

Questions raised from Extending product lifetimes through decentralised repair services webinar (29th July 2025)

Responses by Fred Mwale – Grant Coordinator, Sunny Money.

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- On average how much longer did the repairs extend product lifetime? Was there an appreciable ROI for the customers who repaired rather than replaced their equipment?

Response: Currently, through our live surveys to customers, we have seen products stay functional for 1 year after being repaired. This period could increase as we continue speaking to customers who have accessed repairs from SunnyMoney and our trained Repair Technicians. Yes, there was an appreciable ROI due to the cost savings and extended period of usage for the repaired product, customers can see an ROI.

- What's the remuneration structure for your locally sourced technicians? Is pricing included in the repair models shared in the presentations?

Response: Yes, pricing is included in the repair models. These are mainly influenced by aiming not to go above 20-25% of the product price. This price point includes the labour cost and spare part cost - all paid to the respective repair agents and technician.

- Do you have a repair and return time frame?

Response: For the agents and technicians, we recommend a maximum of 1-week, if possible. For our in-house repairs, we implement a 2-week repair and return time frame.

- How do you manage your spare part pricing, and do you make any profit from it?

Response: Our spare part pricing is modelled from our purchase price + import costs + taxes. Fortunately, for the few times manufacturers have made spare parts available, the pricing has been good enough not to go beyond our threshold (mentioned above). Profit is

determined per product. For some products - those that have a higher product price - we do make a profit. We have noticed that it's much more difficult to make a profit for smaller products - for these, we aim to break even.

- **How do you finance the spare parts, is it through grants or is it self-sustained in the business model?**

Response: To test the model, we used grants to finance the purchase of spare parts, and the necessary tools needed to conduct repairs. After proving that repair is viable, we now factor the cost of new spares when ordering new products from our manufacturers. Manufacturers are also willing to offer discounts on these parts when you are purchasing new products from them.

- **How do you manage warranty claims aside from customers presenting receipts? Some faults are a result of poor [maintenance] or damage from clients, how do you address this?**

Response: Indeed, we have experienced this. Our warranty claims involve a physical inspection of the product to determine where the product has been tampered with in any way. If we observe that the product has been tampered with, we do not offer any warranty replacements and instead prescribe repair. It is important to note that we ensure customers are adequately trained about warranty at the point of purchase. This reduces the chances of a huge dispute when they present a tampered product to any of our representatives.