousand full time staff to 850. On a percentage basis, our Kenya operations were least impacted, with deeper cuts in Tanzania, Uganda and UK.

Staff from across all seniority levels were affected by this process, as were roles within almost all company departments. The difficult decision to make these roles redundant was not a reflection on those individuals affected. They each showed great dedication, professionalism and enthusiasm over the years in building M-KOPA into what it is today.

### **Pioneering an industry, and learning to focus**

From the beginning of the M-KOPA journey, we have been pioneers and market leaders of the pay-as-you-go energy sector. As we've grown, it's been important for us to recognise what functions we need to do ourselves, and which of those functions other partners can do better than we can.

Accordingly, as part of our restructuring we elected to outsource a variety of functions where we could find capable and cost-competitive partners. This change has allowed us to better focus our efforts on what is core to our business.

There have been reports that we no longer invest in technology in Kenya. It's important for me to refute these rumours with the facts: though we did have to reduce some in-house tech roles, today we still have nearly 50 in-house engineers in Kenya and have indirectly created jobs for over 50 other technical positions at our Kenyan outsourced partners. This means M-KOPA is directly responsible for over 100 technical jobs in Kenya today - by all accounts we remain an important tech engine for the country.

### **Moving forward, onward and upward**

We remain focused on serving low-income customers with affordable off-grid power solutions, now used by over three million people in over 600,000 East African homes.

Our vision is to positively impact the lives of tens of millions more, to take our pioneering products and business model out to many more countries, and be around for decades to come. We aim to be both a highly impactful and profitable company that meets our customers' needs, offers our staff a great place to work and delivers returns to our investors.

Realising this vision means sometimes making tough choices that are hard in the short term but right for the long term. Thank you all for the support in getting us here and propelling us forward to greater achievements in the years to come.

Maendeleo,

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