

## DEVELOPMENT THROUGH ENTREPRENEURSHIP



Africa “is on the move,” President Obama told the world from Nairobi while opening the Global Entrepreneur Summit on July 25, 2015. This summit brought international innovators, investors, business people and government officials to Kenya’s capital. But there are those who don’t buy this hype and rightly so. First, there is no single Africa. It is a collection of 55 different countries each uniquely challenged or endowed and often they tend to be at odds with each other. But that topic is for another day. Back to the ‘rising narrative’. Many reasons have been advanced, but one that is key is the emergence of ‘tech hubs’ with the continent today boasting 90 of them. It seems our economic

woes have inspired us to harness certain technologies with more zeal and in more innovative ways. The GES summit brought to the fore some of the amazing start-ups from Kenya, which are already changing the world: from the mobile banking platform MPESA to the crowd sourcing platform Ushahidi and to the ingenious Akirachix. We all agree Kenya is fast becoming a hotbed of ‘Innovation’ and not ‘a Hotbed of Terror’ as was once reported by CNN. Today, Kenya has more cell-phone subscriptions than adult citizens and more than 80 percent of those with a cell phone also use “mobile money” or “M-PESA”. On the other hand, The IBM Research Lab focuses on providing

Solutions for African and global challenges, such as The *Twende* SMS system which helps local Nairobi commuters avoid traffic congestion.

So there is no question about this. The continent’s best route out of poverty and away from extremism is through entrepreneurship and innovation. The tech gap between Africa and Europe is becoming smaller. But not everything is on the up, Kenya also faces certain challenges. The World Bank estimates that of the 800,000 plus young Kenyans who join the labour market each year, only 50,000 succeed in getting professional jobs. With few opportunities in the formal sector and no safety net, many young people work in the informal sector

or in small family businesses, and the ubiquity of mobile phones is creating clusters of digitally enabled entrepreneurship. But here is the paradox. For those lucky enough to get jobs, employers report a significant 'skills mismatch' between jobs requirements and graduates' display of skills in the workplace, from functional and industry-specific skills to soft skills in communication, IT, decision-making, critical thinking and problem solving. So then how can Kenya continue to stay on the innovation highway? The things that we are innovating, are they that amazing, and are they changing lives across our borders too?

Traditionally, the purpose of secondary education has been to select students for higher education. However, this has shifted to the preparation of students for a wide array of post-secondary learning opportunities, as well as workplaces. Government data show one out of every three household enterprises in Kenya is led by a young adult and up to 70% of them fail yearly owing to poor decisions on

business location, lack of credit as most lenders require collateral and inadequate business skills from customer service to accounting.

But one project is rewriting this story, Sote ICT. In year 2014 alone, we helped to educate 417 members of ICT Clubs at 10 secondary schools from Taita Taveta County in practical computer and business skills. Since 2013, students have established and together managed 24 training companies that are registered in the Practice Enterprise Network and do business locally and internationally with peers in Europe; Germany, Slovakia and 38 other countries all together bringing 7500 training companies. During the school year, students create brochures, video adverts, blogs, business plans and accounting documents, transact business and share them through facebook.com/SoteICT and slideshare.net/soteICT. The project has donated 200 computers, projectors, laptops, cameras, copier machines and various multimedia equipment and all the

computers have been connected to internet. We have had an impact on over 5000 students and 150 teachers. In April 2015, we organized the first ever and most successful student training companies' trade fair in Voi, attracting H.E Dr. Michal Mlynár, The Slovak Ambassador to Kenya and H.E John Mruttu, Taita Taveta County Governor as chief guests. We have an amazing partnership with iHub who conduct outreach programs in our school. Essentially, Sote ICT is bringing the start-up culture to Kenya's rural schools.

***There is a Chinese Proverb: 'The best time to plant a tree was 20 years ago. The second best time is now.'***

Our next big achievement was to create a start-up hub in the Red Elephant Centre in Voi, in October 2015 to support not only our graduate students but also the community. Known as Sote Hub, we will be partnering with iHub, Biashara Centre and Kenya Industrial Estate. Taita Taveta Biashara Centre is an initiative



*Students who have recently joined training companies are becoming familiar with the structure and functions of departments.*

of The Government of Kenya, The County Government of Taita Taveta and the United Nations Development Programme (UNDP). The objective is to promote inclusive economic growth and job creation at the county level through empowering Micro and Small Enterprises (MSEs), small holders, youth and women in order to access and leverage economic opportunities. Sote Hub couldn't have found a better partner as we have the opportunity to influence policies for sustainability. The Kenyan Industrial Estate will provide incubation spaces for our start-

ups at subsidised rates. The ultimate goal is to improve the chances for employment and entrepreneurship of Sote ICT graduates and the communities through start-up hubs, impact sourcing, corporate volunteering, mentorship and micro-outsourcing. There are also technical competences such as digital fabrication, robotics and coding. So yes, we have a BPO in Voi. In the next 24 months, we project at least 5 start-ups will leave the incubator, prove sustainable and create at least 20 full time jobs, and another 50 part time with multiple benefits and

impact on the society. Each of these businesses will have the opportunity to provide real world solutions that have a global reach and perhaps will be the next big thing after M-pesa. So what did we say about Africa rising again?

***Whether you think you can or you think you can't, you're right. – Henry Ford***

David Ogiga, Project Manager  
Kasigau Wildlife Trust (Kenya)

## INTERVIEW

# AMY GILLET: Enterprises Play a Key Role in Alleviating Poverty

**You specialize in designing and delivering entrepreneurship programs in emerging market countries in order to foster development. Why do you consider these programs important?**

*Small and medium sized enterprises (SMEs) are critical to the economic development of emerging market economies. They play a key role in alleviating poverty. Frequently, SMEs represent the only viable source of employment, especially in rural areas and poorer regions. Therefore, it is critical to equip people with the skills to start a business and to ensure that it can grow and start employing others. In many countries where we work, people have started businesses but are struggling and are unsure how to grow their businesses. They do not know where to turn for information. Before attending the Goldman Sachs' 10,000 Women entrepreneurship training program that we organized in Rwanda, here's how one of our participants stated the problem: "There are opportunities, but I don't know how to approach these opportunities. It's as if my mind is closed. I need help to open my eyes."*

*Entrepreneurship training plays a key role by helping people take a strategic approach to their business and enabling them to professionalize all aspects of the business, from how they manage their people, to how they interact with their customers, to how they*

*market their products to how they manage their books. A little information can result in a change in behaviour that can have a huge impact on business success.*

*Let's take the concept of customer service. In some business cultures, this is not highly developed. As part of the marketing module in the 10,000 Women program, participants were trained in how to talk to their customers to build long-term relationships. One of our participants, Françoise, a tailor from the Kicukiro District of Rwanda, told us that the program taught her how to handle customers. One day a customer came in to pick up a dress, and she had only finished half the job. The customer stormed off with the dress, without paying. Françoise's first instinct was to write off that customer forever; however, using her new mindset from the training, she sought out the customer and asked her for forgiveness. She was gratified that she was able to restore their relationship. Another participant, Aimee Claudine, owns a welding and car repair business. Before the training program, she had no system of organizing her accounting. This meant that she could not calculate revenues. Through the finance module, she learned how to keep her books and she now has tight control over her finances.*

*After going through an entrepreneurship training program, participants are able to clearly articulate their value*



*Amy Gillett, Vice President of Education at William Davidson Institute*

*proposition – often in the form of the famous two-minute “elevator pitch” – and should have completed either a business plan or the business model canvas. They should be well prepared to interact better with bank lenders, employees and customers. This new knowledge also gives a powerful boost in confidence. Further, participants who go through entrepreneurship training programs develop powerful networking relationships with other participants.*

Such relationships are often long-term and serve as a source of support and contacts for ongoing business growth for years after the training.

### **How would you summarize challenges in such projects?**

One of the key challenges in any entrepreneurship training project is to ensure that the material is tailored to the level of the audience. You want to make sure you're speaking to them at the right level. You do not want to assume too much prior knowledge, while also respecting that some students may have attended previous courses or studied online and picked up some of the information you're delivering. In the case that you have students of varying levels, the challenge is to make sure you've got the full engagement of all participants. One way to do this is by utilizing the skills of some of the students to encourage peer-to-peer learning. Students really enjoy learning from the real-life experiences of their peers and this type of learning often sticks better than an example delivered by a professor.

Another challenge, when it comes to entrepreneurship training, is sustainability. Frequently, funders will support a program for a one-to-five year period and then shift their focus elsewhere. In these cases, it is important to figure out ways to transition the program so that it can be locally sustainable. In some countries where internet access is reliable, transitioning to more online delivery of content is a viable option. The proliferation of free massive open online courses (MOOCs) on topics relevant to entrepreneurs further aids cost-effective program delivery.

### **One of your projects at the William Davidson Institute involved providing training to 330 aspiring women entrepreneurs in Rwanda. Could you share with us any success stories you have witnessed? What is their impact on broader communities?**

Christine Murebwayire was a graduate from our first cohort. She leads Coproviba, a banana wine co-op in the the Ngoma District of eastern Rwanda. She is a widow raising three children. When she joined the entrepreneurship training program, the cooperative was having trouble meeting the growing demand for its banana wine. She was looking for ways to be more efficient

and increase productivity. Christine says the program taught her concepts the cooperative management had never considered, including restructuring her workforce and overhauling the book-keeping and accounting. After increasing her capacity, she was able to develop a vibrant export business. She also expanded Coproviba's product line to include banana juice and started selling the banana fibres used in textile manufacturing. Other innovations she oversaw included a new ripening house, which dramatically cuts the time bananas need to ripen, resulting in a 35% increase in production capacity. Vicky Ruganzu of the Rwanda Agriculture Board has stated that the co-op has transformed banana farming and has improved the lives of farmers in Rwanda. Christine and her fellow co-op leaders are frequently held up as role models for both rural farmers and entrepreneurs in all sectors. The William Davidson Institute published a business case study on Christine and the Coproviba Co-op that was then used as a teaching tool in subsequent deliveries of the entrepreneurship training program.

Another program participant, Liberatha Mukeshimana, lost her fiancé, parents, and siblings in the 1994 Rwandan Genocide. Like many of the program graduates, she has demonstrated remarkable resilience and gone on to become a business success. She is a founder of a cooperative that cleans construction sites. All members are widows and/or living with HIV/AIDS. The training helped her improve management of the co-op. Due to the co-op's successful growth, their members now have cell phones, running water, electricity, and can pay for their children's school fees. The participants consistently supported one another throughout the program and afterwards. When one of the participants broke her leg in a car accident, they pooled their resources to pay her medical bills. Their largesse has expanded beyond their own network. The graduates have created an association that gives to the community. They nominate and vote to support a neighbour in need. They have paid for home repairs, school fees, medical expenses, and business start-up costs.

### **Many people in the countries of Global South have limited person-**

### **al savings and lack the necessary capital to start their own business. How do you guide your trainees to overcome this problem?**

In our programs, we let participants know from the outset that we will give them the tools needed to approach a bank for a loan. In Rwanda, participants worked on a business plan throughout the six-month period of the program. Upon program conclusion, participants presented their business plans to their peers in a business plan competition. Many program graduates went on to take their business plans to banks and make successful requests for loans.

Part of our training in Rwanda was a four-day module on access to capital and loans. Participants in this module learned the basics of how to ask for a loan, including how to figure out an appropriate loan size in order to manage risk. This session also addressed the soft skills needed in applying for a loan, including negotiating skills. We encouraged the participants to change their mind-set and approach the bank not as if they were asking the bank for a favour, but rather paying for service. This helped participants overcome their initial fears of approaching a bank.

In designing our training programs, we take into account the local culture and business environment. In the case of Rwanda, government and banks encourage micro- and small-business owners to form cooperatives before applying for loans. As a result, we created a platform for participants to group themselves into cooperatives or business associations. First-time loan applicants were thereby able to build credit history and grow their businesses. Subsequently, many participants were able to apply for loans on an individual basis. Our local program staff met regularly with loan officers at various banks, helping them to appreciate the high quality of the training and the graduates. The staff also made themselves available to accompany the women to the bank, even after the participants graduated from the program. This ongoing support was critical to the success of many of the graduates.

Simona Gembická, PR manager  
Pontis Foundation

# YOUNG GRADUATES STARTING A BUSINESS

Gift Mtambo and Robert Mburu are young graduates of Marungu High School and Mwambiti Boys Secondary School, who took training company classes and after school they set up to start their own business. Due to the low marketing of the businesses, start-ups and institutions in the Voi area in Taita Taveta county (in Kenya), they decided to come up with a business idea which aims at improving the marketing of local businesses and start-ups through the provision of professional design services: website, photographic & equipment, animation & video making and promotional items like flyers, banners, websites, logos and business cards. In connection to that, they want to create a one-shop website which will list all the businesses in Voi town and provide an online platform where their customer can order or buy goods and services online. They are committed to helping and supporting the economy of Taita Taveta county develop by providing super digital marketing to all the local independent businesses, institutions and start-up companies and also by helping shoppers access the full range of services available in the county.



**You were active members of training companies during studying at high school. Do you think the training companies equipped you with the knowledge to run your own business? If yes, how?**

*Robert Mburu: Definitely yes. I have really learnt a lot from being an active*

*member of the virtual companies. I have been introduced to both the tech and business world. This has been a great journey as I am now applying what I learnt before. I got to practise and sharpen up my design skills by creating things like brochures, business cards, videos, creating logos and designing certificates while learning other skills like management and presentation skills. This motivated me to learn new things after school because one can take design as a career. I got into making websites, animations and video and photo shooting while still under the support of Sote ICT.*

*Currently, Gift and I are setting up the foundation of Rogim, a design company that will promote and market local businesses, institutions and start-ups in Taita Taveta County.*

**Both of you also work for soteICT project, you are contributing to establishing a start-up hub in Voi, and starting your own business. What two pieces of advice would you give to students and graduates who want to become entrepreneurs?**

*Gift Mtambo: I would really recommend joining training companies. It*



*At his high school, Robert was elected the first president of a training company Kenslov. Now he is helping the Sote ICT team with designs and video shooting, and is working on kick starting his own company.*

is true that it was not that easy as a student to balance the school syllabus and curriculum and at the same time be active in practice companies unless you had passion and commitment. Nevertheless this should not be a challenge in order to cause failure but rather a stepping stone to a better entrepreneurship world. So my one piece of advice to the students and graduates is that they should not give up but be committed and passionate if they want to be known as successful entrepreneurs in the world after they finish high school.

Secondly, they should do what they love and work more in collaboration. In this way they will build up a strong attitude towards entrepreneurship and as a

result this will make them come up with strong and successful start-ups.

### **What would you like your business to have accomplished in ten years?**

*Gift Mtambo:* In ten years' time we will have had: fully registered our company, enhanced good relationship with our customers, the best sales, marketing & product strategy, produced the best products & services, created at least two vacancies for employees, improved the marketing of local businesses in Taita Taveta County by at least 80%, created the one-shop website platform so that shoppers can have easy access to the services and products offered by the local businesses, established better partnership with different organisation

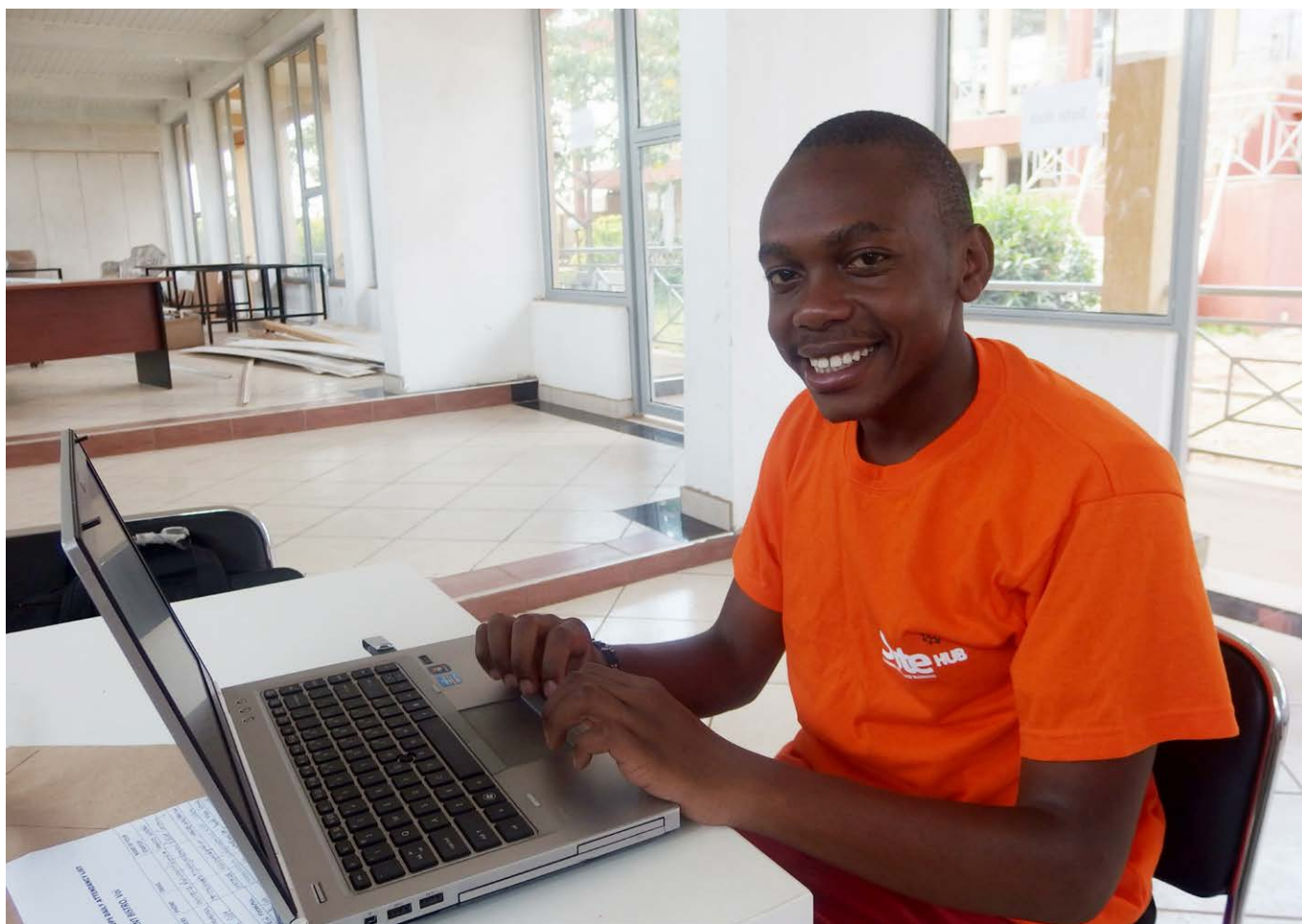
& business and lastly a stable company generating at least 70% profit out of all the expenditure.

*Robert Mburu:* We would like to have caught the attention of businesses in Taita Taveta. By building trust with our clients, we will have been able to create employment for other young people who are really interested in design work. There will be an e-shop website platform (Xplo Taita) where shops and services providers will sign up, to make it easier for a client to find where they can get assistance or the product they want.

Ivana Uličná, program coordinator  
Pontis Foundation

## **INTERVIEW**

# **Geoffrey Mwachari: Success Is the Fruit of Hard Work and Patience After Many Failures**



*Geoffrey found his love of programming after joining Sote ICT club at his high school Moi. Since, he has been working on developing school management system for almost 200 high schools in Kenya. Now, he has set up his mind to starting his own company focused on a health application.*

### What ignited the spark in you to start your own business?

*I have had a passion for computers since I was in first grade. However, when I joined Moi High School in Kasigau, there were no computers in 2009. So my dreams of exploring the computer world were shattered. When the Pontis Foundation and SlovakAid donated computers to our school in 2010 my dreams became alive again. Now I had such a great opportunity to start the dream of exploring computers and getting the skills. After about two months I had acquired some skills and together with some of the IT club members of which I was the president, we started doing marketing via social media (Facebook) for some village women who were making baskets to earn a living. The marketing was very successful and they are still getting clients through Facebook.*

### Please, describe your business idea to us.

*After I graduated from high school I had acquired some computers skills like networking and some management skills. Then I came up with the idea of making systems. I thought of the health system, and voting systems which could be used at colleges and high schools.*

### How did the idea for your business come about?

*When I was still at school at Moi High, Kasigau, I saw that the local community was struggling to receive the health information it needed and some were too shy to tell doctors their actual symptoms. Others were going to the chemist and getting the wrong medicine for wrong symptoms. Then in school, when we had an election, we had to count the votes manually and it took two days to find out the results. Therefore, I thought*

*of making a system that would reduce the delay in counting votes and which would also give true, precise vote results.*

### What would you like to achieve with your company? How do you define success?

*To create systems that will change the lives of those who live in rural areas and to come up with IT based solutions that will improve people's lives. I define success as the fruit of hard work and patience after many failures.*

### Why did you decide to apply for membership at SoteHub?

*Since Sote ICT made my dreams come alive again, I decided to join the SoteHub because it would give me greater opportunity to make my ideas a reality and to change lives in the community.*

Ivana Uličná, program coordinator  
Pontis Foundation

## TEXTING TOWARDS A BETTER BUSINESS: WHAT HAPPENED WHEN WOMEN IN THREE COUNTRIES WERE OFFERED BITE-SIZED BITS OF BUSINESS KNOW-HOW VIA MOBILE PHONES

Ijeoma Ewurun of Nigeria left a long career as a teacher to become a poultry farmer. She had always kept poultry as a hobby and decided to try her hand at turning it into a business. She had no formal business training – and as the mother of nine, she couldn't spare the time to attend a training program.

Lil Hartini of Indonesia needed to find a way to supplement her teaching salary in order to pay the school fees for her three daughters. Drawing on her baking skills, she started selling cakes and bread. People liked her baked goods, but demand was inconsistent. Lil felt frustrated but didn't know where to turn.

Both of these women, and thousands of small-scale entrepreneurs like them, could benefit from business education. But with little free time and few financial resources, how can they attain it?

The question is key, not only for the women who are striving to improve their lives through a better livelihood for themselves and their families, but also for the economic growth of their countries. Developing the skills of women to make them more effective at work increases a country's productivity. Unleashing the power of women to earn a better livelihood also has numerous social benefits.

Enter the Business Women mobile service. Developed by the Cherie Blair Foundation for Women, the ExxonMobil Foundation and Nokia, the service offered the women bite-sized bits of business know-how via their mobile phones. Every week, they received five or six business tips as part of a year-long curriculum. Content included topics such as customer relations, negotiations, applying for loans, bookkeeping, human resource management and marketing.

The content was customized for the women in each of the three countries in the program: Nigeria, Indonesia and Tanzania. Local non-profits helped tailor the messages to the countries. Other subjects included the practical aspects of setting up a business in the target country, such as how to properly register a business. And examples were also localized, so the women in Nigeria might be learning from the example of a fruit seller in Nigeria, while the women in Indonesia would be reading about a successful Indonesian catering business owner.

As the project got underway and feedback was collected, the importance of customizing by country became even more apparent, as participants' interests differed by country. For example, while nearly six in 10 women in Nigeria wanted to learn more about managing employees, only two in 10 Indonesian women did.

One might be skeptical about the power of SMS messages to improve

one's ability to grow a business (even if there are 200 such messages.) So what were the results of this program? First, let's start with the two struggling women mentioned at the start of this post. I always find personal experiences a great way to explore training effectiveness. Of course, quantitative data is important – but it's the stories that really resonate and stick with us.

Ijeoma Ewurun, the poultry farmer in Nigeria, utilized the business tips related to innovation to differentiate the types of eggs she sells. By giving her chickens a vitamin supplement, she was able to start selling higher quality eggs. Customers took note and started increasing their orders. Word got out among bakers in the community. Her reputation has grown and sales have taken off.

Lil Hartini of Indonesia expanded beyond baked goods and into the catering business with the help of the business tips. She now makes a popular rice dish, nasi goreng, and supplies it to the kitchen at the school where she works as a teacher. The program also gave her new confidence and courage to work through difficult times. "The program gave me the feeling that women are equal with men in terms of building a business," she is quoted as saying in the Cherie Blair Foundation's "Evaluating Business Women" report on the project.

Overall, nine out of 10 participants in the program said the service gave them "practical guidance" on growing their business. Participants reported higher levels of optimism and entrepreneurial optimism.

The Business Women mobile service tapped into the growing trend of using mobile devices for learning. Called "m-learning," the practice is taking off around the globe. It is very well suited to the many developing countries, which tend to have a high rate of mobile phone penetration. M-learning leapfrogs the traditional e-learning infrastructure requirements of a computer with an Internet connection, so often in short supply in emerging markets.

M-learning allows content to be delivered cheaply and at scale. The

Business Women mobile service program ultimately served 134,000 people (100,500 of these were women) from its launch in the fall of 2012 until its conclusion at the end of 2013. The cost for participants was minimal. In Nigeria, the service was free for six months and then participants had to pay the cost of receiving an SMS. In Indonesia, the service was delivered via data network. Participants did not pay per message, but the service did draw on their data access. Of course, the program sponsors incurred development costs for the program. But once the program was set up, there was no incremental cost for each new participant.

M-learning also fits in well with the busy lifestyles of business owners in emerging markets. Even if they can find low-cost training, there are usually the additional costs of transportation and lodging to attend a program. Further, there is the opportunity cost of being away from their businesses for class and travel time. Finally, there is the challenge of finding childcare so they can attend the training. M-learning delivers bite-sized learning that can be consumed whenever one has a few minutes to spare, wherever one happens to be.

The Business Women program was impactful and cost effective. So why isn't it still running? The program was hosted on the Nokia Life platform. This platform was pre-installed on Nokia handsets, so it was easy to access and already familiar to many of the women (it hosted features including news and horoscopes). Nokia decided to pull the plug on the Nokia Life platform at the end of 2013, thereby cutting off the Business Women service.

Despite its untimely end, the Cherie Blair Foundation and the ExxonMobil Foundation consider the program a success. According to Matt Strickland, the Mobile Technology Program Coordinator at the Cherie Blair Foundation, the two organizations are now re-charging their efforts and talking to potential partners about a next generation program, which will incorporate much of the participants' suggested improvements. These include:

- Providing more customized information by location, such as links to local microfinance agencies.
- Offering more examples of women like the program participants who have overcome barriers and achieved success. Such stories can help inspire confidence and serve as teachable moments for the women.
- More content on time management, especially considering so many of the participants have time-consuming family care and household responsibilities.
- Features in the system that allow for forging social connections and sharing information.
- More content tailored to individual interests.

The Business Women mobile program demonstrated the efficacy and efficiency of m-learning for women entrepreneurs seeking to grow their businesses. The Cherie Blair Foundation and ExxonMobil Foundation's assessment of the program will also allow them to produce an even more effective version 2.0. By sharing their learnings from the program with others in a report entitled "Evaluating Business Women," they enable others to learn from their experience. They have presented compelling evidence that m-learning is an effective way to educate entrepreneurs at scale. Other foundations and educational institutions will hopefully be inspired to emulate their program and reach more women in more developing countries. The sky is the limit, and as we all know, women hold up half of it.

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