Growing a Nigerian Brand from Start-up to Over $80,000 in Annual Revenue

The Case of Happy Coffee: An Indigenous Nigerian Coffee Start-up

Princess Adeyinka with some Happy Coffee Staff
Introduction

It is said that one of the world’s greatest creations is the smell of freshly brewed coffee. In most parts of the world, most people cannot start their day without having at least one cup of coffee. Coffee consumption statistics show that around 30-40% of the world’s population consumes coffee every day\(^1\). Several global coffee brands have explored that growing craving and have created several unique products that seek to make coffee drinking even more desirable and suit different consumers’ needs.

Reports showed that Nigeria had very few non-oil exports between January and July 2015, which had a huge impact on the coffee market. Nigeria’s Coffee market was 681.60 million USD (estimated at a retail price of 1,207.53USD per tonne) by the end of 2015. Although Ethiopia with fewer than 100 million people, produced 174,000 tons of coffee and exported it for a profit of $1 billion (at an estimated retail price of 1,460.87USD per tonne) within the same year. Currently, the coffee market in Nigeria is forecast to reach 4.62 billion USD, thus increasing at a CAGR of 18.13% per annum for the period 2020-2025. This is a decrease, compared to the growth of about 24.69% per year CAGR, projected for 2015-2025. To eclipse the projected CAGR by 2025, Nigeria will need more than a 40% increase in current investment in coffee production and exportation.

More than 80% of the coffee consumed in developing nations, mainly Nigeria, is produced by small-scale farmers who lack proper technical training and are

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pressed by low market prices to lower standards of production and most eventually abandon their coffee farms. While other producing nations like the Ivory Coast have recently significantly increased their production level despite the collapse of the world price of coffee, Nigeria no longer has any place in coffee production on a global scale. The country’s declining coffee production has been ascribed to several issues and difficulties, the bulk of which have compelled farmers to switch from coffee to other crops to make ends meet.

The Case of Happy Coffee

The imminent systemic inability to sustainably grow coffee, as well as the daunting challenges faced by farmers within the sector and the known limitations of doing business in Nigeria, especially for women entrepreneurs, make business exploration within the coffee sector a risky consideration. However, in 2015, inspired by the historic Pike Place Market of cobblestone streets in Seattle where Starbucks opened its first coffee store, Happy Coffee dared to become Nigeria’s indigenous Seed to Cup Coffee brand.

“After reading a book in college about the Starbucks Story, I got inspired to dream about starting an indigenous Nigerian coffee brand in the future” (Princess Adeyinka Tekenah).

From a first- and second-generation entrepreneurial family, Princess Adeyinka Tekenah who was raised by entrepreneurial parents learned first-hand what business risks could look like for an entrepreneur. She found her flare in the business of making coffee, and what seemed like a youthful fantasy came to fruition in 2015 when Princess launched the Happy Coffee brand.

Princess Adeyinka studied Arts and graduated with honors from the prestigious Harold Washington University, Chicago in 2009. She went further to acquire a Business Management degree from the University of Phoenix a few years later. Taking learnings from her parents, Adeyinka didn’t settle too long for paid employment as she was resolved and completely committed to becoming an entrepreneur.

Beyond her entrepreneurial prowess, her career has been a blend of governance and unprecedented commitment to charity. She serves as an advisory member of “Apple of All Nations Nigeria and UK”, a charity for the needy and fatherless. Having lost her father at a very young age and fended for herself through her school years, it took her 12 years to get her 1st degree. But with the support of her mum, she learned she could achieve anything regardless of the challenges she may be faced. And when she succeeded, it became her personal mission to support her community. Princess Adeyinka uses her success stories to mentor girls and women across Nigeria and Africa.
to start and grow their businesses. Testimonies of her impact are well known amongst her peers and customers.

In March 2015, Princess heard about the Tony Elumelu Foundation Entrepreneurship Programme through an online blog called Bella Naija. She applied and shared her idea about starting a Coffee company and to her surprise, she was selected. She described the moment as very surreal, almost unbelievable.

“The most outstanding part remains that Happy Coffee didn’t even exist; it was only an idea”.

The Happy Coffee Start-up Story

The Tony Elumelu Foundation (TEF) Entrepreneurship Programme is a 10-year, $100 million commitment to identify, train mentor, and fund 10,000 entrepreneurs in Africa. Since 2015, the TEF Entrepreneurship Programme has empowered 15,847 African entrepreneurs with a non-returnable seed capital of $5,000 each, twelve weeks of business management training, access to experienced mentors, and a network of Africa’s largest entrepreneurial ecosystem.

“TEF gave me the head start to build Happy Coffee and has continued to open numerous opportunities to build our company through training and funding opportunities.”

From a pool of 20,000 applications received in 2015 from entrepreneurs across 54 African countries under the Tony Elumelu Foundation Entrepreneurship Programme, Princess Adeyinkka Tekenah was one of the successful applicants and was able to access a $5000 seed grant with which she launched the Happy Coffee brand. Princess began by developing a mobile café and library, making Happy Coffees the first creative coffee brand in Nigeria. To meet the needs of Nigerian coffee drinkers, she developed ten product lines and was able to figure out how to launch a coffee
The Case of Happy Coffee: An Indigenous Nigerian Coffee Start-up business in Nigeria with a modest budget and available funding without going overboard.

Evolution of Happy Coffee

The first thing Princess Adeyinka did after securing the seed grant from TEF was to build a mobile café and serve coffee at events. After some time, consumers began looking for a stable and accessible spot to have coffee. In response to this, Happy Coffee opened its first pop-up café on August 12th, 2017. This was a very exciting moment for Adeyinka, one she always describes as a major milestone in her journey to becoming a successful African entrepreneur.

Driven by the growing demand for coffee beans in 2017, Happy coffee diversified its products and began packaging and distributing coffee beans for domestic use. This very strategic move began to serve a new group of coffee lovers who wants the freedom to process and brew their own coffee just the way they enjoy it. And that’s how her little business went from operating as a pop-up café to bagging freshly roasted coffee beans sourced from Nigerian farmers.

“We started our brand by promoting Nigerian Grown Coffee. That has given us an edge in the Nigerian coffee sector. We are the biggest promoter of the Nigerian coffee value chain to growth, visibility, and sustainability.”
Since the launch of Happy Coffee in 2015, with a $5,000 seed grant, the brand has successful designed 10 market-fit coffee products, established 3 Coffee Experience Centres in Lagos, served over 30,000 cups of coffee, pioneered a Coffee festival in 2019, and has a growing revenue of over $100,000 (cumulative). Happy Coffee has also opened doors to other women through mentorship and providing gender-inclusive and responsive employment within the team by creating over 500 jobs directly and indirectly in the Nigerian coffee chain.

As part of Princess’s effort in empowering more women farmers within the coffee sector, Happy Coffee sources its beans exclusively from women farmers in the Taraba State of Nigeria before roasting them in Lagos and serving them as a Nigerian coffee blend. Since the majority of Nigerians now enjoy drinking instant coffee, Happy Coffee’s goal was to help Nigerians who drink coffee have access to all forms of coffee products, from the need for freshly brewed coffee in place of instant coffee to other kinds of coffee drinks as they would love to have. Thereby creating a niche for Nigerian coffee and expanding the many value chains within the coffee production and processing industry.
Due to her relentless efforts to develop the coffee sector in Nigeria, Princess Adeyinka Tekenah got elected as the 1st National President for Coffee and Tea Producers (Female Wing) in 2021. From her start-ups to date, Happy Coffee has won several awards including, start Up Woman of the Year, 2017 by Her Network, Cheri Blair Ambassador for Women, 1st National President for Women in Coffee and Tea, most Innovative Coffee Company, 2017, and best Local Coffee Brand, 2018.

“We are here to stay; we are here to transform our continent. I believe that empowered women empower other women. Most importantly, women who have found their voice must Speak Up and Speak Out for women who have important yet to find theirs. There is no doubt assisting women to focus and learn about financial literacy and the use of digital technology will undoubtedly create wealth, and economic sustainability, whilst fostering social development for now and the future. Even at Happy Coffee, one of our brand’s missions is to assist our female farmers and women start their businesses, which will position them to support their communities. It is imperative to pay It Forward. I am Princess Adeyinka, I am an African Woman”.

Another significant highlight of her journey was meeting and pitching Happy Coffee to President Emmanuel Macron in 2008. At the invitation of our Founder, TOE, the foundation hosted an interactive for African Entrepreneurs at the Eko Hotel Convention Centre. Princess Adeyinka along with many other TEF entrepreneurs had opportunities to meet and interact with the French President and its emissaries. As fate had it, Princess Adeyinka asked a question about the European markets and their accessibility for African Entrepreneurs and their products. President Macron took a keen interest in her question, and she seized the opportunity to pitch Happy Coffee and its vision to support local coffee farmers and grow the Nigerian coffee value chain. It was a shining moment for the budding entrepreneur. “I was overwhelmed by the magnitude of accolades, and it boosted her confidence in speaking about my enterprise to a more global audience”.
The TEF and European Union’s game-changing moment

The European Union and the African continent have a long history of cooperation focused on security, peace, and sustainable and sustained economic development and prosperity for Africa. Given the EU’s strategic global investment approach to women’s development in Africa, the Women Entrepreneurship for Africa (WE4A) programme was launched. The WE4A is an EU, OACPS, and BMZ-funded program to provide 120 female entrepreneurs from the TEF alumni network access of up to €50,000 in grant financing, matched with 3 months of technical support through a virtual acceleration program. The initiative aims to boost women-led businesses’ entrepreneurial skills to maximize their prospects of obtaining additional investment from private investors.

With the rigorous training, business mentorship and seed grant received from TEF, Princess saw enormous opportunities to scale her operations, though this is a daunting task for business owners, especially women in Nigeria. However, Princess did not let any limitations get in the way of building a sustainable business. In 2021, she applied for the Women Entrepreneurship for Africa program, and Happy Coffee got selected once again by the WE4A program and received a seed grant of 40,000 euros to expand her operations.

She described the moment of selection as a Validation. For seven years, the company was yet to receive any financial injection of this magnitude without a request for equity contributions. So, this grant has protected the company’s financial outlook especially post the challenges faced due to covid. Today, Happy Coffee is set now launch a Happy Coffee Roastery and Processing Facility in the fourth quarter of 2022.

The prospect of coffee and women’ entrepreneurship in Africa

Happy Coffee is not just an exception to the dwindling coffee sector in Nigeria, but an example of the enormous prospect within the sector for entrepreneurs to leverage. Nigeria’s consumption of coffee was projected to increase by 23% by 2020. The middle class in Nigeria is growing with more demand for quality coffee, and Euromonitor International forecasted in 2016 that by 2020, Nigerians would consume more than 1,000 tons of coffee, exceeding their previous projections.

Necessary steps should be made to promote coffee production and marketing, including increased access to credit, active extension agent outreach, the supply of irrigation systems, and the selection of varietals that are drought resistant. Government intervention is critically required for Nigeria’s coffee industry to prosper. No change will occur if there is no coffee association to promote and raise production standards. There is also a need for women producers to be empowered for more coffee production. The coffee industry will be greatly boosted by a centralized commodity exchange and a formalized marketing and trading
structure for Nigerian coffee. It is obvious that if the Nigerian coffee industry is to expand and prosper in the future, change is required.

Princess Adesola Adeyinka Tekenah of Happy Coffee is an ideal model for women’s entrepreneurship in Africa. She remains passionate about developing new businesses and advancing leading for sustainable growth and development for African women.