MOBILITY
WBR’S EMPLOYEE PURCHASE PROGRAMS DELIVER LONG-TERM AND SUSTAINABLE BENEFITS

CASE STUDY | SAFEGUARD SECURITY COMPANY - ZIMBABWE | 2017

WBR and Buffalo Bicycles, in partnership with Safeguard Security Company, developed an Employee Purchase Program (EPP) in 2009 that has enabled 4,600 employees to purchase quality bicycles for transport to work. World Bicycle Relief examined the impact of the EPP on Safeguard and its employees to discover how Buffalo Bicycles improve employee attendance and retention, reduce transportation costs, save time, and contribute to household well-being.
THE NEED

In the areas where WBR works, walking or poor-quality bicycles are often the only transportation options available. Distance and the high cost of transport limit individuals’ access to lucrative jobs or entrepreneurial opportunities. Mobility is vital for anyone running a business or seeking a livelihood.

Owning a reliable, durable, and affordable Buffalo Bicycle increases access and productivity, but the upfront costs can be a barrier to end-users. Our Employee Purchase Program (EPP) allows individual employees to pay for a bicycle over a period of months through pay deductions.

Before participating in an EPP, Safeguard employees faced several challenges in getting to work. The economic climate in Zimbabwe has been chaotic with inflation and shortage of available cash in banks.

THE PARTNERSHIP

With WBR’s EPP, Safeguard employees gained access to a high-quality Buffalo Bicycle they could pay off in installments. The program is designed to serve employees in all wage sectors, ensuring that all staff members have reliable transport without a major upfront investment. Thanks to their participation in the program, Safeguard employees now arrive at work on time and regularly.

Prior to the EPP, Safeguard employees were spending $30 per month on taxis to get to and from work. With the EPP, the $30 went toward an investment that would benefit them long after the installment was paid off. The EPP payment terms run over 3-6 months, and the only costs to the participant afterward are for routine maintenance.

Many Safeguard staff members have since purchased multiple bicycles through the program.

Safeguard’s Buffalo Bicycle EPP contributes to the development of sustainable bicycle infrastructure in Zimbabwe. WBR continuously evaluates results in the field to learn how we can improve, and this program has added a valuable source of data in the region. When we discovered that Safeguard employees had difficulty procuring spare parts, we made changes to our spare parts distribution strategy to improve access. Today, Safeguard employees can visit two nearby Buffalo Bicycle shops for genuine spare parts. Our end-users’ experiences and needs help us improve bicycle product development, program design, and aftermarket support to develop a sustainable bicycle ecosystem for the whole community.
WHY EMPLOYEES LOVE THEIR BUFFALO BICYCLES

STRENGTH & DURABILITY

The Buffalo Bicycle is the product of years of expert engineering, testing, and quality control and is designed specifically for both the people and terrain of rural Africa. As a result, the Buffalo Bicycle is well known as the strongest bike available in Africa.

“I once bought a bicycle from a local shop at a much lower price but the bicycle was down within a period of 2 weeks. I regretted and I felt as if I had thrown my money in Mukuvisi River. However, I have been with my Buffalo Bicycle for the past 4 years now and I have never changed tyres or tube and my bicycle is still in mint condition,” said Tichaona Matsikira (38 years old) of Highlands.

LOW COST OF OWNERSHIP

Prior to the EPP implementation, employees would spend an average of $3 per day (around $66 per month) on transportation to and from work. After paying off their Buffalo Bicycle, they reported that their transport costs were reduced to $10 per year for bicycle maintenance at local Buffalo Bicycle shops.

“With the Buffalo Bicycle, I am now able to save money to cover other financial requirements at home and I am grateful,” said Daniel Rusike (52 years), who resides in Epworth.

ADDITIONAL HOUSEHOLD BENEFITS

Although the bicycles are primarily used to go to work, they are also useful for many other activities, making them a valuable asset to any household. Homes in outlying compounds, where the majority of Safeguard’s employees live, are not on the electrical grid and thus use firewood for cooking. The Buffalo Bicycle is designed for tasks like carrying firewood and transporting grain to the grinding mills. The bicycles are also used to visit relatives and friends (especially on weekends), and children can use them to run errands or get some exercise.
OUR EMPLOYEE PURCHASE PROGRAM

When did we start EPPs? WBR launched the first EPP with Safeguard, piloting 100 bicycles in 2009. At the time, Buffalo Bicycles, Ltd. was a blossoming social enterprise with limited brand recognition and presence in the field. We learned that microfinance institutions did not want to take on the program and thus developed our own asset-based purchase program. We’ve found the extension of payment terms or access to 3rd-party credit through microloans to be the most impactful model that also maintains economic integrity.

Why choose an EPP? The EPP is an innovative way to meet employee demand for bicycles without prohibitive upfront costs. After the initial payoff period, employees who participate in an EPP eliminate all commuting costs outside of bicycle maintenance, save time and energy previously spent walking, and enjoy all of the ancillary benefits the Buffalo Bicycle brings to their households. Offering an EPP improves retention, morale, and timeliness amongst employees. In regions where transportation is a challenge, an EPP is a “win-win” for employers and employees alike.

How does the EPP work? WBR and Buffalo Bicycles work with each organization to devise a program structure and payback system that works for the organization and its employees. Generally, we recommend instituting an application process to ensure the right people qualify to purchase a bicycle. Once there is a critical mass of applications, organizations purchase a fleet of Buffalo Bicycles, distribute them to applicants, and begin deducting payments from employee salaries at a fixed rate and interval until the bicycle is paid off.

Where do we have active EPP partnerships? WBR currently supports EPPs in Kenya, Zambia, Zimbabwe, and Malawi.

WHY WORLD BICYCLE RELIEF?

World Bicycle Relief mobilizes people through The Power of Bicycles. Our innovative model combines philanthropic distributions with social enterprise sales that enable us to achieve greater efficiencies of scale, distribute more bicycles per donor dollar and create deeper impact where we work.

We work closely with our partners, supporters and end-users to design and implement sustainable programs, leveraging best practices and local expertise. World Bicycle Relief oversees the philanthropic programs and Buffalo Bicycles, Ltd. produces the bicycles that enable individuals to achieve mobility and thrive. We envision a world where distance is no longer a barrier to independence and livelihood.